



Face Difficulties, Create Opportunities and Gather Positive Energy to Embrace the Bright Prospects of the Belt and Road Initiative

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Ladies and Gentlemen, Good morning.

First of all, on behalf of the Development Research Center of the State Council of the People's Republic of China, I would like to extend our warm congratulations to the successful opening of the forum. I would also like to extend our sincere welcome to the old and new friends as well as all guests present at this forum. And I would like to express our heartfelt gratitude to the host for your hospitality.

In the Autumn of 2013, the Chinese President Xi Jinping proposed a major initiative to jointly build the "Silk Road Economic Belt" and the "21st-Century Maritime Silk Road". In March this year, the National Development and Reform Commission, the Ministry of Foreign Affairs, and the Ministry of Commerce jointly released the "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road". The Initiative and the ideas about the Belt and Road have attracted close attention of the international community. Generally speaking, more people are in favor of the initiative, whereas less are against it; more people are full of expectation of the initiative, some are still doubtful about it. The major concern is that, it would be costly to reach policy coordination, and difficult to achieve agreement in cooperation objectives because of the wide coverage of areas and population involving many countries which are at different stages of development, and have different historical traditions, cultural backgrounds, interests and aspirations. It is a fact that, the endeavor to jointly build the grand project, crossing several continents and oceans, and directly involving 65 countries, faces all sorts of unusual difficulties. However, we should envision the bright prospects of the initiative featuring sincere cooperation in jointly building the Belt and Road by all countries along the Belt and Road.

In the contemporary era, all countries have more and more common interests, and the development of all countries depends much on each other; there are more and more common threats

for all, which calls for mutual support to remove these threats. All countries are the community of shared interests and development; and moreover, all countries are the community of shared destiny. The Belt and Road Initiative is such a cooperation initiative proposed just for creating a community of shared destiny of all mankind.

The Belt and Road Initiative is the essential way to step out of the dim shadow of the financial crisis, and achieve the global economic stability and recovery. Since the outbreak of the financial crisis in 2008, seven years have passed. Except just a few countries, most economies are still under the influence of the crisis, and are still deeply trapped in all kinds of conflicts and confrontations. Troubled by the development dilemma, all countries face two totally different options. One is to take the attitude of “sweeping the snow from his town doorstep without bothering about the frost on his neighbor’s roof”, that is, to simply adopt the protective policies for the domestic market and enterprises, and even foreign exclusion policies. History proves that it is not the way to go. Another option is to strengthen policy communication, deepen economic cooperation, and get out of the dilemma through cooperation. The Belt and Road Initiative creates a new and broad platform for all countries to strengthen communication and deepen cooperation.

The Belt and Road Initiative is the essential way to free from the fetters of structural contradictions, and head for the next round of prosperity of the world economy. Originating from the virtual economy, this economic crisis seems to be a small-probability event caused by accidental factors. It is actually the inevitable result of structural contradictions accumulated over a long period of time. These structural contradictions include both global and regional ones, and even domestic ones. To solve the global and regional structural contradictions requires the cooperation of all countries, and the solution to the domestic structural contradictions particular to a specific country also depends on the cooperation with other countries. Through cooperation, all countries could expand the markets for all goods, give more room to resource allocation, and give full play to their comparative advantages. Through cooperation, all countries could dramatically optimize the economic structure, and fully unleash their growth potential. The Belt and Road Initiative will create a huge platform for all countries involved to connect the markets, match the resources, and stay integrated in the industrial chain.

The Belt and Road Initiative is the essential way to optimize the global governance structure, and form the new order for world development. After World War II, the global governance system was formed with the core represented by the United Nations, the World Trade Organization, the World Bank, the International Monetary Fund. This system has made a tremendous contribution to the prosperity and development of the world economy for more than 70 years. However, facing the ever-emerging new issues of global governance, and the growing aspirations from many developing countries to participate in global governance, there is a need to optimize the existing global governance structure, improve global governance system, and build the new order for world development. Based on the principles of extensive consultation, joint contribution and shared interests, the Belt and Road Initiative creates an open platform for all countries, whether they are big or small, whether they are developed or developing ones.

Ladies and Gentlemen,

The undertaking of jointly building the Belt and Road is not only the cooperation in line with the realistic need, but also the cooperation which will create endless new opportunities. Since the initiative was proposed two years ago, countries along the Belt and Road, by active communication, sincere consultation and close collaboration, have made preliminary achievements. Under the joint planning of China and Pakistan, cooperation arrangements have been made featuring the four key

areas of Gwadar Port, energy, infrastructure construction and industrial cooperation, with China-Pakistan Economic Corridor as the pivot. China and Kazakhstan have launched 28 major projects of industrial cooperation with a total agreed investment of over \$23 billion. Yiwu-Xinjiang-Europe freight trains (from Yiwu, China to Madrid, Spain) and Zhengzhou-Europe freight trains (from Zhengzhou, China and Hamburg, Germany) are in normal operation. These transport routes become the major passageways for economic and trade cooperation between China, Central Asia and Europe, by which machinery, medical equipment, electronic products from China, Japan and Korea are transported to Europe, and vehicles from Germany, red wine from Spain and milk from the Netherlands are carried to China.

