



CHINA TOP THINK TANKS REPORT SERIES

# CHINA'S TRADE AND INVESTMENT COOPERATION UNDER THE BELT AND ROAD INITIATIVE **2021**

CHINESE ACADEMY OF INTERNATIONAL TRADE AND ECONOMIC COOPERATION,  
MINISTRY OF COMMERCE OF THE PEOPLE'S REPUBLIC OF CHINA

# Preface

Due to the impact of Covid-19, trade and investment cooperation under the Belt and Road Initiative (BRI) faced unprecedented challenges in 2020. With the concerted response by China and its partner countries, the Belt and Road (B&R) economic and trade cooperation showed strong resilience and vitality despite the challenges caused by the pandemic.

In a written message to the High-level Video Conference on Belt and Road International Cooperation in June 2020, Chinese President Xi Jinping noted that the Belt and Road should be developed into a model of cooperation for meeting challenges through unity. The Belt and Road should also be a model of health for protecting people's safety and well-being, a model of recovery for restoring economic and social activity, and a model of growth for unlocking development potential, President Xi said. China is willing to work with all sides to build a community with a shared future for mankind through the high-quality development of the Belt and Road cooperation. President Xi's speech shows China's confidence and determination to cooperate with its B&R partner countries to fight Covid-19, overcome difficulties and restore economic development. It charted the course for the Belt and Road cooperation and highlighted the significant role of the joint pursuit of the BRI in international cooperation.

In the year of 2020, the Belt and Road (B&R) partner countries worked together and deepened cooperation under the principle of extensive consultation, joint contribution and shared benefits. More countries warmly responded to the BRI and joined the family of B&R partners. China and the B&R partners actively leveraged the bilateral cooperation mechanisms and enhanced bilateral trade and investment cooperation. More working groups on trade and investment connectivity were set up, and steady progress was achieved in trade services and e-commerce cooperation mechanisms. Multilateral and regional cooperation has been constantly strengthened, and many new members joined the free trade zone (FTZ) network. The Regional Comprehensive Economic Partnership (RCEP) was signed; fruitful results have been achieved in China's cooperation with regional organizations such as ASEAN, the Shanghai Cooperation Organization (SCO), and the African Union (AU), and in the Greater Mekong Subregion Cooperation (GMS) and the Greater Tumen Initiative (GTI) Economic Cooperation. Thanks to these efforts the Belt and Road cooperation areas have been further expanded, cooperation ways have been diversified and the cooperation mechanisms have been further improved.

In the year of 2020, the B&R partner countries extended a helping hand to each other in joint response to the pandemic and forged a closer "bond of solidarity". At the beginning of the outbreak, many countries and regions and international organizations provided valuable support and assistance to China. Many touching stories gave true meaning to the verse that "We are miles apart but close at heart." China made an all-out effort to treat patients and stem the spread of the virus. When the virus spread across the globe,



China provided anti-epidemic supplies to more than 150 countries and regions and international organizations, sent medical expert groups to 32 countries, and launched the most intensive and extensive emergency humanitarian operations since the founding of the People's Republic of China. All BRI partners jointly safeguarded the leading role of the United Nations (UN) and the World Health Organization (WHO), enhanced the cooperation mechanism of global public health governance, and promoted the equitable accessibility of health products and the improvement of relevant infrastructure construction. They also strengthened experience sharing and personnel training in epidemic prevention and control, and provided more ideas for and injected stronger impetus to the joint response of human society to the global public health crisis.

In the year of 2020, the B&R partner countries made full use of their connectivity to unleash the potential and share the benefits of the Belt and Road economic and trade cooperation. China's trade with relevant countries has made great achievements despite the pandemic. Trade volume continued to expand; China-Europe freight trains played a more prominent role in boosting trade; construction of the New International Land-Sea Trade Corridor accelerated; cross-border e-commerce (CBEC) made major contributions to promoting the circulation of supplies of anti-epidemic materials and daily necessities; and platforms such as China International Import Expo (CIIE) and China Import and Export Fair (Canton Fair) have introduced new forms and yielded fruitful results. Investment cooperation has been deepened; two-way investment between China and its BRI partners has been steadily advanced; various businesses in overseas economic and trade cooperation zones and border (cross-border) economic cooperation zones have been carried out in an orderly manner. Major headways were made in large projects such as China-Laos railway and Jakarta-Bandung railway as China's international contractors made every effort to ensure the progress and quality of projects with strict epidemic prevention and control measures in place. The focus of development cooperation has been shifted to the capacity building to help BRI partners

improve the capability of poverty reduction and disaster prevention and mitigation. The new cloud teaching methods, in particular, has broken through the barriers caused by Covid-19 and enabled education across different regions. Cooperation in financial areas, harmonization of standards and green development has witnessed steady progress, a great help for the attainment of the sustainable development goals.

In the year of 2020, the B&R partner countries deepened their consensus on development and gathered new development momentum. They worked together to contain the spread of the virus and restore their economy, which has enriched the connotation of the global community with a share future. They also jointly made the global governance system more open, inclusive, fair and equitable. China has accelerated its opening up and pushed the economic globalization to be more open, inclusive, and balanced so that its benefits can be shared by all. Along with its partners, it worked to promote the steady progress of project implementation and capacity cooperation, advance infrastructure construction and industrial development, and drive forward the transformation and upgrading of industrial structure. It has conducted exchanges and training activities in science and technology with the BRI partners, given priority to increase jobs and incomes for partner countries, strengthened people-to-people and cultural cooperation and practiced the concept of sustainable development.

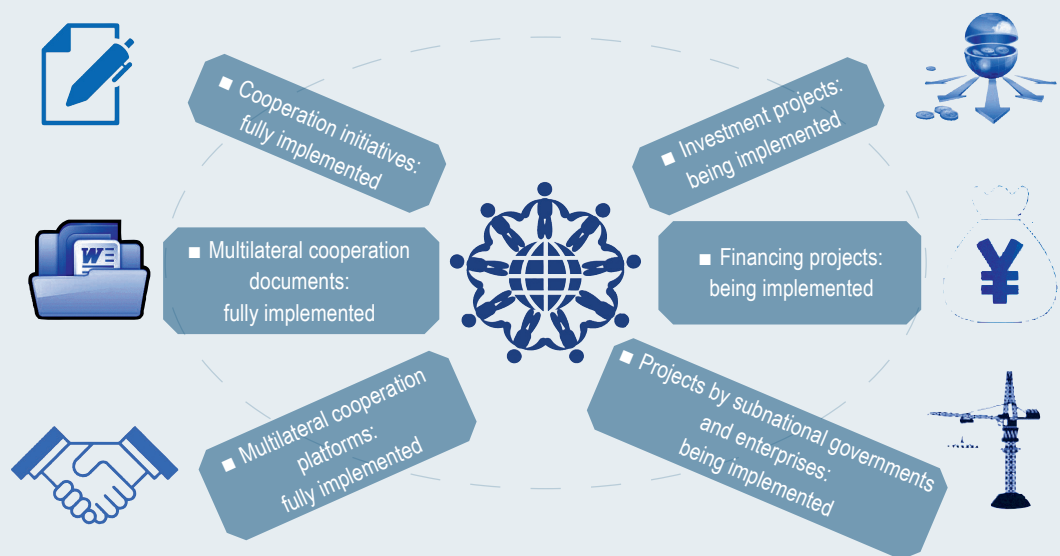
The year 2021 will be the start of China's new journey toward fully building a modern socialist country. China will vigorously foster a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other. This will provide stronger impetus, larger space and better path for the Belt and Road cooperation. China will work with the B&R partners to, when making efforts in epidemic control and economic recovery, enhance synergies between their development strategies, boost connectivity, promote economic recovery, explore new sources of growth such as healthcare, digital economy and green development, and advance the BRI in a way that leads to high-quality development.

## Steady Progress in the Implementation of the Second BRF Outcomes

The List of Deliverables of the Second Belt and Road Forum for International Cooperation (BRF) brings together the cooperation agreements, important measures and practical results reached by national governments, subnational authorities and enterprises since the first BRF and during the second one.

The list includes 283 concrete results in six categories, namely, initiatives proposed or launched by the Chinese side, bilateral and multilateral documents signed during or immediately before the second BRF, multilateral cooperation mechanisms under the BRF framework, investment projects and project lists, financing projects, and projects by subnational authorities and enterprises. Among these deliverables, the BRI Environmental Big Data Platform and the national standards information platform among the B&R partner countries have been established thanks to the concerted efforts of all partner countries. Under the guidance of the signed multi-bilateral cooperation agreements, relevant departments and organizations of the countries concerned are advancing related work in an orderly manner. The Maritime Silk Road Port Cooperation Mechanism and the Customs-Train Operators Partnership for Secure and Expedited Clearance of CR Express Carried Goods (C-TOP) have played an important role in advancing high-quality Belt and Road cooperation. The investment and financing projects are progressing smoothly, providing financial support for the project construction and development of relevant partners. The cooperation projects by subnational governments and enterprises made relatively slow progress due to the impact of Covid-19, but they are still being implemented.

The implementation of the outcomes of the Second BRI, guided by the overall goal of jointly promoting high-quality Belt and Road cooperation, has broadened and enriched the vision of the Belt and Road cooperation and widely benefited the people from different countries. The B&R partner countries are actively promoting a global partnership of connectivity, aiming to reach mutual benefit and win-win results and promote interconnected development. New platforms have been built for the matchup of local governments and the industrial and commercial communities to broaden cooperation opportunities. The Belt and Road cooperation architecture has been improved to ensure that the cooperation will be advanced in a sound and sustainable way that leads to high-quality development.







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## Chapter 1

# Belt and Road: A Model of Stable and Practical Cooperation

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Despite the serious impact of the Covid-19 pandemic, China and its B&R partner countries have continued to improve bilateral, multilateral as well as regional cooperation mechanisms to deliver more benefits. They have extended a helping hand to each other and worked together to build the Belt and Road into a model of cooperation.



## A. New Highs in Bilateral Cooperation

In their efforts to deepen economic and trade cooperation, China and its B&R partner countries have reached a number of important consensuses on creating a good cooperation environment and strengthening the bond of connectivity.

### **More global consensuses have been reached.**

The BRI has gained support from an increasing number of countries and international organizations since it was first launched eight years ago. By June 2021, China had signed 206 Belt and Road cooperation agreements on the areas of connectivity, investment, trade, finance, science and technology, society, culture, livelihood, and

marine affairs with 140 countries (27 from Europe, 37 from Asia, 46 from Africa, 11 from Oceania, 8 from South America and 11 from North America) and 32 international organizations. In January 2020, China and Myanmar issued a joint statement on strengthening the Belt and Road cooperation and moving from a conceptual stage to concrete planning and implementation in building the Cooperation Plan on China-Myanmar Economic Corridor (CMEC). In December 2020, China and Russia released the Joint Communiqué of the 25th China-Russia Prime Ministers' Regular Meeting, which stressed that the BRI and the Greater Eurasian Partnership should go hand in hand and achieve coordinated development.

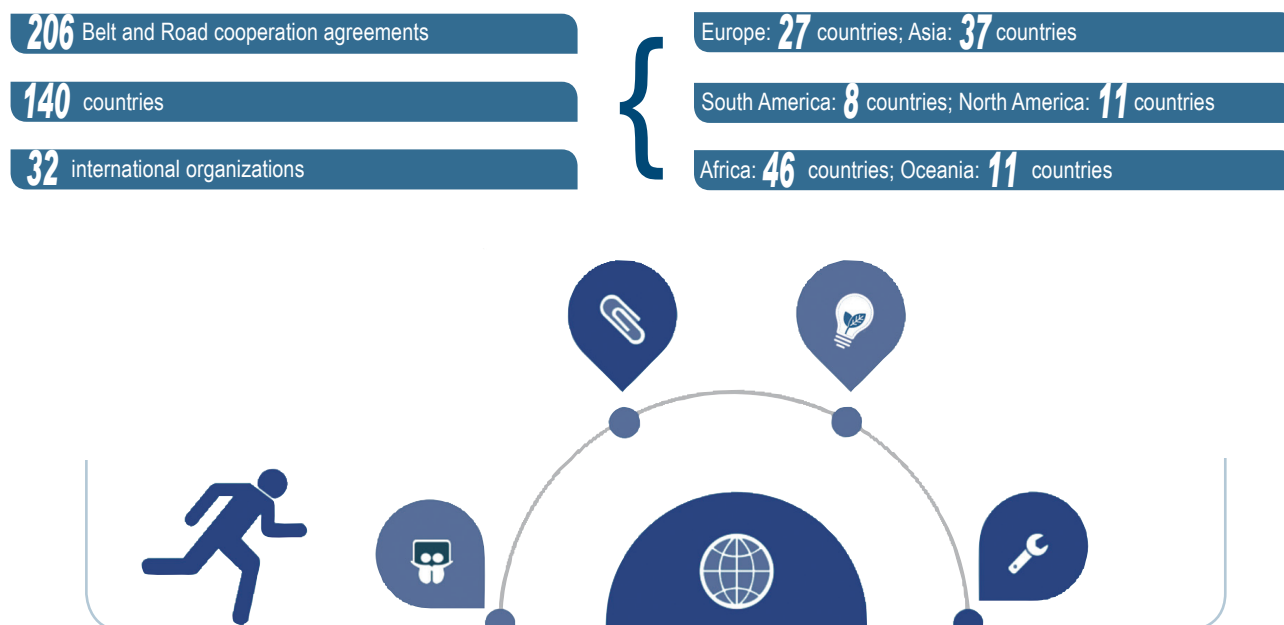


Figure 1.1 Further Expansion of the BRI Circle of Friends

The Communique also proposed to launch joint initiatives and projects under the frameworks of BRICS, Shanghai Cooperation Organization (SCO), G20, Asia-Pacific Economic Cooperation (APEC), East Asia Summit and Asia-Europe Meeting to deepen China-Russia economic cooperation.

**Third-party market cooperation has become a highlight.** China has signed third-party market cooperation documents with 14 countries including France, Japan, Italy and the UK, and established third-party market cooperation mechanisms to jointly create favorable conditions for enterprises to deepen pragmatic cooperation. China and Switzerland held the Belt and Road Capacity Building Forum and Third-Party Market Cooperation Roundtable in Zurich in 2020. China and the UK conducted in-depth exchanges on third-party market cooperation. The China-Italy Working Group on Third-Party Market Cooperation frequently held meetings and reached an agreement on a list of the first group of key projects in energy, chemical, infrastructure and financial sectors in Africa, Eastern Europe and South Asia. Such cooperation will benefit the host countries and produce a multiplying effect.

### **Bilateral economic and trade cooperation mechanisms have been improved constantly.**

China established new working groups on promoting unimpeded trade with Myanmar, Mexico, Chile, Belarus, the Czech Republic and Indonesia in 2020. It also set up more working groups on investment cooperation, and more mechanisms for trade in services and e-commerce, with a view to pragmatically solving problems arising from bilateral trade and investment and actively meeting the challenges brought by Covid-19 and the changing external environment. In 2020, the China-Russia Economic and Trade Subcommittee, and China-Mongolia, China-ROK, China-Netherlands and China-Tajikistan Economic and Trade Joint Commissions held meetings respectively to promote the sustained development of bilateral relations. By December 2020, China had signed bilateral investment treaties with 51 B&R partners, and by April 2020, it had officially signed agreements for the avoidance of double taxation with 53 partners. The Chinese mainland had signed tax arrangements with Hong Kong and Macao Special Administrative Regions (SARs), and a tax agreement with the Taiwan region.

## B. Sustained Progress in Regional Economic Cooperation

China has been an important contributor to the regional economic cooperation. It has been contributing Chinese wisdom to the regional cooperation mechanisms, economic cooperation fields and regional connectivity.

**New progress has been made in building free trade areas.** By the end of 2020, China had signed 19 free trade agreements (FTAs) with 26 countries and

regions. In January 2020, the Protocol of the Second Phase China-Pakistan FTA on tariff elimination arrangement entered into force. In October, China-Cambodia FTA was signed. In November, the Regional Comprehensive Economic Partnership (RCEP) Agreement was signed by 15 countries including China, indicating the world's largest free trade area will be established. In January 2021, China-Mauritius FTA came into effect; China and Mongolia implemented tariff reduction arrangements under the Asia-Pacific Trade Agreement; and a protocol on upgrading the China-New Zealand FTA was signed.

### Box 1.1

#### The RCEP Agreement Signed

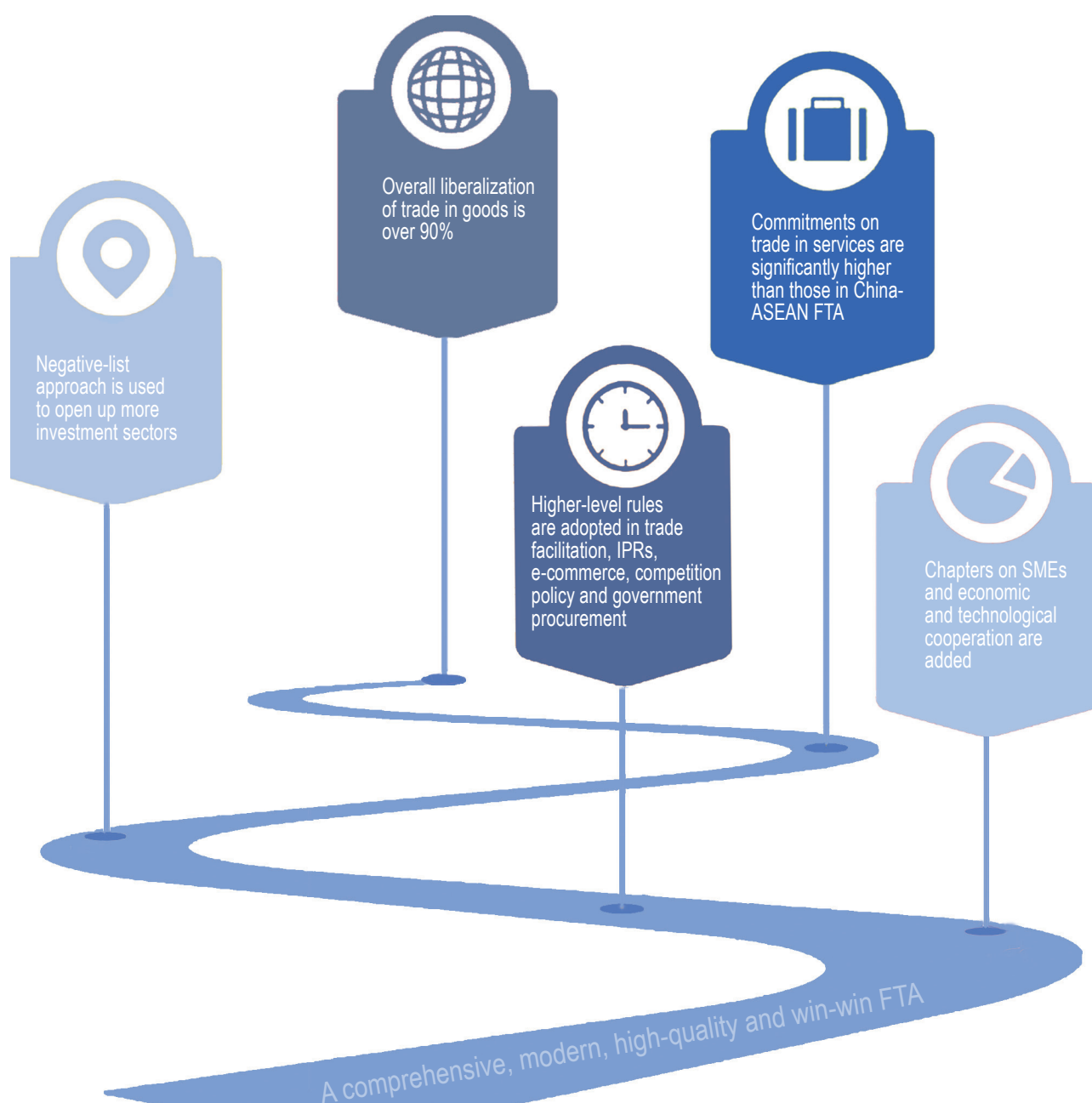
After eight years of negotiations, the RCEP Agreement was officially signed in November 2020. The participating countries of the RCEP account for around 30% of global population, GDP and trade. The RCEP is the world's most promising free trade area with the largest population and the biggest economic aggregate and trade volume. Its signing marks the successful launch of the largest free trade area in the world and a new milestone in regional economic integration in East Asia.

As a comprehensive, modern, high-level and win-win FTA, the RCEP Agreement consists of 20 chapters, covering market access commitments on trade in goods, trade in services and investment. According to the Agreement, the overall liberalization of trade in goods will exceed 90%, while the commitments on trade in services are significantly higher than those in the China-ASEAN FTA. The negative-list approach is used to open up more investment sectors; higher-level rules are adopted in the fields of trade facilitation, intellectual property rights, e-commerce, competition policy, government procurement, etc. Fully recognizing the differences in economic size and development stage of members, the RCEP Agreement added chapters on small and medium-sized enterprises (SMEs) and on economic and technological cooperation to help developing members, especially the least developed members, share the RCEP benefits.

The signing of the RCEP Agreement is another landmark achievement of China in opening up after its accession to WTO. The fifteen member countries reached harmonization in trade and investment rules and integrated multiple institutional frameworks. By 2030, the trade pact is projected to add US\$519 billion to global exports and increase the national income of participating nations by US\$186 billion, according to a renowned think bank. It will unlock huge market potential and inject strong impetus to regional and global growth.



# RCEP



**Regional cooperation mechanisms have been improved further.**

In June 2020, the Special ASEAN Economic Minister (AEM) Plus Three Consultations on Covid-19 Response was held and economic ministers from ASEAN member nations and the three partners of China, Japan, and the Republic of Korea (known as ASEAN Plus Three, APT) adopted a joint statement on mitigating the economic impact of Covid-19. In September, the China-EU Agreement on Geographical Indications was signed. In October, the Joint Committee for China-Eurasian Economic Union (EAEU) Trade and Economic Cooperation Agreement held its first meeting via video conference, which is aimed at further implementing the agreement, promoting regional economic integration, strengthening dialogue and cooperation in technical regulations, trade remedy, customs and investment, and advancing synergy between the BRI and the initiative of the EAEU. In the same month, China participated in 19th Meeting of Ministers of the SCO Member States Responsible for Foreign Economic and Foreign Trade Activities where member states reached consensus on six documents, including Statement on Covid-19 Response and Relief Effort, Statement on Supporting the Multilateral Trading System, Action Plan for Implementing the MOU on

Promoting MSME Cooperation, the Cooperation Framework on Intellectual Property Rights, the Action Plan 2021-2025 for the Implementation of the Program of Multilateral Trade and Economic Cooperation, and the Cooperation Concept on Developing Remote and Rural Areas in the Digital Age. In December, the Cooperation Plan on Jointly Promoting the Silk Road Economic Belt and the 21st Century Maritime Silk Road between the Government of the People's Republic of China and the Africa Union was signed, marking the first plan ever signed by China and a regional organization on the joint pursuit of the BRI. In the year 2020, China also worked to advance Greater Tumen Initiative (GTI) in various fields. For example, it attended the Ministerial Meeting of the 20th GTI Consultative Commission in December to discuss in depth the progress and direction of GTI cooperation in the fields of trade and investment, environment and sub-national cooperation. The Seoul Declaration was adopted at the meeting. In the same month, China and the EU concluded negotiations on the Comprehensive Agreement on Investment (CAI) that aims to meet the high-standard international economic and trade rules and promote institutional opening-up, representing a comprehensive, balanced and high-standard treaty.

Box 1.2

### Steady Progress in China-Africa Joint Pursuit of the BRI

In December 2020, China and the AU Commission signed the Cooperation Plan on Jointly Promoting the Silk Road Economic Belt and the 21st Century Maritime Silk Road between the Government of the People's Republic of China and the African Union (the Cooperation Plan). Focusing on policy, infrastructure, trade, financial and people-to-people connectivity, the Cooperation Plan identified cooperation areas and key projects and set specific timetables and road maps for implementing them. The signing of the Cooperation Plan is of great significance for the two sides to build synergy between the BRI and AU's Agenda 2063, leverage their complementary strengths, jointly address global challenges, promote high-quality development of the BRI, create new opportunities for global cooperation, and add new impetus to common development. In January 2021, China signed MOUs on the Belt and Road cooperation with the Democratic Republic of the Congo and Botswana respectively, bring the number of African countries signing such documents to 46. All this shows that China and Africa have made steady progress in their joint pursuit of the BRI.

**Regional platforms have been brought into greater play.** China attended the third Central Asia Regional Economic Cooperation (CAREC) Regional Trade Group Meeting in September 2020 and the Greater Mekong Subregion (GMS) 11th Economic Corridors Forum in October 2020. During these events, China shared its practices and achievements in helping countries respond to Covid-19 at the regional and global levels. It also successfully held the 17th China-ASEAN Expo and China-ASEAN Business and Investment Summit and launched the Northeast Asia Policy Dialogue on Industrial Parks, which provided platforms for the participating countries to improve industrial chain connectivity in Northeast Asia and promote coordination of their development policies.

### C. Efforts in Upholding Multilateralism

China is committed to upholding multilateralism. By pooling international consensuses and boosting confidence of countries in development, it has made positive contributions to promoting solidarity in the fight against the pandemic and pushing ahead with the reform of the global economic governance system.

**China worked to uphold the authority of the multilateral trading system.** It took a full part in WTO affairs in 2020, supported a WTO-centered multilateral trading system with concrete actions, and played an active role in addressing the Appellate Body Crisis. In April 2020, China and the EU and other WTO member states jointly established the Multiparty Interim Appeal-Arbitration Arrangement (MPIA). In July 2020, after reaching an agreement on the list of judges, China and other participants of the MPIA successfully established a pool of 10 arbitrators, and jointly notified the WTO Dispute Settlement Body. The MPIA used WTO procedures and rules to deal with disputed cases appealed by participants during the suspension of the Appellate Body. The year 2021 marks the 20th anniversary of China's accession to the WTO. As a responsible and major developing country, China will continue to make contributions to WTO affairs in line with its stage of development and actual capabilities. At present, China is vigorously

pursuing a new development paradigm, and will open up more sectors in a more thorough fashion to offer more opportunities for the world.

**China pushed multiple organizations to play a greater role.** To respond to the raging pandemic across the globe, the G20 held two leaders' summits, three trade minister meetings, and endorsed a series of outcome documents, such as the G20 Actions to Support World Trade and Investment in Response to COVID-19 and the G20 Support to COVID-19 Response and Recovery in Developing Countries. These outcomes showed the positive consensus by G20 on maintaining the stability of the global industrial and supply chains, and has boosted people's confidence and injected vitality to the world in fighting the pandemic, revitalizing international trade and investment, and building an open world economy. The ministers responsible for trade of China and other APEC members jointly issued a special statement on Covid-19 in May 2020. In October, as an outcome of the Second Belt and Road Forum for International Cooperation (BRF), the International Commercial Dispute Prevention and Settlement Organization (ICDPASO) was established by industrial and commercial organizations and legal service agencies from over 40 countries and regions to offer diversified services from dispute prevention to settlement for international commercial entities. In November, China attended the 27th APEC Economic Leaders Meeting, which adopted the APEC Putrajaya Vision 2040 for guiding the APEC cooperation in the next 20 years. At the meeting, China advocated cooperation in the field of inclusive trade and investment policies and offered Chinese proposals and Chinese visions. In the same month, China hosted the APEC Workshop on Promoting Inclusive and Responsible Business for Sustainable Growth in Digital Society to safeguard the well-being of people in the region. China also took part in the 12th BRICS Summit, where a number of outcomes were concluded in the economic and trade area. The participating countries reached consensus on enhancing international cooperation in response to Covid-19, upholding the multilateral trading system, and deepening practical economic and trade



cooperation. They also formulated the Strategy for BRICS Economic Partnership 2025, drawing a

roadmap for BRICS economic and trade cooperation in the next five years.

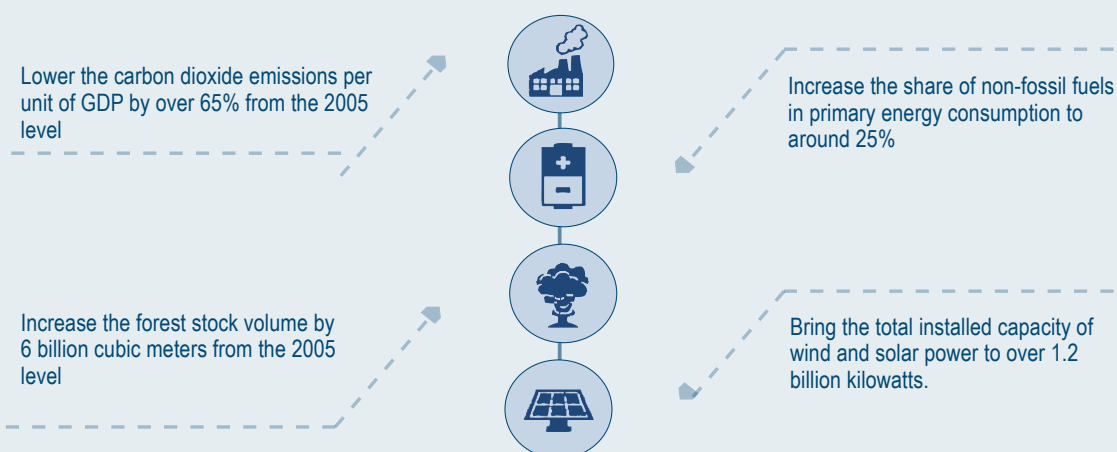
### Box 1.3

## China Actively Implements the Paris Agreement

The Paris Agreement was adopted at United Nations Conference on Climate Change in 2015, which charted the course for the world to jointly deal with climate change after 2020. Over the past six years, China has pursued the vision of innovative, coordinated, green, and shared development, firmly supported the multilateral process on climate change, readily taken international responsibilities commensurate to its development stage and national conditions, and participated in global climate governance in a constructive manner. These efforts won high recognition from the international community.

