# "一带一路"倡议背景下的金融安全思考

Thoughts on Financial Security under the Belt and Road Initiative



汤继强 Prof. Tang Jiqiang









Professor Tang Jiqiang



#### 西南财经大学西财智库首席执行官(CEO) CEO of SWUFE INSTITUTION

#### 首席研究科学家 Chief Research Scientist

西南财经大学教授 Professor of SWUFE

#### SWUFE:

Southwestern University of Finance and Economics





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OBOR Initiative & the Background of Infrastructure Investment

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## •第一部分"一带一路"倡议及相关区域基础设施建设投资的背景



•PART ONE OBOR Initiative & the Background of Infrastructure Investment



Sub PART 1: Historical Background of the ancient Silk Road

"丝绸之路"的由来



Sub PART 2: Background of the Belt and Road Initiative

"一带一路"倡议的背景



**Sub PART3: Different Responses to the Belt and Road Initiative** 

"一带一路"倡议提出后各国的反应

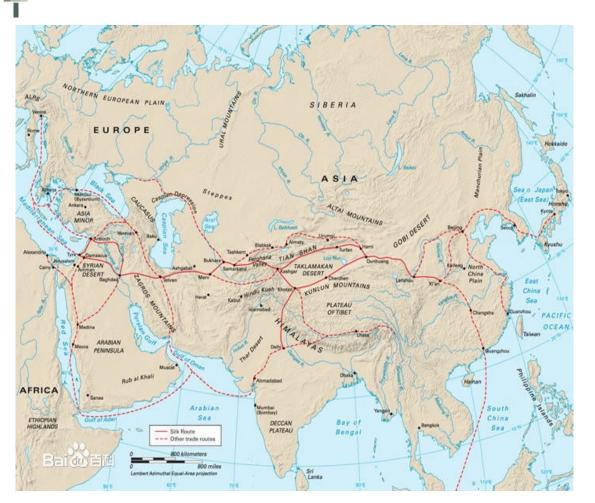


**Sub PART4: Achieved Results of the Belt and Road Initiative** 

"一带一路"项目建设成果

#### Historical Background of the ancient Silk Road





At ancient times, China's external communication was mainly relied on the exploration and construction of Land Silk Road and Maritime Silk Road. Regardless of the bells on camel or sails on the ship, they all recorded the thousands of years of history of currency circulation and finance operation within the OBOR area. The traditional monetary finance system has played an important part in the history of the ancient Silk Road.

#### Historical Background of the ancient Silk Road





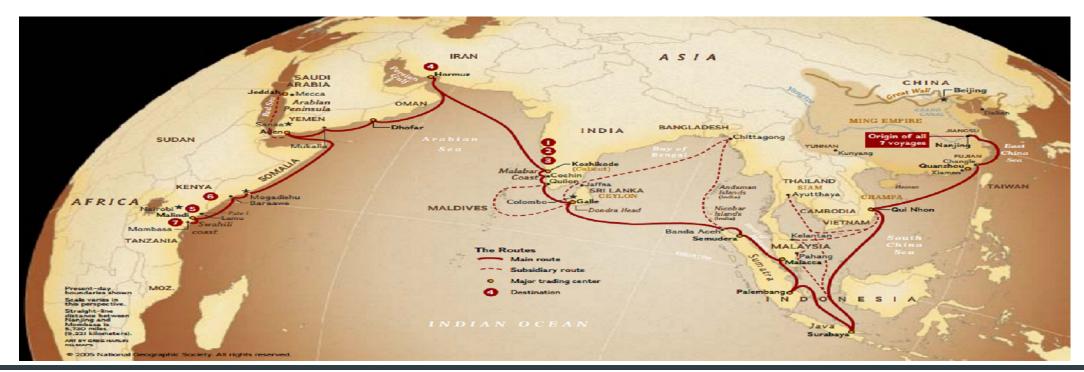
#### The Land Silk Road

The Land Silk Road was originally built in the Xi Han Dynasty, reached its peak in the Tang Dynasty and then lastly terminated in the Yuan Dynasty. Zhang Qian, the diplomat famed for exploits in Inner Asia and western regions, made a great contribution in building up the shuttle passage. Along the Land Silk Road, not only the oriental square hole money and the western silver coins are exchanged, it also promoted commodity trade, culture communication and dissemination of monetary system between Asia and Europe.



#### **Maritime Silk Road**

The formation of Maritime Silk Road firstly launched in the Qin and Han Dynasties, it developed in the Tang Dynasty, reached its peak in the Song Dynasty and continued to Ming and Qing Dynasties. Through years of oversea transaction and communication, the traditional Chinese currency were widely spread across the countries alongside.





#### **Background of the Belt and Road Initiative**



#### -Timeline

2013.9

2014.8 2015.2

2015.3

2017.5

2019.4









The Chinese president Xi first proposed the initiative of building a Silk **Road Economic** belt and a 21st century Maritime **Silk Road during** his visit in West Asia countries

The Chinese president Xi said that China welcome surrounding countries to jointly build the **Belt and Road** 

The promotion conference was held in Beijing. **Chinese Vice Premier Zhang** Gaoli presided the event and made a speech

Chinese government published the Vision and Action on building the Silk **Road Economics** Belt and the Maritime Silk Road

The first Belt and Road Forum for International Cooperation was held in Beijing

The second **Belt and Road** Forum for International Cooperation was held in Beijing



#### **Background of the Belt and Road Initiative**



#### **01.**Policy Coordination

First, we need to step up policy coordination.

