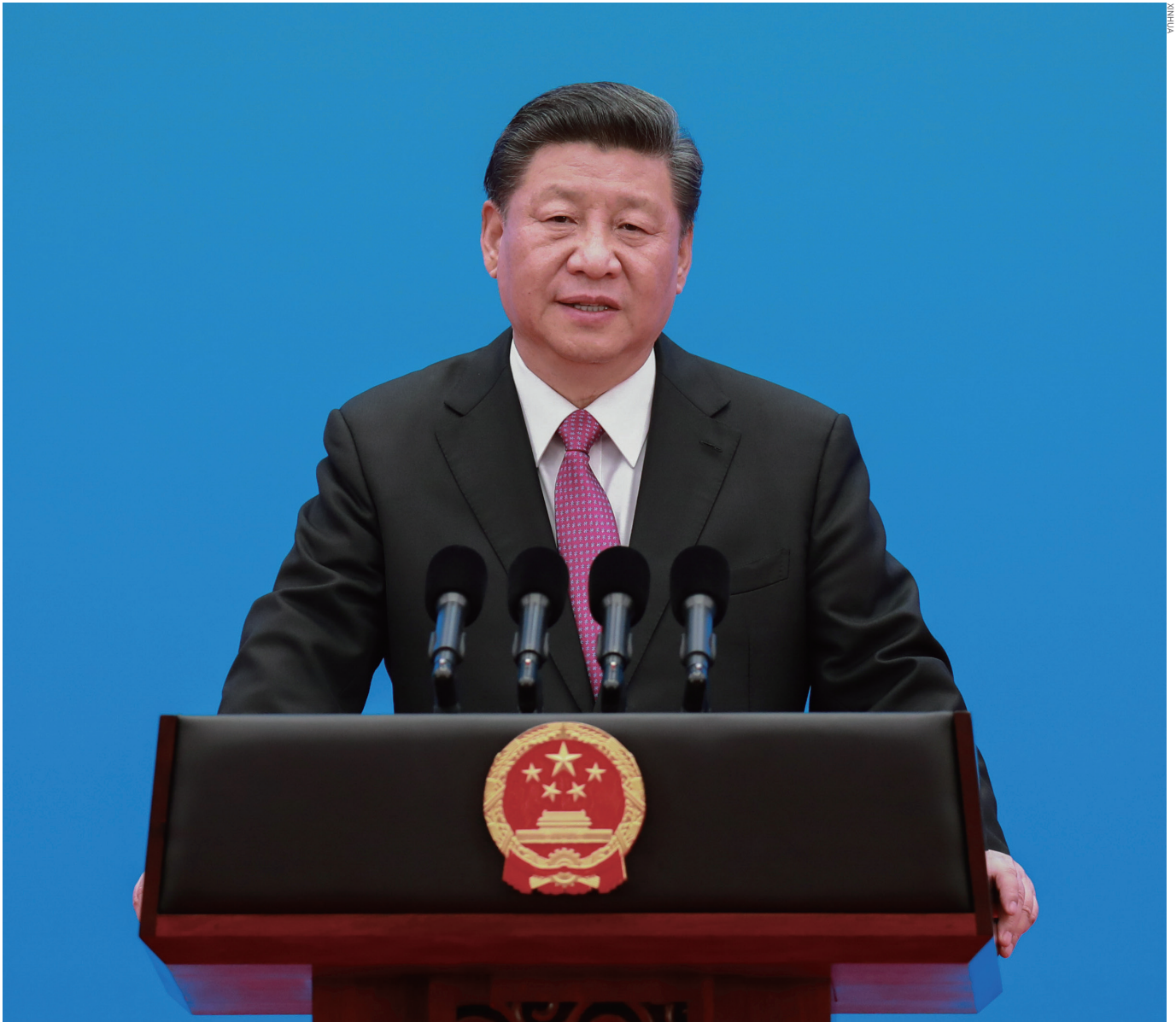


The Information Office, International
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China insight





Chinese President Xi Jinping meets the press after the leaders' roundtable meeting of the Second Belt and Road Forum for International Cooperation in Beijing on April 27

A New Stage

The Belt and Road Initiative advances after years of hard work and development By Yu Lintao

Despite some governments and people in the West conjuring up arguments of “neocolonialism” or a “debt trap” to smear the Belt and Road Initiative, the China-proposed blueprint for common development of the world is becoming increasingly welcome. The success of the

second gathering of world leaders to discuss the development of the initiative in Beijing showed that.