Chinese President Xi Jinping delivered an important speech entitled “Building on Past Achievements and Launching a New Journey for Global Climate Actions” at the Climate Ambition Summit in December 2020 via video link. In this speech, he announced that China would scale up its nationally determined contributions. China committed itself to adopt more vigorous policies and measures to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060. The country also announced some further commitments for 2030: lower its carbon dioxide emissions per unit of GDP by over 65% from the 2005 level, increase the share of non-fossil fuels in primary energy consumption to around 25%, increase the forest stock volume by 6 billion cubic meters from the 2005 level, and bring its total installed capacity of wind and solar power to over 1.2 billion kilowatts. As a major country that shoulders its international responsibilities, China has given new drivers to global climate change response and promoted a green recovery.

### China's Nationally Determined Contribution by 2030



## D. Great efforts by China's Localities to Advance the Belt and Road Cooperation

Localities in China have advanced the Belt and Road cooperation in an orderly manner, providing important platforms and channels for revitalizing regional economy and giving a strong boost to the implementation of the BRI.

**New policies and measures have been introduced to support the BRI.** Hunan province adopted the Priorities of Hunan Province in Participating in the Belt and Road Cooperation and International Capacity Cooperation in 2020 and the Major Projects of Hunan Province for Belt and Road and International Capacity Cooperation. Jiangsu province issued and implemented the Priorities of Jiangsu Province in Participating in the Belt and Road Cooperation in 2020, which identified 30 key tasks in four areas. Jilin held a BRI Steering Group meeting to build synergies with China's neighborhood diplomacy, actively participated in international economic cooperation, and created a new landscape of high-quality BRI development in the province.

Ningxia also took an active part in the joint pursuit of the BRI and achieved significant progress in opening up by pushing ahead with the development of inland open economic pilot zones. Chongqing held a steering group meeting for integrating into the Belt and Road cooperation and promoting inland opening up under the BRI. The municipality focused on opening up and realizing two goals, i.e. building Chongqing into an inland open model and a beautiful and clean place, and achieving high-quality development and better livelihood. Hainan province has made steady progress in building BRI by introducing a slew of major measures including the launch of the Hainan Free Trade Port. Zhejiang province issued and implemented the Priorities of Zhejiang Province in Building a BRI Important Hub in 2020, focusing on four major areas (major tasks, major hubs, all-round cooperation and needs of enterprises) and four priorities (reforms, projects, platforms and policies) in order to fully leverage the province's strengths and demonstrate the strategic effect of the key BRI hubs.

### Box 1.4

#### Jointly Developing the New International Land-Sea Trade Corridor (ILSTC)

On the basis of the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (CCI) and the New Western Land-Sea Trade Corridor (NTC), the 13 +1 provinces, autonomous regions and municipalities are actively promoting the development of the New International Land-Sea Trade Corridor (ILSTC). In November 2020, the first meeting of the Inter-provincial Consultation and Cooperation Joint Conference on the New Western Land-Sea Trade Corridor was held in Chongqing. This meeting reviewed important issues such as the rules of the inter-provincial joint conference, the pilot scheme of "Single Cargo Manifest" and the building of public information platform. At the meeting, cooperation contracts were signed centrally, focusing on the joint building of single-window document processing for international trade and some key projects.

Chongqing, as the logistics and operation coordination center of the NTC, has formed a hub system of "one main, two auxiliary and multiple nodes". Domestically, by the end of 2020, the synergy among Sichuan, Gansu, Qinghai and other provinces had been strengthened, and the supply of goods had

been improved with 5,663 TEUs of goods transported. The construction of Wandakai Operation Center for the NTC was advanced. Internationally, the NTC can reach 248 ports in 94 countries (regions). Five overseas warehouses in Singapore, Vietnam and other places were set up. These efforts aim to making new ground in opening China further through links running eastward and westward, across land and over sea.

Guangxi, as an important seaport of the NTC, has made major achievements in the construction of key projects under the NEC framework. It has completed 300,000-ton oil terminal and 100,000-ton two-way roadway in Qinzhou Port, and started the building of the first automatic container berth for sea-rail combined transport and 200,000-ton roadway in Qinzhou Port. As for railway, the Nanning-Yulin section and Nanning-Chongzuo section of Nanning-Shenzhen high-speed railway started construction, and Qinzhou Railway Container Center Station was built to improve railway facilities.



Data display screen of New Land-Sea Corridor Operation Center  
Photograph: New Land-Sea Corridor Operation Co., Ltd.

**Various platforms have been built to serve the BRI.** Guangdong province joined hands with Hongkong and Macao to hold economic and trade events in countries such as Russia, Japan and the ROK to promote the Guangdong-Hong Kong-Macao Greater Bay Area and deepen the Belt and Road cooperation. Beijing encouraged

the companies engaged in the promotion of two-way B&R investment to build an online bilingual service platform, with a view to providing resources including domestic and foreign experts; investment institutions; and international innovation opportunities for enterprises in high-tech fields such as electronic information, high-

end equipment and smart Internet of Things (IOT). Shanghai integrated the competitive resources in quality certification in the Yangtze river region and founded the Belt and Road International Certification Alliance in the Yangtze River Delta. Liaoning province hosted Liaoning International Fair for Investment and Trade to boost international cooperation in this regard, facilitate matchmaking of major projects, and promote the development of key industries and display of brand products. Shaanxi province established three centers and a base in the Belt and Road Demonstration Zone for International Commercial Legal Services (BRD-ICLS). Tianjin built 17 Luban workshops in 16 countries on three continents (Asia, Africa and Europe), endeavoring to establish Chinese brands in B&R partner countries. Anhui province also took actions like “A Thousand Enterprises and A Hundred Exhibitions” to speed up market exploration in relevant countries. Fujian province put into use the first Mediation Office of International Commercial Mediation Center for the Belt & Road as an attempt to establish a multilateral and diversified dispute settlement mechanism at the judicial level. Sichuan province launched a virtual matchmaking conference to promote trade in agricultural products between Sichuan and the BRI partners, mainly those in the Middle East and Africa. Gansu Provincial Government, together with the Chinese Ministry of Agriculture and Rural Affairs, World Tourism Alliance, and the Association of the Beautiful Villages of the Belt and Silk Road in France, hosted the 2020 Belt and Road Beautiful Countryside Forum. Henan province worked with data.people.com to host the BRI Forum on Digital Trade Development and International Cooperation. Shandong province launched a series of “cloud exhibitions” for exported goods, and held online import and export exhibitions to promote trade with the B&R partners. Qinghai province held the BRI Clean Energy Development Forum. Guangxi hosted the second BRI Exchange and Cooperation Conference of Ethnic Chinese Businessmen and Leaders. Hubei province continued to advance the 100 Exhibition Campaign, with a focus on the B&R markets to diversify its export markets. Xinjiang,

as a key hub node along the western corridor of the CR Express to Europe, has opened 23 routes, reaching 19 countries and 21 cities and carrying more than 200 categories of goods. The number of trains in operation increased by nearly 20 times from 55 in 2014 to 1,105 in 2020. Shanxi province hosted the 3rd Belt and Road Seminar on Green Development of Coal Coking Industry, where the participants made in-depth discussions on accelerating the high-end and green development of the coal coking industry.

**The synergy between local initiatives and the BRI has been strengthened through a variety of activities.**

Guizhou province continued the pursuit of the BRI by establishing friendly and cooperative relations with more than 60 Belt and Road countries and regions. As an important window open to South Asia, Tibet Autonomous Region has made every effort to advance the construction of Lhasa Comprehensive Bonded Zone, Geelong Border Economic Cooperation Zone, China-Nepal Friendship Industrial Park and other projects. Yunnan province held a symposium on the safe, stable and high-quality development of China Railway Express to Europe with a view to ensuring sound operation of China-Europe freight trains based on Yunnan’s realities and serving better the Belt and Road cooperation and the overall economic and social development. Inner Mongolia Autonomous Region has been committed to serving the joint pursuit of the BRI by improving transportation and logistics modes and invigorating local economy. The reconstruction and expansion of the aircraft movement area in Tongliao Airport was completed and put into use, a major step towards building a renowned B&R grassland city. Jiangxi province has improved its communication and coordination mechanism with the B&R partner countries and regions and worked hard to have more local policies, platforms and projects incorporated into the national plan. Hebei province has enhanced the Belt and Road economic and trade cooperation by building a database of key countries, industries and buyers for targeted matchmaking between suppliers and purchasers.

## Chinese Localities Played a Significant Role in International Joint Response to Covid-19

Beijing took multiple actions to provide foreign assistance in the Covid-19 response. It cooperated with 78 cities in 40 countries and donated medical supplies to 24 sister cities. The municipality has made efforts to further cooperation in the medical and health care sector and stepped up the building of a Health Silk Road. It put priorities on ensuring the sound running of the international health cooperation programs like research and exchange on safety and security of blood supply during Covid-19 and the demonstration projects of WHO Collaborating Centres. It also worked to improve the capability in participating in the formulation of international health standards, norms, guidelines and agreements.

Shanghai plays an active role in the building of the Health Silk Road and joined hands with the international community to fight the pandemic. It donated over 2 million masks, 14,000 protective suits and other emergency supplies to 80-plus sister cities or cities of friendly exchanges. Many institutes and universities in Shanghai, including Institut Pasteur of Shanghai, Chinese Academy of Sciences (IPS CAS); Fudan University; Shanghai Jiao Tong University; and Tongji University conducted cooperation with relevant institutes in Thailand, Singapore, Israel and other countries in diagnostic technology and drug research and development (R&D).

Zhejiang province has maintained close communication with the B&R partner countries, provided them with medical equipment, testing reagents, medicines and other emergency supplies, and ensured the smooth flow of cross-border goods. The province hosted the Export Online Fair to facilitate matchmaking between over 140 buyers of medical supplies from Italy, Australia and other countries and over 100 Zhejiang suppliers, enabling intended turnover of more than 50 million euros. It sent medical expert teams to Italy, Mali, Namibia and other countries for international assistance in a timely manner. It also set up an overseas expert group for response guidance, held meetings to share epidemic containment experience and technology, and introduced measures and programs to foreign medical institutions. In addition, it produced multi-lingual PPT on Chinese experience in preventing and controlling the pandemic and the Handbook of Covid-19 Prevention for the Public.

Guangdong province earnestly acted on the guidelines of the Extraordinary China-Africa Summit on Solidarity Against Covid-19 through providing emergency anti-epidemic supplies and sending medical teams to African countries. The New South Group and other Guangdong companies in Africa established joint Covid-19 response mechanisms in local epidemic containment supplies, daily necessities and money to them. All this reflects the true meaning of the China-Africa community with a shared future.

Heilongjiang province donated emergency supplies to 11 countries including Russia and Japan, and sent a medical expert team to Russia. The province also made great efforts to facilitate businesses' participation in the Belt and Road cooperation and going global. For example, together with relevant financial institutions, it built platforms to satisfy companies' demands for investment and financing.

Ningxia province and its international sister cities kept positive interaction and increased support for each other. The province donated 7.523 million yuan worth of emergency supplies to the sub-national governments of Pakistan, Italy, Russia, Egypt, Sudan, Ethiopia, etc. The Ningxia medical team in Benin



assisted local communities to control infection and held video conferences to share China's experience in Covid-19 response. At the request of Saudi Arabia and Kuwait and according to the arrangement by the National Health Commission (NHC) of China, Ningxia sent medical expert teams to the two countries to assist their efforts against the pandemic.



China's localities boost international joint efforts in Covid-19 response.

Photograph: WeChat official account of the National Development and Reform Commission; the Department of Commerce of Guangdong Province

**Hong Kong and Macao SARs greatly supported the Belt and Road cooperation.** The 5th Belt and Road Summit was held in Hong Kong virtually in November 2020. Focusing on the development opportunities brought by the BRI, participants from across the world exchanged views on how to promote economic recovery in the post-Covid era. In December, the 11th International Infrastructure Investment and Construction Forum (IIICF) was

held in Macao, which played a positive role in promoting multi-level cooperation between Macao and the B&R partner countries. Guangdong, Hong Kong, and Macao jointly launched promotional events on the Greater Bay Area's excellent investment and business environment to further expand the area's international standing and appeal to foreign investors.



## Chapter 2

# Belt and Road: A Model of Health for Helping Each Other

A. Joint Efforts to Protect Public Health / 16

B. Support for Developing Countries to Enhance Capacity in Covid-19 Response / 17

C. Work for Ensuring the Safe Operation of the Global Medical Supply Chain / 21

D. Sharing of China's Practices in Fighting Covid-19 with the World / 23

E. Contribution of New Forms and Models of Business to Covid-19 Response / 24



The global outbreak of Covid-19 in 2020 highlighted the importance of building a Health Silk Road. When endeavoring to mitigate the pandemic impact, China has forged the idea that the world is a global community of shared future. It has worked to promote international cooperation, increase health assistance, export medical supplies in an orderly manner, and fight shoulder to shoulder with the rest of the world.



## A. Joint Efforts to Protect Public Health

In the face of the unprecedented infectious disease, China stayed committed to multilateralism by sharing weal and woe with countries around the world and helping each other, thereby boosting the confidence of the international community to jointly fight the virus.

### **Jointly tackling the challenges of Covid-19.**

At the Extraordinary G20 Leaders' Summit in March 2020, President Xi Jinping shared China's experience in containing the virus, and called on the international community to fight the pandemic by taking prompt actions. He also put forth four proposals: being resolute in fighting an all-out global war against the Covid-19 outbreak, making

a collective response for control and treatment at the international level, supporting international organizations in playing their active roles, and enhancing international macro-economic policy coordination. On top of that, responding actively to the fund-raising appeals of the UN and the WHO, China provided cash assistance worth US\$50 million for the WHO and another US\$50 million in support of the Covid-19 Global Humanitarian Response Plan. It also earmarked US\$10 million in its Poverty Reduction and Regional Cooperation Fund to support the Asian Development Bank's efforts to address the Covid-9 challenge, and donated emergency supplies of US\$2 million to the International Atomic Energy Agency.



## The High-level Video Conference on Belt and Road International Cooperation

In June 2020, the High-level Video Conference on Belt and Road International Cooperation was successfully held in Beijing. The conference was jointly organized by the Chinese Ministry of Foreign Affairs (MFA), the National Development and Reform Commission (NDRC), the Ministry of Commerce (MOFCOM) and the NHC, under the theme of “Belt and Road International Cooperation: Combating Covid-19 with Solidarity”. In a written message to the conference, Chinese President Xi Jinping said that China will continue to pursue peaceful development and win-win cooperation, and work with its partners to develop the Belt and Road into a model of cooperation, a model of health, a model of recovery, and a model of growth. Through promoting high-quality Belt and Road cooperation, China will make joint efforts with all sides to build a community with a shared future for mankind.

The participants considered the BRI as an important platform to jointly fight the pandemic and promote economic recovery. All parties agreed to support joint prevention and control of Covid-19, boost public health cooperation and make the Belt and Road a model of health. They thought it is necessary to strengthen connectivity, restore cross-border flow of people and goods in an orderly manner, promote the resumption of work and production, maintain the security and stability of the global industrial and supply chains, promote sustainable development, and build a Green Silk Road. All parties expressed that they would continue to implement the consensus reached at the second BRF by advancing practical cooperation in relevant fields and facilitating more outcomes under the Belt and Road cooperation. The Joint Statement of the High-level Video Conference on Belt and Road International Cooperation, which reflects the consensuses of all parties, was issued after the conference.

**Jointly carrying out international prevention and control.** After the outbreak of Covid-19, China wasted no time in releasing information such as the whole coronavirus genome sequence and the specific primers and probes for detecting the coronavirus to the WHO and other relevant countries and regional organizations, and has kept them informed with regular updates. It bought precious time for other countries to make efforts in developing diagnostic, selecting effective drugs, carrying out R&D of vaccines, and tracing the source of the virus to contain infection. China also hosted more than 70 exchange events on pandemic prevention and control with international and regional organizations such as ASEAN, EU, AU, APEC, Caribbean Community and SCO, as well as with countries such as ROK, Japan, Russia, the United States and Germany.

## B. Support for Developing Countries to Enhance Capacity in Covid-19 Response

Notwithstanding the limited production capacity and enormous demand at home, China has done its best to provide assistance to developing countries to help them build capacity in emergency response and management.

**Supporting developing countries to cope with the pandemic.** In his speech entitled Fighting Covid-19 Through Solidarity and Cooperation & Building a Global Community of Health for All at the Virtual Event of Opening of the 73rd World Health Assembly in May 2020, President Xi Jinping called on all countries to work together against the pandemic, and announced five major measures to support the global response. Over the past year, China has honored its commitment by providing



US\$2 billion in assistance for the Covid-19 response and economic and social recovery in developing countries hit by the pandemic, and sent medical supplies such as testing reagents, masks and protective suits to more than 150 countries and 13 international organizations, providing more than 280 billion masks, 3.4 billion protective suits and 4 billion testing kits to the world. A cooperation

mechanism has been established for Chinese hospitals to pair up with 41 African hospitals, and construction for the China-assisted project of the Africa CDC headquarters officially started at the end of last year. Important progress has also been made in the China-UN joint project to set up in China a global humanitarian response depot and hub.

## Box 2.2

### Extraordinary China-Africa Summit on Solidarity against Covid-19

Jointly initiated by China, South Africa, the rotating presidency of the AU, and Senegal, the co-chair country of the Forum on China-Africa Cooperation (FOCAC), the Extraordinary China-Africa Summit on Solidarity Against Covid-19 was held in June 2020 via video link. Leaders of African countries, including members of the AU Assembly of Heads of State and Government and rotating chairs of major African sub-regional organizations, and the chairperson of the AU Commission attended the summit. The secretary-general of the UN and the director-general of the WHO also attended the meeting as special guests.

Chinese President Xi Jinping presided over the Summit in Beijing and delivered a keynote speech. He pointed out that in the face of Covid-19, China and Africa have withstood the test of a severe challenge and strengthened friendship and mutual trust. He emphasized that China and Africa should stay committed to fighting Covid-19 together, enhancing China-Africa cooperation, upholding multilateralism, and taking China-Africa friendship forward. Both sides should work to build a community with a shared future and bring the China-Africa comprehensive strategic and cooperative partnership to a greater height. At the summit, leaders and heads of African countries and parties, as well as African experts and scholars, expressed that the event was of special significance as it once again demonstrated the strong friendship and resilient relationship between China and Africa. The closer Africa-China cooperation would effectively help Africa overcome the impact of the pandemic and set an example for international anti-pandemic cooperation.

Rwandan President Paul Kagame said that the Government of the People's Republic of China, and the Chinese private sector, provided crucial supplies of testing materials and medical equipment in Africa, when it was needed most. "This effort has saved lives, and continues to do so," he noted. The president also expressed the solidarity during this difficult time has once again demonstrated the productivity of the FOCAC.

Ethiopian Prime Minister Abiy Abiy Ahmed Ali stressed that building on the existing partnership is key as we work to overcome the pandemic-induced threats to our health and economic systems. He also emphasized the need to strengthen solidarity among African countries and China in the fight against the Covid-19 pandemic. "Solidarity has been key between China and African countries during these unprecedented times," the prime minister said.

South African President Cyril Ramaphosa, the Chairperson of the AU noted that the Summit showed the depth and resilience of solidarity between Africa and China. He stressed that the pandemic's consequences for people, economies and our planet would be with us for a long time to come, and this would require solidarity and a clear vision of the future for developing countries. The president concluded that Sino-Africa solidarity and better multilateral cooperation is key to winning the battle against this pandemic.



Extraordinary China-Africa Summit on Solidarity against Covid-19  
Photograph: Xinhuanet

**Providing assistance in public health infrastructure.** For a long time, China has provided official development assistance for countries along the Belt and Road. The public health infrastructures which were built with the Chinese aid, such as hospitals, clinics and health centers turned out to be of great use in fighting Covid-19. After the outbreak, the infectious disease treatment center of Mauritania National Hospital and the Dominica-China Friendship Hospital were partially completed ahead of schedule and handed over for urgent need in fighting the pandemic. In July 2020, the quarantine hospital and infectious disease treatment center in Islamabad, Pakistan was

completed and put in to use, whose construction took only 40 days. With 250 beds, it was specially allocated for the treatment of Covid-19 patients. The building of the headquarters of African Center for Disease Control and Prevention kickstarted ahead of schedule in December 2020, and the construction of China-aided Nuevo Niefang Hospital in Equatorial Guinea also started, aimed at improving local medical conditions. In February 2021, National Nephropathy Specialist Hospital in Sri Lanka funded by China was handed over in Polonnaruwa. The hospital covers a construction area of 25,917 square meters with 200 inpatient beds and 100 hemodialysis beds.

## Chinese Enterprises Build Hospitals to Help Trinidad and Tobago Fight COVID-19

The Arima General Hospital constructed by China Railway Construction Caribbean Company (CRCC) is located in Arima City, northern Trinidad, with a plot area of 14,051 square meters and a floor area of 25,626 square meters. The hospital has 150 beds, 6 operating rooms, 4 ICUs and 6 HDUs. After five year's construction, the hospital, which was officially handed over on June 9 2020, is one of the largest and most advanced hospitals in Trinidad and Tobago and even in the Caribbean region.

During the pandemic, at the request of Trinidad and Tobago, CRCC immediately upgraded the hospital facilities to 100 beds, two operating rooms, one intensive care unit and a disinfection center for anti-epidemic use within one week before handover, turning it into an infectious disease hospital up to standard.



Arima General Hospital  
Photograph: People's Daily Overseas Edition

**Scaling up medical assistance.** The foreign aid in response to Covid-19 in 2020 is the most intensive and extensive emergency humanitarian assistance China has provided since the founding of the People's Republic. Following its first anti-pandemic medical team to Iran in February 2020, China had sent a total of 34 medical expert teams to 32 countries including Iraq, Italy, Serbia, Cambodia, Pakistan, the Philippines, Myanmar, Kazakhstan, Algeria and Sudan by October 2020. In addition to introducing China's anti-pandemic experience

and practices to foreign medical institutions and practitioners, those experts also provided guidance and consultation on disease prevention and control, clinical diagnosis and treatment, community management, etc. In order to help Palestine refugees overcome the difficulties caused by the pandemic, China offered relief goods for the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and health kits for Palestine refugees in Palestine, Jordan, Lebanon and Syria.

## C. Work for Ensuring the Safety of the Global Medical Supply Chain

Covid-19 has had a devastating impact on people's life around the world, the global supply chain and the world economy. In the face of the pandemic, China spared no efforts to safeguard the safety and stability of global supply chain of the urgently-needed medical supplies while promoting the resumption of work and production at home.

**Exporting protective materials in an orderly manner.** While ensuring domestic needs, China has tried every possible means to provide support to all countries in purchasing protective materials. It has smoothed the channels for supply-demand matching, organized logistics, transport, and the supply of goods, and accelerated export customs clearance. MOFCOM, the General Administration of Customs (GAC), the State Administration of Market Supervision (SAMR) and other departments have taken effective measures to control product quality, regulate export procedures, issue the list of manufacturers with foreign certification or registration, and strengthen market and export quality supervision, so as to provide other countries with goods of the highest quality. From March to December 2020, China exported protective materials to 200 countries and regions, among which there were more than 224.2 billion masks, 2.31 billion protective suits, 289 million pairs of goggles, 271,000 ventilators, 1.08 billion testing kits and 119 million infrared thermometers. China's exports provided strong support for the prevention and control efforts of affected countries. As of

January 2021, more than 5,000 enterprises in China have been put on the list of manufacturers with foreign certification or registration.

**Maintaining smooth transportation of medical supplies.** Due to the pandemic, flights and ships were canceled in many countries, severely hindering international trade and logistics. To ensure the essential supplies could be transported overseas, the State Post Bureau and relevant departments have strengthened cooperation, information sharing, and policy coordination with certain countries and regions under multilateral frameworks such as the Universal Postal Union (UPU), to maintain the smooth operation of the international postal network. They also encouraged enterprises to raise international air transport capacity by increasing charter flights and opening new routes, in a bid to ensure the unimpeded transportation of daily necessities and emergency supplies. During the pandemic, SF Airlines added routes to Europe, India and the United States, as well as 210 charter flights for medical supplies transportation. At the end of 2020, Cainiao Smart Logistics Network partnered with Ethiopian Airlines to launch a special cold chain air freight for the transportation of temperature-controlled medicines, which enabled such medicines to be distributed twice a week from Shenzhen airport to Africa. This is China's first cross-border medical cold chain air route with regular operation. Temperature-controlled medicines including Covid-19 vaccines can be exported from Shenzhen Airport via Dubai to Ethiopia's capital Addis Abeba to assist African and global response to the pandemic.

### Box 2.4

#### China-Europe Railway Express Contributed "Chinese Strength" To Global Fight against Covid-19

As a major transportation means on the Eurasian continent, China-Europe Railway Express (CR Express) has strongly supported the anti-pandemic effort of countries along its route. In 2020, CR



Express kept running and gave a strong support to the international joints efforts in Covid-19 response by transporting over 280 batches of emergency supplies to over 150 countries and international organizations. It has become an important channel for the transportation of emergency supplies, as it carried 9.31 million pieces and 76,000 tons of anti-pandemic materials to Italy, Germany, Spain, the Czech Republic, Russia, Poland, Hungary, the Netherlands, Lithuania, Belgium and their neighboring countries. Amid the Covid-19 pandemic, the regular and smooth operation of CR Express best illustrates the concept of a community with a shared future for mankind where countries help each other and share weal and woe. In this sense, the CR Express contributed “Chinese strength” to global response to the pandemic and efforts in economic recovery.

In 2020, China-Europe freight trips rose 50% year-on-year to 12,400, and the cargo shipment increased 56% to 1.135 million TEUs. The fully loaded container ratio reached 98.4%. This year, for the first time the freight trips crossed 10,000 mark and the monthly trips exceed 1,000 on average. The freight trains reached 92 cities in 21 countries, 37 more than in 2019, highlighting the role of CR Express as a major trade route. Its growth in an overall unfavorable context has showcased China’s achievements in promoting domestic and international circulations. Through ensuring the rapid circulation of imported and exported goods, the CR Express has played an important role in stabilizing global industrial and supply chains and boosted confidence in win the battle against the virus.

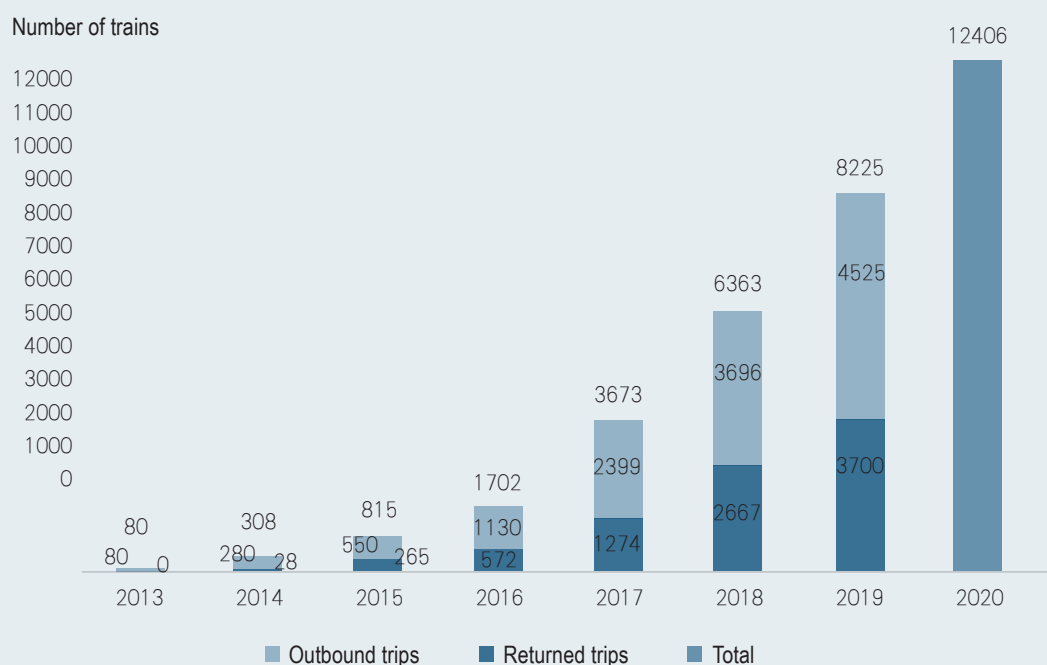


Figure 2.1 Developments of China-Europe Railway Express, 2013-2020

Source: Belt and Road Portal, <https://www.yidaiyilu.gov.cn/>; MOFCOM

## D. Sharing of China's Experience in Fighting Covid-19 with the World

As China was in the front line of the fight against Covid-19 at the onset of the disease, it made arduous efforts to bring it under control. The country has shared its control and treatment experience with the world without reservation. It has exploited the key role of science and technology in combating the virus and built research platforms to increase the accessibility and affordability of vaccines in developing countries. These efforts strongly supported global infection prevention and control.