Countries should engage in full discussions on development strategies and policy responses, and they should work out plans and measures for advancing regional cooperation through consultation

#### 05.People-to-People Bond

Fifth, we need to increase understanding between our people. We should encourage more friendly exchanges between our people to enhance mutual understanding and traditional friendship.

#### **02.**Facility Connectivity

Second, we need to improve facility connectivity. We are working to open a major transportation route connecting the Pacific and the Baltic Sea, and we are also working towards a transportation network connecting East Asia, West Asia and South Asia.

#### 03.Unimpeded Trade

Third, we need to promote unimpeded trade. We should discuss a proper arrangement for trade and investment facilitation.



04

01

02

#### **04.**Financial Integration

Fourth, we need to enhance financial integration. We should promote local currency convertibility and settlement, increase our ability to fend off financial risks and make our region more competitive economically in the world.





# The 1st Belt and Road Forum for International Cooperation

The First Belt and Road Forum for International Cooperation was held in Beijing from May 14th to 15th, 2017. It was another top level international summit hosted by China after the successful holding of the G20 Summit.

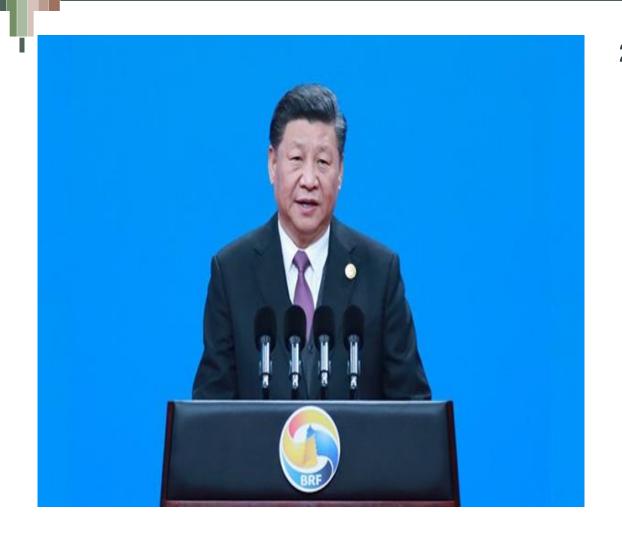
Twenty-nine heads of government and state, three leaders of important international organizations including the UN secretary general, and 130 national representatives attended the forum to discuss the major issues affecting the world economy.

Representatives from the US and the ROK both participated in the forum, yet India, a neighbor of China and a major South Asian country, did not send any official representative to the forum.









# 2nd Belt and Road Forum for International Cooperation

The First Belt and Road Forum for International Cooperation was held in Beijing from April 25th to 27th, 2019

Comparing with two years ago, this time there are 39 heads of nations and states, more than 150 national representatives, and more than 6000 distinguished guests attended the forum

Both the Secretary-General of United Nation, IMF president, European Commission Vice-Chairman and German Minister of the Economy and Energy department attended the summit



The Belt and Road initiative is the very first successful international regional economic cooperation platform proposed by China. It has received active support and responses from countries along its route, with its "circle of friends" expanding constantly. By October 24th, 2014, 57 countries officially became the prospective founding members of the Asian Infrastructure Investment Bank, and the UK became the first major Western country to apply to join the AIIB. As of today, 77 countries are now member countries of the Belt and Road initiative.

However, Western countries held various opinions towards the inception of the Belt and Road initiative, and most of them were negative.







# 01

"The hopes for the impact of 'one belt one road' initiate are grandiose, and if it is realized in full, it will indeed fundamentally transform the geography of global affairs, though the time-scale over which this is envisaged as taking place is a lone one."

# 02

"OBOR also rests upon a hope, indeed an assumption, that all of the many projected partners will respond with corresponding enthusiasm, because without their active cooperation the project will fail to live up to Chinese expectations and, worse many founder amid a welter of recriminations over responsibility for its failure."

----Peter Ferdinand

## 反面评价

**Opponent** 

Peter Ferdinand is an Emeritus Reader in Politics and International Studies.



## 正面评价

#### **Proponent**

The initiative witnessed the transformation from the disfavor of the major Western countries at the very beginning to a time when the US, the UK, Germany, and Japan sent their senior officials to the forum. The Prime Minister of Italy Paolo Gentiloni participated in the Belt and Road Forum for International Cooperation in person. The focus of the forum was the discussion on strengthening policies and matching development strategies. Through the opportunity to implement the initiative, China hoped to accelerate domestic restructuring and upgrades on the one hand, and offered a new platform for global development and international capacity cooperation on the other hand.

"China's 'Belt and Road' initiative is a great historical opportunity. Countries should embrace it with an open mind, and actively get involved in it."

——Professor of Economics, Oxford University David Vannes



#### 正面评价

#### **Proponent**

"The Belt and Road initiative will reinvigorate the ancient Silk Road. By building two trade routes, both on land and sea, China will have closer cooperation with its neighbors in Central Asia as well as countries in the Middle East and Europe. The Belt and Road initiative also has positive bearing on countries in the Middle East, including Iraq. The initiative is built on respect and cooperation, and will facilitate regional development and improve people's living standards."