The Second Belt and Road Forum for International Cooperation (BRF) held on April 25-27 gathered some 5,000 participants from more than 150 countries and

90 international organizations, including heads of state and government and leaders from the UN and the International Monetary Fund (IMF). The number was much more than the participation in the First BRF two years ago.

Chinese President Xi Jinping proposed to build the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, collectively known as the Belt and Road Initiative, in 2013.

The Belt and Road Initiative is about jointly meeting various challenges and risks confronting mankind and delivering win-win outcomes and common development, Xi said at the opening ceremony of the Second BRF.

“The Belt and Road cooperation embraces the historical trend of economic globalization, responds to the call for improving the global governance system and meets people’s longing for a better life,” he added.

In its sixth year of development, more and more people have become familiar with the Belt and Road Initiative and realize they need to engage with it, Kerry Brown, Director of the Lau China Institute at King’s College, London, told *Beijing Review*. He noted that becoming part of the initiative conforms to the interests of other participating countries, and is a tangible way to engage with China, the second largest economy in the world. Though some countries still don’t, they are in the minority.

During the forum, cooperation agreements worth over \$64 billion were signed at a CEO conference. To date, 126 countries and 29 international organizations have signed agreements with China under the framework of the Belt and Road Initiative, with Italy and Luxembourg the latest signatories.

Expanding partnership

German Economy Minister Peter Altmaier said during the Second BRF that EU countries have signaled their willingness to participate in the initiative and are planning to sign a memorandum of understanding as a group. This belies the forecast by naysayers that the initiative will only develop into an alliance of developing nations.

Former French Prime Minister Jean-Pierre Raffarin said the European recognition of the Belt and Road Initiative has improved vastly from questioning to understanding it. The countries that stay outside the initiative may lose a historic opportunity for further development, he added.

Yang Jian, Vice President of the Chinese think tank Shanghai Institutes for International Studies (SIIS), called the initiative an engine of development in a world faced with common challenges such as uncertainties and instability.

“The reason why the Belt and Road Initiative is gaining wider and wider recognition is that besides promoting the development of participating countries, it has also contributed to the recovery of the world economy after the global financial crisis, and conforms to the UN Sustainable Development Goals,” Yang

told *Beijing Review*.

Also, the third-party market cooperation that the Belt and Road Initiative advocates enables developed countries to play a vital role, he said. With the participation of more Western developed countries, the misunderstanding over the initiative will be dispelled. Effective resource allocation and deep market integration among developed and developing countries in Belt and Road construction will create a win-win situation, Yang said.

In an interview with the Chinese media before heading to Beijing, Ueli Maurer, President of the Swiss Confederation, said the Belt and Road Initiative is a rare, long-term plan that has created a new dimension for the development of the world economy.

Globalization is the key to global development, and to achieve globalization,

infrastructure construction at various levels is indispensable. The Belt and Road Initiative is a future-oriented project that will contribute to globalization. Everyone can benefit from improving and upgrading infrastructure, he said.

According to Patrick Mendis, a visiting professor at Peking University, by its design and nature, the Belt and Road Initiative is the new accelerator for greater cooperation and collaboration among people and nations.

“For European countries, China has already established itself as a reliable partner for mutual benefits,” Mendis told *Beijing Review*.

For a better world

The Belt and Road Initiative was launched to enhance cooperation and connectivity. Under it, a connectivity framework consisting of six corridors, six connectivity routes and multiple countries and ports has been put in place. East Africa has its expressway, the Maldives saw its first inter-island bridge come up, Belarus is producing sedans, and the number of freight trains between China and Europe is on the rise.

Tajik President Emomali Rahmon called the Belt and Road Initiative a multi-faceted “bridge” that can help unlock the transit potential of his landlocked country and enable it to access markets worldwide.

“The Belt and Road Initiative implies creating a new model of international cooperation by strengthening the existing mechanisms, as well as seeking and implementing new mechanisms, with the aim of stimulating the economic development of the countries involved,” Rahmon said.

During the Second BRF, Pakistani Prime Minister Imran Khan said in today’s world of geopolitical uncertainty, rising inequality and trade barriers, the Belt and Road Initiative offers a model of collaboration, partnership, connectivity and shared prosperity. He called the China-Pakistan Economic Corridor not a transaction but a transformation of Pakistani society.