**Actively sharing experience in Covid-19 response.** As the first country to suffer from the pandemic, China fought hard against the unknown coronavirus and explored effective ways to curb its spread. When the situation was getting better, it began to share with other countries its experience. It developed the practice of setting up temporary treatment centers, which was widely used in countries as an effective way to ease the shortage of hospital beds. The Information Office of the State Council held two special English-language press conferences in Wuhan, inviting experts and frontline health workers to talk about China's experience and practices. The Chinese media has designed a TV program Covid-19 Frontline and a newspaper column Fighting Covid-19 the Chinese Way, among others, to introduce China's practices as well. The NHC worked out diagnosis, treatment, prevention and control solutions, had them translated into three languages, and shared them with over 180 countries and more than 10 international and regional organizations. Together with the WHO it held an international briefing via video link on China's experience in Covid-19 control. In addition, Chinese experts have participated in the nine medium- to long-term key research projects and ten working groups on Covid-19 launched by the WHO, and carried out information exchange and cooperation with the Coalition for Epidemic Preparedness Innovations

(CEPI) on the R&D of vaccines.

**Building platforms to improve prevention and treatment practices.** China has strengthened communication with the WHO, conducted exchanges and cooperation with other countries on research in virus traceability, medicines, vaccines, and testing, shared research data and information, and jointly studied prevention, control and treatment ways. The Ministry of Science and Technology, the NHC, the China Association for Science and Technology, and the Chinese Medical Association have jointly put in place the Covid-19 Academic Research Communication Platform for worldwide researchers to release results and participate in discussion. So far, a total of 120-plus journals and 840 papers and reports had been posted. The platform had received more than 2.7 million visits, and many foreign researchers have published papers on it. Chinese research institutions also established many data sharing platforms, including "Coronavirus Linked Data: the RDF Knowledge-based Database for Coronavirus Researches" and "2019 Novel Coronavirus Resource" to provide over eight million data views, searches and downloads for over 200,000 users in 139 countries and regions.

**Sharing vaccines with other countries.** China has honored its commitment to make Chinese vaccines a global public good and played an indispensable part in global vaccine development and distribution. In January 2020, China shared the coronavirus genome sequence with the international community for vaccine development, and began human trials in March. After the inactivated Covid-19 vaccine developed by China National Biotec Group (CNBG) obtained conditional market approval from the NMPA, China provided the vaccines to developing countries by means of donation and free assistance. In October 2020, championing the vision of building a global community of health for all, China signed an agreement with the Global Alliance for Vaccines and Immunization (GAVI) to join the COVID-19 Vaccine Global Access Facility (COVAX)<sup>1</sup>. By providing 10 million doses of vaccines as a concrete

<sup>1</sup> COVAX is currently the most effective mechanism for fair sharing of safe and effective vaccines worldwide. It was initiated by the WHO and its partners, and has been joined by 184 countries and regions.



step, it has promoted equitable vaccine distribution and supported more capable countries to join and support COVAX. By May 2021, China had donated vaccines to over 80 countries and four international organizations, exported vaccines to more than 50 countries. It also carried out technology transfer and cooperative production with more than 10 developing countries, including Egypt and the

United Arab Emirates (UAE), facilitating the fast mass production of vaccines. In the case that low and middle-income countries (LMIC) do not have the ability to obtain vaccines that require ultra-low temperature cold chain transportation, China's vaccines that can be transported under conventional low temperature have provided a sound alternative for them.

## Box 2.5

### Chinese President Xi Jinping Attended the Global Health Summit And Announced Five Major Measures

On May 21, 2021, the Global Health Summit, jointly organized by the Italian G20 Presidency and the European Commission, was held in Rome, Italy. President Xi Jinping attended the summit by video link and delivered an important speech upon invitation. He made five proposals and announced five measures on advancing global cooperation on fighting against the pandemic, which pointed the way for and lent impetus to defeating the pandemic and achieving economic recovery.

— China will provide an additional 3 billion US dollars in international aid over the next three years to support Covid-19 response and economic and social recovery in other developing countries.

— Having already supplied 300 million doses of vaccines to the world, China will provide still more vaccines to the best of its ability.

— China supports its vaccine companies in transferring technologies to other developing countries and carrying out joint production with them.

— Having announced support for waiving intellectual property rights on Covid-19 vaccines, China also supports the World Trade Organization and other international institutions in making an early decision on this matter.

— China proposes setting up an international forum on vaccine cooperation for vaccine-developing and producing countries, companies and other stakeholders to explore ways of promoting fair and equitable distribution of vaccines around the world.

## E. Contribution of New Business Forms and Models to Covid-19 Response

To meet the challenge brought by the pandemic, new business forms and models such as Internet + medical services, cloud consumption and sharing economy have emerged. Deeply integrated with

the real economy, digital technologies such as the Internet, artificial intelligence and big data have played an important role on different fronts such as medical services, scientific research, collaborative working, online education and supplies allocation, helping countries to fight against the pandemic together.

**Innovation has served as new forces against the pandemic.**

Although office work, medical care, sports, consumption etc. were hindered by the pandemic, new business forms and models such as online education, Internet medical services, working from home and micro business have provided support for tackling the pandemic. For example, application software such as Tencent Meeting and Quanshi Cloud Conference have become platforms to support various conferences. Lark Suite and Ding Talk are among the 59 collaboration platforms recommended by the UNESCO. They provide online services for global users as a solution to the stagnation of global education activities. The Internet + medical services and the wider use of health care big data technology are raising the availability and efficiency of medical care. Online follow-up services and free medical treatment greatly reduced the risk of contact and increased convenience. The Cloud AI medical services developed by Huawei, which have been used in over 100 hospitals around the world, include virus genome analysis services, Covid-19 AI-assisted CT screening and quantitative analysis services, and large-scale computer-aided antiviral drug screening services. Such services paved the way for global sharing of technologies on defeating COVID-19. The sharing of means of production, means of subsistence and circulation of data have improved emergency response and boosted the resumption of work and production.

**Cross-border e-commerce (CBEC) has driven the transformation of global consumption.**

The pandemic hit hard traditional service sectors like tourism and catering. However, online economy represented by doorstep delivery and online shopping has grown rapidly. Consumption online is thriving as more consumers and sellers use e-commerce platforms to “buy globally” and “sell globally” at home. China’s CBEC has made

significant progress in online marketing ways, as the online promotion, negotiation, purchase and services have helped the overseas selling of products and driven the transformation of global consumption mode. Global Express Connect, a cross-border retail e-commerce platform, launched “Ali express connect”, creating jobs for more than 100,000 content creators and Internet celebrities around the world. Many people in Russia, Ukraine and other countries have become live streaming hosts to change the consumption mode of local consumers.

**Online exhibitions are booming.** The flight suspension, immigration control, trade restrictions and other containment measures have disrupted the marketing, negotiation and transaction of foreign trade enterprises. With a large number of exhibitions being cancelled or postponed, the global exhibition industry has been dealt a heavy blow. Despite the unfavorable conditions, some Chinese exhibition organizers have developed new platforms, used new technologies, created new marketing techniques and provided new services to overcome difficulties through “cloud exhibitions”. For instance, in 2020, the 127th and 128th Canton Fairs were held virtually. Companies from all over the world resumed inquiry and reply activities and explored cooperation in virtual exhibition halls. The 2020 World Intelligent Manufacturing Conference, held online and offline simultaneously, pushed intelligent manufacturing to play a greater role in smoothing industrial chains and stabilizing supply chains. The 17th China-ASEAN Expo was held in both physical and virtual formats to facilitate Chinese and foreign firms to display products and conduct negotiations, meetings and promotion activities online, in an effort to deepen exchanges and cooperation between China and ASEAN in economic and trade fields.



## The Innovation-Driven Virtual Canton Fair

In the spring of 2020 when Covid-19 spread across the globe, the Canton Fair, known as the barometer of China's foreign trade, was at the risk of being cancelled. This meant tens of thousands of companies would lose an opportunity to display products, conduct negotiations and make exchanges in a highly effective way. Under such circumstances, China decided to host the 127th Canton Fair online. Building on the original "Smart Canton Fair", the organizing committee upgraded the fair's official website in just two months, creating a new mode of providing one-stop and 24-hour online services. This virtual Canton Fair was the world's largest trade event held since the onset of the pandemic. Themed on "Canton Fair, Global Share", it featured five sections, namely Exhibitors and Exhibits, News and Events, Global Trade Matchmaking and CBEC. Nearly 26,000 domestic and overseas exhibitors uploaded numerous products in text, picture, video and 3D format, attracting buyers from 217 countries and regions. The online fair has helped exhibitors find new partners from all over the world and ensure a stable supply of goods. It gave a strong boost to the stability of both China's foreign trade and global industrial and supply chains.

Innovation has become the key for Canton Fair to overcome the physical restrictions during the pandemic. The fair changing the traditional "face-to-face" mode to a "screen-to-screen" mode, breaking the limit of time and space. The powerful search function of its virtual exhibition platform enabled buyers to quickly find their interested VR booths. In addition, social media apps and the excellent translation services offered by the virtual platform facilitated the matching of supply and purchase. Compared with traditional exhibitions, the online fair not only ensured efficient transactions and brand effect, but also guaranteed safety of the corporate employees who were already under big pressure from the pandemic. The organizer set up a 10 × 24-hour online live streaming room for each exhibitor, offering all kinds of services such as video on demand, uploading, interactive communication and sharing, which enhanced the influence and popularity of suppliers and significantly reduced the impact of the pandemic on orders.

In October 2020, due to the severe global pandemic situation, the 128th Canton Fair was still held online. Drawing on the experience of the 127th Canton Fair, the 128th session simplified registration, improved search function, strengthened interaction, enhanced matchmaking, and upgraded the virtual platform. This session attracted about 26,000 companies from 226 countries and regions, of which 80% were from the B&R partner countries. A total of 2.47 million products were uploaded, an increase of 350,000 over the previous session, and a lot of trending products showed innovation in design, function, craftsmanship and materials. The exhibitors brought 730,000 new products, 130,000 more than the previous session, and 100,000 intelligent products, an increase of 20,000 from the last edition. Through the virtual exhibition halls, foreign trade firms were able to show products and company images effectively, maintaining relationships with regular buyers while attracting new buyers, thus expanding the circle of friends in the B&R markets.

Driven by advanced technological innovations such as big data, Internet, cloud computing and artificial intelligence, the two online sessions demonstrated the strong innovation, openness and resilience of China's foreign trade and opened an important online window for global trade against the backdrop of the raging pandemic. The booming "cloud exhibitions" led by the virtual Canton Fair have created new opportunities for businesses, opened up new space for foreign trade, and gave new support for the stability of industrial and supply chains during the pandemic.

## Chapter 3

# Belt and Road: A Model of Recovery by Concerted Efforts

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Since the beginning of 2020, the global economy has experienced the worst recession since the World War II, and the world is undergoing profound changes unseen in a century. Amid the overall global economic decline, the economic and trade cooperation between China and its B&R partner countries has shown strong resilience and vitality, which has underpinned their economic recovery.

## A. Strong Resilience of Trade

Trade between China and the B&R partner countries has shown strong vitality, with many innovations in trade forms and constant improvement in supporting system. Remarkable achievements have been made in advancing quality Belt and Road cooperation.

**Trade size has kept expanding.** In terms of trade in goods, trade value between China and the B&R partner countries increased from US\$1.04 trillion in 2013 to US\$1.34 trillion in 2020 (see Figure 3.1), with the share in China's total foreign trade rising from 25% to 29.1%. Since 2013, China's trade in goods with the B&R partner countries has amounted to US\$9.2 trillion. According to the data from China Customs, China's total trade volume in goods with the 140 countries that have signed the

Belt and Road cooperation documents registered US\$1.9 trillion in 2020, accounting for 40.9% of China's total foreign trade in goods. Among all the Chinese Belt and Road trading partners, Asia saw the biggest goods trade with China, accounting for 67.4% of the total and reporting a year-on-year increase of 0.3 percentage point (see Figure 3.2). China and its B&R partners achieved services trade of US\$84.47 billion in 2020, including US\$37.73 billion for exports and US\$46.74 billion for imports (see Figure 3.3). The service outsourcing grew rapidly. China undertook 136.06 billion yuan (value of performed contracts) of offshore services outsourced by the B&R partner countries, registering a year-on-year increase of 8.9%, 3.5 percentage points lower than the growth rate in 2019.

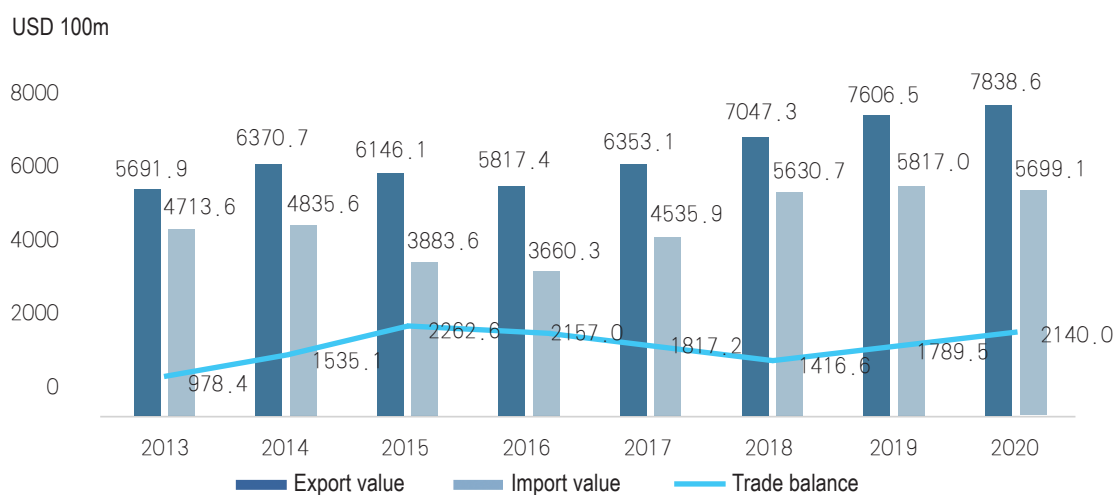


Figure 3.1 Trade in goods between China and the B&R partner countries by value (2013-2020)

Source: China Customs.

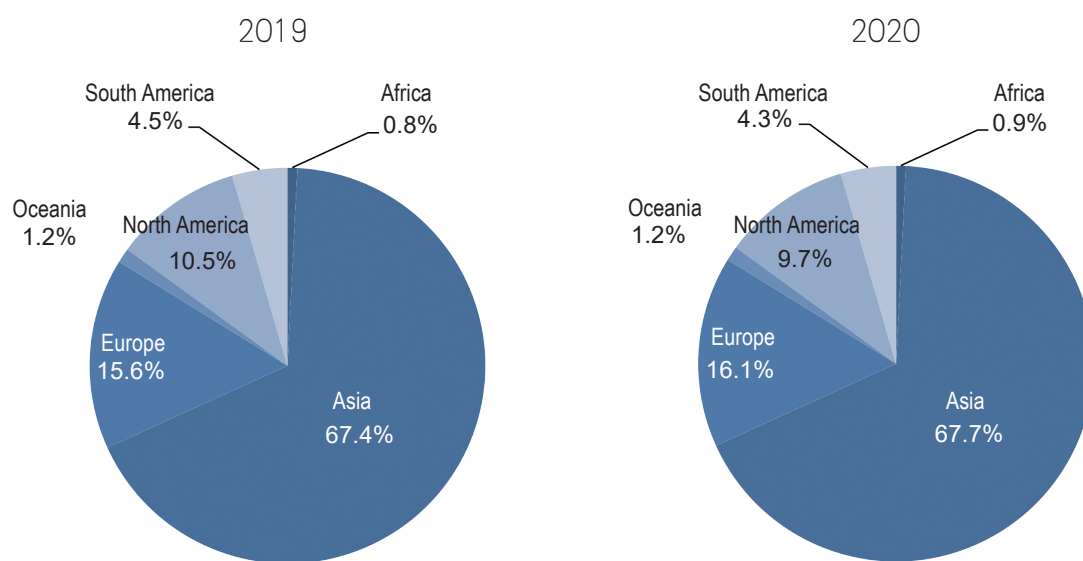


Figure 3.2 Trade in goods between China and the B&R partner countries on six continents by share (2013-2020)

Source: China Customs.

Note: By the end of January 2021, a total of 140 countries had signed Belt and Road cooperation documents with China, compared with 137 in 2019. There are no import and export data between China and Niue for now.



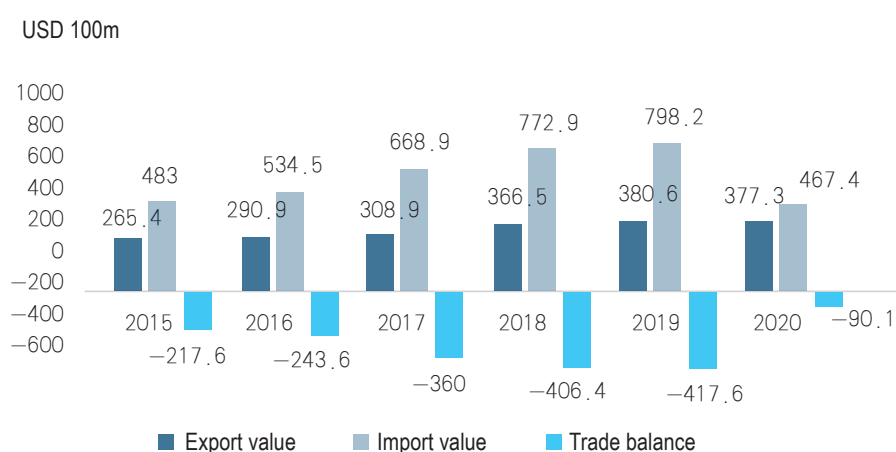


Figure 3.3 Trade in services between China and the B&R partner countries (2015-2020)

Source: China Customs.

**Policies and measures have been introduced to stabilize foreign trade.** To defeat the virus and maintain unimpeded trade, China has issued a number of policies and documents, including the Guidelines on Further Stabilizing Foreign Trade and Foreign Investment, the Circular on Actively Expanding Imports in Response to Covid-19, the Circular on Helping Foreign Trade Enterprises Cope with Covid-19 to Overcome Difficulties and Reduce Losses, the Circular on Responding to

Covid-19, Stabilizing Foreign Trade and Foreign Investment and Promoting Consumption, the Implementing Measures on Promoting Innovation and Development of Foreign Trade, and the Circular of the State Administration of Foreign Exchange on Improving Foreign Exchange Management to Support Foreign-related Business Development. Such documents boosted confidence and expectations of foreign trade enterprises.

### Box 3.1

## Circular on Responding to Covid-19, Stabilizing Foreign Trade and Foreign Investment And Promoting Consumption

To stabilize foreign trade and foreign investment, promote consumption, minimize the impacts of the epidemic, MOFCOM issued the Circular on Responding to Covid-19, Stabilizing Foreign Trade and Foreign Investment and Promoting Consumption in February 2020. The Circular requires:

- The department responsible for reviewing work resumption should expedite procedures. Enterprises in foreign trade, foreign investment, commercial circulation and e-commerce should be supported to resume work and production in an orderly manner. The joint construction of major B&R projects should be promoted in a stable and orderly manner.
- Foreign trade management procedures should be simplified. Enterprises should be guided to apply for and receive paperless import and export licenses. Paperless registration and application of technology

import and export contracts should be promoted and the paperless management of foreign investment record keeping (approval) should be accelerated.

- Legal services should be strengthened to help enterprises reduce risks. Relevant agencies should be supported to issue factual proof of force majeure free of charge for foreign trade companies and overseas project implementation entities who fail to execute contracts on time due to the epidemic.

- Supportive policies should be given to develop new businesses and models of foreign trade. CBEC comprehensive pilot areas should be guided to provide overseas warehouse information services, so as to help enterprises expand exports through overseas warehouses.

- Export credit insurance should be strengthened to actively respond to overseas restrictions on trade. The innovation-driven development of trade in services should be deepened, and enterprises should be encouraged to make good use of the preferential policies of FTAs.

- The quick response mechanism for overseas epidemic situations should be set up to provide coordination services for overseas Chinese invested enterprises. The operational monitoring, risk warning, response guidance and service guarantee should be strengthened to guide enterprises to effectively prevent risks, and promote high-quality development of Belt and Road cooperation.

The Circular has played a positive role in supporting foreign trade enterprises, helping them overcome difficulties and easing their pressure, stabilizing their confidence and expectations, and injecting a boost into the recovery of foreign trade.

### **Silk Road e-commerce has become a highlight of the BRI.**

Silk Road e-commerce has boosted trade of the B&R partner countries and created new growth drivers for global economy. China's CBEC trade volume reached 1.69 trillion yuan in 2020, a year-on-year increase of 31.1%; the total export volume was 1.12 trillion yuan, a year-on-year increase of 40.1%. The CBEC customs platforms approved 2.45 billion manifests of imports and exports, a year-on-year increase of 63.3%. Despite the pandemic, a range of Silk Road E-commerce exhibitions were held online, such as Silk Road E-commerce Forum for International Cooperation (Zhengzhou), 2020 Silk Road E-commerce Public-Private Dialogue, 2020 ASEAN-China Digital Economy Cooperation Conference, and China-Uzbekistan Silk Road E-commerce Exchange Matchmaking Conference, opening up new channels for foreign trade development. In 2020,

46 CBEC pilot zones were approved by the State Council, which developed many new business models. In October 2020 China (Linyi) CBEC Pilot Zone and Central European Trade and Logistics Cooperation Zone (CECZ) took the lead in pushing interconnected development between the two zones. In January 2021, China (Ganzhou) CBEC Pilot Zone signed a cooperation agreement with CECZ to jointly operate the CBEC trains from Ganzhou to Budapest under the interconnected mechanism between China and Hungary. The two zones will build CBEC digital ports and parks and set up a digital supply chain service system to open up the central and eastern European market for Ganzhou's featured products. In addition, in July 2020, China Customs introduced the new CBEC B2B export trade modes including "9710" and "9810" to facilitate customs clearance.

## Expansion and Upgrading of CBEC Pilot Zones

In April 2020, 46 new comprehensive CBEC pilot zones were approved by the State Council to leverage the unique strengths of CBEC and help foreign trade move forward through difficulties. Up to June 2021, the number of CBEC pilot zones in China has increased to 105, covering 30 provinces, autonomous regions and municipalities. Such zones endeavor to develop an online Silk Road and have formed a physical and virtual interaction mode with the Silk Road Economic Belt and the 21st Century Maritime Silk Road, thus enriching and driving forward the Belt and Road cooperation.

Following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the comprehensive pilot zones will implement the guiding principles of the Party's 19th National Congress and the second, third, fourth and fifth plenary sessions of its 19th Central Committee in full. They will work to implement the Five-sphere Integrated Plan and the Four-pronged Comprehensive Strategy and pursue the new development philosophy in a coordinated way. In accordance with the decisions and plans made by the CPC Central Committee and the State Council, the CBEC pilot zones will apply and promote the successful experience and practices of the first four groups of zones, advance industrial transformation and upgrading, strengthen brand building, lead the all-round development of cross-border e-commerce, go all out to stabilize the fundamentals of foreign trade and foreign investment and boost the high-quality development of trade. At the same time, it is necessary to ensure national security, network security, transaction security, national biosafety, and quality and safety of imports and exports. It is also important to effectively guard against transaction risks, stick to standardized development, and create a good business environment for all kinds of market players to participate in market competition fairly.



A CBEC comprehensive pilot zone in Tangshan  
Photo: [www.xinhuanet.com](http://www.xinhuanet.com)

### Box 3.3

#### Online Lectures Contribute to Silk Road E-commerce Capacity Building

To mitigate the impact of Covid-19, MOFCOM took the initiative to develop new forms for Silk Road E-commerce capacity building cooperation. It launched Silk Road E-commerce online lectures by adopting the form of "live-streamed teaching + transnational real-time interaction". Since its launch in October 2020, more than 30 online lectures have been held, receiving about 6,000 visits for live-streamed lectures and over 100,000 visits for video ones.

So far, China has established bilateral cooperation mechanisms for e-commerce with 22 countries on five continents. Following the principle of extensive consultation, joint contribution and shared benefits, Silk Road E-commerce has become a new channel and new engine for bilateral economic and trade cooperation and pragmatic cooperation at multiple levels and in various fields. Over the year of 2020, China and the partner countries of Silk Road E-commerce has jointly responded to the global challenges brought by the pandemic and enriched the e-commerce cooperation. They explored new modes of win-win cooperation to share the benefits of digital economy. The experience exchange and mode sharing through online lectures delivered real outcomes. In the special event of Silk Road E-commerce during the third Quality & Brand Online Shopping Festival in April 2021, the daily average retail sales of goods in the partner countries of Silk Road E-commerce increased by 20.9% compared with March, and the sales of key products in more than 10 countries doubled. Featured products such as Argentine pure fruit and vegetable juice, Chilean wine, Colombian coffee, Brazilian shoes, Rwandan handicrafts won wide popularity among online shoppers. Many products have attracted consumers' attention when they just made their debuts in the Chinese market. These events have not only increased trade of the partner countries, but also provided China's consumers with more choices.

The initiative of Silk Road E-commerce online lectures reflects the consensus on e-commerce cooperation and development between China and its partner countries, and provides Chinese solutions and successful practices for promoting inclusive development and common prosperity to the world.

### Box 3.4

#### Overseas Warehouses Boost Foreign Trade Development

By the end of 2020, the number of China's overseas warehouses had reached more than 1,800, mainly in Russia, Southeast Asia, the Middle East and other countries and regions, covering 20% of the B&R partner countries. Overseas warehouses have the following advantages in promoting foreign trade. First, they can stock up on goods in advance to ease the supply pressure caused by poor international logistics. Second, compared with air transportation, the centralized transportation model of overseas warehouses breaks through the restrictions of commodity weight, volume and nature, diversifying the

kinds of CBEC commodities. Third, CBEC retail goods are centrally transported to overseas warehouses, reducing logistics costs by 30% to 50% compared with the direct purchase model. Fourth, overseas warehouses can effectively overcome the difficulties in return and exchange of CBEC goods and improve the shopping experience of consumers.

In December 2020, MOFCOM announced the first seven outstanding overseas warehouses with best practices. They are overseas warehouses providing third-party services, such as Fujian Zongteng Network Technology Co., Ltd. and Winit (Shanghai) Information Technology Co., Ltd.; platform-based multinational overseas warehouses, including Ningbo Hooya Imp.&Exp. Co., Ltd., Zhejiang Jolly Information Technology Co., Ltd., and IML Overseas Warehouse (Shenzhen) Co., Ltd.; growing overseas warehouses, such as Cyber-Bay (Beijing) International E-Commerce Co., Ltd. and Heilongjiang Ruston International Logistics Co., Ltd.



Local logistics workers are unloading televisions from China in Cainiao Warehouse in Guadalajara, Spain.  
Photograph: [www.xinhuanet.com](http://www.xinhuanet.com)

**Trade platforms carried out activities in an orderly manner.** In 2020, China developed new models of exhibition services while continuing Covid-19 prevention and control. In a hybrid format with both physical presence and remote participation, it successfully hosted China International Import Expo (CIIE), China Import and Export Fair (Canton fair), China International Fair for Trade in Services (CIFTIS), China International Fair for Investment and Trade (CIFIT), China Yiwu

International Commodities Fair, and China-Central & Eastern Africa (Kenya) International Trade Digital Expo. In April 2020, to expand the exports of digital services and accelerate the digital transformation of service exports, MOFCOM, in conjunction with the Office of the Central Cyberspace Affairs Commission and the Ministry of Industry and Information Technology, identified 12 national digital service export bases, which will facilitate the digital development of China's services trade.



## The 3rd CIIE Demonstrates China's Determination and Sincerity in Opening up

The 3rd China International Import Expo (CIIE), co-hosted by MOFCOM and the Shanghai Municipal Government, was held in the National Convention and Exhibition Center (Shanghai) in November 2020 and yielded substantial achievements. In his keynote speech via video link at the opening ceremony, Chinese President Xi Jinping emphasized that all countries should work together to commit to mutual opening up that features shared benefits, shared responsibility and cooperative governance. He declared that China will stay committed to openness, cooperation and unity for win-win results, and steadfastly expand all-round opening up, aiming to turn the China market into a market for the world, a market shared by all, and a market accessible to all. This way, China will be able to bring more positive energy to the global community.

**With high standards, the CIIE has received enthusiastic response at home and abroad.** This session's theme was still "New Era, Shared Future". Heads of state and government of eight countries including Pakistan, South Africa, Chile, Uzbekistan, Serbia, Spain, Papua New Guinea and Hungary, and leaders of four international organizations including United Nations Conference on Trade and Development (UNCTAD), World Health Organization (WHO), World Intellectual Property Organization (WIPO) and World Trade Organization (WTO) delivered video speeches. The third CIIE, with a total exhibition area of about 360,000 square meters, achieved the expected goal of safety, excellence and fruitfulness. More than 400,000 professional visitors signed up for it and over 3,000 reporters covered it. Fruitful results were gained in economic and trade cooperation as US\$72.62 billion worth of tentative deals were inked for one-year purchases of goods and services, growing by 2.1% over the last expo.

**With a high level, the CIIE has attracted a large number of businesses.** This CIIE provided the visitors with international debuts of 411 new products, technologies and services, and the rate of the world's Fortune 500 companies and industrial leaders continuing to attend the exhibition reached nearly 80%. The exhibition level was further improved, with the proportion of special equipment reaching 94%. A total of 1,264 enterprises from 93 countries participated in the food and agricultural products exhibition. With 42 internationally renowned exhibitors gathering in debuts area, the CIIE has become the first place for new products' public appearance, the top choice for cutting-edge technologies and the first promoting place for novel services in the world. The world's top seven vehicle groups were all present in the automobile exhibition area. The technical equipment exhibition area highlighted the contents of automation, intelligent manufacturing, industrial digitization, energy and overall solutions. The consumer goods exhibition area was the largest exhibition area in this expo. The service trade exhibition area brought together the world's top enterprises in five major sectors, including finance, logistics, consulting, inspection and testing, and cultural tourism. The medical device and medical care exhibition area saw the most new products and technologies. In addition, this expo added new exhibition areas, such as public health and non-bank finance, and expanded exhibition scope.