— Iraqi political expert Najib Jumbri

"Compared with other countries in Central Asia and Russia, Kazakhstan's new 'Bright Road' economic policy and China's 'Silk Road Economic Belt' can be matched much faster and more effectively, because the two countries share a common purpose and mission, and have developed specific matching plans. The 'Belt and Road' initiative plays an important role in promoting trade facilitation and the free flow of people. At present, all parties should develop a more specific matching program under the framework of the 'Bright Road—Silk Road Economic Belt—Eurasian Economic Union'."

——Chief Expert at the Presidential Strategy Institute of Kazakhstan, Doctor of political science, Constantine Serojeshkin



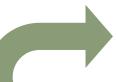


#### 正面评价

#### **Proponent**



-- Camille Brugier



"The building of Silk Road economic belt is an exciting prospect that may bring immense economic benefits to Eurasian countries."

——Peiyue Li, Hui Qian, Ken W.F Howard, Jianhua Wu



### 正面评价

**Proponent** 

By jointly building the Belt and Road, China, Germany could cooperate with other countries, and collectively provide assistance in promoting economic growth in Africa and Latin America area.

Through accurate labour specialisation, and deeper financial cooperation, it is our shared responsibility to create grater economics aggregate globally, thus that every participating countries could benefit from the progress of global economic integration.

—Schmidt, Chairman of the German Economic Advisory Committee

The launch of the Belt and Road Initiative would benefit Bavaria from easily accessing raw materials from the Eastern market. Germany and China should build a more extensive communication channel, increase investment in the infrastructure construction, and boost economic growth in Asia and Europe.

— Ifo Institute for Economic Research at the University of Munich

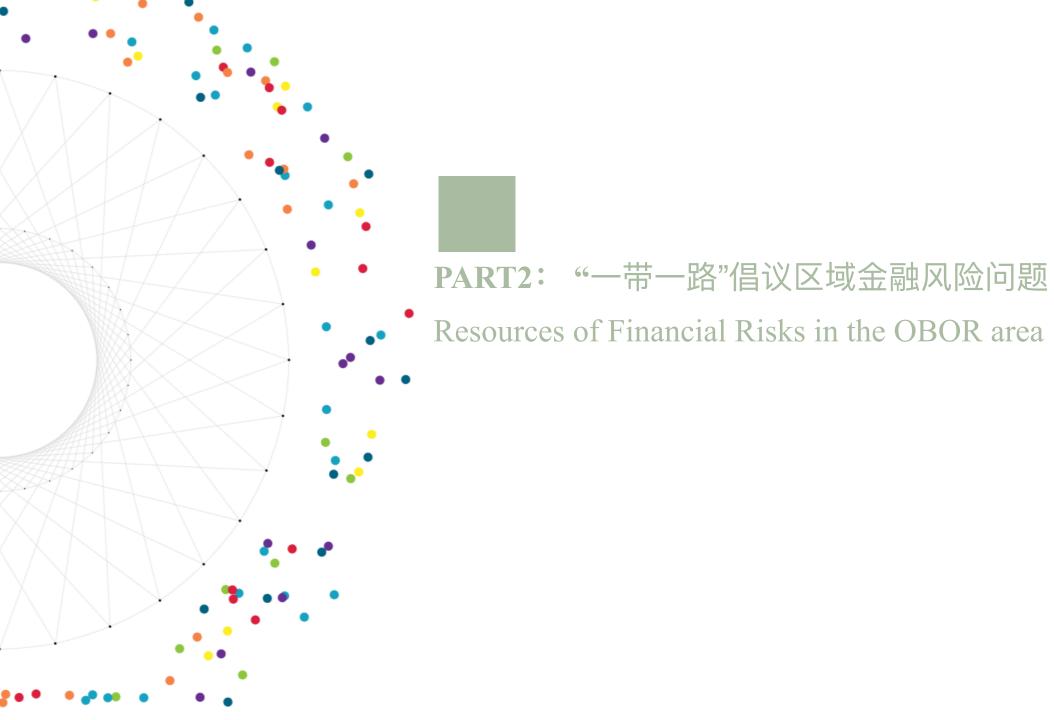
The Belt and Road Initiative has brought substantial opportunities for development, through many projects, Germany and China has formed a broader cooperative relationship. German enterprises should develop further and stick to their relative advantages in advanced equipment and technology, play the informative role in constructing, operating and transferring services.

-- Cortel, Rödl & Partner

## Achieved Results of the Belt and Road Initiative



Five aims of the Belt and Road Initiative	Achieved Results				
Policy Coordination	China has signed more than 170 cooperation documents with more than 150 countries and international organizations, including bilateral cooperation plans of China, Mongolia, Russia, China, Kazakhstan, China and Cambodia, China, Laos, China, Czechoslovakia, Hungary and China-Lai.				
Facility Connectivity	The "six economic corridors" plan has been steadily promoted. The China Express Railway has running in total of more than 14,000 services between Europe and China. Port Guadal, Port Hambantota, Port Piraeus and Port Khalifa are progressing smoothly. Significant progress has been made in energy cooperation projects in power, oil and gas, nuclear power, new energy, coal and other fields and in the construction of cross-border optical cable information channels.				
Unimpeded Trade	83 countries and international organizations have actively taken part in promoting the Unimpeded Trade Cooperation Initiative. China has signed and upgraded free trade agreements with ASEAN, Singapore, Pakistan, Georgia and other countries and regions.				
Financial Integration	China and the other 27 countries jointly approved the "Belt and Road Financing Guidelines". The joint financing between the People's Bank of China and multilateral development institutions has invested more than 100 projects, covering more than 70 countries and regions. The business scope of CNY cross-border payment system covers nearly 40 countries and regions along the Belt and Road.				
People-to-people Bond	China has established the "Silk Road" Chinese Government Scholarship Program and signed agreements with 24 countries along the Silk Road for mutual recognition of academic qualifications and degrees in higher education. China has concluded visa-exemption agreements covering different passport categories with 57 countries along the route, and 19 agreements and arrangements to simplify visa procedures with 15 countries.				