Malaysian Prime Minister Mahathir Mohamad told the media that he fully supports the Belt and Road Initiative. “In the promotion of relations between countries, the distance as well as the speed of travel is very important. With this scheme, I am quite sure more ships will be passing near Malaysia and Southeast Asian countries ▶▶

Infrastructure Connectivity Under the Belt and Road Initiative

Six Major Corridors:

New Eurasian Land Bridge

China-Mongolia-Russia Economic Corridor

China-Central Asia-West Asia Economic Corridor

China-Indochina Peninsula Economic Corridor

China-Pakistan Economic Corridor

Bangladesh-China-India-Myanmar Economic Corridor



Six Connectivity Routes:

Railways

Roads

Ports

Air transport

Energy facilities

Communication facilities





Chinese President Xi Jinping takes a group photo with foreign leaders and heads of international organizations during the Second Belt and Road Forum for International Cooperation in Beijing on April 27

and therefore it will increase trade between Southeast Asia and China," he said. "I am sure my country, Malaysia, will benefit from the projects."

Over the past years, Belt and Road cooperation has expanded from the Eurasian continent to Africa, the Americas and Oceania, opening up new space for the world economy with better-than-expected results. China's development achievements have been shared with other Belt and Road participating countries as its huge demand for imports and increasing outbound investment has generated enormous growth opportunities.

China's direct foreign investment in other countries participating in the Belt and Road Initiative has exceeded \$80 billion. The total trade volume between China and those countries topped \$6 trillion in the 2013-18 period, during which more than 244,000 jobs were created locally.

For instance, in Kenya, the Chinese-funded and built Standard Gauge Railway linking Nairobi and Mombasa, called the "project of the century," has created 50,000 local jobs and boosted the country's economic growth by 1.5 percent. According to a World Bank study, the Belt and Road Initiative will increase the GDP of East Asian and Pacific developing countries by 2.6 percent to 3.9 percent on average.

Belt and Road 2.0

In his speech, Xi announced a package of proposals to advance high-quality development of the Belt and Road Initiative, calling on the international community to join hands to work out a "meticulous painting" of the initiative.

The principle of extensive consultation, joint contribution and shared benefits should be upheld, Xi said, stressing open, green and clean approaches, as well as high-standard goals for improving livelihoods and sustainable development.

Observers said the Belt and Road Initiative is entering a new stage of development.

"The first stage was setting the framework, docking strategies and building partnerships with other participating countries. Now, the new stage of development means implementation with concrete steps and appropriate approaches. That is what we call from blueprint to meticulous painting," Zhai Kun, a professor at Peking University, told *Beijing Review*.

Since the participants have different levels of development and different infrastructure systems, it is quite natural that the Belt and Road Initiative will evolve from time to time in order to attract different stakeholders, the professor said.

Mendis said the best organizations in the world are the "learning organizations"

that adapt and change accordingly. "As the best corporate practice, the governance of the Belt and Road Initiative must then adjust and refine its policies and actions to meet the needs of changing circumstances on the grounds," he added.

Yang of the SIIS said Xi's new proposals will dispel misgivings about the initiative. The open, green and clean approaches as well as sustainable development of the Belt and Road construction that Xi stressed will help alleviate fears about the initiative being a debt trap or a form of neocolonialism. It will also improve transparency of Belt and Road projects.

IMF Managing Director Christine Lagarde hailed the Chinese Government for taking positive steps with a new debt sustainability framework and green investment principle for Belt and Road projects.

"Debt sustainability and green sustainability will strengthen Belt and Road Initiative sustainability," Lagarde said.

Klaus Schwab, founder and Executive Chairman of the World Economic Forum, who attended the First BRF as well, told the media that when the First BRF took place, the Belt and Road Initiative was "still a child growing up." But "now the initiative has become an adult, which means that it has become an important factor in the global economy. It has grown up," he emphasized. **CI**

Connecting Hearts

The Belt and Road Initiative helps promote people-to-people connections By Lu Yan

During his world exploration voyages in the 14th century, China's Admiral Zheng He led fleets of thousands of ships and tens of thousands of people to the Red Sea, establishing cultural exchanges between China and countries along the route, including Saudi Arabia.

Centuries later, a joint China-Saudi Arabia archaeological exploration team from the National Cultural Heritage Administration and the Saudi Commission for Tourism and National Heritage (SCTH) followed Zheng's footsteps to the Al-Serrian site in Saudi Arabia's Al-Qunfudah to carry out archaeological work to find imprints of ancient maritime trade.