**With strong supports from different parties, the CIIE delivered more benefits to exhibitor companies.** Building on the practices in the previous two sessions, many ministries and commissions of the country continued to introduce a host of supporting policies such as tax incentives, convenient customs clearance and market access, bringing more benefits to exhibitors. In addition, 101 supporting events in policy interpretation, matchmaking activities, contract signing and investment promotion were held by



international organizations including the United Nations Industrial Development Organization (UNIDO) and WIPO, China's ministries such as the Ministry of Industry and Information Technology (MIIT) and the Ministry of Finance (MOF), and local governments. Such events have actively facilitated transactions, two-way investment and industrial cooperation. At the same time, the model of “exhibiting plus matchmaking” was adopted for the first time for better connection between global exhibitors and buyers.

The third CIIE, in both physical and virtual forms, is an international economic and trade event with the largest size and the largest number of participating countries in the world which was held when Covid-19 control became regular in China. It reflected the country's remarkable achievements in epidemic prevention and control and economic and social development. The CIIE has enabled exhibits to become traded goods and exhibitors to spot more investment opportunities, acting as a major platform for international procurement, investment promotion, cultural exchange and open cooperation. With increasing spillover effect, it conveys the world a positive signal that China will firmly expand opening up and offer opportunities for the rest of the world to access China's big market, which paves the way for implementing the strategy of expanding domestic demand and the new development paradigm of the dual circulation.



Venue of the third CIIE  
Photograph: [www.xinhuanet.com](http://www.xinhuanet.com)



### Box 3.6

#### Zhengzhou Airport Economy Zone Pushes Ahead with the Building of Air Silk Road

Since its establishment eight years ago, Zhengzhou Airport Economy Zone has been committed to building an Air Silk Road by pushing ahead with the integration and clustering of “Hub + Port + Bonded Area + Industrial Base”. Now it has embarked on a unique road of developing airport economy. In 2020, Zhengzhou Airport completed the cargo and mail throughput of 639,400 tons, ranking sixth in the country, and both its freight transport and passenger transport held the first place in central China for four years running. By December 2020, there had been 31 all-cargo airlines operating at Zhengzhou Airport, opening 51 all-cargo routes and reaching 63 cities. As a result, a route network system covering all major economies in the world has taken shape. In June 2021, the first all-cargo route from Zhengzhou to Manila was opened, providing bigger support for Chinese companies to use RCEP to find cooperation opportunities and expand markets. In addition, China Post opened four new mail transportation lines at the airport and set up an international mail distribution center, laying a good foundation for it to develop into the fourth largest international mail hub airport in China.

#### **The legal system has been improved further.**

In 2020, China enacted the Export Control Law and issued the revised Catalogue of Technologies Prohibited or Restricted from Export by China. It also began to shorten the Catalogue of

Technologies Prohibited or Restricted from Import to China. Additionally, China promulgated the Rules on Counteracting Unjustified Extra-Territorial Application of Foreign Legislation and Other Measures in January 2021.

### Box 3.7

#### Rules on Counteracting Unjustified Extra-Territorial Application of Foreign Legislation And Other Measures Safeguarding the Multilateral Trading System

In January 2021, MOFCOM unveiled the Rules on Counteracting Unjustified Extra-Territorial Application of Foreign Legislation and Other Measures (the “Rules”), which refers to the international legislative experience and aims to protect legitimate rights and interests and maintain the international economic and trade order.

The Rules clarifies the working mechanism for counteracting unjustified extra-territorial application of foreign measures and includes specific contents including reporting, evaluation, issuance of prohibition orders, judicial remedies, etc.

These Rules shall not apply to such extra-territorial application of foreign legislation and other measures as provided for in treaties or international agreements to which China is a party. The promulgation of the Rules shall not affect China’s international obligations. The Chinese government has always fulfilled its international obligations and will continue to earnestly implement relevant international treaties.

## B. Orderly Advancement of Two-Way Investment

China is actively engaged in investment cooperation with the B&R partner countries and regions, and its foreign direct investment (FDI) has grown amid the global declining trend. The country has taken a raft of measures to stabilize foreign investment, promote the domestic and international dual circulation, enhance win-win cooperation with the partner countries and together move towards common prosperity.

**China's investment outflows picked up despite sluggish global investment.** The two-way investment between China and the B&R partner countries shows great vitality and has advanced economic recovery of relevant countries. From

2013 to 2020, the direct investment by Chinese enterprises in the B&R partner countries totaled US\$135.92 billion, with an average annual growth rate of 5.7%, 2.7 percentage points higher than the national average level in the same period. In 2020, against the backdrop of Covid-19 rampaging the world and global FDI shrinking by 35% over the previous year, Chinese investors have realized non-financial direct investment of US\$18.61 billion in 58 B&R countries, accounting for 14% of China's total in the same period (see Figure 3.4), 0.3 percentage point higher than the share in 2019. The investment destinations mainly include Singapore, Indonesia, Vietnam, Laos, Malaysia, Cambodia, Thailand, the UAE, Kazakhstan and Israel, almost the same as last year.

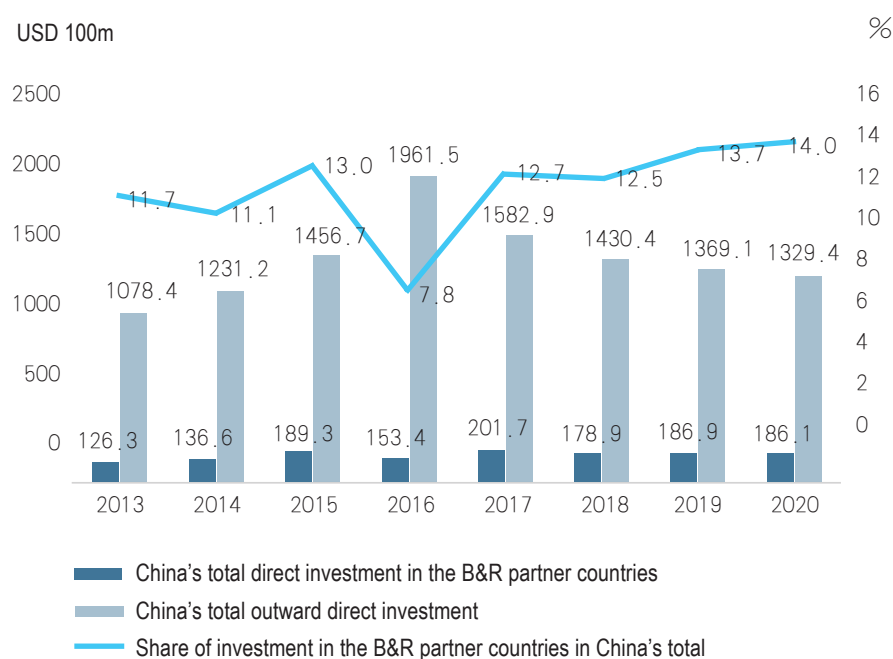


Figure 3.4 China's direct investment in the B&R partner countries (2013-2020)

Source: MOFCOM.

Note: The date for 2020 is from Monthly Statistics of MOFCOM.

**The building of cooperation platforms has been steadily advanced.** In 2020, MOFCOM issued the Circular on Strengthening the Epidemic Prevention and Control in Overseas Economic and Trade Cooperation Zones and the Circular on Responding to the Covid-19: Related Work on Supporting

the Construction of the Border (Cross-border) Economic Cooperation Zones and Promoting the Innovation-driven Development of Border Trade. Such policy documents have provided guidance for ensuring smooth and orderly development of various businesses in overseas economic and

trade cooperation zones and border (cross-border) economic cooperation zones during the pandemic and for promoting the high-quality development of the cooperation zones. A large number of projects and parks moved forward steadily despite the challenges brought by Covid-19. By the end of 2020, the accumulated investment in overseas economic and trade cooperation zones had reached 44.85 billion yuan, creating 373,000 local jobs. Provinces like Zhejiang, Shandong, Liaoning, Sichuan and Shaanxi accelerated the building of comprehensive pilot zones and economic and trade cooperation demonstration zones and established investment cooperation platforms, so as to further step up the international development of enterprises. Border areas actively improved platforms for boosting economic and trade cooperation. By the end of 2020, China had established 17 national-level border economic cooperation zones, covering Inner Mongolia, Guangxi, Yunnan, Xinjiang, Heilongjiang, Jilin, Liaoning and other provinces and autonomous regions. In 2020, with the addition of Tacheng, Xinjiang, the number of the key pilot zones for development and opening up in China

border areas have reached nine. The proposal of upgrading the Chinese part of the China-Kazakhstan Horgos International Border Cooperation Center into Horgos Comprehensive Bonded Zone was approved by the State Council, bringing the dual roles of “Comprehensive Bonded Zone + Supporting Area” into full play.

**The investment inflows declined slightly.** Since 2013, China has received over US\$58 billion of direct investment from the B&R partner countries and the entities from these countries has set up 26,000-plus FIEs in China (including reinvestment through some free ports, excluding banking, securities and insurance, the same below). As most B&R partner countries are developing countries and emerging economies, their total investment in China decreased to US\$8.27 billion in 2020 due to the impact of Covid-19, accounting for 5.7% of the total foreign investment flowing to China in the same period. The entities from these countries established a total of 4,294 new FIEs, making up 11% of all the new FIEs in China in the same period (see Figures 3.5 and 3.6).

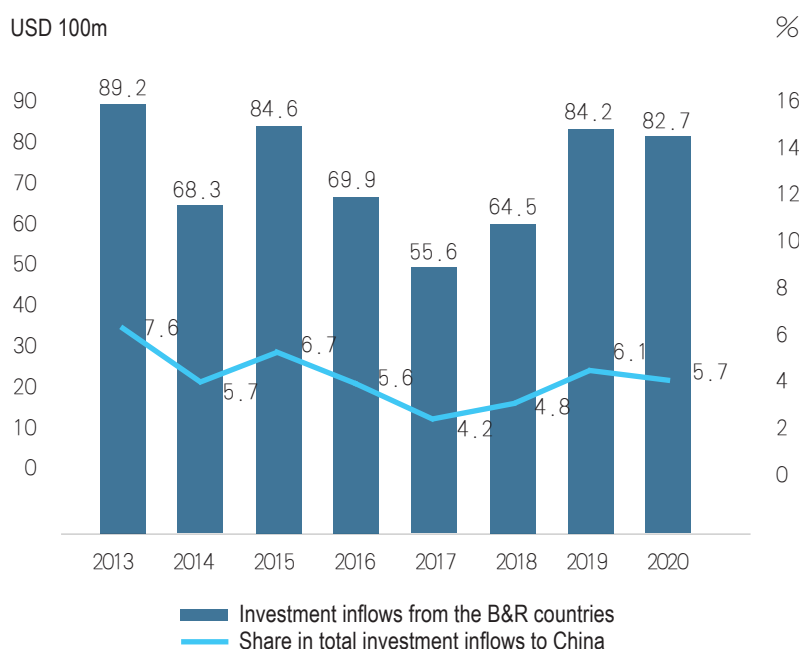


Figure 3.5 Investment flows from the B&R partner countries to China (2013-2020)

Source: MOFCOM.

Note: The data include reinvestment through some free ports but exclude banking, securities and insurance.

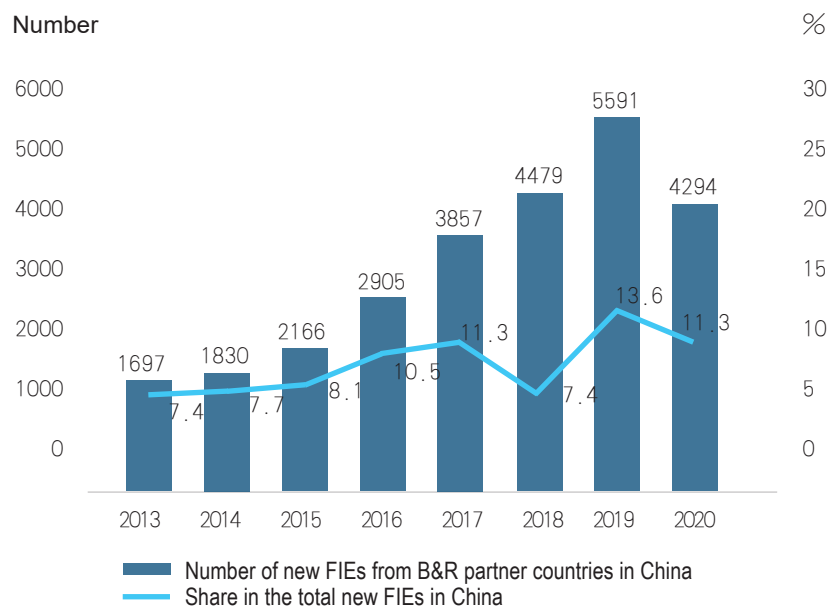


Figure 3.6 FIEs from the B&R partner countries in China (2013-2020)

Source: MOFCOM.

Note: The data include FIEs set up by reinvestment through some free ports but exclude banking, securities and insurance.

### Various measures have been adopted to stabilize foreign investment.

In 2020, NDRC and MOFCOM jointly issued the Measures for the Security Review of Foreign Investment to meet the needs of promoting a new pattern of all-round opening up. The aim is to improve the security safeguard mechanism for opening up, actively promote and protect foreign investment, and effectively prevent and resolve national security risks, ensuring higher-standard opening up. In the Catalogue of Industries for Encouraged Foreign Investment (2020), the items increased by more than 127, with the focus on items in manufacturing, producer services and in central and western China. That means the priorities of promoting foreign investment are placed more on sound industrial structure and balanced regional development. The Rules on Handling Complaints of Foreign-Invested Enterprises were adopted to support the implementation of the Foreign Investment Law and relevant regulations, protect the legitimate rights and interests of FIEs. The Special Administrative Measures for Foreign Investment Access for the nation, the pilot free trade zones and the Hainan

Free Trade Port were released respectively to speed up the opening up of key areas in services industry and broaden the access to manufacturing and agriculture. The role of pilot free trade zones as pacesetters became more prominent. In addition, MOFCOM and other relevant departments actively responded to Covid-19 by implementing the national strategic plans on stabilizing the overall performance of foreign trade and foreign investment. They increased policy support, promoted investment inflows and introduced a host of policies and measures, including services for key foreign investment projects and equal treatment to domestic and foreign enterprises. Chinese government made efforts to tap on the growth potential by encouraging online investment promotion events to enable non-stop investment promotion and attraction activities. Services for enterprises have been enhanced, as whole-process services for the key foreign-invested projects were provided, and the project implementation was accelerated to produce demonstration and driving effects.



## The Rules on Handling Complaints of Foreign-Invested Enterprises Issued To Protect Foreign Investors

In order to fulfill the goals set by the CPC Central Committee and the State Council on ensuring stability in six fronts (employment, finance, foreign trade, inbound investment, domestic investment, and market expectations), and strengthen the protection of the legitimate rights and interests of foreign investors, MOFCOM revised and issued the Rules on Handling Complaints of Foreign-Invested Enterprises in August 2020, which would be implemented since October 1, 2020.

The Rules, focusing on improving the specific operational rules, are divided into five chapters, namely, General Provision, Filing and Acceptance of Complaint, Complaint Handling, Administrative System of Complaint Handling and Supplementary Provision, with 33 articles. It is designed to ensure the full implementation of the relevant investment protection systems stipulated in the Foreign Investment Law and its supplementary regulations.

The Rules is an integral part of China's foreign investment regulation system and a major step for China to move faster to create a market-oriented, law-based, and internationalized business environment. The efforts to improve the working mechanism of handling foreign complaints and address the acute problems facing foreign investors in a timely manner will help a benign interactive relationship between the Chinese government and foreign investors. This way, the legitimate rights and interests of foreign investors will be better protected; the investment environment will be more friendly; and the investors' expectations and confidence will be boosted. Furthermore, implementation of the Rules will push China to establish a new open economic system at a higher level and create new strengths in international cooperation and competition.

According to relevant regulations and the Rules, the Investment Promotion Agency of MOFCOM set up a National Center for Complaints of Foreign-Invested Enterprises. The Rules clarifies the duties and powers of the Center, making its role clearer.



## Four Highlights of the Catalogue of Industries for Encouraged Foreign Investment (2020)

In December 2020, the NDRC and MOFCOM jointly issued the Catalogue of Industries for Encouraged Foreign Investment (2020). It will attract investment in a broader range of sectors, guide foreign investment to flow to the encouraged sectors, boost foreign investors' confidence, and contribute to China's new development pattern.

In the 2020 edition, the items were increased and the investment fields were expanded, compared with the 2019 edition. The aim is to encourage investment in advanced manufacturing and modern services sectors, strengthen the resilience of important industrial and supply chains, improve the development quality of services, support investment in competitive industries in the central and western regions, and further promote coordinated regional development.



### Encourage investment in advanced manufacturing to enhance the resilience of key industrial chains

- \* AI, integrated circuits, etc.
- \* High-end manufacturing
- \* New material
- \* Green industry and environmental protection



### Encourage investment in modern services to improve the development quality of services industry

- \* R&D and design
- \* Business services
- \* Modern logistics
- \* Information services



### Increase items and scope

- \* Total items 1,235, up by 127
- \* Nationwide: up by 65 items
- \* Central and western regions: up by 62 items
- \* Amendments: 88 items, to expand scope



### Encourage investment in competitive industries in central & western regions for better regional balance

- \* Heilongjiang and Yunnan: added new items such as agricultural product processing & tourism development
- \* Henan, Shaanxi, Guangxi, etc.: added new items such as medical devices, epidemic prevention and protection equipment, and APIs production
- \* Hubei, Sichuan and Chongqing: added new items such as semiconductor materials & industrial ceramics
- \* Anhui and Shaanxi: added items about vocational colleges
- \* Hainan: added trade, shipping, finance, tourism and other related items to support the construction of Hainan Free Trade Port

**Pilot Free Trade Zones (PFTZs) have seen expanded size and improved quality.**

China further improved the network of PFTZs in 2020 by issuing the Master Plan for Hainan Free Trade Port; setting up Beijing, Hunan and Anhui PFTZs; and expanding Zhejiang PFTZ. The number of such zones has reached 21 as of June 2021. A total of 37 pieces of reform experience of the PFTZs have been applied to the whole country or some certain regions. In 2020, the top 18 PFTZs used foreign

investment of 176.3.8 billion yuan and the number of new FIEs reached 6,472, accounting for 17.6% and 16.8% of China's total, respectively. The PFTZs have covered more parts of the country and added new elements to the national strategies, such as the coordinated development of the Beijing-Tianjin-Hebei region, the rise of Central China, the integrated development of the Yangtze River Delta, developing China into a strong maritime country, and innovation-driven development.

■ Box 3.10

### PFTZs Growing into Pacesetters of Opening up

According to the decisions and plans made by the CPC Central Committee and the State Council, Shanghai pilot free trade zone was put into operation in September 2013. By the end of 2020, the number of PFTZ had reached 21 with the addition of Guangdong, Liaoning, Hainan, Shandong and Beijing PFTZs. With the establishment of Lin-gang special area of the Shanghai PFTZ and the expansion of PFTZ in Zhejiang province, a new network of PFTZs covering all major parts of China has taken shape.

Building on the successful reforms of the PFTZs, the three new PFTZs have their distinctive reform missions to promote institutional opening and advance the B&R cooperation. Beijing PFTZ, focusing on the development of digital economy and trade, will build a science and technology innovation center with global influence and serve the national strategy of Beijing-Tianjin-Hebei integrated development. Hunan PFTZ will work to build a world-class advanced manufacturing cluster, an international investment and trade corridor connecting the Yangtze River Economic Belt with Guangdong, Hong Kong and Macao, a pilot zone for economic and trade cooperation between China and Africa, and a new pacesetter for inland opening up. Anhui PFTZ will leverage its strengths in technology innovation, industrial and geographic location to explore a new model of deep integration of innovation and real economic development, transformation and upgrading of traditional industries and growth of strategic emerging industries.

In 2020, the Access of Foreign Investment (Negative List) to the PFTZs has been revised for the sixth time. In the new edition, the items of the negative list were further reduced, and the number of special administrative measures was cut from 37 in 2019 to 30. On the basis of the national opening-up measures, the PFTZs continued to explore new ways and make innovations as pacesetters. In the pharmaceutical area, the items of prohibiting foreign investment in Chinese herbal pieces was removed; in education, the wholly foreign-owned vocational education institutions were allowed to set up. In 2020, the items of negative list in Hainan Free Trade Port were further reduced to 27 on the basis of the national version and the PFTZ version. Opening up of the key areas such as value-added telecommunications and education will be advanced, the opening of business services will be expanded, and the restrictions over access to manufacturing and mining will be relaxed.

## Master Plan for Hainan Free Trade Port Released

In June 2020, the CPC Central Committee and the State Council officially issued the Master Plan for Hainan Free Trade Port, which clarified the institutional design and step-by-step arrangement of the Hainan Free Trade Port. By 2025, a free trade port system focusing on trade and investment liberalization and facilitation will be largely established; by 2035, the port will become a new pacesetter for China's open economy; by the middle of the 21st century, a high-standard free trade port with global influence will be built in an all-round way.

- Trade liberalization & facilitation
- Investment liberalization & facilitation
- Smooth cross-border flow of funds
- Unimpeded flow of people
- Smooth logistics
- Secure and orderly flow of data
- Building modern industrial system
- Building tax system
- Strengthening social governance
- Building legal system
- Building risk prevention & control system

6

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1

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## C. Steady Improvement in Connectivity

In 2020, China and the B&R partner countries worked hard to jointly advance infrastructure connectivity in an overall unfavorable environment. A number of landmark B&R projects achieved steady progress and substantive results, and “Constructed by China” has shown a strong brand effect in international cooperation.

**The overseas project contracting showed greater potential.** The B&R partner countries have been an important destination for China's international contractors. From 2013 to 2020, the contract value of new projects that China undertook in the B&R partner countries rose by 10.2% annually from US\$71.57 billion to US\$141.46 billion. The completed turnover rose from US\$65.4 billion to US\$ 91.12 billion, reporting an annual growth

rate of 4.9% (see Figure 3.7). In the same period, growth momentum has been maintained in project contracting cooperation with the B&R partner countries, as both contract value and completed turnover of the new projects that China had signed with these countries had a share of over 40% in China's total project contracting overseas. Since 2017, both of the shares have exceeded 50% (see Figure 3.8). In 2020, due to the outbreak of the Covid-19, China's project contracting in the B&R partner countries decreased slightly, but the share increased steadily. The share of contract value of new projects undertaken by Chinese companies in the B&R partner countries was 55.4%, while the share of completed turnover was 58.4%, an increase of 1.7% compared with 2019 (see Figure 3.8). China's infrastructure connectivity with the B&R partner countries has further deepened.

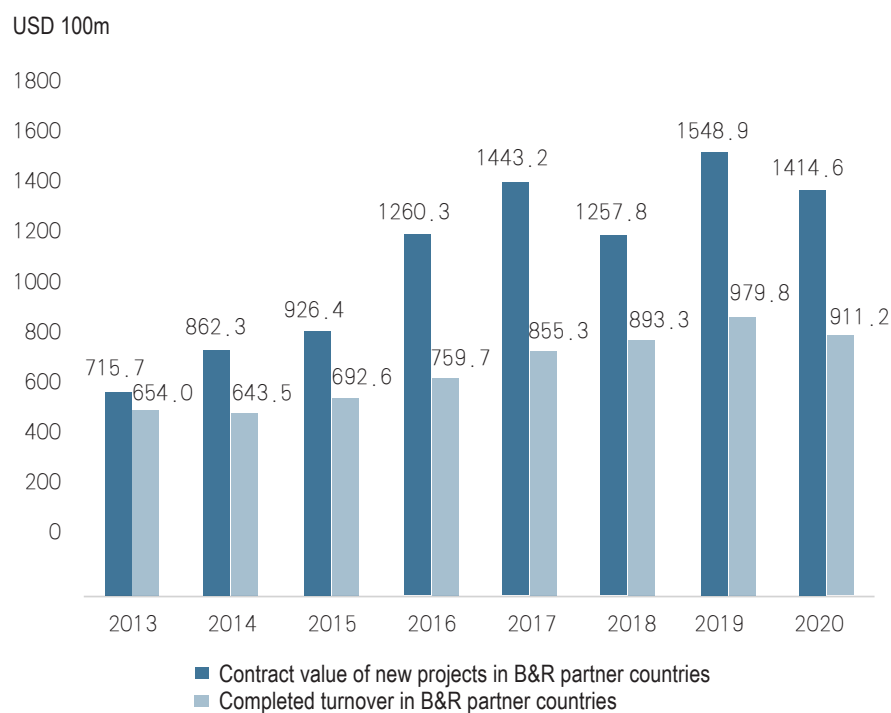


Figure 3.7 China's project contracting in B&R partner countries (2013-2020)

Source: MOFCOM.

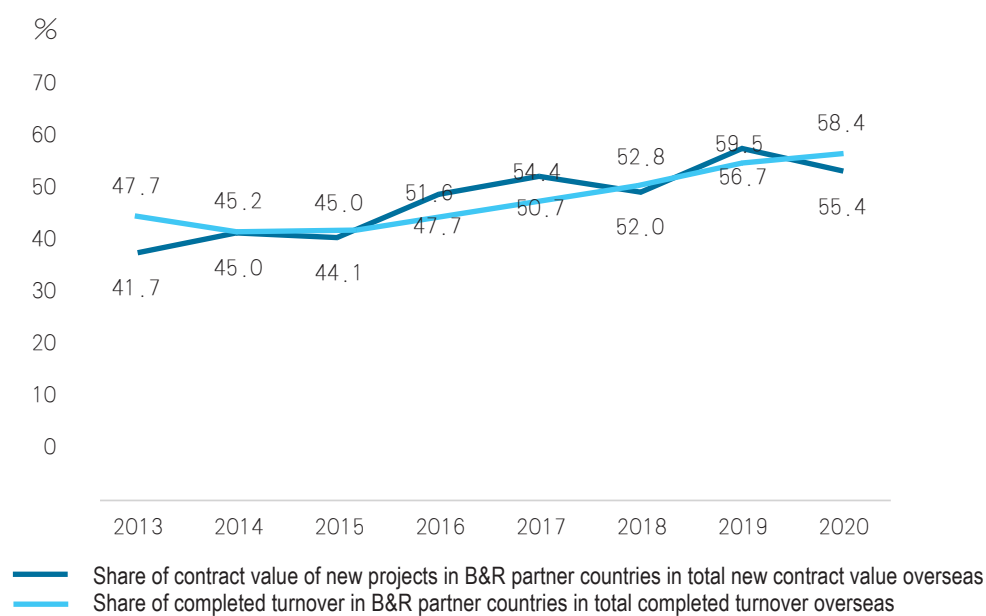


Figure 3.8 Contract value and completed turnover of contracted projects by China in B&R partner countries by share (2013-2020)

Source: MOFCOM.



### Major projects have made steady progress.

Infrastructure projects, represented by modern railway network, expressway network, automated ports and airports, are the key part of the BRI connectivity. During the epidemic, a number of infrastructure projects progressed smoothly in both controlling the infective disease and resuming production, thereby creating a good image in the international arena. The whole tunnel of China-Laos Railway was completed, a contract on the first-phase project of China-Thailand Railway was concluded in a virtual form; the construction of Jakarta-Bandung High-Speed Railway fulfilled the

goal as scheduled; and the EPC main contract of Hungary section of Hungary-Serbia Railway came into effect. Under the framework of the China-Pakistan Economic Corridor (CPEC), the first large-scale rail transport project, the Pakistan Lahore Orange Line Rail Transit Project, was opened to traffic, helping Pakistan usher a subway era and improving local economic and social development level. The largest transportation infrastructure project on the CPEC, the Sukkur-Multan section of Peshawar-Karachi Motorway (PKM), was officially delivered.

#### Box 3.12

### The Largest Transportation Infrastructure Project on the CPEC Delivered

In December 2020, the TOC certificate issuing ceremony of Pakistan PKM (Sukkur-Multan Section), one of the early harvest projects and the largest transportation infrastructure project on the CPEC constructed by China Construction, was held in Multan, Pakistan, marking the official delivery of the project.

The motorway connects Sukkur and Multan, two important cities in Pakistan, with a total length of 392 kilometers and a design speed of 120 kilometers per hour, reducing the commuting time of the two places from 11 hours to about 4 hours and creating about 29,000 local jobs. Chinese contractors also built schools, roads, bridges, wells and ditches in villages located in the main cash crop growing areas where the motorway runs, directly driving local economic and social development.

The smooth handover of the project is an example of the CPEC construction that progressed steadily despite the adverse impact of the pandemic. With the motorway going into operation, a north-south transportation artery in central Pakistan will be brought into full play to improve the traffic situation in Pakistan, boost local development, and benefit local people.



Pakistan Peshawar-Karachi  
Motorway (PKM) Project  
Photograph: SASAC

### Sharing the Mekong River and Promoting China-Laos Friendship Together

In December 2020, the last unit of the third-level hydropower station in the Nam Ou River Basin Cascade Hydropower Project of Laos was successfully connected to the grid for power generation. This station was invested and built by Power Construction Corporation of China Ltd. (PowerChina). All nine units of the NO.1, NO.3 and NO.4 stations of the project in the second phase were put into operation in 2020, making the station enter a full power generation stage and marking a new high of the project. In the next stage, the joint debugging and transmission in the whole basin will be gradually carried out to deliver high-quality clean power to Laos. This project will play an important role in promoting Lao' economic and social development, injecting new impetus and making new contributions to the development of China-Laos Comprehensive Strategic Partnership and the building of China-Laos community with a shared future.