#### •第二部分"一带一路"倡议区域金融风险问题



•PART TWO Resources of Financial Risks in the OBOR area



"一带一路"区域下金融风险来源,宏观层面

Sub PART2: Micro-perspective

"一带一路"区域内金融风险来源,微观层面

Sub PART3: Case analysis

"一带一路"区域内金融风险实例分析

#### **Resources of Financial Risks, Macro-perspective**



#### **Political Factors**

In the progress of the Belt and Road Initiative, regional political security shall serve as our prior concern. In general, during the practices of international financial activities, political risks are constituted by the factors such as, change of local government, discontinuity of policies, conflicts derived from geopolitics etc. The progress of the Belt and Road Initiative, makes no exception to these factors. They thus bring uncertainty to the Belt and Road Initiative. In addition, many countries that are covered by the Belt and Road Initiative are located in the less-developed regions. The regions are commonly filled with unstable political factors, such as unstable governments, religious conflicts, terrorists activities and regional armed conflicts. They not only affect local overall financial activities, but also threaten property and personal security.







#### A case study about the financial risks under the OBOR area





A known example is Sri Lanka. After the election, the new government came to power in 2015. The port construction project in Colombo, Sri Lanka was halted and subjected to re-evaluation following the order from the new government.

Figure 1 Location of the Colombo Port City

#### **Besources of Financial Risks, Macro-perspective**









#### **Natural Factors**

Many of the countries along the routes are in the risk zone of natural disasters, prone to earthquakes, floods, landslides, tsunamis, typhoons and other disasters, which will have a direct impact on the construction of the Belt and Road Economic Belt. There have been 5354 natural disaster cases in 65 countries of Europe, Asia, and Africa since 1900 to 2015. The data show that the number of natural disasters has increased sharply despite the reduction in the number of deaths due to natural disasters in recent 30 years. The total population living in disaster-prone areas increased, still leading to a substantial increase in economic losses year by year.

#### **Resources of Financial Risks, Macro-perspective**





#### **Humanity Factors**

The problem of insufficient talent is key to the future development of enterprises' foreign investment. The construction of the Belt and Road is very rapid, yet the supply of talent cannot catch up with this pace, causing an obvious gap in talent in short term. Although the "going out" enterprises are mainly labor-intensive, the long-term development and effective management of enterprises will become problems. Lack of talent will weaken the technological innovation capacity of the enterprise. Perhaps the enterprises can operate normally in a short time, but they will face the problem of decreased competitiveness in the long run. Most of Chinese talents do not want to go to Cambodia As living conditions and facilities are backward there.

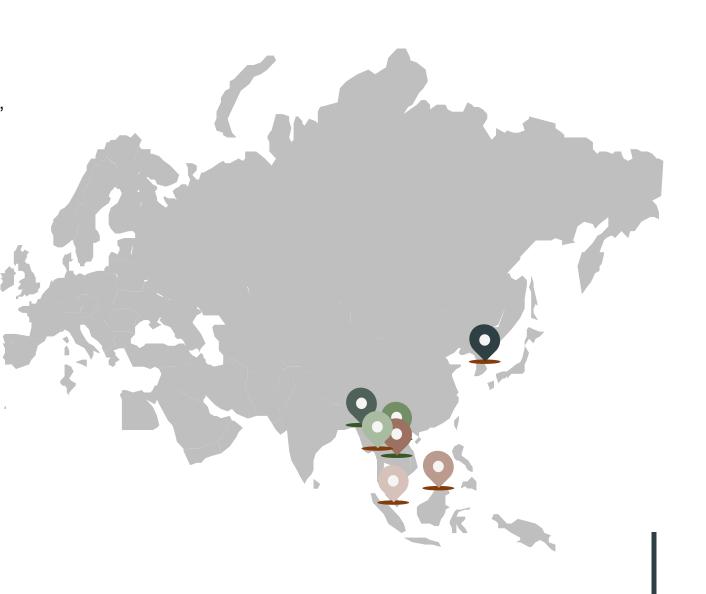
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#### **Resources of Financial Risks, Macro-perspective**



#### **Infrastructure Factors**

In terms of infrastructure development, South Korea, Singapore, Malaysia and Thailand own better infrastructures, while Laos, Cambodia, Myanmar lag behind in infrastructure development, resulting in their slow economic growth, leaving small room and less opportunity for foreign economic cooperation. In terms of investment in talent and technology Singapore and other countries invest a lot in talent and technology, largely promoting their national construction and regional economic development. Investment in talent and technology is also one of the main factors affecting the regional economic development, and it is also a big challenge that decides whether AIIB can function efficiently during the construction of the Belt and Road.



