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"The Belt and Road" Financial Power: The Banking Industry Create the Aorta of Financial Intermediation Cross-border

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"China's high-speed rail is really fast! It would be great if I could bring the high-speed rail back to Indonesia li packing luggage." In the spring of 2015, Weng Xuanxiao, an Indonesian girl studying in Henan, China, took the h speed rail from Luoyang to Xi'an for the first time, watching the speed fly by outside the window The scenery that has passed, she said excitedly.

In February 2017, Weng Xuanxiao "brought" China's high-speed rail home as she wished. After returning to China, she applied to be an on-site interpreter for the No. 1 tunnel of the Jakarta-Bandung high-speed railway. Together with the staff from China and Indonesia, she contributed to the early completion of the Jakarta-Bandung high-speed railway. with their own strength.

The Jakarta-Bandung high-speed railway connects Jakarta, the capital of Indonesia, and Bandung, the third largest city, with a total length of 142.3 kilometers. project. At the first "Belt and Road" International Cooperation Summit Forum in May 2017, the heads of state of China and Indonesia witnessed the signing of a loan agreemer between China Development Bank and the project company. At present, with the financing support of China Development Bank, the Jakarta-Bandung high-speed rail project is advancing steadily, becoming a typical case c developmental finance supporting the joint construction of the "Belt and Road" and boosting infrastructure interconnection.

The camel bells took the ancient Silk Road, and Huma still heard the style of Han and Tang Dynasties. For thousands of years, the ancient Silk Road connected several major civilizations in Asia, Europe and Africa, and promoted the development and progress of human society. In 2013, President Xi Jinping proposed for the first tin the concept of building the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". In September c the same year, China's first free trade pilot zone was established in Shanghai. Over the past six years, the "Belt a Road" initiative has been in line with the construction of free trade zones and has become a link connecting my country's all-round opening up to the outside world and the prosperity and development of regions along the route

As an important support for the "Belt and Road" and the construction of the free trade zone, my country's financial industry is committed to promoting financial innovation in the free trade zone and integrating business opportunities for the "Belt and Road". Collaboration offers new opportunities. In the past 6 years, banking financie institutions have formulated personalized financial service plans based on their own advantages and characterist improved cross-border financial services, promoted the "Belt and Road" financing, and provided strong support fo the construction of free trade zones.

Give full play to the role of finance in "paving the road and building bridges" to promote the "going o of China's experience



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project is completed, the travel time from Jakarta to Bandung will be shortened from the current three hours to 40 minutes.

If the construction of the "Belt and Road" will bring a favorable situation of "a hundred flowers blooming" to countries and regions along the route, then the Jakarta-Bandung high-speed rail project is the first spring flower to bloom. With the implementation of the "Belt and Road" initiative in Indonesia, China's high-speed rail technology standard industry chain "go out" for the first time, bringing not only China's mature and complete high-speed rail technology, but also a peaceful and cooperative, open and inclusive, mutual Learning from each other, mutual benefit and win-win as the core of the Silk Road spirit.

The relevant person in charge of CDB said that CDB will continue to improve the multi-level communication mechanism with the Indonesian government, enterprises, and financial institutions, continue to adhere to the bottom line of legal compliance, strengthen risk prevention and control, and further promote the Jakarta-Bandung high-speed rail and Indonesia's "Regional Comprehensive Economic Corridor". " and other landmark projects, and continue to provide strong financial guarantees for the joint construction of the "Belt and Road".

Statistics show that as of the end of 2018, CDB has financed and supported more than 70 projects in Indonesia with a total of US\$15 billion in loans and a balance of US\$11 billion.

According to reports, as of the end of 2018, the balance of CDB's international business along the "Belt and Road" was US\$105.9 billion, and it had provided more than US\$190 billion in financing for more than 600 "Belt and Road" projects.

Interconnection fields such as infrastructure, energy resources, electric power, and communications are not only the priority fields of the "Belt and Road" construction, but also the advantageous fields of China's 40-year reform and opening up and the promotion of urbanization. Relying on the advantages of independent innovation in the free trade zone, banking financial institutions will give full play to the role of finance in "paving the road and building bridges" to promote the "going out" of Chinese experience, technology and labor services, covering energy, mining, aviation, finance, chemical industry, high-tech and other fields, and promoting Relevant countries upgrade their industries and build a solid foundation for economic development.

In recent years, my country's nuclear power export flagship product "Hualong One" has successively settled overseas, adding a touch of color to China's nuclear power "going global".