The Nam Ou River Basin Cascade Hydropower Project is implemented in two phases according to "One Reservoir with Seven Cascades". It has a total installed capacity of 1272 MW, an average annual output of 4.996 billion KWh and a total investment of approximately US\$2.733 billion. The NO.2, NO.5, NO.6 power stations of the first phase have been put into commercial operation. As for the NO.1, NO.3, NO.4, NO.7 power stations of the second phase, the construction started in April 2016, and after the river was dammed at the end of 2017, the first unit began to generate power in December 2019. As of the end of 2020, the installed power generation capacity has reached 1,062 MW, with an accumulative output of about 6.3 billion KWh. All the power stations in the whole basin are expected to be completed in 2021 for power generation and cascade transmission.



The NO.1 power station where the first unit of the second phase of the Nam Ou River Basin Cascade Hydropower Project is located  
Photograph: PowerChina Resources Ltd.

**Business models have been upgraded.** Against the backdrop of the increasingly fierce competition in the international engineering construction market and the bottleneck of the traditional development model of international contracted projects, China's contractors make efforts to transform and upgrade development models. Projects including the Maputo Bridge in Mozambique and the GIBEIII Hydropower Station in Ethiopia were actively exploring a third-party cooperation mode, setting an example for

multi-party and all-win cooperation in the field of international infrastructure construction. In January 2021, MOFCOM and other 18 government departments jointly issued the Circular on Work of Promoting the High-Quality Development of International Design Consulting Services, in order to encourage companies to explore business in the areas of project planning, consulting, survey, design, costing, supervision, project management, and operation and maintenance.

#### Box 3.14

### High-Quality Development of International Design Consulting Services

In January 2021, MOFCOM and other 18 departments jointly issued the Circular on Work of Promoting the High-Quality Development of International Design Consulting Services. The Circular clarified the definition, guiding philosophy, main objectives and basic principles of international design consulting services. It put forward specific measures to promote the high-quality development of such services from the following five aspects: strengthening policy guidance and mechanism support, enhancing fiscal, taxation, financial and insurance support, improving the comprehensive competitiveness of enterprises, promoting the building of talent team, and providing better public services and management. These measures will enhance the leading role of overseas design consulting in the value chain of international project contracting, foster new growth drivers, and chart the future development of China's project contracting overseas with equal focuses on quality and efficiency.

According to the Circular, by 2035, China's overseas design consulting will have stronger competitiveness in the international market, a higher position in the value chain of international project contracting and a greater leading role in the development of this industry. The standard system, service system, policy supporting system and talent training system have been gradually improved to underpin the development of overseas design consulting, a group of design consulting firms have been established with different sizes, diversified business fields and expertise, and certain international influence. As a result, the international design consulting will play a bigger role in promoting economic and social development of China and the host countries, and in advancing the high-quality Belt and Road cooperation.

## D. Further Achievements in Development Cooperation

Facing the profound and complex changes in the international and domestic environment, China has followed the principle of pursuing the greater good and shared interests. When advancing the

BRI, it stays committed to deepening international development and cooperation, strengthening foreign aid, and making positive contributions to the attainment of the UN Sustainable Development Goals (SDGs) in 2030 and the building of a community with a shared future for mankind.



**China has made every effort to support the B&R partner countries to improve people's wellbeing.**

In the field of agriculture, China helped those African countries that were hit by locust plague and Covid-19 in 2020. It assisted Uganda, Ethiopia and other affected countries with locust control materials to reduce the loss. China-aided projects of grain depot and grain processing facility in Timor-Leste and agricultural technical cooperation in Grenada have helped local people raise agricultural production and ensure food security. In the field of education, the reconstruction project of 113 primary schools with hut classrooms in Burkina Faso was completed, as a result of which nearly 30,000 local primary school students can learn knowledge in large and bright classrooms. Aid projects such as Sofala Vocational and Technical School in Mozambique, Malawi Community Technical College and Kagera Vocational and Technical Training School in Tanzania were well underway, which will help improve local education level and the access for the public to vocational education and employment opportunities. In the field of public facilities, projects such as the National Olympic Stadium in Ivory Coast and the National Library and Archives in Djibouti have been put into operation. Projects including the Gambia International Conference Center and the Central Activity Center of the Lao People's Revolutionary Youth Union have been signed or started, which will upgrade local public

infrastructure and enrich people's sports and cultural activities. In the humanitarian field, the project of post-disaster rehabilitation of Dominica's western coastal roads has been completed to contribute to local economic and social recovery. China also provided cash donations for the resettlement of displaced persons in Kachin State, Myanmar, and supported the country to build homes for those people.

**Online teaching provides a new training way in foreign aid.**

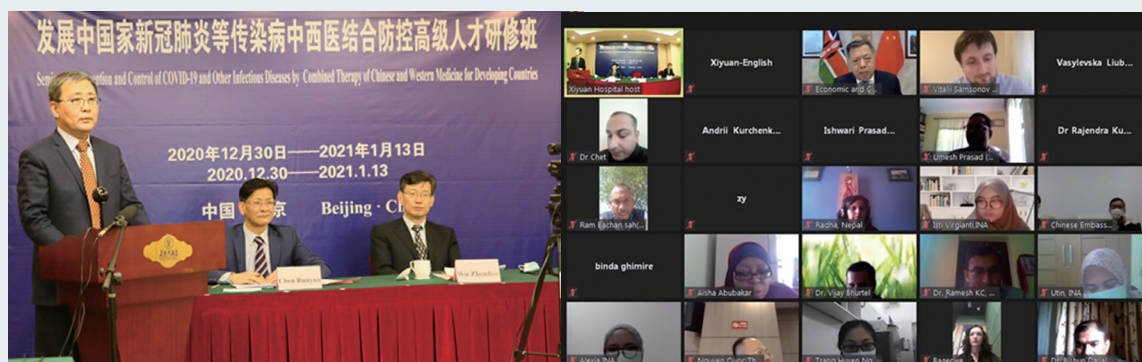
In 2020, to overcome the difficulties caused by Covid-19, China adopted online teaching ways to carry out foreign aid training for the first time. The virtual seminars included the 2020 Ministerial Workshop on Attracting International Investment for Developing Countries, Seminar on Weather Modification Technologies and Management for Developing Countries and Seminar on Prevention and Control of Covid-19 and Other Infectious Diseases by Combined Therapy of Chinese and Western Medicine for Developing, with more than 100 participants of officials and technicians from developing countries. The novel teaching forms have created a new platform and channel for sharing China's experience and spreading China's voice during the pandemic. China will continue to strongly support the B&R partner countries to improve capacity for governance and industrial development and pursue sustainable self-development.

**Box 3.15**

**Virtual Seminar on Prevention and Control of Covid-19 and Other Infectious Diseases  
By Combined Therapy of Chinese and Western Medicine for Developing Countries**

In December, 2020, the Seminar on Seminar on Prevention and Control of Covid-19 and Other Infectious Diseases by Combined Therapy of Chinese and Western Medicine for Developing Countries was held online. The seminar is hosted by MOFCOM and organized by Xiyuan Hospital, China Academy of Chinese Medical Sciences. Leaders and experts from the Department of International Cooperation of the National Administration of Traditional Chinese Medicine, Academy for International Business Officials (AIBO) of MOFCOM, Xiyuan Hospital, Chinese embassies in Eritrea and Kenya attended the opening ceremony. A total of nearly 100 health officials from Eritrea, Kenya, Nepal, Ukraine, Indonesia, Vietnam and other countries conducted a 15-day study and had discussions with the Chinese experts.

The seminar offered a platform to share China's anti-epidemic experience, especially the prevention and control of Covid-19 and other infectious diseases by combined therapy of Chinese and western medicine, providing intellectual support for relevant countries to fight the epidemic and build a community of health for mankind.



The Seminar on Prevention and Control of Covid-19 and Other Infectious Diseases by Combined Therapy of Chinese and Western Medicine for Developing Countries  
Photograph: [www.cacms.ac.cn](http://www.cacms.ac.cn)

### China has engaged in multilateral cooperation to promote joint response to global challenges.

China has stayed committed to multilateralism, advanced international organizations to play their roles by increasing financial and material support to them, and helped developing countries cope with global challenges such as public health crisis and severe economic recession. In September 2020,

in his video speech at the UN General Assembly, Chinese President Xi Jinping announced that China will provide US\$50 million to the China-FAO South-South Cooperation Trust Fund (Phase III). This was the third time since 2008 and 2015 for China to donate funds to the FAO to support agricultural development in developing countries and help address the global food security issue.

### Box 3.16

## China Supports International Organizations to Play Their Roles under the Framework Of South-South Cooperation Assistance Fund

In December 2020, under the framework of South-South Cooperation Assistance Fund, China signed cooperation agreements with the International Telecommunication Union (ITU), International Civil Aviation Organization (ICAO), United Nations Conference on Trade and Development (UNCTAD), United Nations High Commissioner for Refugees (UNHCR), and United Nations Population Fund (UNFPA) and other international organizations. The agreements covered technical assistance and training on information and communication development strategies for developing countries, development of civil aviation planning courses and related training, response to the impact of Covid-19 and post-pandemic inclusive growth and sustainable recovery. These projects will help pool domestic and international excellent resources to jointly support the sustainable development of other developing countries.



### **The international development cooperation has seen improvement in capacity and standard.**

In 2020, China further improved the management ability in international development cooperation to achieve high quality results and raise its influence. The new Administrative Measures for the Use of Foreign Aid Logo was enacted to unify the logo of Chinese foreign aid. A host of regulations and measures were adopted to promote standard, specialized and institutional management. They were Measures for the Qualification Accreditation of Consulting Service Agencies for Foreign Aid Projects, Measures for the Implementation of Administrative Punishment by China International Development Cooperation Agency (CIDCA) and Measures for the Implementation of Administrative Review by CIDCA. A white paper, entitled China's International Development Cooperation in the New Era, was released to set forth China's principles and policies in international development cooperation since the 18th CPC National Congress. The white paper addressed the international concerns, and introduced the practices and progress of China's international development in the new era. It also reflects the country's effort in increasing information disclosure and raising outreach effects. China also worked to formulate medium-and long-term plans for foreign aid, establish a sound project evaluation mechanism and statistical information system, so as to provide strong support for high-quality international development cooperation.

### **E. Constantly Expanded Financial Cooperation**

Over the past eight years of the Belt and Road cooperation, China has signed MOUs on currency swap arrangements, RMB clearing arrangements

and regulatory cooperation with many B&R partner countries. The network of overseas financial institutions has been improved and their businesses have been expanded all the time, providing significant financial support for the joint pursuit of the BRI.

### **Financial institutions have achieved remarkable results in serving the BRI.**

Chinese-funded financial institutions have established businesses in the markets of the B&R partner countries to provide better financial services for enterprises going global. By the end of 2019, 11 Chinese banks had set up nearly 80 primary institutions in 29 B&R partner countries. By October 2020, China Development Bank (CDB) had completed special loan contracts of about 431.2 billion yuan and issued loans of 310.5 billion yuan; Silk Road Fund had signed a total of 47 projects with a committed investment amount of US\$17.8 billion, and established extensive cooperation with investors from more than 30 countries and regions and numerous international and regional organizations. In February 2020, MOFCOM and the CDB jointly issued the Circular on Leveraging the Role of Development Finance to Respond to Covid-19 and Support High-quality B&R Cooperation, giving development financial support to BRI projects and enterprises affected by the pandemic. In March 2020, the Belt and Road Bankers Roundtable (BRBR) issued the Initiative to Support Covid-19 Response in China and Other Countries. In July 2020, the 8th China-EU High-level Economic and Trade Dialogue supported the synergy between the BRI and the EU's strategy on connecting Europe and Asia, and further promoted the two-way opening-up of the financial industry.

#### **Box 3.17**

### **AIIB Sets a New Model of International Multilateral Cooperation**

January 2021 marked the fifth anniversary of the founding of AIIB. Since its establishment, the AIIB has followed the principle of developing a multilateral development bank, pursued internationalized, standardized and high-level growth to power the economic development of developing countries. As of

January 2021, the AIIB has had 103 members and invested in 108 projects with amount of US\$22.02 billion. It has attained the highest credit ratings by three international rating agencies, namely Standard & Poor's, Moody's and Fitch, and has been recognized by the Basel Committee on Banking Supervision (BCBS) with zero risk weight, thus gaining more and more international "votes of confidence". Since the outbreak of Covid-19, the AIIB has launched a crisis recovery fund of US\$13 billion. As of January 2021, it has approved a loan of US\$7.075 billion to boost global economic recovery.

The AIIB worked to implement the important outcomes of the BRF. In July 2020, it officially served as the fund trustee of the Multilateral Cooperation Center for Development Finance (MCDF) and the executing agency of the MCDF projects, and would set up a secretariat to support the daily operation of the MCDF. The MCDF was an important outcome of the first BRF in 2017 and a multilateral development and cooperation platform in infrastructure connectivity. It aims to support infrastructure connectivity including projects under the BRI by promoting information sharing, supporting project preparation and capacity building.



AIIB under the night sky  
Photograph: People's Daily

### **The Debt Service Suspension Initiative (DSSI) has been fully implemented.**

The Covid-19 outbreak has greatly shocked the global economy and further highlighted the debt vulnerability and sustainability of low-income countries. In April 2020, the G20 Finance Ministers and Central Bank Governors Meeting adopted the Debt Service Suspension Initiative for the Poorest Countries (DSSI). China attached great importance to the implementation of the DSSI. In June 2020, at the Extraordinary China-Africa Summit on Solidarity against Covid-19, China announced to cancel the debt of relevant countries in the form of interest-free government loans that were due to mature by the end of 2020. As of November 2020, the CIDCA and the Export-Import Bank of China, as

official creditors, have fully implemented the DSSI by approving the applications for debt service suspension that meet the requirements of the Initiative. As a result, China put off debt repayment of US\$1.353 billion, benefiting 23 countries. As a commercial creditor, CDB actively responded to the Initiative on the basis of voluntary action and market operation. By the end of September 2020, the bank had signed agreements on debt service suspension with relevant parties and the deferral amount for the beneficiary countries had reached US\$748 million. With the highest deferral amount among G20 members, China has made positive contributions to supporting the poorest countries to cope with Covid-19 and debt vulnerability through concrete actions.

## G20 Delays Poor Countries' Debt Payments

In March 2020, the Extraordinary G20 Leaders' Summit proposed to intensify efforts to deal with the debt vulnerability risk of low-income countries caused by Covid-19. On April 15, the G20 Finance Ministers and Central Bank Governors Meeting adopted the Debt Service Suspension Initiative for the Poorest Countries, which suspended principal and interest repayments on the sovereign debts due from May 1st to the end of 2020 on the basis of neutral net present value (NPV). The aim is to help them release more financial resources to address the impact of the pandemic and recover economic and social development.

At the Extraordinary China-Africa Summit on Solidarity Against Covid-19 on June 17, 2020, Chinese President Xi Jinping urged the G20 to extend debt service suspension still further for countries concerned, including those in Africa.

On October 14, 2020, the G20 finance ministers and central bank governors agreed to extend the suspension period to June 30, 2021, and in April 2021, they agreed to extend the period to the end of 2021.

As of February 2021, China has canceled the interest-free loan debts of 15 African countries including Botswana, Rwanda and the Democratic Republic of the Congo. In addition, China also provided relief to some countries that did not qualify for the G20 DSSI. For example, Ecuador received temporary debt relief of US\$891 million.



The Extraordinary G20 Leaders' Summit  
Photograph: [www.xinhuanet.com](http://www.xinhuanet.com)

**The RMB internationalization has progressed in a steady and prudent manner.** In 2020, six ministries and commissions including the People's Bank of China (PBOC) jointly issued the Circular on Further Improving Cross-border RMB Policies to Support Stable Foreign Trade and Foreign Investment. Focusing on the needs of the real economy, the Circular is aimed at

promoting higher facilitation for RMB settlement in trade and investment, further streamlining cross-border RMB settlement, improving management over cross-border RMB investment and financing, and facilitating the cross-border RMB receipt and payment under personal current accounts and the use of RMB bank settlement accounts for overseas institutions. Driven by market demands,

positive progress has been made in the use of RMB in the B&R partner countries. As of August 2020, China has signed bilateral local currency settlement agreements with nine neighboring countries including Vietnam, Laos, Russia and Kazakhstan. As of January 2021, bilateral currency swap agreements have been signed with 24 B&R partner countries including Russia, Indonesia, the UAE, Egypt, Turkey and Laos. The central banks of the ROK, Singapore, Thailand, the Philippines, Indonesia and other countries have included RMB in their foreign exchange reserves. RMB has been directly traded with the currencies of nine B&R partner countries, such as Malaysian ringgit, Singapore dollar and Thai baht, and has been traded regionally with currencies of three countries, such as Cambodian Riel.

#### **The channels for RMB return have expanded.**

The opening-up of China's financial market has provided diversified investment and financing channels for investors from the B&R partner countries. In May 2020, the PBOC and the State Administration of Foreign Exchange (SAFE) promulgated the Provisions on the Administration of the Domestic Securities and Futures Investment Funds of Foreign Institutional Investors. According to the Provisions, foreign investors will be given wider market access; investment operation will be facilitated; investment areas will be expanded in a steady and orderly manner; oversight will be strengthened, and the high-standard opening-up of the capital market will be accelerated. The BRI investors can invest into the Chinese financial market through RQFII, Shanghai-Shenzhen-Hong Kong Stock Connect, direct investment, bond connect and other channels. The Administrative Measures for Issuing and Trading Corporate Bonds published by the China Securities Regulatory Commission (CSRC) in August 2020 announced the cancellation of the mandatory rating requirements for corporate bonds. In December 25, 2020, National Association of Financial Market Institutional Investors (NAFMII) issued the Guidelines on Bond Insurance by Foreign Governments and International Development Institution Issuers (for Trial Implementation) and Guidelines on Debt Financing Instruments of

Overseas Non-Financial Enterprises (2020) to further improve the registration and issuance process, lay down detailed rules for information disclosure, strengthen dedication requirements for intermediary agencies, and improve the system design of panda bond market. Meanwhile, the mandatory rating requirements for foreign governmental sovereign panda bonds were abolished to encourage issuers like foreign governments and international development institutions to invest in the Chinese bond market. A growing number of BRI investors have invested in China's financial market to obtain high investment returns of RMB financial assets and share the benefits of China's economic growth.

#### **Green financing has witnessed substantial progress.**

Since its official launch in November 2018, the Green Investment Principles (GIP) for the Belt and Road has developed into an international network composed of 37 signatories and 12 supporting institutions. As of August 2020, the total assets held or managed by members have exceeded US\$41 trillion. In September of 2020, the second GIP Plenary Meeting released the first annual progress report. The report evaluated the implementation of the principles by the signatories from four perspectives: corporate governance strategy, sustainability risk assessment and management, green investment portfolio and information disclosure. For the first time, the "Best Practice Award" and the "Best Green Financial Transaction Award" were set up, with Standard Chartered Bank and the Silk Road Fund winning the awards, respectively.

### **F. Greater Harmonization of Standards and Norms**

China has continued its efforts in the alignment and harmonization of international standards to driving high-quality B&R cooperation based on the widely accepted international rules and standards.

#### **Standard harmonization has achieved steady progress.**

China paid more attention to the research and application of international standards. By August 2020, the national standards information platform among the B&R partner



countries have added information on standards of 10 countries including Italy and Spain, making the data entries reach over one million, covering standards information of 45 countries. In June 2020, Forum on Standards Interconnecting China-CEEC Cooperation and Development was held, where the experts and scholars in economy and standards from the Czech Republic, Slovakia, Serbia, Poland and other countries discussed the role of standards in helping epidemic prevention, maintaining stability and order in production and in society, and promoting China-CEEC cooperation and development. In February 2020, a China-led international standard, Smart Community Infrastructures: Guidelines on Data Exchange and Sharing of Smart Community Infrastructures, was

officially released. In the Guidelines on Promoting Investment and Financing in Response to Climate Change in 2020, China clearly stated for the first time that climate investment and financing should be integrated into the pursuit of the BRI. China will advance the application of Chinese standards in overseas investment and construction and actively engaged in the formulation and revision of international rules and standards for climate investment and financing. In addition, an increasing number of projects, such as Jakarta-Bandung High-speed Railway, China-Laos Railway, China-Indonesia Subic-Clark Railway, have promoted the use of Chinese technology and standards during construction.

#### ■ Box 3.19

### The China-led Smart Community Infrastructures: Guidelines on Data Exchange And Sharing of Smart Community Infrastructures

On February 12, 2020, the ISO (International Organization for Standardization) officially released the first infrastructure data standard about smart cities, the Smart Community Infrastructures: Guidelines on Data Exchange and Sharing of Smart Community Infrastructures. With focuses on data exchange and sharing in smart cities, this standard provides comprehensive basic principles, security and privacy guidelines and operational guidelines for infrastructure data exchange and sharing in smart communities.

As the first ISO international standard in smart community infrastructure led by China, the Guidelines was the mother standard in the field. It provides references for governments, enterprises, organizations and individuals with management functions to exchange and share community infrastructure data, and help to improve IT application and eliminate “information islands”.

## G. Increasingly Deepened Clean Cooperation

When pursuing high-quality B&R cooperation, China has been committed to a clean Belt and Road to enhance corporate awareness of compliance and achieve the intended goals.

**The enterprises have had stronger awareness of integrity and compliance.** In December 2020, the National Supervisory Commission of

China, the United Nations Office on Drugs and Crime (UNODC), the International Anti-Corruption Academy and the AIIB jointly launched the third BRI Enterprises Integrity and Compliance Training Class. The BRI Enterprises Integrity and Compliance Initiative, jointly issued by 60 Chinese-funded enterprises, demonstrates China’s willingness to strengthen international cooperation in combating transnational commercial bribery



and the firm determination of BRI enterprises to fulfill their integrity and self-discipline commitment. In addition, in order to prevent corrupt officials from embezzling anti-epidemic materials during the pandemic, the Conference on Integrity in COVID Response and Economic Recovery by the Belt and Road Cooperation Partners was held virtually in December 2020, and representatives from 22 countries and international organizations

attended the conference. The conference stressed to strengthen international exchanges and cooperation against corruption, intensify efforts to prevent and combat corruption, jointly create a clean development environment, promote high-quality Belt and Road cooperation, and provide a strong support for response to Covid-19 and economic recovery.

### Box 3.20

## The BRI Enterprises Integrity and Compliance Initiative

Integrity defines the characteristics of the Belt and Road and is the foundation of an enterprise's development, competitiveness and corporate image. In December 2020, the third BRI Enterprises Integrity and Compliance Training Class was held in Tsinghua University. A total of 60 Chinese-funded enterprises jointly launched the BRI Enterprises Integrity and Compliance Initiative, demonstrating China's willingness to strengthen international cooperation in combating transnational commercial bribery and conveyed the firm determination of BRI enterprises to fulfill their integrity and compliance commitment. The spirit of the Initiative was consistent with that of the UN Convention against Corruption and the Beijing Initiative for Clean Silk Road. All parties were committed to:

First, enhancing the corporate awareness of compliance. Integrate the awareness of compliance into the whole process of enterprise management, cultivate integrity culture, prevent and control integrity risks, continuously improve the integrity awareness of enterprise managers and employees, and lead the industry and society to reach a consensus on integrity and compliance.

Second, highlighting the practices of corporate compliance. Respect the values of compliance operation, establish and improve the compliance management system, set up a compliance management system, and cultivate a compliance culture, creating an enterprise atmosphere that attaches importance to compliance operation.

Third, strictly abiding by laws and regulations. Enhance the legal awareness of enterprises, strictly observe relevant national laws and regulations in business operations and resolutely resist commercial bribery, creating a standards- and law-based business environment.

Fourth, promoting integrity and self-discipline in the industry. Promote the establishment of integrity and self-discipline norms in the industry, guide enterprises to carry out businesses and management activities in an orderly and fair manner in accordance with the law, actively fostering and jointly safeguarding a sound and clean relationship between governments and businesses.

Fifth, fulfilling corporate social responsibility (CSR). Comply with local public order and good customs, protect environment, maintain good reputations, and establish a social corporate image of integrity and compliance, to promote the high-quality Belt and Road cooperation.

## Chapter 4

# Belt and Road: A Model of Growth for Common Development

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China steps up efforts to foster a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other, and deepen a new round of high-standard opening-up. China and its B&R partner countries have jointly explored new technologies, business forms and models, development paths, and new growth momentum to make the Belt and Road a model of growth.



## A. Chinese Approach to Global Governance

The raging Covid-19 pandemic has posed new challenges to global governance. The BRI has played a positive role in building an open, inclusive, fair and equitable global governance system featuring multi-party cooperation, and has become an important part of the system.

### **Contributing to global governance strategy.**

The BRI pursues the vision of a community with a shared future for mankind, promotes the globalized governance, and charts the development of the global governance system under the grave

Covid-19 situation. Since 2020, the Belt and Road partner countries, despite the impact of the pandemic, have organized about 30 multilateral international conferences via video link to promote policy communication and pragmatic cooperation in the fields of finance, taxation, energy, green development, and anti-corruption, sending a positive signal of deepening the Belt and Road cooperation. As a Chinese saying goes, “All flowers in full blossom make a beautiful spring.” China has always been a champion of open cooperation and has taken concrete steps to achieve common development. As an active part in global economic

governance, it has put forward a series of Chinese initiatives and Chinese solutions. Facing the challenges caused by Covid-19, it contributed China's solutions of jointly fighting the pandemic and stabilizing trade and investment to the UN, G20, BRICS, APEC and other mechanisms and platforms, which has become an international consensus. China firmly upholds the multilateral trading system, takes an active part in WTO reform, and makes unremitting efforts to restore the Appellate Body by pushing forward the WTO Director-General selection process and establishing

Multiparty Interim Appeal-Arbitration Arrangement (MPIA). It opposes unilateralism and protectionism in any name, or any attempt to "decouple" to destroy the existing industrial chain and supply chain. It is moving faster towards a new development pattern by promoting more open domestic and international circulations, and is making joint efforts with other countries to improve the safety, efficiency, and stability of global industrial and supply chains, drive forward higher-standard globalization and build an open world economy.

#### Box 4.1

### China Actively Upholds the WTO System

The WTO Appellate Body lost its quorum to hear new appeals on December 10, 2019 and all members left their posts on November 30, 2020 as the term of the last Appellate Body member had expired. As of June 2021, the Appellate Body has remained paralyzed, which disrupted the WTO dispute settlement mechanism and dealt a heavy blow to the multilateral trading system.

The dispute settlement mechanism is one of the core functions of the WTO and plays an important role in maintaining the stability and predictability of the multilateral trading system. The Appellate Body has heard over 100 appeal cases over the past 20 years and ensured the rights and obligations of the WTO members under the relevant treaties by constructing a mature trial mechanism. China has firmly upheld the multilateral trading system and made unremitting efforts to restore the Appellate Body. After the Appellate Body was stalled, 119 WTO members, including China and the EU, proposed to start the Body's members selection process immediately. Meanwhile, China, together with other 42 WTO members including the EU, submitted proposals to reform the Appellate Body and negotiated with WTO, creating conditions for beginning the selection. China, the EU and more than a dozen other WTO members established the Multiparty Interim Appeal Arbitration Arrangement (MPIA) to hear dispute cases filed by the participating members during the suspension of the Appellate Body.

China will continue to work with other participating members to promote the early restoration of the normal operation of the Appellate Body so as to maintain free trade and a rules-based multilateral trading system.

**Building synergies between development strategies of countries.** The BRI supports dialogues and exchanges on major development strategies, plans, and policies among all parties. After the Trade and Economic Cooperation Agreement between China and the Eurasian

Economic Union (EAEU) took effect last year, China and the EAEU have actively developed bilateral economic and trade relations, marking a new stage of synergy between the BRI and the EAEU. China and the EU have increased policy coordination, strengthened the strategic connection between

the BRI and the the EU's Strategy on Connecting Europe and Asia, and explored cooperation in the digital field. The BRI is highly consistent with the AU Agenda 2063 and development strategies of African countries. The China-Africa joint efforts to pursue the BRI has brought tangible benefits to their people and added new dimensions to China-Africa comprehensive strategic partnership. China has also worked with ASEAN to implement the China-ASEAN Joint Statement on Synergizing

the Belt and Road Initiative and the Master Plan on ASEAN Connectivity 2025. More efforts have been made to advance the development of the New Western International Land-Sea Corridor, strengthen cooperation on infrastructure connectivity including railways, highways, ports, airports, powers and communications, speed up the development of existing economic corridors and key projects, and build the China-ASEAN Multimodal Transport Alliance.

#### Box 4.2

### More Than 90% of Eight Major Initiatives of China-Africa Cooperation Implemented

In 2018, at his keynote speech at the FOCAC Beijing Summit, Chinese President Xi Jinping announced that to build an even closer China-Africa community with a shared future in the new era, China would, on the basis of the ten cooperation plans already adopted, launch eight major initiatives in close collaboration with the African countries in the next three years and beyond. These include an industrial promotion initiative, an infrastructure connectivity initiative, a trade facilitation initiative, a green development initiative, a capacity building initiative, a health care initiative, a people-to-people exchange initiative and a peace and security initiative.