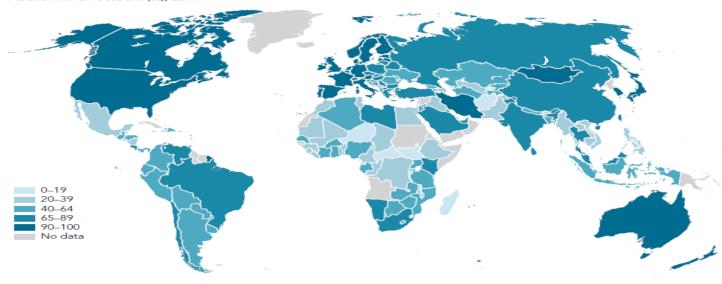
#### **Resources of Financial Risks, Micro-perspective**



#### Lack of financial infrastructure

Many countries along the Belt and Road are lack of fundamental financial infrastructures. According to the World Bank, it is reported that only 33% of African adults have a financial account, while the global average figure is 67%. Besides, to achieve the unimpeded trade and financial integration targets, it requires high-diversified financial service abilities from countries alongside. For example, like the government bond issuance, largescale projects financing, cross-broader trading and settlement, merger and acquisition. However, due to the inadequate financial service capacity, many countries cannot meet such requirements, and it will bring financial risks to cross-country cooperation.

Today, 69 percent of adults around the world have an account

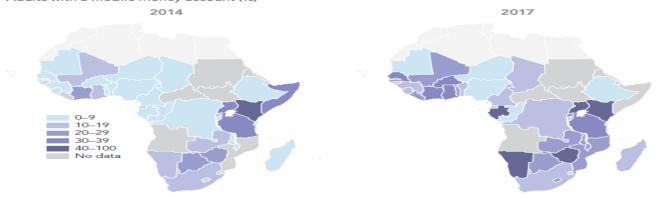


Source: Global Findex database.

MAP 0.2

Mobile money accounts have spread more widely in Sub-Saharan Africa since 2014

Adults with a mobile money account (%)



Source: Global Findex database.
Note: Data are displayed only for economies in Sub-Saharan Africa.

#### **Resources of Financial Risks, Micro-perspective**



AREA	NATION	CREDIT RATING	RATING OUTLOOK	the Commonwealth of the	Azerbaijan	BBw	STABLE	
Southeast Asia	Philippines	BBBW+	STABLE	Independent States	The Republic of Belarus	BW	NEGATIVE	
	Cambodia	BBW	STABLE		Russia	BBBW-	STABLE	
	Laos	BBW	POSITIVE					
	Malaysia	A <sup>W</sup> +	STABLE		Georgia	BBBw-	POSITIVE	
	Myanmar	B <sup>W</sup> +	STABLE		Moldova	BM	STABLE	
	Thailand	A <sup>W</sup> _	STABLE		Ukraine	BW_	STABLE	
	Singapore	AAAW	STABLE					
	Indonesia	BBBW	STABLE		Armenia	BBW-	STABLE	
	Vietnam	BB <sup>W+</sup>	POSITIVE	Central and Eastern Europe	Albania	BBW	POSITIVE	
Southern Asia  Middle East oil- producing nations	Afghanistan	CCM	NEGATIVE			BBBW	STABLE	
	Pakistan	BW-	STABLE		Bulgaria	DDD"	SIABLE	
	Bangladesh Sri Lanka	BBW- BBW-	STABLE		Poland	AW+	STABLE	
	India	BBBW	POSITIVE		Czech Republic	AAW	STABLE	
	United Arab Emirates	AAW	STABLE		Croatia	BBBW_	STABLE	
	Oman	Aw-	STABLE					
	Bahrain	BBW	STABLE		Romania	BBBW-	STABLE	
	Qatar	AAAW	STABLE		Syria	BBW-	STABLE	
	Kuwait	AAW	STABLE		Slovakia	AW+	STABLE	
	Saudi Arabia	AAW_	STABLE		Slovenia	AW-	STABLE	
	Iraq	BW-	STABLE		Siovenia		STABLE	
	Iran	BB <sup>W+</sup>	STABLE		Hungary	BBBW	STABLE	
Middle Asia	Kazakhstan	BBBW_	STABLE	Five nation of Middle East & North Africa	Egypt	BW-	STABLE	
	Kyrghyzstan	BW	STABLE		Lebanon	BW_	STABLE	
	Mongolia	BW	STABLE			BBBW	NEGATIVE	
	Tajikistan	Bw	NEGATIVE		Turkey			
	Turkmenistan	BBBW_	STABLE		Ireal	AW	STABLE	
	Uzbekistan	BBB <sup>W</sup> _	STABLE		Jordan	BBW_	STABLE	

# Differences in sovereign credit rating and great pressure on debt repaying

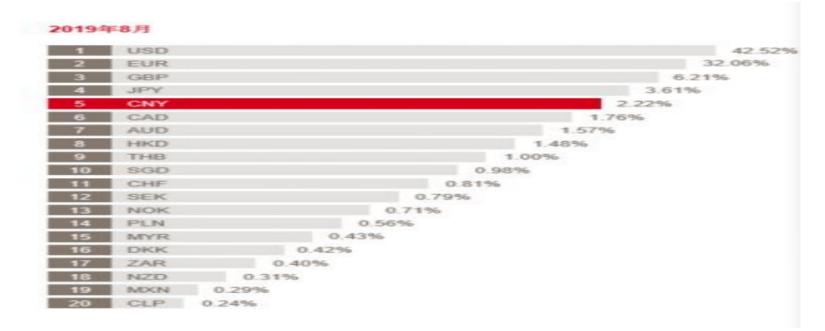
As the Belt and Road Initiative involves cooperation between many different countries, it is then important to fully consider distinct national conditions of each country. By looking at the 2016 sovereign credit rating, it is reported that the average liability rate of central government around the world was 70.8%. While in the area of OBOR, the average index was only 46.2%, which indicated a relative high investment risk for related countries. Alternatively, there are more than 10 developing countries along the Belt and Road like Lebanon and Mongolia, have a government debt ratio exceeds the global average level, which implied a relative low capacity of debt repayment for these countries.