"The Belt and Road Initiative enables such archaeological cooperation projects to bring together the peoples from our two countries, which both have long civilizations and rich cultures," Dr. Abdullah Al-Zahrani, General Director of the Archaeological Research Studies at SCTH and a team leader of the China-Saudi Arabia archaeological crew, told *Beijing Review* during the Thematic Forum on People-to-People Connectivity of the Second Belt and Road

Forum for International Cooperation (BRF) held in Beijing on April 25. He noted that he hopes to look for more opportunities for archaeological cooperation between China and Saudi Arabia during his trip to Beijing.

According to Al-Zahrani, under the joint program, Saudi Arabian researchers came to China and exchanged archaeological techniques. Along with promoting historical research, such joint archaeological work also enables the two peoples to gain a better understanding of each other.

In 2016, the Roads of Arabia expo came to the National Museum of China in Beijing, showcasing more than 300 Saudi Arabian antiques, while two years later, the China Treasures exhibition was held at the Riyadh National Museum. The over 250 items on display helped Saudi Arabians to learn about Chinese history and culture.

Promoting people-to-people bonds is one of the focuses of the Belt and Road Initiative. Marked results can be seen since the initiative was proposed in 2013 by Chinese President Xi Jinping. To promote cultural exchanges among Belt and Road participating countries, international alli-

ances and leagues have been established covering museums of the Silk Road, theaters, art festivals, libraries, and art museums and galleries.

According to the Chinese Academy of International Trade and Economic Cooperation, an affiliation to the Ministry of Commerce, by the end of 2017, China had signed cultural cooperation agreements with 157 countries and nearly 800 action plans on cultural exchanges in total. Thus a cultural exchange and cooperation network covering major countries and regions has taken shape.

Promoting tourism

Cultural tourism cooperation between China and other countries participating in the Belt and Road Initiative presents a diversified and brand-building trend. Tourism Year events have been carried out between China and countries like Kazakhstan, Nepal and Laos; in addition, a series of dialogues and activities have been held, including the World Conference on the Development of Tourism, the Tourism Ministerial Meeting of Countries along the Silk Road Economic Belt, the Silk Road International Culture Forum and Belt and Road sessions at international film festivals, among others.

Nearly 30 Chinese international cultural and tourism brands have been established, including Happy Spring Festival, Travel to the Silk Road, the Visiting Program for Young Sinologists, Chinese Culture Talk, Travel to the Grand Canal, Travel to the Qinghai-Tibet Plateau (Sky Way) and the Arabic Arts Festival. In 2018, Happy Spring Festival was held in 53 Belt and Road participating countries.

Moreover, a number of measures have been introduced to facilitate personnel flow. In November 2017, China's State Administration of Foreign Experts Affairs, the Ministry of Foreign Affairs and the Ministry of Public Security jointly issued the Measures for the Implementation of the Foreign Talent Visa System to further increase the scope and duration of talent visas.

Since January 1, five Chinese cities, namely Xiamen, Qingdao, Chengdu, Kunming and Wuhan, have adopted a 144-hour visa-free transit policy for foreigners, which allows air passengers who have an onward ticket with a confirmed seat and date to a third country or region from 53 qualified countries, including Russia, the U.S., the UK, France and Germany, to transit and stay for up to 144 hours without a visa. ▶▶



Russian medical students learn Chinese massage therapy at a hospital in Lanzhou, capital of northwest China's Gansu Province, on May 12, 2017

In terms of outbound travel, Chinese citizens can now visit over 70 countries and regions without a visa or by obtaining a visa upon arrival. China has established a full reciprocal visa-free policy with 14 countries including the UAE, Serbia, Belarus, Qatar and Bosnia and Herzegovina, while 15 countries and regions provide Chinese citizens with the privilege of visa-free entry and 44 offer visas on arrival. China has also concluded 71 agreements (or made arrangements) to simplify visa procedures with 42 countries.

In 2018, a total of 149.72 million outbound trips were made by Chinese tourists, while foreign travelers made 30.54 million trips to China, according to statistics from the Ministry of Culture and Tourism.

The number of people involved in two-way tourism exchange between China and other Belt and Road participants is expected to exceed 85 million, as tourism reaches about \$110 billion by 2020, according to a green book on tourism released by the Chinese Academy of Social Sciences in January.