Implementing the eight major initiatives is the focus and top priority for pragmatic cooperation between China and Africa in recent years. After the conclusion of the Beijing Summit, China started work immediately and closely cooperated with the African countries to make specific project lists with each of them. In 2020, the two sides achieved positive results despite the pandemic. As of the end of May 2021, over 90% of the eight major initiatives has been implemented and 80% of the US\$60 billion supporting funds has been put into use or arranged.

On industrial promotion, over 600 companies have operated in the 25 economic and trade cooperation zones in Africa which have reported to MOFCOM, with combined investment of more than US\$7.3 billion. China has earnestly implemented agricultural assistance programs and provided relevant countries with emergency food aid and materials to prevent and control locust plague. All these have strongly boosted the economic restructuring of African countries and accelerated industrialization and agricultural modernization on the continent. By the end of 2019, more than 3,800 Chinese companies of all types have entered Africa, with investment stock of US\$44.4 billion, greatly improving African industrialization and ability to earn foreign exchange through exports.

On infrastructure connectivity, China participated in a group of major projects in Africa, such as electrification to households of Luanda province in Angola, suburban railway on 10th of Ramadan (city) in Egypt, and expansion of the port of Abidjan in Côte d'Ivoire. These projects have been completed or are being implemented quickly. By the end of 2020, both railways and highways built with the aid of China



had exceeded over 6,000 kilometers, and nearly 20 ports and more than 80 large power facilities were built with the Chinese help. All these have significantly enhanced infrastructure and connectivity in Africa.

On trade facilitation, China has taken a raft of measures to help Africa improve its export capacity and trade environment. China-Mauritius FTA has entered into force; African countries and enterprises have been warmly invited to attend the CIIE and other expos hosted by China; agricultural imports from Africa has been expanded; and more than 10 kinds of products from seven countries including Kenya have gained access to China.

In addition, China-Africa cooperation projects in green development, capacity building, health care, people-to-people exchange, and peace and security are making steady progress. China will intensify its efforts and closely collaborate with the African parties to accelerate the implementation of the eight major initiatives, in a bid to bring momentum to China-Africa relations and deliver benefits to the Chinese and African people as early as possible.



On June 25, 2019, the Coordinators' Meeting on the Implementation of the Following Actions of the FOCAC Beijing Summit held its opening ceremony in Beijing.  
Photograph: Ministry of Foreign Affairs of China.

## B. Win-Win Economic and Trade Cooperation

Despite the impact of the pandemic in 2020, China's opening up picked up speed. China has upheld multilateralism, shared its market opportunities with the world, and lent impetus to regional and global economic growth.

### **China shared its open market with the world.**

China continued to expand imports and deepen reform and opening up in 2020. Demand on the

massive domestic market in China continued to unleash huge potential for world economic growth. The measures announced at the second CIIE to expand opening up have been implemented to the full. The Master Plan for the Development of Hainan Free Trade Port and the Implementation Plan for Further Reform and Opening-up in Shenzhen were issued and took effect. The WIPO Arbitration and Mediation Shanghai Service has been set up and put into operation. Fully leveraging the demand of its super-sized domestic

market, China was the world's only major economy to achieve foreign trade growth in 2020, with the growth of imports of goods and services outpacing the global average. The imports of resource-based products such as crude oil and metal ore increased by 7.3% and 7%, respectively, and imports of agricultural products such as grain and meat rose by

28% and 60.4%, respectively. Meanwhile, trade and investment between China and its free trade partners were highly resilient against risks. From January to November 2020, trade between China and its free trade partners went up by 3.2% year-on-year, 1.3 percentage points higher than the growth rate of China's total foreign trade in the same period.

#### Box 4.3

### Implementation of the Second CIIE Outcomes: National Innovation Demonstration Zones For Promoting Imports Play a Positive Role in Expanding Imports

On the eve of the opening of the third CIIE in November 2020, China announced the establishment of 10 new demonstration zones for creative promotion of import trade, including Shanghai Hongqiao Central Business District, Jinpu New Area of Dalian in Liaoning province, Kunshan City in Jiangsu province, Yiwu City of Zhejiang province, Hefei Economic and Technological Development Zone in Anhui province, Xiamen's Huli District in Fujian province, the West Coast New Area of Qingdao in Shandong province, Nansha District of Guangzhou in Guangdong province, Tianfu New Area of Sichuan province and Xi'an International Trade & Logistics Park in Shaanxi province. That was another step taken by China to actively expand imports, showing that China fulfilled its commitment announced during the second CIIE to develop such demonstration zones.

The new development paradigm features open and mutually reinforcing domestic and international circulations. It will enable China to fully unlock its market potential and open up even wider to the rest of the world. With a population of 1.4 billion and a middle-income group that exceeds 400 million, China has the most promising market in the world. Building on the strengths of China's vast market, the import demonstration zones will further enhance international cooperation, deliver win-win results, promote trade and investment liberalization and facilitation, and boost trade innovation and development.

In terms of import promotion, the demonstration zones will work to enhance import facilitation and promote the circulation of imported commodities. They will unleash the potential of import through making innovation and lowering institutional costs to support China's commitment to expand imports and contribute to the world economy. In terms of services industry, the demonstration zones will expand imports of technical equipment and raw materials, promote the deep integration of import and industries to achieve their highly interconnected development. They will also better meet the needs of the real economy and accelerate the development of a modern industrial system. In terms of consumption boosting, the demonstration zones will increase the supply of domestic quality goods, cultivate new consumption patterns of imported goods and build marketing networks and service platforms, so as to lead and create domestic demand with high-quality supply and better meet people's aspiration for a better life. To play a demonstrating and leading role, the demonstration zones will leverage the well-developed distribution centers for imports to accelerate trade and industrial clustering and enhance foreign cooperation. Starting with work in individual areas and linking them up to cover a bigger region, the demonstration zones will drive forward import trade by creative means.



### Promoting imports

Focus on improving import facilitation, promoting the circulation of imported goods, and stimulating import potential through innovation and reducing institutional costs



### Expanding consumption

Increase the supply of domestic quality goods, cultivate new consumption patterns of imported goods, and build marketing networks and service platforms



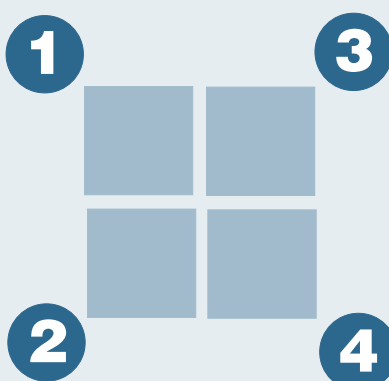
### Boosting services industry

Expand the import of technical equipment and raw materials, promote the deep integration and efficient connectivity between imports and industries, and better serve the development needs of the real economy



### Playing a demonstrating and leading role

Focus on imported goods distribution centers with right conditions, accelerate trade and industrial clusters, deepen foreign cooperation, and promote innovative development of import trade



## Two-way investment has fueled the world economic growth.

Under the severe epidemic situation, China became the only major economy achieving positive growth in the world in 2020. With smooth domestic and international circulations, China's economy continued to fuel the global economy and provide strong impetus to and open up greater space for the high-quality B&R cooperation. Despite the global recession, China's investment in the B&R partner countries did not

decline but grew against the overall weak trend, which strongly supported the partners countries to fight the virus, stabilize economy and protect people's livelihood. Amid a sharp fall of global cross-border direct investment, the investment inflows to China reached a record high in 2020, with a year-on-year increase of 6.2% (in RMB, excluding data of banking, securities and insurance, the same below). Foreign investment in high-tech industries has risen steadily. For

example, inward investment in R&D and design, e-commerce and information services increased by 78.8%, 15.1% and 11.6%, respectively. The FIEs, with a share of 2% in terms of number in China's total enterprises, contributed one tenth of urban jobs, one sixth of tax revenue and two fifths of foreign trade to the country. According to a survey conducted by MOFCOM, nearly 60% of FIEs in China in 2020 achieved growth in revenue

and profit or kept the same as last year, and over 90% of FIEs were optimistic or cautiously optimistic about the development prospect. Multinational corporations such as ExxonMobil, General Electric, BP, Electricite De France and Siemens have steadily increased their investment in China, while a group of major foreign investment projects such as BASF petrochemical project in Zhanjiang have been successively launched in China.

#### Box 4.4

### China's Economy Boosts Global Growth

Many international institutions are optimistic about China's economy. Under the shadow of the Covid-19 pandemic, the quick pickup of China's economy has bolstered global confidence and injected strong impetus into the recovery of the world economy.

The International Monetary Fund (IMF) noted in its World Economic Outlook (WEO) released in October 2020 that the global economy has reopened and is climbing out from the depths. Global trade began recovering in June and China is an important contributor.

According to the Economic Outlook released by the Organization for Economic Cooperation and Development (OECD) in December 2020, strong growth in China helped global recovery. China started recovering earlier and is projected to grow strongly, accounting for over one-third of world economic growth in 2021.

The Global Economic Prospects launched by the World Bank in January 2021 pointed out that the envisioned global growth largely in 2021 reflects China's expected rebound, and the recovery is projected to accelerate to 7.4% in 2021 in East Asia and the Pacific, led by a strong rebound in China.



The reports of international organizations recognized China's contribution to global economic growth during the pandemic. Photograph: IMF, OECD, and the official website of the World Bank

**The business environment has been continuously improved.**

China keeps improving its business environment to underpin the high-quality economic growth and new development paradigm. It has pressed ahead with reforms to streamline administration and delegate power, improve regulation, and upgrade services, and adopted the management system of pre-establishment national treatment plus a negative list, providing Chinese and foreign companies with a level-playing field for trade, investment and industrial cooperation. According to the World Bank, China moved up by almost 50 places from 78th

position in Doing Business 2018 to 31st position in Doing Business 2020. China has seen the most notable improvement in business environment among large economies since 2005, leading the world in enforcing contract (ranking 5th) and getting electricity (ranking 12th). As of October 2020, China has signed Mutual Recognition Agreements for Authorized Economic Operator (AEO) with 42 countries and regions in 15 economies including the EU, Japan and the ROK and 19 Belt and Road countries, ranking China first in the world in terms of the number of countries and regions with mutual recognition of AEOs.

Box 4.5

### Marked Achievements in the Reform of China's Business Environment

The World Bank affirmed in its report entitled China's Doing Business Success: Drivers of Reforms and Opportunities for the Future that China has made unprecedented achievements in improving its business environment.

The report indicates that in recent years, China's Doing Business reforms accelerated, which helped China leap up to the top 40 on the ease of doing business. For two years in a row, China was recognized as one of the top 10 most improved economies worldwide for the ease of doing business. It has made notable progress in almost all Doing Business indicators such as starting a business, dealing with construct permits, getting electricity, protecting minority investors, paying taxes, trading across borders and enhancing contracts. In China, it now takes 32 days to obtain a power connection and reliable supply of electricity for a standard warehouse in China, half the East Asia and the Pacific (EAP) region average of 63 days.

Beijing and Shanghai have achieved remarkable results in business regulatory reforms, and have become global top performers in selected Doing Business areas. For instance, Beijing is one of only a few cities in the world where the process of starting a business is almost free. It takes 3 procedures and 8 days to complete a business start-up in Beijing, whereas it takes on average 6.5 procedures and 25.6 days in the EAP region and 4.9 procedures and 9.2 days in OECD high income countries. In dealing with construction permits, it now takes only 93 days to complete the building permitting procedures in Beijing and Shanghai, compared to the region's average of 132 days. In addition, both of the two cities received a score of 15 out of 15 in the quality index of the indicator.



### C. Improvement in Areas of Weakness in Development

Despite the disruptions caused by Covid-19, a number of China's overseas projects kept progressing, in aid to improve infrastructure, accelerate industrialization and ease debt pressure of host countries.

**Improving the connectivity network.** Due to the concerted efforts of the B&R partner countries, a general connectivity framework consisting of six corridors, six connectivity routes and multiple countries and ports has been put in place. As a result, the costs of cross-regional trade and goods movement have been gradually reduced, facilitating the orderly flow and optimal allocation of resources and other production factors across regions. As one of the important passages of the Trans-Asian Railway, the Padma Bridge in Bangladesh successfully closed the steel beam of the main bridge during the pandemic, and the project is expected to be completed by the end of 2021. After completion, the bridge will become a major transportation hub connecting Dhaka, the capital

of Bangladesh, with the southwest of the country, leading to a possible increase of 1.5 percentage points to Bangladesh's GDP growth each year. The left line of the Bezé section of the Hungary-Serbia Railway was completed and opened to traffic despite the impact of Covid-19, as a result of which the section being put into use has reached 17.5 kilometers. When the railway is opened to traffic, the travel time by train from Belgrade to Budapest will be shortened to less than three hours, which will notably improve transportation facilitation for local people and cut the time cost from Serbia to the hinterland of Europe. Jakarta-Bandung high-speed railway (HSR) project has been advanced steadily while ensuring the safety of workers, enabling smooth progress of the key construction parts during the pandemic. Once completed, the project will reduce Jakarta-Bandung travel time from the current 3 hours to 40 minutes, which is expected to greatly facilitate the building of the Jakarta-Bandung Economic Corridor, the upgrading of Indonesian railway technology, and the rapid development of related industrial chains.

#### Box 4.6

### The Port of Piraeus in Greece Becomes the Largest Port in the Mediterranean Again

The Port of Piraeus in Greece is a model of win-win cooperation between China and Greece, and a major part of the China-Europe Land-Sea Express Line. In 2019, after more than 10 years of joint efforts by China and Greece, the annual container throughput of the port surpassed that of the Port of Valencia in Spain. The port becomes the largest port in the Mediterranean and the fourth largest port in Europe. Its container throughput, which is the core indicator of freight ports, increased rapidly from 880,000 TEUs in 2010 to 5.65 million TEUs in 2019.

Even after the coronavirus outbreak, when the container throughput of some ports in Europe dropped sharply, the Port of Piraeus showed strong resilience thanks to its strengths in management and operation and in geographical location. In 2020, the port's container throughput fell by merely 3.75%, outperforming other ports in Northern Europe and the Mediterranean.

Now the Port of Piraeus is implementing its Cruise Terminal expansion project. This project started in February 2020 and involves the construction of two berths for cruise ships with a length of 360

meters and a capacity of 6,000 passengers. After completion in 2023, the port will become one of the Mediterranean's largest by capacity homeports and further drive the development of Greek tourism economy.



The Container Terminal of the Port of Piraeus  
Photograph: A Bright Shared Future: Stories along the Belt and Road (the First Volume)

**Strengthening power security.** China participates in the construction of energy and power engineering projects in the B&R countries to support the running of local society, improve local people's wellbeing and bring real benefits to the partner countries and regions. In 2020, the Mortiari-Lahore HVDC Transmission Project in Pakistan was completed. As the first HVDC transmission project in Pakistan, it transmits the power produced by energy projects under the framework of the CPCE in southern Pakistan to load centers in Lahore, with an annual transmission capacity of about 35 billion KWH. The

Phase II of the Brazilian Belo Monte Hydropower UHV DC Transmission Project will transmit clean hydropower from the Amazon River Basin to Rio de Janeiro, meeting the needs of 22 million people. In Myanmar, a 230 KV power transmission network was completed, which links the Thái Bình River Hydropower Station in northern Myanmar with Myanmar's main power grid. By transmitting clean hydropower to the electricity load centers in southern Myanmar, the project significantly eases the current power shortage in southern Myanmar and meets the needs of five million households.

## Lower Stung Russei Chrum Hydroelectric Station Eases Electricity Shortage in Cambodia

The Lower Stung Russei Chrum Hydroelectric station built by a Chinese enterprise is about 350 kilometers away from Phnom Penh, the capital of Cambodia, with an installed capacity of 338 MW. Since its operation in 2013, the station has generated electricity of over 6.7 billion KWH, giving a strong support to Cambodia's economic and social development. Before 2013, the electricity shortage in Cambodia had exceeded 20%, and the gap had to be filled with imports from neighboring countries such as Vietnam, Thailand and Laos. Due to the high-cost electricity generated by diesel and expensive imported electricity, the electricity price once reached US\$0.9 per KWH. After operation, the Lower Stung Russei Chrum Hydroelectric Station provides Cambodia with about one billion KWH of clean electricity each year, which once exceeded 30% of the country's annual power generation. It greatly eases local power shortage, ensures reliable supply for important holidays such as Khmer New Year and Water Festival, and reduces the average electricity price from US\$0.23 per KWH in 2015 to US\$0.16 per KWH in 2019.

This station ensures reliable supply of electricity for local people and notably raises their living standards. In addition to that, it created more than 2,000 local jobs during the construction period. After it was completed and put into use, the Chinese enterprise still recruits and trains local works for hydropower operation and maintenance to help Cambodia have a sustained supply of local professional management talents, which has increased income increase and reduced employment pressure for Cambodia. The Chinese investor has endeavored to build the hydropower station into a model project of the Belt and Road cooperation. It built roads from Koh Kong province to Khê Pursat and constructed the 22 KV transmission lines with a total length of 32 kilometers from the hydropower station to Koh Kong. In addition, it assisted local forestry bureau in protecting natural environment including forests and donated funds to help education in poor villages.

In April 2020, Light Up the Future library online was launched, which provided Cambodian children with a variety of educational resources online, including videos, picture books about outbreak prevention, and other books and extracurricular materials. It aims to help Cambodian children to enjoy schooling "at their fingertips" from home.



Lower Stung Russei Chrum Hydroelectric Station  
Photograph: Xinhua News Agency

**Expanding the coverage of ICT.** China cooperates with the B&R countries to advance ICT infrastructure building to upgrade local cyber connectivity. It works to improve the connectivity of communication infrastructure and provide high-standard information and communication services for host countries and encourages localized ICT operation via investment, in a bid to help them develop information and communication industries and to narrow the digital divide. Since its launch in August 2017, the program of “Access to Satellite TV for 10,000 African Villages” has provided digital TV signals to over 10,000 villages in more than 20 African countries. In 2020, China Mobile International Limited (CMI) and companies from the United States, the ROK, France, Saudi Arabia and Egypt announced that they will partner to build

2Africa, which will be a subsea cable to serve the African continent and the Middle East region. The cable will interconnect other submarine cables via East Africa and further extend to Asia. It will be the most comprehensive subsea cable in Africa and will enhance the connectivity between Africa and the Middle East. The China-Pakistan cross-border fiber optic cable was completed and put into operation, marking significant progress in the connectivity of communication network infrastructure between the two countries. The construction of China-ASEAN information port has been accelerated in an all-round way, as 3 international communication submarine cables, 12 international land optical cables and 13 important communication nodes had been completed by the end of 2020.

#### Box 4.8

### The Program of Access to Satellite TV for 10,000 African Villages Gets People-to-People Ties Closer

At the 2015 FOCAC Johannesburg Summit, Chinese President Xi Jinping announced ten cooperation plans in the following three years. As an important part of the ten plans, China-Africa cultural and people-to-people plan covers a range of programs, including the program of Access to Satellite TV for 10,000 African Villages (the “Access Program”).

Since its launch in August 2017, the Access Program has provided digital TV signals to over 10,000 villages in more than 20 African countries. From May to November 2019 alone, it sent digital TV signals to 2,400 remote villages, including those in Zambia in southeast Africa, Rwanda in central and eastern Africa, Kenya in eastern Africa, and Cote d'Ivoire, Ghana, Nigeria and Cameroon in West Africa. By the end of 2020, the related projects had passed the acceptance check in Rwanda, Congo, Uganda, Central Africa, Burundi, Kenya, Madagascar, Malawi, Ghana, Guinea-Bissau, Democratic Republic of the Congo, and Zambia.

In Mozambique, the Access Program was launched in 2018 and completed in December 2020. Thanks to the program, satellite TV equipment were installed and TV signals and programs were provided for 1,000 villages, 20,000 families and 3,000 public places in the country, covering 2.5 million rural people.

To inform local people of the ongoing pandemic, the Access Program has launched series reports on Covid-19 control since March 19, 2020, which includes the pandemic dynamics in Africa and the rest of the world, guidance for infection prevention and control, interviews with people, etc. in six languages including Chinese, English, French, Portuguese, Swahili and Hausa. It also produced the African version



of Covid-19 Self-Test Evaluation System. Thanks to the program, online courses have been offered to primary and secondary school students in Kenya, South Africa, Ghana, Uganda, the Democratic Republic of the Congo and other countries, ensuring continuous schooling from home.



The Program of "Access to Satellite TV for 10,000 African Villages"  
Photograph: A Bright Shared Future: Stories along the Belt and Road (the Second Volume)

## D. Steady Progress in Industrial Upgrading

The Belt and Road cooperation places priority on industrial upgrading. Fully respecting the industrialization stages of the B&R partner countries, China promoted targeted industrial cooperation according to the natural endowment and development demands of the host countries, helping them improve technology and achieve industrial transformation and upgrading.

**Filling the gap in industrial development.** China has strengthened industrial cooperation with the B&R partner countries to unlock their development potential and fill the gap in their key industries, leading to the implementation of a number of projects in industrial chain. Lao Petroleum & Chemical Co. Ltd (Laopec), a China-Laos joint venture, launched first phase production of its three million tons/year refinery project in 2020, which is the first petroleum refining project in Laos. This project can provide Laos with gasoline, diesel oil, aviation kerosene, liquefied petroleum

gas, industrial sulfur and other products that meet the Euro 5 Emission Standards. It will effectively fill the gap in the petrochemical industry in Laos and change the current situation that all its refined oil products depend on imports. It is expected to play an important role in the development of Lao's overall industrial and chemical industry by extending to upstream and downstream links. Asia Steel Pipe Co. Ltd., Kazakhstan's first large-diameter steel pipe manufacturing facility was invested and built by a Chinese corporation. When completed, the facility will fill the gap in large-diameter steel pipe products in Kazakhstan and reduce its imports of such products by 60%. The Van 600 MW Back-to-Back DC Converter Station Project undertaken by a Chinese company was the first DC station project in Turkey. Despite Covid-19 challenges, the Chinese constructor has mobilized its resources to ensure the smooth progress of the project. It is expected to usher in a DC technology era in Turkish power market after completion.



## Integrated Steel Project Fills the Gap in Malaysia's Whole-Process Steel Industry

As the first project of the Malaysia-China Kuantan Industrial Park (MCKIP), the Integrated Steel Project with an annual output of 3.5 million tons invested and constructed by China has received a lot of attention from both Chinese and Malaysian governments. The construction of the project was launched in November 2016. All its production lines were put in place in May 2018, one year ahead of the original plan, and all the facility was completed and put into production in June 2019. Despite many difficulties such as shortage of materials and delayed delivery of equipment, the project successfully completed the power receiving of the shaft furnace electrical building in November 2020. The project filled the gap in Malaysia's whole-process steel industry with products of high-carbon steel and H-beam. It has directly created nearly 4,000 local jobs and concluded contracts of RM530 million with local companies, making outstanding contributions to local development.

The Integrated Steel Project adopted advanced whole-process production techniques, including techniques of information automation, energy saving and emission reduction, and recycling. Its quality steel products have passed the certification of ISO International Quality System and obtained product certifications from more than 10 countries such as Malaysia, Singapore, the UK, the ROK, Japan and so on, and as high as 70% of its products are exported to 20-plus countries. In addition, the project attaches great importance to green science and technology and environmental protection, with investment in environmental protection accounting for 16.15% of its total investment. These efforts have effectively improved the recovery and utilization of resources and significantly cut emissions.

The project follows a business philosophy of "In Malaysia, For Malaysia". Since the start of construction, the Chinese investor has strictly comply with Malaysian laws and regulations and respected local cultural customs and religious beliefs. For example, there are halal restaurants, prayer rooms and staff apartments in factories to fully meet local employees' needs in work, life and religious activities. The company also sent local employees to receive skill training in China, so as to strengthen the talent pool in related industries.



Integrated steel project in MCKIP with 3.5 MT/PA

Photograph: State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region

### **Promoting the transformation of resource strength into development strength.**

The projects undertaken by China with high standards are much sought after by partner countries for their projects, as they help to turn local resource advantages into development strengths. They will also drive technical progress and stimulate economy in host countries. In this way China and its BRI partners will grow together by leveraging and incorporating their respective strengths. An agreement regarding the construction of a China-aided slaughterhouse in Sudan was signed in 2020. The project includes the building of modern workshops for slaughter and processing of cattle and sheep and other supporting facilities for production and environmental protection. Once completed, it is projected to have the production capacity of 33,000 tons of frozen and chilled meat per annum. It will help Sudan build a whole industrial chain of livestock industry, fully leverage its strengths in livestock industry, boost economic growth, and improve livelihood of local farmers and herdsman. CASPI Bitum is the largest cooperation project between China and Kazakhstan in the non-resources area. Since operation, it has fully met the demand for asphalt in road construction in Kazakhstan. In the past, Kazakhstan was a larger producer of crude oil without processing capacity and had to import asphalt due to lagging refining technology, but now such days are gone. The Al-Zour refinery of Kuwait Integrated Petroleum Industries Company (KIPIC), one of the key projects connecting the BRI with Kuwait's 2035 Vision, will become the largest refinery in the Middle East after completion. After launching production, it can process about 31.5 million tons of crude oil every year, which will boost Kuwait's economic transition

from resource export to product export.

### **Tapping the potential of digital economy.**

To seize opportunities created by digital, networked and smart development and pursue innovation-driven development, China and the B&R partner countries are exploring cooperation in the fields of 5G, digital economy, big data, cloud computing, mobile payment and smart city and working to build a Digital Silk Road. The year 2020 saw the completion and official launch of the BeiDou-3 Navigation Satellite System (BDS-3). Currently, the BDS provides the most advanced, accurate and comprehensive information services to over 120 countries and regions in the world. Some countries, including Indonesia, Malaysia and Thailand are exploring the building of smart cities with the help of the BDS. China's mobile payment platform Alipay has cooperated with India, Thailand, the Philippines and Indonesia, Malaysia, Pakistan, Bangladesh and other countries to jointly develop local digital wallets, and is planning to develop electronic payment applications with South Africa to facilitate local people to conduct mobile payment, online shopping, and online fund transfer and remittance. Didi, China's biggest mobility platform, has officially launched taxi-hailing service in Chile's capital region. It uses big data and other technology to help the transformation and upgrading of local taxi industry and improve efficiency and income of local taxi drivers. In addition, Chinese companies invite African countries to carry out "live commerce" of featured products online, exploring new development space for China-Africa economic and trade cooperation.

#### Box 4.10

### **China-ASEAN Information Port Accelerates Digital Transformation**

At the first China-ASEAN Cyberspace Forum, China and ten ASEAN countries reached an initiative to jointly build the "China-ASEAN Information Port". It is aimed at promoting multilateral development and

cooperation within the region by building platforms for infrastructure, technical cooperation, economic and trade services, information sharing and people-to-people exchange.

After five years of efforts, China-ASEAN Information Port has gradually developed into an information hub between China and ASEAN, with Guangxi as an axis. In terms of infrastructure platform, 3 international communication submarine cables, 12 international terrestrial optical cables and 13 important communication nodes have been built. A comprehensive communication facility network covering land, sea and air services has taken shape, which is located in Guangxi of China but provides services overseas via international submarine cables, land cables and the BDS. In terms of technical cooperation, China established intergovernmental working mechanisms for bilateral technology transfer with nine ASEAN countries including Thailand and Laos, respectively. It also set up joint working groups on technology transfer with seven ASEAN countries, respectively. The China-ASEAN transnational cooperation network of technology transfer was launched and has had more than 2,000 member companies. In terms of services for economic cooperation and trade, China and ASEAN are moving faster toward digital and efficient trade regulation as 27 items for customs clearance were cut and the cumulative value of cross-border settlement services exceeded 100 billion yuan. In terms of cultural exchange, promotion activities regarding information port were held in Nanning of China, Singapore, Thailand and India, and more than 130 projects were signed with total investment of over 50 billion yuan. In addition, China, Laos and Myanmar jointly developed Laos' and Myanmar's versions of "i-ASEAN APP" to advance the building of smart cities.

## E. Capacity Building for Future Development

While providing development opportunities for countries, the B&R cooperation also pays attention to cultivating local talents. Through creating jobs, improving professional skills and strengthening innovation, it has become a global public platform for the participating countries to enhance capacity for self-development, share development experience and seek common development.

**A large number of jobs were created.** The B&R projects have created a large number of jobs for partner countries while promoting their economic growth. Labor service cooperation between China and Africa has significantly stimulated job market on the continent. Since the founding of the FOCAC 20 years ago, China's contribution to Africa's economic growth has exceeded 20% for several years in a row, bringing over 4.5 million

jobs for African countries. The Jakarta-Bandung High Speed Railway (HSR) Project in Indonesia supports localized development by employing a lot of local workers. In July 2020, corporations from China and Indonesia jointly held an online job fair specially for Jakarta-Bandung HSR Project, which provided quality job opportunities for Indonesians and bolstered confidence for local people during the pandemic. In addition to creating local jobs, the Karot Hydropower Project in Pakistan set up a "weekend market" near the project site for local vendors to sell things, helped to broaden job-seeking channels for local people. China-Belarus Industrial Park attached great importance to employing local talents. In 2019, the localization rate of primary-level staff surpassed 85% in the park, while that of the mid-level staff reached 50%, generating 5,000-plus local jobs in total.



## Rebirth of a Serbian Steel Mill

In April 2016, the Hebei Iron and Steel (HBIS) Group signed an acquisition agreement with Serbia's Smederevo Steel Plant to set up HBIS Serbia, which retained all 5,000 workers of the plant.