#### Simplex currency settlement system

The scale of trade and investment between the countries along the routes is huge. However, due to the low status of local currencies in the international monetary system, US dollars, Euros are still the most commonly used pricing and settlement currencies. If there is a problem with the liquidity of the third party currency, it will seriously influence the normal trade in the area along the Belt and Road. According to the SWIFT Global Currency International Payment Share released in August 2019, RMB has become the fifth largest currency for valuation and settlement. But on the other side, if a new regional currency is formed and used, it is very likely that each trade entity will face higher exchange costs, higher exchange rate risks and other issues.

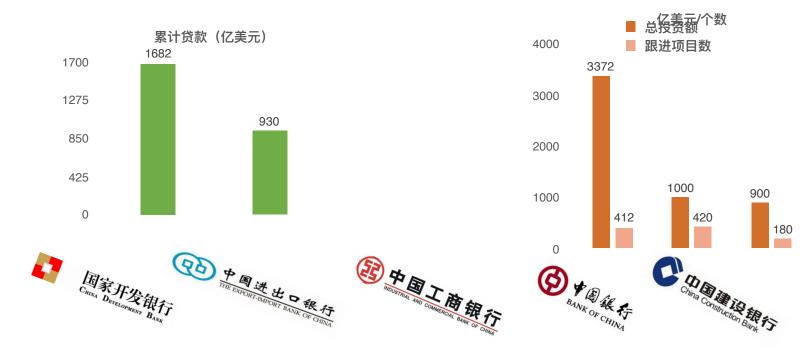


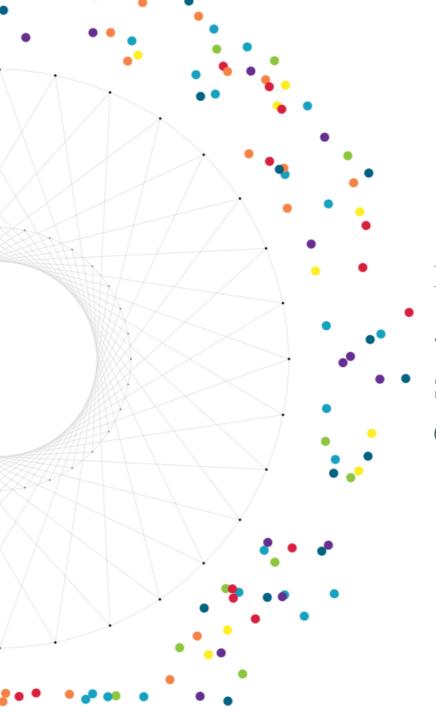
#### **Resources of Financial Risks, Micro-perspective**



#### Lack of long-term sustainable returns and low profitability for developmental finance projects

As most developmental finance projects are related to the long-term and basic constructions, therefore the profitability is heavily dependent on its systematic and network benefits. It is difficult for any single construction project to fully achieve the expected benefit and the contribution for economic growth. Moreover, there are also big uncertainties in capital investment, management, operation and repayment capabilities for different countries. Consequently, all these factors could potentially bring risks and harm the profitability of some long-term developmental projects.