"Tourism can connect people's values in different countries," said Laura Chavarro, Senior Manager of American Continent, World Tourism Cities Federation. The federation has organized meetings and other activities to promote tourism and tourism-related business between China and Latin America. She said she believes that tourism between China and Latin America will increase with the further development of the Belt and Road Initiative.

Educational exchanges

Educational cooperation is another major part of cultural exchanges under the initiative. The Chinese Government has provided scholarships for around 10,000 students from countries along the Belt and Road each year. By November 2018, it had established cultural exchange mechanisms with Russia, the U.S., France, the UK, the European Union, Indonesia, South Africa and Germany; set up educational cooperation and exchange relationships with 188 countries and regions; and conducted educational cooperation and exchange with 46 major international organizations, according to the Ministry of Culture and Tourism.

Learning Chinese and studying in China have gained popularity among young people who are influenced by "Chinese language fever" aroused by the initiative. Vice Minister of Education Tian Xuejun noted during the Second BRF that China has es-



Students from the Italian International School visit an exhibition of picture books created by Chinese children during the 55th Bologna Children's Book Fair in Italy on March 28, 2018

established 154 Confucius Institutes and 149 Confucius Classrooms in 54 Belt and Road participating countries.

Tian said in the future, intergovernmental educational cooperation will be upgraded and exchanges will be deepened, so as to cultivate more professionals to facilitate Belt and Road construction.

Better lives

Pan Xiangbin is a cardiologist at Fu Wai Hospital and an active participant in medical exchanges and assistance programs under the Belt and Road Initiative. In November 2018, during a business trip to Uzbekistan, Pan operated on a local pregnant woman who was suffering from heart failure symptoms, using an advanced percutaneous intervention therapy developed by his team and ultimately saving her life. In March, he heard the good news that the woman had successfully given birth to a healthy baby.

"The Belt and Road Initiative has played an important role in connecting people's hearts in terms of medical and health work," Pan told *Beijing Review*, adding that he is willing to share what his team has achieved in the medical field with countries that need assistance.

Cooperation on public health has delivered broad benefits to people. From

the prevention and control of contagious diseases and health assistance to talent cultivation and promotion of traditional Chinese medicine, China has made consistent efforts to deepen cooperation in the health field with other Belt and Road participants.

The Chinese Government signed a Memorandum of Understanding on Health Sector Cooperation under the Belt and Road Initiative with the World Health Organization, while the Brightness Action medical assistance project has benefited a number of cataract patients in Africa and Asia.

In addition, China has cooperated with Central and Eastern European countries in such areas as the prevention and control of contagious and chronic diseases and vaccinations; worked with Southeast Asian countries like Myanmar, Viet Nam, Laos, Cambodia and Thailand to launch a joint control program on resistance to anti-malarial drugs; and furthered cooperation with Central Asian countries on the control of tuberculosis.

Pan said that besides treating patients, doctors like him also help train colleagues in Belt and Road participating countries and introduce them to advanced medical techniques and technologies. "In this way, more people can regain health," he said. **CI**

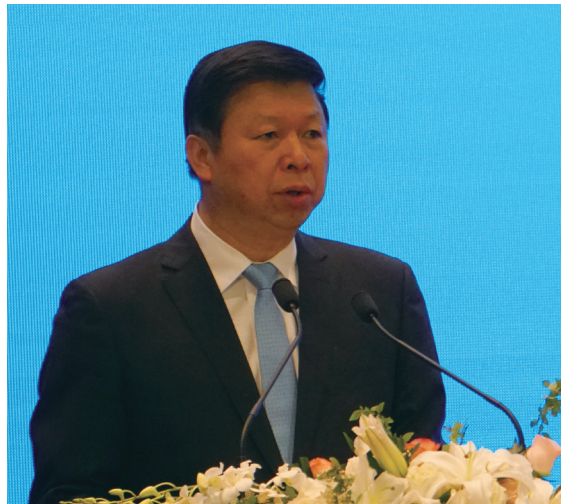
A People's Network

NGO cooperation gathers momentum in Belt and Road members

NGOs from countries participating in the Belt and Road Initiative pledged to enhance their cooperation in education, healthcare and infrastructure in a bid to promote stronger ties among their peoples, representatives said at the Second Silk Road NGO Cooperation Network Forum held in Beijing on April 27-28.