HBIS Serbia has made use of its strengths in technology, management and marketing to adjust and optimize the plant's strategic planning, organizational control and resource allocation, capital investment, cost control and risk prevention and control. In less than a year, the steel plant that had run at a loss for seven years was turned around and achieve leap-forward improvement in comprehensive competitiveness. Over the last four years, HBIS Serbia has invested nearly US\$200 million in large-scale technological transformation and improved its overall technical level significantly, making the factory set many production records.

The company follows the principle of "localization in employment, benefit and culture". Of the 5,000-plus workforce, only nine are from China. Some Serbian employees have become company executives. To boost the local economy, HBIS Serbia encourages local contractors and suppliers to participate in bids for major overhaul and reconstruction projects, giving priority to local enterprises under same conditions. It has also established long-term strategic partnerships with many local companies. With the revival of the steel plant, the city's services industry has perked up and generated a large number of jobs for local young people.



Products of HBIS Group Serbia

Photograph: A Bright Shared Future: Stories along the Belt and Road (the First Volume)

**Professional talent training was enhanced.** The B&R cooperation has played an important role in improving local economic and social management and technical skills via talent training while bringing a large number of jobs to participating countries. The Belt and Road Talent Development Program has harvested fruits since its launch in 2017. A total of 47 students from 26 countries had got master degrees in International Public Administration and Chinese laws; 406 senior government officials, business executives and scholars from 34 countries and regions have been trained through ten high-level seminars. The “Unimpeded Trade” Online Senior Seminar (2020), held in hybrid format featuring both online and face-to-face teaching, attracted 80 senior government officials, experts, scholars and businesspersons from 20 countries and regions including Indonesia, Singapore, Thailand, Italy, Malaysia, Mongolia and Laos. The 2020 Belt and Road Advanced Professional Development Programme in Power

and Energy attracted 146 participants from 26 countries and regions including Russia, Brazil, South Africa, Italy and Pakistan. This seminar served as an excellent communication platform for power and energy professionals from among the Belt and Road countries and regions by sharing the latest developments and future plans of countries in power and energy. In December 2020, Luban Workshop in Madagascar was inaugurated as the 10th Luban Workshop was set up by China in Africa. Luban workshops in Africa have established an international cooperation system for vocational education ranging from secondary vocational schools to institutions of higher learning, and from skill training to degree education. Through the workshops, China honored its commitments of “launching a capacity building initiative” made at the 2018 Beijing Summit of the FOCAC and nurtured a large number of management and technical talents for developing countries.

#### Box 4.12

### Hybrid Rice Creates Food Security

China has implemented the hybrid rice foreign assistance program for more than 20 years. In 2019, more than 40 countries and regions around the world have realized large-scale cultivation of hybrid rice, with an annual planting area of seven million hectares. The rice's yield is over 20% higher than that of conventional rice. When offering assistance, China believes in the old saying that teaching someone how to fish is better than giving him fish. Following this principle, it holds train sessions about hybrid rice technology to local people. Since the 1980s, China has trained more than 14,000 people in hybrid rice technology in nearly 80 developing countries through various agricultural assistance programs. From 2018 to April 2019, China's agricultural assistance team in Senegal provided free training to 175 students from the University of Dakar to develop high-level talents for Senegal's agricultural development.

With the support of FAO-China South-South Cooperation Project, China sent nine experts and technicians to Madagascar in October 2019 to help most of local technicians and 1,000 rice farmers to master hybrid rice planting techniques within two years, aiming to help increase the output of Madagascar's rice from 2.8 tons to 8 tons per hectare. During the Covid-19, Chinese experts and technicians gave detailed guidance to local partners and farmers on how to grow hybrid rice via video link or calls, and handed out technical manuals to farmers. By the end of 2020, the total planting area of hybrid rice in Madagascar had exceeded 50,000 hectares, while the production had risen by 150,000 tons, helping local farmers to live a better life.



China has been expanding the scope and scale of its foreign agricultural assistance represented by hybrid rice technology, improving the level of agriculture in the recipient countries and helping alleviate food shortage, thereby contributing to the elimination of extreme poverty.



Rice Seed Harvesting Ceremony in Senegal  
Photograph: A Bright Shared Future: Stories along the Belt and Road (the First Volume)

**Exchanges in sci-tech innovation were strengthened.** China, along with its Belt and Road partners, takes innovation as a driving force for development and actively integrates itself into global innovation network, in a bid to enhance sci-tech innovation ability and jointly generate new engines for global economy. Since the launch of the Belt and Road Science, Technology and Innovation Cooperation Action Plan in 2017, priorities have been given to the Science and Technology People-to-People Exchange Initiative, the Joint Laboratory Initiative, the Science Park Cooperation Initiative and the Technology Transfer Initiative. More than 8,300 young scientists from the B&R countries have been supported to work in China, and training courses have been provided for nearly 180,000 people (on person-time basis). The establishment of 33 Belt and Road joint laboratories have started. Official partnership in science parks with eight

countries have been established, and five state-level technology transfer platforms have been built. The China-Africa Science and Technology Innovation Cooperation Center has been launched and South-South Cooperation Center for Technology Transfer was set up under the UN South-South cooperation framework. As a result, a Belt and Road technology transfer network has largely taken shape. The Alliance of International Science Organizations in the Belt and Road Region (ANSO) the first comprehensive international science and technology organization under the framework of BRI, has had 52 members from national research institutes, universities and international organizations in the Belt and Road region. The ANSO is committed to improving global scientific and technological development and capacity building in order to build a sci-tech community for all. China-ASEAN Technology Transfer Center

(CATTC) Bangkok Innovation Center and China-Thailand-ASEAN Innovation Port were unveiled to serve as platforms for China-ASEAN technology and innovation cooperation through technology transfer & incubation and commercialization and sharing of sci-tech achievements. China also established intergovernmental sci-tech cooperation committees with the Belt and Road partners such as Hungary, Poland, Belarus, Serbia, Latvia and Uruguay. The aim is to enhance bilateral exchanges and cooperation between technological personnel, advance cooperation in large priority projects, and support the founding of long-term sci-tech cooperation platforms like joint laboratories, science parks and technology transfer centers to facilitate the industrial application of sci-tech advances.

## F. Joint Pursuit of Green Development

While strengthening domestic ecological advancement, China is working with the B&R partner countries to build a green Silk Road

to strengthen cooperation in environment protection, biodiversity conservation and climate change response, injecting new impetus to the implementation of the Paris Agreement and the 2030 Agenda for Sustainable Development.

**Guiding enterprises to pursue green development.** In December 2020, the Belt and Road Initiative International Green Development Coalition (BRIGC) launched the BRI Green Development Institute, and released the BRI Green Development Case Study Report (2020), Green Development Guidance for BRI Projects Baseline Study Report, and other reports on biodiversity, green energy, carbon market and green supply chain. In 2020, the Ministry of Ecology and Environment (MEE) of China invited bids for comparative study and consulting service on the emission standards of flue gas pollutants from thermal power projects under the BRI to promote the exchange and agreement on environmental standards.

### Box 4.13

#### Baseline Study Report of Green Development Guidance for BRI Projects Released

In December 2020, Green Development Guidance for BRI Projects Baseline Study compiled by the BRIGC was released, aiming to formulate a set of clear and practical guidance on green development. This development guidance is expected to direct investment to greener projects and form a new governance pattern where stakeholders work together towards green, low-carbon and sustainable development of foreign investment projects. According to the report, the B&R investment projects can be classified into “red, yellow, and green” categories, based on their contributions and risks to pollution prevention and control, climate change mitigation and biodiversity conservation.





#### **Green projects (encouraged projects, on the positive list)**

Solar power, wind power, geothermal energy, mini/micro-grid (for transmission of clean energy), electric transportation infrastructure, construction of green ports and their supporting facilities, forestation, etc.



#### **Yellow projects (projects with moderate impacts)**

Waste-into-energy projects, urban freight transportation with emission standards above Euro IV/national IV standards (or similar local applicable standards)



#### **Red projects (projects requiring strict oversight and regulation, on the negative list)**

Hydroelectric power generation, coal-fired power generation (including new coal-fired power plants and upgrading of existing coal-fired power plants), gas-fired power generation, railway construction (long-distance, passenger, or freight), urban freight transportation with emission standards below Euro IV/national IV standards (or similar local applicable standards), construction of ports and their supporting facilities involving the use of fossil fuels for storage or transportation, large livestock and poultry breeding plants, mining, petrochemicals, industrial park construction, etc.

**Sharing green practical experience.** China has always been an active participant in and contributor to global climate governance and multilateral process of biodiversity. It has pushed ahead with the South-South Cooperation Initiative on Climate Change to help African countries, small island developing countries, least developed countries, and other developing countries in their response to climate change. By the end of 2020, China had launched 10 pilot low-carbon industrial parks and started 100 mitigation and adaptation programs in the Seychelles, Cambodia, Laos and other developing countries and provided them with 1,000 training opportunities on climate change. The aim is to support developing countries to develop clean and low-carbon energy. The Green Silk Road Envoys Program, as a key platform for promoting South-South environmental cooperation, regional environmental protection capacity building and sustainable development, has given training to 2,000-plus environmental officials, researchers and technicians from more than 120 countries. It aims to enhance the cooperation in environmental management and the technician exchanges among the B&R countries.

**Promoting the transition toward low-carbon energy.** China has worked towards green and low-carbon transition of global energy by engaging in extensive cooperation in renewable energy. China's investment in renewable energy in the B&R partner countries' energy sector has scaled up. According

to the data released by the American Enterprise Institute for Public Policy Research (AEI), in the first half of 2020, China's investment in renewable energy in the B&R partner countries exceeded that in fossil energy. China has built a large number of solar, wind and other renewable energy projects in the B&R partner countries, such as the Kaleta hydropower station in Guinea; the Kaposvar PV power station in Hungary; the Mozura wind park in Montenegro; Noor Energy 1-the CSP+PV solar power project in Dubai, UAE; the Karot hydropower station and the solar PV power plant in the Quaid-e-Azam Solar Park in Pakistan. These projects have played an important role in helping host countries shift to efficient, clean and diversified energy supply. The Sweihan power project is a 1,177MW solar PV independent power project (IPP) in Abu Dhabi, the UAE. It is amongst the world's biggest solar PV plants, known as the "Light of Abu Dhabi". Since operation in July 2019, it has delivered notable benefits by meeting the power demand of more than 90,000 people. It is forecast that this project will reduce one million tons of CO<sub>2</sub> emission annually, equivalent to the emissions of 200,000 vehicles for one year. In May 2021, the Kaposvar PV power station project in Hungary was officially put into operation. Once connected to the grid, it is expected to generate 130 million KWH of electricity annually, save 45,000 tons of standard coal and cut CO<sub>2</sub> emissions by 120,000 tons.

#### Box 4.14

### The 50 MW Photovoltaic Power Plant in Kenya Provides Clean and Cheap Electricity

The 50 MW solar power plant in Garissa, the largest photovoltaic power station project in Kenya and East Africa, was completed and connected to the grid in December 2019. The power station consists of more than 200,000 photovoltaic panels and covers an area of 85 hectares. This project was led by the Ministry of Energy of Kenya. China Jiangxi Corporation for International Economic and Technical Co-operation (CJIC) and JinkoSolar Holding Co., Ltd., as a consortium, were responsible for design, procurement, construction, installation and training.

The power plant is expected to generate about 76.473 million KWH electricity annually and reduce local CO<sub>2</sub> emissions by about 64,190 tons. It can meet the power demand of 70,000 households or half of the

population of Garissa. As the rate of electricity generated by the plant set by Kenya's power authority is 12 shillings (about 0.12 US\$) per KWH, 8 shillings lower than diesel-generated electricity before, the project has significantly cut the prices of local clean energy and eased Kenya's power shortage. The power plant has also become a talent training and demo center for photovoltaic industry in East Africa.



The 50 MW Photovoltaic Power Plant in Garissa, Kenya  
Photograph: China Energy Engineering Group Co., Ltd.

### **Taking responsibility for environmental protection.**

When designing and constructing BRI projects, Chinese enterprises take ecological factors into full account. They have practiced green and low-carbon infrastructure construction and operation and strictly followed the principle of protecting environment while promoting local economic and social development. For example, the Karot Hydropower Project in Pakistan made significant progress, with the concrete placement for its facilities completed in October 2020. As the first hydropower project along the CPEC and the largest hydropower project in Pakistan, the Karot Hydropower Station has been built with high standards. The International Finance Corporation, a member of the World Bank Group and one of the lenders, strictly conducts the Environmental Impact Assessment (EIA) of the project according to international standards. The China Three Gorges Corporation (CTG) has invested about 150 million yuan to implement a special environmental protection plan for the station. World-class environmental protection equipment has been

used to treat wastewater, and strict environmental protection measures have been adopted. Since there are 20-plus nature reserves in the area of the Belo Monte UHVDC Bipole II (XRTE) in Brazil, before the construction started, more than 400 biologists were employed to assess environmental impact. During implementation, Chinese enterprises changed 161 lines, designed towers to protect rainforests, built 13 animal rescue stations, signed contract with 25 plant protection stations, and hired more than 60 zoologists and botanists to minimize the impact on animals, plants, and nature reserves. In 2019, the XRTE received the 2019 Best Commission's Brazilian Social Environmental Management Practice Award by Benchmarking Brazil for its effective environmental protection work. To build a green and eco-friendly power plant, Pakistan Sahiwal coal-fired power project employed advanced technologies for desulphurization, dust removal, noise pollution control and ash treatment and installed high-efficiency electrostatic precipitator and facilities for flue gas desulfurization and sewage treatment. It is the most advanced



coal-fired power station with the best environmental protection indicators in Pakistan. After operation in 2017, all its environmental protection indicators outperformed the standards set by Pakistan and the World Bank, helping it win the 16th Annual Environment Excellence Award of Pakistan in 2019. The new container terminal project in Port of Tema, Ghana, with a construction area in one of the major spawning grounds of turtles in West Africa, set up a Turtle Breeding Center and cooperated with Ghana Wildlife Society (GWS) to strengthen the protection of turtles by employing experts in this regard and organizing a turtle protection patrol. As of June 2019, over 10,000 hatched turtles had been released to the sea, an effective effort for protecting turtles and ecological balance.

#### Box 4.15

### Building the Pelješac Bridge with a Green Principle

The Pelješac Bridge is the biggest transportation infrastructural project contracted by China in Croatia since the establishment of diplomatic relations between the two countries. Its construction started in 2018 and progressed steadily during the pandemic. Crossing the Mali Ston Bay over the Adriatic Sea, the bridge will connect Croatia's southern and northern parts and give Croatia a continuous land link once completed. At present, Croatian people need to cross the 20-kilometer-long Neum corridor in its neighbor country when they want to have a north-south or south-north journey in their own county.

During the process of construction, Chinese contractors, in order to minimize the impact on environment and protect waters, the habitat of dolphins, use advanced technology of bubble curtain to reduce noise in the piling stage, and pumped away all sediment resulting from drilling to meet local environmental protection requirements. Ships for construction are equipped with sewage tanks, and garbage classification is strictly followed in office and lodging areas onshore, which has effectively prevented sewage from flowing into the sea. Since construction, the videos of dolphins jumping and playing in the water has received many likes on social media platforms.



The Pelješac Bridge in Croatia is under construction.  
Photograph: Xinhua News Agency

## G. Robust Cultural Cooperation and People-to-People Exchanges

China has carried out various forms of cultural cooperation with the B&R countries, which has enhanced mutual understanding and respect and lent strong popular support for the Belt and Road cooperation.

### **The channels of mutual learning among different civilizations have been expanded.**

China and its B&R partner countries have held a host of cultural events, such as Silk Road International Film Festival, photo exhibitions, concerts, and art exhibitions, and have cooperated on film and television production, as well as book publishing and translation. In 2020, the Second Belt and Road Short Video Competition: Footprint and Memories received over 500 entries from nearly 80 countries. These works, telling stories about fighting the pandemic together by the B&R countries, were played over 300 million times, including close to 50 million overseas visits. During the 7th Silk Road International Film Festival, more than 500 excellent films from 116 countries and regions were selected for promotion, 102 of which were shown in cinemas, and more than 70% of which came from the B&R countries. In December 2020, China and Singapore signed the Memorandum of Understanding between

National Press and Publication Administration of the People's Republic of China and the Ministry of Culture, Community and Youth of the Republic of Singapore on Translation and Publication of Classic Works. The two sides agreed to launch the Translation and Publication Project of Chinese and Singaporean Classics to support the translation and publication of classics and important works of the two countries, as a part of their efforts to implement the initiatives of translating Asian classics both from and into Chinese proposed at the 2019 Asia Civilization Dialogue Conference. Besides, China and 17 B&R countries initiated 33 assistance programs in protecting cultural relics, including the protection and restoration of Angkor Wat, Cambodia; the pagoda damaged by the earthquake in Bagan, Myanmar; the ancient city of Khiva in Khorazm, Uzbekistan; and the joint archaeological research on the ancient city of Rahat in Issyk Kazakhstan and Vikrampura site in Bangladesh. China has also held the Year of Culture events with such countries and regions as Central and Eastern Europe, ASEAN, Russia, Nepal, Greece, Egypt and South Africa. During the 2020 Italy-China Year of Culture and Tourism in Rome, the two countries jointly held hundreds of events, covering performing arts, visual arts, creative design, cultural heritage, tourism, and films and televisions.

#### Box 4.16

### **A Bright Shared Future: Stories along the Belt and Road: Telling the Belt and Road Stories in a Good Way**

In 2020, the Chinese Academy of International Trade and Economic Cooperation (CAITEC) of the MOFCOM continued to compile the second and third volumes of a Bright Shared Future: Stories along the Belt and Road after field visits and through collaboration between Chinese and foreign scholars. The book series, with vivid narrations and pictures, tell touching stories of individuals related to key projects under the BRI. It records the remarkable changes and local people's strong sense of fulfillment and happiness brought by these projects from different perspectives.

Three volumes of the series have been published in six working languages of the United Nations,

including Chinese, English, French, Russian, Arabic and Spanish. The stories were collected from five continents across industries such as agriculture, manufacturing, services, electricity, water conservancy, education, health and culture, involving sectors like foreign trade, investment, engineering, assistance and foreign aid. By the end of 2020, more than 310,000 copies of the series had been released offline, and the online versions received over 46 million views, including over 17 million overseas views.

To promote the Belt and Road stories, the CAITEC and the People's Publishing House jointly held a symposium on Lighting up Lives: Comforting Covid-19 with a Shared Dream and a press conference on the second volume of a Bright Shared Future: Stories along the Belt and Road in June 2020. Focusing on health, safety and happiness, this conference explored the value and dignity of life. Several Ambassadors to China, participating enterprises and characters in those stories have exchanged experience in promoting high-quality Belt and Road cooperation and shared experience in multi-party cooperation projects, demonstrating extraordinary splendor of Chinese enterprises and institutions to profoundly interpret the concept of a human community with a shared future with practical actions. The conference was broadcast live on 18 platforms, with more than two million viewers.



A Bright Shared Future: Stories Along the Belt and Road

**Two-way exchanges in education have been expanded.** China and relevant countries have opened up wider and increased exchanges in education for building a Belt and Road education community, making closer people-to-people bonds. As of August 2020, China has established educational cooperation and exchange relations

with 188 countries and regions and 46 major international organizations, and signed agreements with 24 B&R countries on the mutual recognition of higher education degrees. Over the past five years since its founding, the members of the Belt and Road University Strategic Alliance have increased from 47 universities in 8 countries

to 173 universities in 27 countries, forming a community of higher education and promoting all-round exchanges and cooperation in such fields as education, science and technology and culture among universities in the B&R countries and regions. The Silk Road Chinese Government Scholarship Program was set up to advance the B&R personnel training. In 2019, 54.1% of overseas students studying in China were from the B&R countries. China has steadily promoted the process of running educational institutions and programs overseas by issuing the Guide for Colleges and Universities to Run Schools Abroad, starting the pilot building of overseas international schools with Chinese characteristics, and continuing to strengthen cooperation with foreign partners in running educational institutions and programs. By the end of 2020, 2,332 such educational institutions and programs had been launched.

**Multilateral tourism cooperation has been deepened.** China and the Belt and Road partner countries have enhanced mutual learning of each other's civilization and mutual understanding between the people, deepened tourism exchanges and expanded market size. In 2020, China held nearly 200 Happy Spring Festival events, organized relevant parties to participate in online Japan Tourism Expo, World Travel Market (WTM) London and other international exhibitions, and launched

Visiting China Online series through overseas cultural centers. By the year of 2019, China had signed 76 bilateral cultural and tourism cooperation documents with the B&R partner countries, signed mutual visa exemption agreements for different types of passports with 57 B&R countries, and concluded 19 agreements or arrangements to streamline visa application procedures with 15 countries. In 2019, more than 60 million two-way tourism exchanges were made between China and the B&R countries. China's major sources of tourists included Russia, Myanmar, Vietnam, Mongolia, Malaysia, the Philippines, and Singapore. It has initiated cooperation mechanisms such as the Silk Road Tourism Promotion Union, Maritime Silk Road Tourism Promotion Alliance, and Tea Road International Tourism Alliance. It also promoted the establishment of China-ASEAN, China-CEEC and China-Russia-Mongolia cultural tourism cooperation mechanisms. Leveraging the people-to-people exchange mechanisms with Italy, France, the UK and South Africa, China has expanded cooperation space with the B&R countries. It set up tourism offices in Bangkok, Budapest and Astana to guide the building of China's tourism experience centers in Paris and Sydney. More than 10 events of Year of Culture and Tourism have been held between China and the CEE countries, ASEAN and the EU.





# Outlook for the Belt and Road Cooperation in 2021

The year 2021 marks the beginning of the third decade of the 21st century. In their New Year speeches for 2021, leaders of many countries expressed their hope to disperse the shadow of Covid-19 and restore normal development and living conditions. After shock, standstill and restructuring, global economy and society are undergoing new profound changes in all aspects. According to an IMF report, due to the financial support of major economies and the progress of vaccination, it is projected that the global economy will grow by 6% in 2021, and China's economy will lead the global economies with a growth rate of 8.4%. According to a WTO report, Asia was the only region in the world where the trade volume of goods maintained positive growth in 2020, and China was the only major economy that achieved positive growth. It is estimated that the global trade volume of goods will increase by 8% and 4% respectively in 2021 and 2022. Positive expectations for the global economy, signs of economic recovery in many countries, and the real growth of China's economy have boosted people's confidence in and injected stronger impetus to the high-quality cooperation under the BRI.

Unity and cooperation, and growth against a downward trend become the key words for the Belt and Road cooperation in 2021. At present sporadic cases are reported in many parts of the world, the economic recovery and development vary from country to country, and challenges in climate, environment, energy crisis and regional security are yet to be resolved. However, cooperation and opening up remain the world's overriding trend. The BRI is a public road open to all. The Belt and Road cooperation pursues development, aims at mutual benefits, and conveys a message of hope. Going forward, we will continue to work with other parties to advance high-quality Belt and Road cooperation. We will follow the principles of extensive consultation, joint contribution and shared benefits, and champion the philosophy of open, green and clean cooperation, making the Belt and Road cooperation high-standard, people-centered and sustainable.

## A. Protecting Human Health and Safety

The repeated resurgence and frequent mutations of the coronavirus continue to pose a serious threat to people's lives and health worldwide. The defects in health systems in some countries and regions have not been repaired, and the global public health prevention and control mechanism needs to be improved. In the new stage of development,



the high-quality development of Belt and Road cooperation will create a model of health that puts people and their lives first and promotes the improvement of the cooperation mechanism for global public health governance. Under the framework, we will give full play to the key role of the WHO as a multilateral and professional health organization, strengthen international cooperation and coordination and enhance the accessibility of global medical supplies. In addition, we will continue to enhance exchanges and cooperation in public health science and technology by establishing an efficient cooperation mechanism for technological breakthroughs; accelerating cooperation in identification of the virus's origin, testing, and R&D of medicines and vaccines; and conducting more exchanges and sharing of experience in safeguarding public health. We will continue to scale up assistance to underdeveloped countries and regions in epidemic response and prevention, give more material and technical support to the BRI partners in the health field, and make greater efforts to build a global community of health for all.

## B. Promoting Economic and Social Recovery

The Belt and Road cooperation has achieved remarkable achievements despite lots of challenges, lighting up the hope of economic recovery for the world. However, the shadows of recession still haunt countries, the production and life have not returned to normal level in many countries, and the potential in international trade and investment needs to be unlocked. In the new stage of development, the high-quality development of Belt and Road cooperation will create a model of recovery to underpin economic and social development, promote all-round infrastructure connectivity, and facilitate the free circulation of goods, capital, technology, personnel and other factors. Under the framework, we will drive forward higher-standard open cooperation among countries, improve trade and investment liberalization and facilitation in more areas, and help more BRI partners grasp opportunities in the industrialized, Internet-based, digital and intelligent

development. We will continue to make the results of the concerted efforts benefit more people, and following the people-centered principle, we will step up efforts to eliminate poverty, increase jobs, improve people's livelihood, and ensure sound development, so that more developing countries can better participate in the global division of labor and benefit from it. We will continue to enhance international development cooperation and help more developing countries gain more development opportunities.

## C. Pursuing the Vision of Green Development

With the steady progress of the BRI, all parties have promoted ecological advancement when conducting investment and trade, and increased cooperation in conserving eco-environment, protecting biodiversity, and tackling climate change. The huge impact of the pandemic has made people deeply reflect on the past production and lifestyle, and pushed them to promote green development. In the new stage of development, the high-quality development of the Belt and Road cooperation will further deepen the concept of green development and require the partners to pursue green, low-carbon, circular and sustainable production and lifestyle, enhance ecological and environmental cooperation, promote ecological progress, and implement the UN 2030 Sustainable Development Agenda. Under the framework, we will continue to improve the cooperation mechanism, raise public awareness in environmental protection, and carry out non-governmental cooperation to make the green concept more deeply rooted in the hearts of the people. We will continue to advance the development of green trade, carry out green investment cooperation, strengthen green financial support, and drive forward global sustainable development. We will continue to promote the formulation of environmental protection standards and norms for infrastructure construction, increase environmental infrastructure, push ahead with the establishment of green technology banks, and build more green infrastructure to develop a harmonious and pleasant home for all mankind.

# Appendix:

## The BRI Chronicle of Events 2020

### 1. On January 6, China and Kiribati signed an MOU on jointly building the BRI.

In the presence of Chinese President Xi Jinping and Kiribati President Taneti Mama, a Memorandum of Understanding on jointly building the BRI between the two countries was signed at the Great Hall of the People, Beijing. It means that all the ten Pacific Island countries that had established diplomatic relations with China have signed such B&R cooperation documents.

### 2. On February 24, the Asian Infrastructure Investment Bank (AIIB) donated US\$1 million to support China's response to Covid-19.

Asian Infrastructure Investment Bank announced a donation of US\$1 million to support China's response to Covid-19. This donation comes from AIIB staff's contribution and AIIB's supporting donations, and will be designated for medical materials purchase to support frontline medical staff in Wuhan and Beijing.

### 3. On February 28, the Circular on Responding to Covid-19 and Supporting High-Quality Joint Pursuit of the BRI by Leveraging Development Finance was issued.

The Ministry of Commerce of China (MOFCOM) and China Development Bank (CDB) jointly issued the Circular on Responding to Covid-19 and Supporting High-Quality Joint Pursuit of the BRI by Leveraging Development Finance, providing financial support to high-quality B&R cooperation projects and enterprises affected by Covid-19. The Circular requires overseas enterprises and projects to faithfully and accurately reporting their situation during the pandemic and truly reflect their financing needs. After the implementation of the supporting policies, all departments should urge the overseas projects and enterprises receiving support to regularly report the funds utilization and progress. The Circular aims to bring the positive role of development finance into full play to support high-quality construction of BRI projects, ensure the sustained development of the B&R cooperation, and strive to achieve victory in both Covid-19 response and high-quality B&R cooperation.

### 4. On March 2, the Initiative to Support COVID-19 Response in China and Other Countries was released.

The Belt and Road Bankers Roundtable (BRBR) issued the Initiative to Support COVID-19 Response in China and Other Countries. The initiative recognized China's great efforts and effective measures in fighting Covid-19 and was full of confidence in China's efforts to overcome the pandemic and maintain long-term economic development. It also called on and supported the international community to strengthen unity and cooperation to jointly meet the global challenge, and advocated the international community to enhance cooperation within the framework of the WHO to jointly safeguard regional and international public health security.

## 5. On March 4, Tianjin opened Sino-Europe Trucking Service.

The Su Xin truck headed to Germany through the Sino-Europe Highway Freight Channel. This indicates that land transportation by truck has become the “fourth freight way” between Tianjin and Europe in addition to transportation by air, sea and railway.

## 6. On March 17, China and Pakistan signed a memorandum of understanding on establishing new working groups of science, technology and agriculture under the China-Pakistan Economic Corridor (CPEC).

In the presence of Chinese President Xi Jinping and Pakistani President Arif-ur-Rehman Alvi, the representatives of China and Pakistan signed a memorandum of understanding, confirming the expansion of CPEC to the fields of science and technology and agriculture, and the establishment of joint working groups in this regard. Now there are 10 working groups under the CPEC. The two countries hope that the Corridor will have a substantial impact on stimulating regional economy and society, and they will strive to build the CPEC into a demonstration project for high-quality development of the B&R cooperation.

## 7. On March 19, an international sharing and exchange meeting on China's epidemic prevention and control experience was held.

An international sharing and exchange meeting on China's epidemic prevention and control experience was held via video link. The purpose of the meeting is to introduce China's experience in dealing with the Covid-19 pandemic to the international community, enhance the exchange of professional knowledge, and strive to defeat the pandemic at an early date. The Chinese experts answered more than ten questions raised by foreign experts and netizens. The meeting lasted nearly two and a half hours and was broadcast on WeChat platform and overseas social media platforms in both Chinese and English.