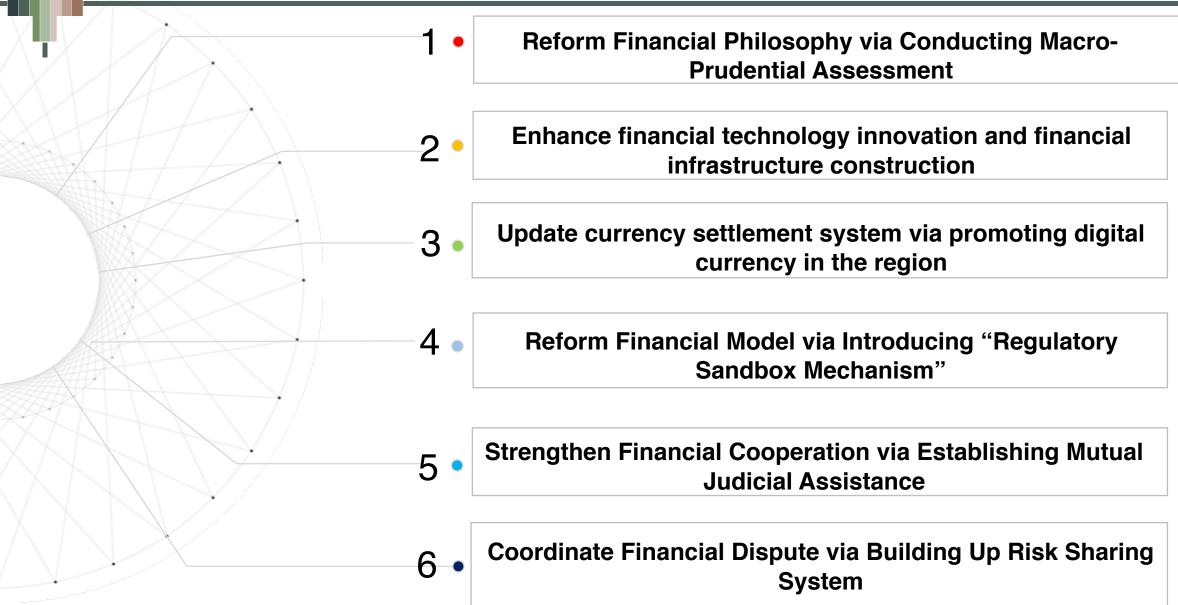


PART3: "一带一路"倡议区域金融风险防控对策

与建议

 Suggestions for Financial Risk Control in the OBOR Area







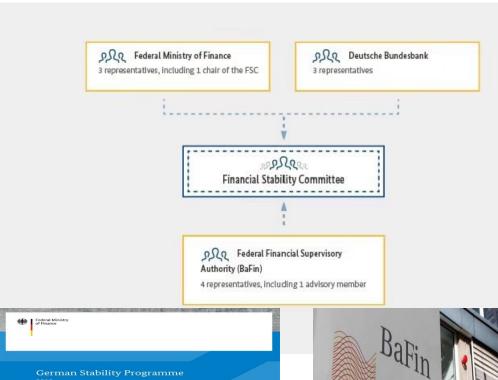
#### Reform Financial Philosophy via Conducting Macro-Prudential Assessment

With the rapid development of globalisation, the requirement for convertibility of capital account is constantly evolving. The traditional compliance supervision dominated management system no longer meets the needs of development in the new context. Consequently, countries along the Belt and Road area, should accelerate continuous improvement and advanced update on their current management system. Integrating and conducting Macro-Prudential Assessment on the cross border capital would be a great starting point. More specifically, macro-prudence should stick to the target of maintaining overall stability of financial exchange situation, and focus on adjusting accordingly to the cross border capital flow and foreign exchange market cyclical volatility, in order to prevent systematic financial risks. Together with the countries alongside, China should take the initiative in building up a new mechanism for anti money laundering, anti terrorist financing and anti tax evasion. It is also necessary to set regulatory inspections on those behaviours that tends to manipulate, mislead and cheat on the investment market.



#### **Macro-Prudential Assessment in Germany**

Germany has always been quite cautious about the over-development of financial industry. In designing the policy, Germany has set up the Financial Stability Committee in order to perform the duty of Macro-Prudential Assessment. The committee itself is constituted by three different departments: Federal Financial Supervisory Authority (BaFin), Federal Ministry of Finance and Deutsche Bundesbank. Since 2016, FSC has launched and implemented a set of Macro-Prudential instruments, like fund for Capital Buffer in conversion period.









#### 2

#### Enhance financial technology innovation and financial infrastructure construction

In the field of electronic payment for mobile devices, China has already taken the lead in the world. For instance, with more advanced and convenient features, Chinese apps like AliPay and WeChat Pay start to be used by a broader range of customers and retailers globally. There is a trend that electronic payment could potentially replace the traditional credit card and become the new preferred way for international transaction settlement. Apart from this, China should put more efforts in developing and innovating financial technology applications, in order to help the people in less developing countries alongside to fully enjoy the benefits and the convenience brought by the technology advancement. Instead of promoting the traditional financial infrastructure, countries along the Belt and Road should pay more attention on the modern forms like Online Banking and Electronic Payment System, which would optimise the input invested and minimise the marginal cost of the financial facilities. As long as the construction of financial infrastructure got improved, then hopefully, the scale of financial risks within the Belt and Road area could be reduced.



#### 3

#### Update currency settlement system via promoting digital currency in the region

With the continuous advancement of encryption methods and block-chain technology, different forms digital currency starts to become more and more popular around the world. In the future, it could possibly become an alternative option for cross-border currency settlement. As for now, there are already more than 17 countries and central banks have issued or are considering to issue their respective legal digital currency. Central banks and regulation authorities along the Belt and Road should also follow the latest development of digital currency, or even jointly study and explore the possible application model of digital currency. By utilising digital currency's advantages in payment settlement, it would lower the cost for overseas transactions and reduce the levels of financial risks.



## Comparison among mainstream Digital Currencies

Main Footures

Types Features	Bitcoins .	Libra (Facebook)	DCEP 0
Pros o	Decentralization Cryptonym Borderless Circulation	High Level of Stability  Low Inflation Rate  High Financial Handling Capacity  Considerable User Base: 2.4	Centralization  High Level of Security  High Level of Conveniences
Cons	Low Total Volume of Circulation  Long Transaction Confirmation Time  Vulnerability of Transaction Platform  Price Fluctuation	billion Lower Ability of Regulation for Monetary Policy Weaken Supervising Capability of Financial Institutions	Limited Circulation

From the well-known Bitcoins to the release of white paper for Libra in June, 2019, digital currency has drawn growing attention from the central banks and financial institutions worldwide. During the China Finance 40 YiChun Forum on August, 2019, the People's Bank of China has also announced its own digital currency – DCEP. A new global financial infrastructure that is based on digital currency is being gradually formed.



#### 4 Reform Financial Model via Introducing "Supervisory Sandbox Mechanism"

After the outbreak of international financial crisis, the new emerged Regulatory Sandbox Mechanism is a successful attempt by the western world, to explore and design a new supervisory model. As mentioned above, distinct rules and levels of development could be a threatening factor that brings financial risks and hinders the cooperation between countries. If we could imitate and build up a regional trial sandbox within the Belt and Road region, it would not only help those international company test their innovative financial products in a cross-border simulation environment, but also let local supervisory authorities had chance to observe the potential risks in advance. We should also form respective credit evaluation systems, considering the difference in credit rating, which would help those innovative enterprises to identify and select the most suitable nation they are interested in running projects.