Song Tao, Minister of the International Department of the Communist Party of China Central Committee, said at the opening ceremony that NGOs should build consensus based on the Belt and Road Initiative and use the platform provided by the forum to improve the cooperation network and share experiences and achievements.

The Silk Road NGO Cooperation Network Forum was founded in November 2017 as part of efforts to advance the Belt and Road Initiative. In his congratulatory message on its inauguration, President Xi Jinping said that NGOs play an important role in promoting economic and social development, as well



Song Tao, Minister of the International Department of the Communist Party of China Central Committee, delivers a speech at the opening ceremony of the Second Silk Road NGO Cooperation Network Forum in Beijing on April 27

as in international cooperation and global governance.

Hosted by the China NGO Network for International Exchanges, this year's gath-

ering attracted 170 delegates from 22 countries and regions. Delegates shared their stories on various topics during the two-day forum. Many expressed their appreciation for Belt and Road achievements, which have cemented people-to-people bonds among Belt and Road participants.

Joseph Kahama, Secretary General of the Tanzania-China Friendship Promotion Association, said people living in countries participating in the Belt and Road Initiative are enjoying its benefits. It is his hope that more Chinese NGOs will visit Tanzania so that organizations in both countries can expand cooperation to more areas after field research.

Boris Guseletov, a research fellow with the Institute of European Studies of the Russian Academy of Sciences, suggested that in order to promote people-to-people connectivity under the Belt and Road Initiative, more exchanges and dialogues among youth groups and think tanks are needed. He also said he hopes there will be more cooperation between media organizations to help people better understand the initiative.

To date, 310 NGOs have been involved in the cooperation network and 200 exchange activities have been launched in areas such as charity, emergency rescue and volunteer services in Belt and Road participating countries. **C**



Delegates hold a discussion during the Second Silk Road NGO Cooperation Network Forum in Beijing on April 28

Learning While Developing

AIIB chief dispels doubts about the multilateral development bank By Zhao Wei



Jin Liqun (third left), President of the Asian Infrastructure Investment Bank (AIIB), attends a panel discussion at the Harvard College China Forum in Boston, the U.S., on April 13

In this digital era, I'm very much puzzled by the lack of communication among humans," Jin Liqun, President of the Asian Infrastructure Investment Bank (AIIB), said when he was asked what the AIIB is, the first question at a panel discussion during the Harvard College China Forum in Boston on April 13.

Jin said he was puzzled because since he was appointed inaugural president and chairman of the Beijing-based multilateral development bank in January 2016, he has spent a lot of time explaining what it is.

In three years, the bank's members have increased from 57 to 93, the second largest global membership after the World Bank. The members have expanded from Asia to the rest of the world. The

AIIB has provided financial support worth \$7.5 billion for infrastructure projects in 13 countries and earned a triple A credit rating from major rating agencies.

A smart angle

The other major question Jin was asked was why China set up the AIIB since the World Bank and the Asian Development Bank are already there.

His answer was that the AIIB was established to promote infrastructure development. "China, from its own development experience, understands how important it is to improve infrastructure," he said. "Infrastructure bottlenecks are the serious problems of development."

According to a report by the National

Bureau of Statistics last year, China's infrastructure achieved leapfrog development from 1978 to 2018, with new roads growing 4.4 percent annually and high-speed railways developing fast to account for more than 60 percent of the world's total today.

The high-speed rail has spurred the economic development of the regions along the way, like the Beijing-Tianjin-Hebei region and the Yangtze River Delta economic circle that encompasses Shanghai and three provinces, Jiangsu, Anhui and Zhejiang.

The AIIB's birth can be traced back to 2013, when Chinese President Xi Jinping announced during his Southeast Asia visit the decision to launch a multilateral development bank to advance infra-

structure investment. The bank aims to provide financing to developing countries whose growth has been seriously limited by bottlenecks in infrastructure investment.

"I think the AIIB has chosen a very smart angle, which is infrastructure, because China is truly a global expert on that," Liu Qian, Managing Director of The Economist Group in Greater China, said during the panel discussion.

Greater voice

Another new feature of the AIIB is that its board is structured in such a way that members have more opportunity to participate directly in the work of the board. The number of board positions has been increased to broaden the voice of smaller members in AIIB governance.

China, as one of the players, also follows the rules strictly because that's the only way to make China credible, Jin stressed.