## 8. On March 23, the Circular on Responding to the Covid-19 Pandemic, Supporting the Building of Border (Cross-border) Economic Cooperation Zones and Promoting the Innovation-driven Development of Border Trade was issued.

The General Office of the MOFCOM and the Export-Import Bank of China (China Eximbank) jointly issued the Circular, and required the competent commercial departments and the China Eximbank to coordinate the efforts to fight pandemic and maintain stability of foreign trade and foreign investment, leverage the role of policy guidance and the functions of financial institutions, and provide quality services for border (cross-border) economic cooperation zones and enterprises in those zones. The parties concerned should help businesses to overcome the most salient difficulties such as strains in capital turnover and financing when they resume work and production, and minimize the impact of the epidemic. The Circular clearly required to increase credit support for key areas, promote “small group” progressive development in the zones, support border areas to undertake industrial relocation, improve the border trade industrial chain, promote market diversification, support “bringing in” and “going global”, and foster new drivers for open development. The competent commercial departments at all levels and the China Eximbank head office and branches were required to strengthen overall coordination, set up a cooperation mechanism, keep close contact with industry parks and enterprises, jointly recommend high-quality enterprises and projects, formulate targeted plans, and implement the work earnestly.

## 9. On March 25, the Belt and Road News Network (BRNN) issued an open letter entitled “Together We fight the War of Pandemic, Together We build the Silk Road of Health”.

The open letter calls on the BRNN members to continue to convey factual and reliable information regarding Covid-19, uphold media responsibility and human morality, and encourage the B&R partner countries to support each other, overcome the virus and reduce losses. The BRNN was established on April 23, 2019, and a total of 208 media organizations from 98 countries in Asia, Africa, Europe, Latin America, the Middle East and Eurasia have joined the network.

## 10. On December 7, the number of China’s comprehensive cross border e-commerce (CBEC) pilot zones increased to 105.

The Executive Meeting of the State Council of the PRC decided to add 46 comprehensive CBEC pilot zones, leverage the unique advantages of CBEC, and support China’s foreign trade to overcome difficulties. The first four groups of CBEC pilot zones were set up in cities including Hangzhou, Tianjin and Shijiazhuang in March 2015, January 2016, July 2018 and December 2019, respectively. As of 2020, the number of such zones has expanded to 105, covering 30 provinces including autonomous regions and municipalities directly under the Central Government. The successful experience of CBEC pilot zones has been applied nationwide.

## 11. On April 14, Special ASEAN Plus Three (APT) Summit on Covid-19 was held.

The summit was held via video link. The APT leaders reached consensus on curbing the spread of the pandemic, improving the level of public health governance and helping restore growth in East Asia as quickly as possible. The meeting adopted the Joint Statement of Special ASEAN Plus Three Summit on Covid-19.

## 12. On April 14, the Circular of the State Administration of Foreign Exchange on Improving Foreign Exchange Management to Support Foreign-related Business Development was issued.

The Circular proposed to optimize foreign exchange business management, improve foreign exchange service methods, enhance cross-border trade and investment facilitation, further improve business environment, and underpin the real economy to achieve high quality development. Eight measures to promote cross-border trade and investment facilitation have been introduced. These include promoting the reform of income payment facilitation in capital account nationwide; canceling the registration of special foreign exchange refund business; simplifying the registration management of some capital account businesses; relaxing restrictions on the foreign exchange purchase to repay the domestic foreign exchange loans by the clients with export background; improving CBEC foreign exchange settlement by using electronic documents; optimizing CBEC foreign exchange settlement; relaxing restrictions on business review and endorsement procedures; and supporting banks to make innovation in financial services.

### 13. On April 14, the China-Latin America (Mexico) International Trade Digital Exhibition was held.

The exhibition was organized by the China Council for the Promotion of International Trade and held virtually for 15 days. A total of over 2,000 enterprises from 28 provinces (including autonomous regions and municipalities directly under the Central Government) participated in the exhibition. The exhibited products included building materials, hardware, office supplies, household furniture, electronics, textiles and clothing, gifts, food and other fields. The total trade turnover was US\$8.02 million and the intended turnover reached US\$48.24 million. Five industry digital forums including consumer electronics, textiles and clothing, household appliances, building materials and machinery and one digital forum on Mexican market analysis were held online.

### 14. On April 17, the list of the first 12 National Digital Service Export Bases was officially announced.

The MOFCOM, the Office of the Central Cyberspace Affairs Commission and the MIIT jointly issued an announcement, identifying 12 National Digital Service Export Bases. The 12 bases have good foundation for digital service export, strong competitiveness and influence. In the future, MOFCOM, together with other relevant departments, will further support them to accelerate the digital transformation of services export, and make them the important carriers for digital trade development and the cluster areas for digital services export in China.

### 15. On April 30, China and Belarus signed an MOU on carrying out a joint feasibility study on services trade and investment agreement.

The Chinese Minister of Commerce and the Belarusian Ambassador to China signed the Memorandum of Understanding between the Ministry of Commerce of the People's Republic of China and the Ministry of Economic Affairs of the Republic of Belarus on Joint Feasibility Study on Services Trade and Investment Agreement between China and Belarus in Beijing, and decided to carry out a joint feasibility study on negotiation and signing of an agreement on trade and investment in services.

### 16. On May 7, the People's Bank of China and the State Administration of Foreign Exchange issued Provisions on the Administration of Domestic Securities and Futures Investment Funds of Foreign Institutional Investors.

The Provisions required to provide easier access, facilitate investment operation, steadily and orderly expand the scope of investment, strengthen supervision, and accelerate the high-level two-way opening of the capital market. It clarified and simplified the management of foreign institutional investors and domestic securities and futures investment funds, and required further facilitation of foreign investors' participation in China's financial market. It removed the management requirements on domestic securities investment quotas for qualified foreign institutional investors and RMB qualified foreign institutional investors, and asked to implement registration management for remittance, inflow and exchange of cross-border funds of qualified investors. It required integrated management of local and foreign currencies. It also simplified the remittance procedures for income from domestic securities investment by qualified investors. In addition, it removed the limit on the number of custodians, and improved the requirements for foreign exchange risk and investment risk management of



qualified investors' domestic securities investment.

### 17. On May 20, International Youth Forum on Creativity and Heritage along the Silk Roads was held.

The forum was hosted by UNESCO and China National Commission for UNESCO. More than 100 young people from more than 60 countries participated in the forum through video conference. Following the principle of “inheriting heritage and stimulating innovation”, the forum provided an exchange platform for young people from the B&R countries.

### 18. On June 1, the Master Plan for the Development of Hainan Free Trade Port was issued.

The Plan sets specific requirements for Hainan province to gradually achieve liberalization and facilitation in trade and investment, cross-border capital flow, entry and exit of people and transportation as well as safe and orderly flow of data, aiming to push Hainan to establish a modern industrial system and conduct institutional innovation and reform. Hainan, as China's largest special economic zone, has unique advantages in comprehensively deepening reform and experimenting with the highest-level opening-up policy. Building on these advantages, Hainan can establish a policy system suitable for a high-standard free trade port and build a special customs supervision area with international competitiveness and influence to develop itself into a distinctive and a major gateway for leading China's opening up in the new era.

### 19. On June 2, the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) meeting was held.

The BRITACOM virtual meeting was held with the theme of “Responding to Covid-19: BRITACOM Perspective”. The participants explored how to promote the building of tax collection and management cooperation mechanism under the Covid-19 pandemic situation and overcome the pandemic challenge through unity and cooperation. Established in April 2019, the BRITACOM is a non-profit official cooperation mechanism, aiming to build a tax exchange platform, strengthen tax cooperation among all parties, and contribute to the BRI. It has 36 council members and 28 observers.

### 20. On June 11, the China-Sri Lanka Belt and Road Political Parties Joint Consultation Mechanism was established and the first meeting of the mechanism was held.

The first meeting of the mechanism was themed on Building the Belt and Road Initiative and Promoting Economy and People's Livelihood. The two sides will strengthen the exchange of experience in state governing, consolidate the political and public foundation of bilateral relations, promote bilateral cooperation in various fields, and contribute to the high-quality B&R cooperation. The meeting adopted a joint initiative of the political parties of China and Sri Lanka to support high-quality B&R cooperation.

## 21. On June 13, the General Administration of Customs of China (GACC) issued an announcement on launching trials for oversight over CBEC business-to-business (B2B) export.

The GACC announced to launch trials for oversight over CBEC business-to-business (B2B) export from July 1, 2020 in 10 customs directly under it, such as Beijing, Tianjin and Nanjing Customs. Chinese exporters can transport goods to overseas companies or warehouses through cross-border logistic facilities and complete transactions through CBEC platforms. On September 1, the GACC set up 12 new customs offices directly under it, including Shanghai, Fuzhou and Qingdao Customs, to carry out trials for oversight over CBEC B2B export, bringing the number of such trials to 22.

## 22. On June 15, the 127th China Import and Export Fair (Canton Fair) opened.

The 127th Canton Fair, with a theme of “Canton Fair, Global Share” lasted for 10 days. It made innovations in exhibition mode, carried out live streaming promotion, set up an online negotiation system for enterprises. It is divided into five sections: exhibitors and exhibits; news and activities, global supply and purchase matchmaking, conference services and CBEC zone, attracting nearly 26,000 domestic and foreign companies from 217 countries and regions to participate through its online platform.

## 23. On June 18, the High-Level Video Conference on Belt and Road International Cooperation was held.

The theme of the conference was Belt and Road International Cooperation: Combating Covid-19 with Solidarity. Foreign ministers or ministerial officials from 25 countries and head of WHO attended the meeting. The conference adopted the Joint Statement of the High-level Video Conference on Belt and Road International Cooperation. Recalling the spirit and principles reflected in the Joint Communiqué of the Leaders’ Roundtable of the 2nd Belt and Road Forum for International Cooperation, the participants will work towards a healthy Silk Road, boost connectivity, promote economic recovery and deepen practical cooperation.

## 24. On July 6, the 9th Ministerial Conference of the China-Arab States Cooperation Forum (CASCf) was held.

The 9th Ministerial Conference of the CASCf was held via video link and the conference released the Joint Statement of China and Arab States on Solidarity against COVID-19, the Amman Declaration of the Ninth Ministerial Meeting of the CASCf, and the Execution Plan for 2020-2022 of the CASCf. The joint statement reaffirmed to pool great strengths toward defeating COVID-19 with solidarity and cooperation between China and Arab states, deepen their strategic partnership and build a China-Arab community with a shared future. The Amman Declaration expressed the desire of both sides to further deepen China-Arab states relations. Both sides are willing to support each other on their core interests and major concerns and work together to build a China-Arab community with a shared future. The CASCf execution plan specified that from 2020 to 2022, the two sides will continue to strengthen the building of CASCf mechanism and enhance cooperation in political, economic and social development.

## 25. On July 16, the video conference of foreign ministers of “China + Five Central Asian Countries” was held and a joint statement was issued.

The video conference of foreign ministers of “China + five Central Asian countries” was held. China and five Central Asian countries held the inaugural foreign ministers’ meeting via video link, and all parties exchanged views and issued statements on four major issues: strengthening anti-epidemic cooperation, promoting economic recovery, maintaining regional security and tightening international cooperation. In the statement, C+C5 foreign ministers affirmed the achievements of anti-epidemic cooperation among all parties, expressed the willingness to continue to promote the synergy between the BRI and the development strategies of Central Asian countries, condemned and opposed all forms of terrorism, extremism and separatism, and showed the willingness to promote win-win cooperation under the new situation and work together to meet challenges. They also decided to establish a regular meeting mechanism of C+C5 foreign ministers.

## 26. On August 2, the State Council replied to approve the pilot program of comprehensively deepening innovation-driven development of services trade.

The State Council approved to comprehensively deepen the innovation-driven development of services trade pilots in 28 provinces (including autonomous regions and municipalities directly under the Central Government) including Beijing, Tianjin, Shanghai, Chongqing, etc. during a pilot period of three years. The approval made it clear that the pilots should explore services trade in depth, make innovations in institutions and mechanisms, build a pacesetter for services trade development, give full play to the supporting role of services trade in stabilizing foreign trade and foreign investment, and promote the transformation and upgrading of foreign trade and high-quality development.

## 27. On August 6, the first session of the China-Papua New Guinea Joint Economic and Trade Committee (JETC) was held.

China and Papua New Guinea (PNG) agreed to continue to step up international cooperation in fighting Covid-19 and forge synergy between the BRI and PNG’s major strategies. During the session, the ceremony for the signing of the handover certificate of anti-epidemic materials from the Chinese government to Papua New Guinea was held. Chinese Fujian province announced to provide Phase IV assistance to PNG’s East Highlands Province with Juncao and upland rice planting technology. The two sides also announced the national submarine optical cable project in PNG supported by Chinese funds had been completed.

## 28. On August 21, China and Pakistan signed the Joint Declaration of China-Pakistan Political Parties to Promote High-quality Cooperation in Developing China-Pakistan Economic Corridor.

China and Pakistan held the second conference of the CPEC Political Parties Joint Consultation Mechanism (JCM) with the theme of “Working Together to Promote Economic Development and Improve People’s Lives Through High-Quality CPEC Cooperation” and adopted the Joint Declaration of China-Pakistan Political Parties to Promote High-quality Cooperation in Building China-Pakistan Economic Corridor. According to the declaration, the CPEC, as a landmark project of B&R cooperation, has played an important role in expanding bilateral cooperation in various fields, improving people’s living standards and promoting

regional economic development. The two sides will strengthen the exchange of experience in governing country and continue to advance all-weather strategic partnership between China and Pakistan.

### 29. On August 26, the China-Russia Year of Scientific and Technological Innovation was launched.

The China-Russia Year of Scientific and Technological Innovation lasted for two years, and more than 1,000 events were carried out, including scientific research exhibitions, academic exchanges and other cooperation projects. The Chinese and Russian governments, and medical and scientific research sectors will cooperate closely in fighting the Covid-19 pandemic.

### 30. On August 30, the State Council approved the establishment of three free trade pilot zones in Beijing, Hunan and Anhui and the expansion of the Zhejiang Pilot Free Trade Zone.

The State Council issued the overall plans for Beijing, Hunan and Anhui Pilot Free Trade Zones and the regional expansion plan for Zhejiang Pilot Free Trade Zone. The central government decided to set up a new group of free trade pilot zones, and made great efforts to explore a higher-standard opening-up model in the free trade pilot zones, which demonstrated the firm determination of the Chinese government to expand opening up and build a new open economic system at a higher level. Overall, the four plans fully meet the central government's requirements for accelerating the building of a new development paradigm, and have the following four focuses. First, focus on an unimpeded circulation and build a new development paradigm. Second, focus on scientific and technological innovation to promote new development momentum. Third, focus on deepening reforms to stimulate new development vitality. Fourth, focus on high-level opening-up and create new development strengths.

### 31. On September 8, the Global Data Security Initiative was launched.

The Global Data Security Initiative was launched during an International Seminar on Global Digital Governance hosted by China under the theme "Seizing Digital Opportunities for Cooperation and Development". The initiative called on countries to treat the issue of data security objectively and opposes the malicious use of information technology to harm the interests of other countries. Countries should deepen dialogue and cooperation and jointly build a peaceful, safe, open, cooperative and orderly cyberspace community.

### 32. On September 14, the Agreement between the Government of the People's Republic of China and the European Union on Cooperation on, and Protection of, Geographical Indications signed.

The signing of this agreement represents the first large-scale mutual recognition of each other's GIs between China and the EU, and the agreement is the first major trade agreement reached between China and the EU in recent years. The agreement mainly stipulates GIs, protection rules and the list of mutual recognition of GIs, etc. The agreement protects a large number of products and a wide variety of products. A total of 550 GI products from both sides are included, involving alcohol, tea, agricultural products, food, etc. The first 100 GIs mutually

recognized by both parties will be protected from the effective date of the Agreement, and the second 175 GIs will complete the relevant protection procedures within four years after the effective date of the Agreement.

### 33. On October 15, the 128th China Import and Export Fair (Canton Fair) opened.

The 128th China Import and Export Fair was held online from October 15 to 24. During the expo, a total of 38 online promotion conferences and 120 new product launches were held, and 26,000 enterprises participated in the exhibition virtually, with a total of 7,892,600 visits to the virtual exhibition halls. Enterprises from 16 B&R countries participated in the import exhibition, accounting for about 80% of the total number of exhibitors. Companies from the B&R countries and regions uploaded 7,200 exhibits, accounting for 85% of the total number of products uploaded by the participating importers. AI intelligent customer service, exclusive financial products, and a new complaint handling mode through both virtual and physical ways provided perfect services for foreign trade enterprises. Both suppliers and purchasers communicated efficiently and smoothly through the online platform, realized accurate matchmaking, and sought development by both virtual and physical means.

### 34. On October 25, Pakistan's first subway line was officially opened to the public.

The Orange Line Project of Rail Transit in Lahore city, Pakistan was officially put into operation. The Lahore Orange Line is the first subway in Pakistan and also the first rail transit project of the CPCE under the framework of the BRI. The whole line adopts Chinese standards, Chinese technology and Chinese equipment, representing the first complete export of "Chinese Solution" in the whole-chain urban rail transit, including designing, manufacturing, constructing, operating and maintenance. Guangzhou Metro Group Co., Ltd. provides operation and maintenance services for this Line.

### 35. On November 3, China established 10 Demonstration Zones for Creative Promotion of Import Trade.

The MOFCOM, National Development and Reform Commission (NDRC), China's Ministry of Finance and other six ministries and commissions announced the demonstration zones for creative promotion of import trade. They are Shanghai Hongqiao Business District; Jinpu New District in Dalian, Liaoning Province; Kunshan City in Jiangsu Province; Yiwu City in Zhejiang Province; Hefei Economic and Technological Development Zone in Anhui Province; Huli District in Xiamen, Fujian Province; West Coast New District in Qingdao, Shandong Province; Nansha District in Guangzhou, Guangdong Province; Tianfu New District in Sichuan Province and Xi'an International Port Area in Shaanxi Province. These demonstration zones serve the functions of creative promotion of import trade to unleash the potential of the domestic market and create a new landscape of creative development of import trade.

### 36. On November 4, the third China International Import Expo (CIIE) was launched in Shanghai.

The third CIIE was held in Shanghai successfully during November 5-10, 2020. This year's CIIE attracted more than 2,600 multinational enterprises, with a total exhibition area of nearly 360,000 square meters (30,000 square meters larger than the previous session). The exhibition area of the world's top 500 and leading companies in their industries increased by



14% over the previous session, attracting about 400,000 professional visitors to register, with a cumulative intended turnover of US\$72.62 billion, an increase of 2.1% over the previous session. This CIIE had six major exhibition sections, including technical equipment, consumer goods, automobiles, food and agricultural products, services trade and medical equipment and medical care products. New products, new technologies and new services have become the highlights of this session.

### 37. On November 11, the Chinese government and the International Seabed Authority (ISA) signed an MOU on jointly building the Belt and Road Initiative.

The Permanent Representative of China to International Seabed Authority (ISA) and the Secretary General of the ISA signed the Memorandum of Understanding between the Government of the People's Republic of China and the International Seabed Authority on Jointly Advancing the Silk Road Economic Belt and the 21st Century Maritime Silk Road in Kingston, Jamaica. China and the ISA and its members will deepen the cooperation in the fields of deep-sea mineral resources exploration and development, marine environmental protection and capacity building of developing countries, and promote the building of a community for mankind and a maritime community with a shared future.

### 38. On November 15, the Regional Comprehensive Economic Partnership (RCEP) Agreement was officially signed.

The economic and trade ministers of China, Japan, the Republic of Korea, Australia, New Zealand and 10 ASEAN countries officially signed the RCEP Agreement. A free trade area focusing on developing economies officially set sail. The RCEP stipulates tariffs, origin, investment access, intellectual property rights, competition policy and e-commerce rules that all parties need to observe. All participants will make efforts to improve the regional trade and investment environment, promote trade and investment liberalization and facilitation, deepen the integration of industries and value chains in the region, and increase the development potential of the region.

### 39. On November 24, the Belt and Road Forum for International Cooperation on Cyberspace was held.

The Belt and Road Forum for International Cooperation on Cyberspace, a sub-forum of the World Internet Conference - Internet Development Forum, was held in Wuzhen, Zhejiang Province. Under the theme of "Adhering to Openness and Inclusiveness, Promoting Interconnectivity", the participants probed topics of how to accelerate the development of BRI through digital empowerment. They exchanged insights on the significance of digital economy for digital-driven, Internet-based and smart growth and on how to seize the opportunity to promote the digital transformation of the economy. They also discussed the sub-topics of "improving the digital business environment, empowering the development of the digital economy", "promoting the construction of information and communication infrastructure, and jointly safeguarding network security".

### 40. On November 24, the 7th Belt and Road Sino-German Economic Cooperation Dialogue was held.

The 7th Belt and Road Sino-German Economic Cooperation Dialogue was held by video

link. The dialogue focused on Sino-German relations in the post-pandemic era, financial development and digital economy, science and technology, environmental protection and clean energy, and cooperation in higher vocational education.

#### 41. On November 27, the 17th China-ASEAN Expo (CAEXPO) was held online.

With the theme “Building the Belt and Road, Strengthening Digital Economy Cooperation”, the 17th CAEXPO was successfully held on November 27-30 in Nanning, Guangxi. The CAEXPO was held in a hybrid format featuring both virtual and physical presence. It attracted more than 1,900 exhibitors and witnessed signing of 86 international and domestic investment cooperation projects with total investment of 263.87 billion yuan, the biggest amount since the Expo was launched in 2004.

#### 42. On November 30, the 5th Belt and Road Summit opened in Hong Kong.

Co-organized by the Government of the Hong Kong Special Administrative Region (HKSAR) and the Hong Kong Trade Development Council (HKTDC), the 5th Belt and Road Summit was held under the theme of “A Business Vision for Sustainable and Inclusive Future”. Focusing on the development opportunities brought by the BRI, more than 80 government officials and business leaders from the Chinese mainland and Hong Kong and other countries exchanged views on how to promote economic recovery and help enterprises through the difficulties in the post-Covid era. The organizers arranged a number of theme forums covering response to Covid-19 by science and technology, infrastructure, green finance, investment and financing, professional services, smart cities, start-ups and other fields.

#### 43. On December 2, the 11th International Infrastructure Investment and Construction Forum (IIICF) was held.

The 11th IIICF was jointly organized by China International Contractors Association and Macao Trade and Investment Promotion Institute. Themed on “Responding to Challenges and Promoting Global Infrastructure Development”, the 11th IIICF attracted more than 1,000 people from 42 countries and regions. At the opening ceremony, the Belt & Road Infrastructure Development Index 2020 and the Annual Report of the Belt & Road Infrastructure Development Index 2020 were released. The two-day forum included more than 30 thematic forums, special events and parallel forums, and more than 170 business talks. China and other countries signed 12 cooperation agreements covering transportation, housing construction, photovoltaic power stations, wind power and so on.

#### 44. On December 3, the 4th International Youth Forum on the Belt and Road was held.

The 4th International Youth Forum on the Belt and Road was held in Seoul, the ROK and Dalian, Liaoning by video link. The theme of the forum is “International Cooperation for Human Security amid a Global Pandemic”. Young people from more than 20 countries, including China, the ROK, the United States and Russia, made discusses on the theme, and took this forum as an opportunity to strengthen exchanges. They expressed that they would pay more attention to the B&R cooperation, enhance the awareness of community with a shared future and promote the prosperity and development of the world. Launched in February 2019, the International Youth Forum is dedicated to providing a dialogue platform for young people

around the world.

#### 45. On December 10, the NDRC and MOFCOM announced the Negative List for Market Access (2020 Version).

The Negative List for Market Access (2020 Version) includes 123 items, a drop of 18% compared with the list in 2018, and a reduction of 8 items compared with 2019. Three restrictive items were relaxed, including the Approval of Forest Resources Assets Evaluation Project, Qualification Accreditation of Assessment Agencies for Mining Rights, and Qualification Accreditation of Carbon Emission Trading Verification Agencies. A total of 14 administrative measures were removed, including Inspection License for Import and Export Commodity Inspection and Appraisal Business, Registration License for Customs Declaration Enterprises, Qualification Examination and Approval for Asset Appraisal Agencies to Engage in Securities Service Business and Qualification Examination and Approval for Directors, Supervisors and Senior Management of Securities Companies. The expression of some measures was revised; a few measures were prudently added; and the design of the list system was improved.

#### 46. On December 16, the Yangtze River Delta Alliance for BRI International Certification was established.

The Yangtze River Delta Alliance for BRI International Certification was jointly initiated and established by 24 international and domestic authoritative testing and certification institutions in the Yangtze River Delta region. The alliance integrates the industrial resources of inspection and certification of its members, builds a communication platform, and promotes the acceptance of inspection and testing results and mutual recognition of certification institutions. The Yangtze River Delta BRI Certification Information Service Platform was officially launched on the same day, which provides information support and resources for enterprises and serves an effective information bridge between the government and enterprises.

#### 47. On December 16, the Chinese government and the African Union signed a cooperation plan on jointly promoting the BRI.

The NDRC and the African Union Commission signed the Cooperation Plan between the Government of the People's Republic of China and the African Union on Jointly Promoting the Building of the Belt and Road Initiative. This Cooperation Plan is the first of its kind signed between China and a regional international organization like the AU. It identifies the cooperation contents and key cooperation projects, and puts forward the timetable and road map in the fields of policy communication, facility connectivity, unimpeded trade, financial connectivity and people-to-people bonds.

#### 48. On December 18, the Advisory Council of the Belt and Road Forum for International Cooperation held its 2020 annual meeting via video link.

At this virtual meeting, the participants discussed the progress made, opportunities and challenges faced by BRI in international cooperation, as well as the areas for expanding cooperation under the new situation. Established in 2018, the Advisory Council of the Belt and Road Forum for International Cooperation is committed to providing intellectual support

for the BRF and related international cooperation.

#### 49. On December 19, Measures for Security Review of Foreign Investment was issued.

The NDRC and MOFCOM promulgated the Measures for Security Review of Foreign Investment, which took effect on January 18, 2021. The Measures, with 23 security review articles, stipulates the types of foreign investment, review institutions, review scope, review procedures, supervision and implementation of review decisions and handling of violations. The state has established a working mechanism for the security review of foreign investment, and the office of the working mechanism, located in the NDRC, is led by the NDRC and MOFCOM, and is responsible for routine work of the security review of foreign investment.

#### 50. On December 23, the Chinese and Ukrainian governments signed a cooperation plan on the joint pursuit of BRI.

The NDRC and the Ministry for Development of Economy, Trade and Agriculture of Ukraine, on behalf of the Chinese and Ukrainian governments respectively, signed the Cooperation Plan between the Government of the People's Republic of China and the Government of Ukraine on Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road. The Cooperation Plan covers the key China-Uzbekistan cooperation areas such as trade, transportation infrastructure, industrial investment, agriculture, energy, finance, science and technology, humanities and health. It serves as an action guideline for promoting practical cooperation between China and Uzbekistan.

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# About the Organization Compiling the Report

## **The Institute for Belt & Road Economic and Trade Cooperation, the Chinese Academy of International Trade and Economic Cooperation (one of the top think tanks in China)**

The Chinese Academy of International Trade and Economic Cooperation (CAITEC) is one of the first national top think tanks identified by the Chinese central government in 2015. As an inter-disciplinary and multifunctional institution on social science research and related consulting services, the CAITEC carries out a wide range of activities, including research, information consulting services, publishing, education and training. It produces consultation reports and recommendations in economic diplomacy and business development for the CPC Central Committee and the decision-making departments of the Chinese government; conducts research, evaluation, analysis and consulting services for the introduction and implementation of policies by the CPC Central Committee and the State Council; and makes strategic planning and implementation plans for the opening up and innovation-driven development of local decision-making departments. With the goal of building itself into a top research institution at home and a well-known one in the world, the CAITEC has been blazing new trails and taking bold initiatives. It has become one of the most influential think tanks in economic and trade research in China, with comprehensive functions, strong strength and numerous achievements. It also works to develop connections with other organizations and institutions, as well as scholars and experts in and outside China to conduct cooperation and exchange in various forms, with a view to promoting trade and investment cooperation between China and the rest of the world through joint efforts.

The Institute for Belt & Road Economic and Trade Cooperation (IBR) of the CAITEC is committed to research on developments of economic and trade cooperation under the BRI, the synergy between the economic and trade strategies of the B&R partner countries, international cooperation on production capacity, the relations between the BRI and global economic governance, and the building of overseas economic and trade cooperation zones under the framework of BRI. In the field of policy research, the IBR puts priority on the Belt and Road cooperation outcomes and development mechanisms. Representative results include the *Report on High-quality Development Cooperation Under the BRI*, the *Report on High-quality Development of Economic and Trade Cooperation Under the BRI*, *China's Trade and Investment Cooperation Under the Belt and Road Initiative*, *China-Arab States Capacity Cooperation*, etc. In the field of case studies, the IBR has collected hundreds of typical cases of China's outward investment projects and analyzed their successful experiences and challenges, providing a good reference for governments at different levels, industrial parks and businesses to participate in the BRI. It has compiled and published the first, second and third volumes of *A Bright Shared Future: Stories Along the Belt and Road* in Chinese, English, French, Russian, Spanish and Arabic. In the field of industrial research, the IBR has carried out targeted research on key areas of cooperation with relevant B&R countries and produced more than 30 country-specific business environment reports.



For more information, please follow our WeChat official account "Stories along the Belt and Road".





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