The Belt and Road Initiative is revealing more cooperation opportunities. On September 28, 2015, at China-EU High Level Economic and Trade Dialogue, the Chinese government and the Council of Europe signed a Memorandum of Understanding on the EU-China Connectivity Platform to enhance the cooperation of infrastructure connectivity between China and EU. This cooperation will provide more convenience and wide space for all countries along the Belt and Road to have cooperation in trade and investment. We will see, with the development of cooperation in all fields, and with the improvement of economic development level and the expansion of economic scale of all countries involved, new cooperation opportunities will be created continuously.

Ladies and gentlemen,

To jointly build the Belt and Road is to create a huge and open “Noah’s ark” to accommodate different civilizations. This huge ship built in concerted efforts will bring real benefits to the people of all countries. In order to achieve this ambitious goal, we should make continuing efforts to cultivate the development idea that are accepted and followed by all countries and people along the Belt and Road. Only with an agreement on minds, can concerted efforts be devoted to achieve one common goal. Therefore, we need to grasp the following four relationships.

First, we need to grasp the relationship between the long-run development and down-to-earth efforts. Jointly building the Belt and Road is a major undertaking that is crucial to our future. It requires careful deliberation and planning for the great goal and strategy of our cooperation. Furthermore, it requires further exploration and utilization of the current opportunities, and take practical and effective measures to deepen cooperation in all fields. There is a famous Chinese saying by the ancient Chinese philosopher Laozi. “The tree which fills the arms grows out of a small shoot; a nine-storied tower rises from a heap of earth”. This old saying gives us enlightenment that, in building the Belt and Road, we need to grasp the valuable and transient opportunity. We should not hesitate to launch the projects that are accepted by all parties, and are ready for being implemented. By doing so, we can gather energy and lay foundation for achieving huge accomplishments from deeper and further cooperation in the future.

Second, we need to grasp the relationship between the special interests of each country and the common interests of the region. Common interests are the prerequisite and objective for deeper regional cooperation. To deepen regional cooperation, we must emphasize common interests. However, the special interests of each country should also merit our attention. On the one hand, if only the common interests are given the utmost emphasis, cooperation will not last long. On the other hand, if attention is only focused on the special interests, then it is difficult to start cooperation. The Belt and Road Initiative should be different from other regional cooperation frameworks featuring the dominance of major powers. In advancing this initiative, special attention should be given to the interests of the small powers and less developed countries, especially those

least developed countries. Assistance should be given to those countries to help them advance faster in the development so as to enable them to catch up with the trend of the times, and share the fruits of human civilization with the rest of world.

Third, we need to grasp the relationship between competition and cooperation. On the one hand, having different and unique resource endowments, all countries along the Belt and Road are complementary in economy. No matter it is for the countries at different stages of development, or countries with similar development level, there is always huge potential and space for cooperation. On the other hand, when attaching great importance to cooperation, we have to admit there is competition among all countries, especially among the countries at similar stage of development. These countries are more likely to compete with each other. However, competition is not opposite to cooperation. Healthy competition can promote the development of the parties concerned; and higher-level development calls for more regional cooperation. Since the reform and opening-up, China has continuously open its market of goods and services, and allow foreign investment to access more sectors, which has intensified market competition, helped improve the overall efficiency, and accelerated economic development. For China, this process is also creating new demand and space for cooperation with other economies. The statistics can serve as an evidence: China actually utilized \$128.5 billion foreign investment in 2014, outnumbering the US (\$92.4 billion) and ranking the top in the world. China's experience shows that competition and cooperation can promote each other in a positive way.

Fourth, we need to grasp the relationship between the cooperation within the region and the cooperation outside the region. In the new century, due to the slow progress made in the Doha Round of Trade Talks launched by the WTO, all sorts of regional cooperation initiatives and frameworks have been released one after another. In such a context, many countries along the Belt and Road have multiple roles and identities. This will definitely lead to the issue of how to deal with the relationship between the cooperation within the region and that outside the region. The Vision and Actions issued by China sends a clear message to all that the Belt and Road Initiative does not mean closed or exclusive cooperation. Instead, it means inclusive cooperation for all countries within and outside the region to participate and pursue development. Currently, work is being done to connect the Belt and Road Initiative and the EU Investment Plan (also referred as "Juncker Plan"), which is an illustration of this spirit.

Ladies and Gentlemen,

This time last year, the "Yiwu-Xinjiang-Europe" freight trains began to run, connecting Yiwu on the east coast of China and Madrid in west Europe, which greatly enhances business communication and transportation between Asia and Europe. At the same time this year, government officials, entrepreneurs and scholars from all countries along the Belt and Road gather in Madrid to further discuss the topics and issues on the Belt and Road Initiative. This event shows the important role and position of Spain in jointly building the Belt and Road. We sincerely hope, Spain, the country that once made glorious history, will play a greater and more active role in jointly building the Belt and Road.

Finally, let me wish the "Silk Road International Forum 2015" a great success.

Thank you.