### A case of Global Supervisory Sandbox



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Global Financial Innovation Network (GFIN)

The Global Financial Innovation Network (GFIN) was formally launched in January 2019 by an international group of financial regulators and related organisations, including the FCA. This built on the FCA's early 2018 proposal to create a global sandbox. The idea of global sandbox was aimed to provide a more efficient way for innovative firms to interact with regulators, helping them test their products, services or business models across more than one jurisdiction and gaining real-time insight into how a product or service might operate in the cross-border market.



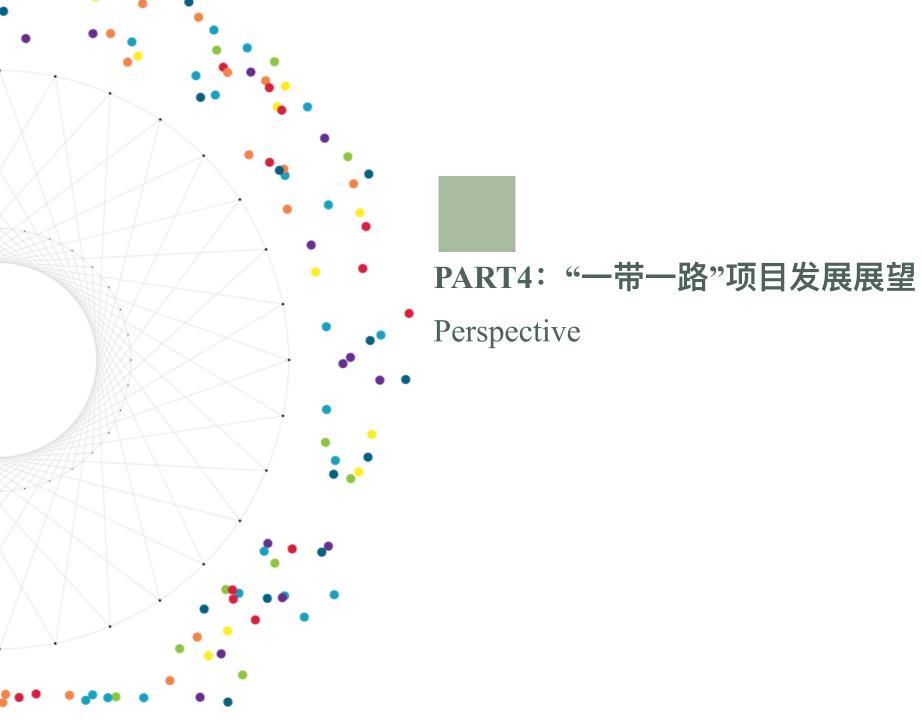
#### 5 Strengthen Financial Cooperation via Establishing Mutual Judicial Assistance

The Alternative Remittance System (ARS) is one of the most significant and prominent types of financial law risks, that we could potentially encounter in the cooperation under the Belt and Road Initiative (the so-called alternative remittance system is a mechanism for cross-border transfer of various abnormal funds, including underground money houses, false trade and investment channels). Although the national legal systems are quite different, countries along the Belt and Road still share some social and economics issues in common, such as corruption and smuggling. In order to control and minimise the risks caused by policy differences, China and countries alongside should expand the scope of anti money laundering obligations, gradually promote policy coordination, provide mutual judicial cooperation under the necessary circumstance.



#### 6 Coordinate Financial Dispute via Building Up Risk Sharing System

Although the Belt and Road Initiative has made a remarkable progress in promoting financial integration, at the same time, it has also exposed many prominent problems, such as imbalanced risk returns, imbalanced input-output relationship, misdistribution of capital resources, and unsustainable liabilities. In order to form up a well-functioning risk sharing system, China and cooperative countries alongside should start from clarifying each parties' respective responsibilities. By following the principles of integrality, foreseeability and diversity, it is also important to strengthen the connection and communication between the cooperative governments, local financial institutions and the investment enterprises. Alternatively, we could also consider implementing different market-oriented financing methods like international bank consortium, public-private partnership (the PPP model) and asset-backed securitization (ABS), in order to provide consistent support for coordinating financial disputes and controlling financial risks.



#### **Perspective**



- "Five Connections" (smooth connections in policy communication, road interlinking, trade activities implementation, currency circulation and popular feelings approaching) proposed by Mr. Xi Jinping has opened the door and window of new political exchanges for countries along the Belt and Road routes.
- Asian Infrastructure Investment Bank, World Development Bank and numerous financial institutions have opened up the source of capital for countries along the Belt and Road routes.
- The financial technology has laid a solid foundation for the risk avoidance of investment and financing for countries along the Belt and Road routes.





Since China proposed the Belt and Road initiative in 2013, in line with the concept of strengthening cooperation, overcoming difficulties together, seeking common development and achieving mutual benefit and win-win results, it has been accomplished, with the Asian Infrastructure Investment Bank as a financial hub, continuous output of capital and expansion of infrastructure development, which brought a series of development opportunities to the surrounding countries. However, the differences in levels of development between these countries, especially the differences in financial structure, monetary settlement system and infrastructures, have resulted in unequal financial services and unbalanced development opportunities in these countries and regions.





Build a community of shared future for all humankind, improve the welfare of human beings, and achieve common prosperity and progress.

# Thanks for Listening! :-