Louis Kuijs, head of Asia economics at Oxford Economics, an economic advisory organization, supported him, saying loans have to go through strict procedures to be approved. "I would say in terms of standards, these are international," he said.

Kuijs also pointed out a common factor between the AIIB and the World Bank: "China, by now, has become quite a large contributor to the World Bank, which is a remarkable shift," he said. "China is run by a very pragmatic government and

there is a lot of learning going on. It is in China's interest for this arrangement to work."

Jin explained that though the AIIB and the Belt and Road Initiative were both proposed by Xi in 2013, the functions of the two are very different. "The Belt and Road Initiative, in my understanding, is a platform for all participating countries to work together, including on connectivity. Connectivity is important for economic development and regional development, and of course for world peace and prosperity," he said.

The initiative, consisting of the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, is building policy, infrastructure, trade, financial and people-to-people links along and beyond the ancient Silk Road routes. So far, more

than 150 countries and organizations have signed cooperation agreements with China to develop the initiative.

Asked whether the AIIB would support projects in Belt and Road countries, Jin said, "We can support those projects as long as they meet our three criteria—financial sustainability, environmental improvement and social acceptance." He also said there is already a relationship between the two because both have "the purpose of improving connectivity."

Panelists discussed the so-called "China threat" perceived by some nations due to China's rapid development.

"I don't think the United States and China would fall into this trap," Jin said, referring to the phrase coined by former U.S. Assistant Secretary of Defense Graham Allison, indicating an established power's fear of a rising power, which could lead to war. "The Peloponnesian War told us nobody got anything good out of it," he added, referring to the protracted ancient war fought by Sparta and Athens. "I hope people can learn from history."

The Harvard College China Forum developed from an academic journal in 1997. Today it has grown into a leading student-run China-focused conference in North America, providing a platform for professionals from different industries to address China-related issues. The annual forum was held in Boston from April 12 to 14. **CI**

(Reporting from Boston, Massachusetts)



“China, from its own development experience, understands how important it is to improve infrastructure. Infrastructure bottlenecks are the serious problems of development.”

—Jin Liqun, President of the Asian Infrastructure Investment Bank

A New Cooperation Model

Italy's Belt and Road pact with China shows developed countries too can benefit from the inclusive initiative By Dong Yifan

The author is a research fellow with the China Institutes of Contemporary International Relations



ensure members coordinate their spending policies and maintain sound public finances. The Italian Government's budget draft was rejected by the European Commission as exceeding debt limits, forcing it to revise the budget.

Finally, the rising global trade protectionism, especially the trade frictions the United States has provoked with major economies, has made the Italian economy, which relies heavily on exports, face new challenges. Though Italy has tried to cultivate new demand and driving force to vitalize the economy, the challenges it faces both internally and externally are hard to overcome.

Fields for cooperation

However, the Belt and Road cooperation is anticipated to change things. Italy currently has a large demand for infrastructure investment. According to Eurostat data, its infrastructure investment in 2018 was 40 percent below the pre-crisis peak and far below the eurozone average. The insufficient investment is particularly visible in urban transport. With closer integration into the Belt and Road, Italy may be able to shake off its insufficient public financial capacity and get more investment in infrastructure, including multi-party financing from institutions like the Asian Infrastructure Investment Bank (AIIB).

In embracing the Belt and Road Initiative, Italy, located at the crossroads of the Mediterranean, can see its geographical advantages fully utilized. Its ports such as the ones in Trieste and Genoa can be upgraded and their handling capacities promoted, revitalizing Italy as a new land and sea transportation hub. The result will be a long link connecting countries from China to Central and Eastern Europe and beyond to the Middle East and North Africa.

While small and medium-sized enterprises are the backbone of the Italian economy, cities like Milan also define the country with their fashion brands and creativity. The manufacturing industry, with its unique advantages in gas turbines and aerospace, has always been synonymous

with high-end and customized products. Through capacity cooperation, Made-in-Italy products will see more opportunities, more capital and broader markets.

With the memorandum of understanding, the willingness and motivation for Sino-Italian industrial capacity cooperation will be boosted as never before. Italy specializes in precise manufacturing and high-end designing, while Chinese companies are adept at production capacity and are familiar with Asian markets. The complementary advantages of the two sides will encourage enterprises to further their investment for mutual benefits.

There are huge incentives for Chinese enterprises to invest in Italy. According to data published recently by the American Enterprise Institute for Public Policy Research, China's total investment in Italy from 2005 to 2018 was \$24.99 billion, while it invested \$41.68 billion in Germany and \$85.33 billion in the UK. Italy, as the third largest economy in the eurozone, offers many opportunities for Chinese companies.

The future investment between China and Italy is likely to move toward greenfield, that is, using local advantages in talent, technology and scientific research to set up research and development centers or new production lines and create new values, employments and taxation. This will not only create greater opportunities for Italian high-end workers, but also form a positive cycle bringing economic benefits to Chinese and Italian companies and economic and social benefits to the country.

Greater people-to-people exchanges will be another highlight of China-Italy cooperation under the framework of the Belt and Road Initiative. In the days of the Western Han Dynasty (206 B.C.-A.D. 25), Chinese silk and porcelain arrived in Rome along the Silk Road. In the Yuan Dynasty (1271-1368), Italian explorer and writer Marco Polo came to China and introduced what he saw and heard there to Europe for the first time, setting off an astonishing "China craze." In the 20th century, Italian composer Giacomo Puccini began writ-

Going back in history, interactions between Xi'an, an ancient Chinese capital in the northwest and the starting point of the Silk Road, and Rome, the end of the ancient trade route, made trade, goods and cultural exchanges flourish between the East and the West. Today, with the world undergoing unprecedented changes, the agreement between China and Italy to cooperate on the Belt and Road Initiative, signed during Chinese President Xi Jinping's state visit to Italy, will not only inject a new and powerful impetus into bilateral relations but also make the initiative broader, more inclusive and win-win.

Cooperation in various fields under the Belt and Road framework will be an opportunity for Italy to boost its economy against increasing challenges. The Italian economy shrank by 0.1 percent in the third and fourth quarters of 2018, falling into a so-called technical recession. The annual economic growth rate was only 0.1 percent, far lower than the average 1.1 percent in the eurozone. The unemployment rate was as high as 10.5 percent in January, second only to Greece and Spain among the EU members.

At the same time, the budget standoff with the EU last year showed that it is hard for Italy to boost domestic demand by expanding public expenditure. Being members of a single-currency bloc, EU countries have to follow a set of fiscal rules laid down in the intergovernmental Treaty on Stability, Coordination and Governance to



Italian children perform during a gala marking the friendship between China and Italy in Rome, Italy, on March 21

ing the opera *Turandot*, basing the story in China. The theme song of the opera, *Jasmine*, became a symbol of the Chinese culture.

Italy today is one of the most popular destinations for Chinese tourists, and its opera, football, movies and food are widely appreciated by the Chinese. As the cooperation deepens, academic exchanges, literary and artistic performances, sports competitions as well as tourism will be facilitated. The initiative will not only pave the way for trade and investment but also for people-to-people exchanges and exchange of civilizations.

More on the cards

The Belt and Road Initiative is a cross-regional economic cooperation initiative to be built and shared by the world as a whole, as well as international public goods for more inclusive global development. Italy's participation highlights the inclusiveness of

the initiative, which not only brings opportunities to developing countries but also to some of the most developed ones.

At the same time, as a member of the Group of Seven and a founding member of the EU, Italy will contribute its wisdom to the initiative. For example, it can provide valuable suggestions on how to conform to EU rules and standards, respond to social and economic concerns between the East and the West, and promote transparent and high-standard development of the initiative as well as of some multilateral cooperation institutions such as the AIIB.

Italy can also contribute to third-party market cooperation under the framework of the Belt and Road Initiative. Developed countries are interested in promoting their companies in Asia, Africa and the Middle East, and want to utilize the opportunities provided by the development-promoting blueprint. With the agreement, cooperation in third-party markets will be a priority for the two countries.

In fact, Italy already has some outstanding achievements in overseas markets in the energy, infrastructure and finance industries. Its oil and gas giant Eni has been deeply involved in the Middle East and Africa for many years, and has accumulated rich experience there. As Chinese and Italian companies gradually establish business partnerships in third-party markets, it will help Chinese companies to standardize their operations while going global and adapt to local and European business rules.

Italian companies can, in turn, use the capital and construction capacity provided by Chinese companies to expand their overseas layout and enter their dream blue ocean markets. Third-party market cooperation between the two countries will become a model of cooperation between developed and developing countries and countries along Belt and Road routes. It will prove to the developed countries in the West that the initiative is inclusive and can truly bring about win-win benefits. **CI**