Successfully "escorting" the key equipment of "Hualong One" weighing hundreds of tons to sea requires extremely safe and efficient maritime transportation and full logistics services. COSCO SHIPPING Special Transportation Co., Ltd. located in Guangdong has taken on the heavy responsibility of "escort", and has repeatedly demonstrated its leading strength of "lifting the weight with ease" in the transportation projects.

According to Zheng Bin, Chief Financial Officer of COSCO Haite, the Export-Import Bank has established a business relationship with COSCO Haite since 2006, and has successively supported the company in building many heavy-lift ships, multi-purpose ships, and ice-class ships. In 2018, the "Tianyou", "Tianen" and "Tianhui" ice pole multi-purpose ships cooperated by the two parties sailed on the Northeast Arctic route of the "Golden Waterway" to the Eurasian continent, helping to develop the "Silk Road on Ice". At present, COSCO Haite has become the only shipping company in the world that can provide customers with various types of ship services at the same time, and has established business contacts with 65 countries along the "Belt and Road".



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the "Belt and Road" loans accounted for 47.8% of all loans.

As the frontier of reform and opening up and an important window for foreign trade for many years, Guangdong has a solid foundation and outstanding advantages to participate in the construction of the "Belt and Road", and it has become a pioneer in the integration of in-depth innovation with the "Belt and Road" initiative.

At the Guangdong CPPCC meeting held in March this year, combined with the new domestic and foreign trade situation, the Guangdong Branch of the Export-Import Bank put forward three proposals. One is to actively investigate the impact of trade frictions on foreign trade enterprises in Guangdong, and to strengthen government services. , adjust the enterprise development ideas, strengthen financing services and other suggestions. The second is to focus on "high-standard construction of the Guangdong Free Trade Pilot Zone", and put forward proposals to include all business in the Guangdong Free Trade Zone into policy business, and provide high-quality and cheap financial services for the development of the Free Trade Zone. The third is to focus on "actively supporting the cultivation of technology-based small and medium-sized enterprises", through fully investigating the financing status of technology-based small and medium-sized enterprises, in terms of financial support for the development of technology-based small and medium-sized enterprises, transfer loans from commercial banks, strengthen bank-government cooperation, and carry out online financing for small and micro enterprises. Put forward countermeasures and suggestions on direct loans and other aspects.

Create diversified financial products and enhance cross-border financial service capabilities

The "Belt and Road" initiative and the construction of free trade zones have brought new markets, new customers and new businesses to the banking industry, and at the same time, they have also raised higher requirements for its financial services.

Faced with increasingly diverse and complex cross-border financial needs, my country's banking financial institutions continue to innovate financial services, actively provide professional and comprehensive financial services such as financing, finance, transaction finance and overseas asset management, expand the international market, and support "The Belt and Road Initiative and the construction of free trade zones.

In order to focus on promoting "going global" and "one belt and one road" financial services, and give full play to the advantages of professional operation, ICBC has made great efforts to build a group of financing product lines and professional teams with international competitiveness. In terms of financing products, it mainly includes export credit financing, resource-supported structured financing, cross-border mergers and acquisitions, and overseas project financing. Supporting industries are mainly concentrated in industries such as overseas electric power, telecommunications, railways, ports, aviation, shipping, and municipal infrastructure.

Relying on the advantages of global network, comprehensive platform and specialized products, Bank of China has successfully assisted the launch of a number of major projects along the "Belt and Road" and signed a bilateral loan agreement of 2 billion euros with Gazprom, which is the largest ever between China and Russia. The largest commercial bank loan among them; as the lead bank, successfully negotiated the largest Chinese investment project in Saudi Arabia - the "Yanbu Refinery Project" with a total value of 4.7 billion US dollars in cooperation between Sinopec and Saudi Aramco; for Jordan's largest power station project - Jordan's Atlat oil shale power plant organized a US\$1.582 billion syndicate; it exclusively supported key projects in production capacity cooperation between China and the UAE - "China-UAE Production Capacity Cooperation Demonstration Park Project", etc.



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guiding global funds to converge on the "Belt and Road" and providing support for project construction. Provided stable financial support.

With the gradual advancement of the "Belt and Road" construction, the new demand of enterprises for trade finance has been activated. In order to fully meet the financing needs of enterprises, banking financial institutions actively explore new business models, optimize products and services, reduce investment and financing costs for enterprises, and provide comprehensive cross-border financial solutions for enterprises to "go global".

China CITIC Bank gives full play to the synergistic advantages of CITIC Group, enriches the "Belt and Road" financial service product chain, and cooperates with CITIC Group's trust, securities, construction and other companies to give full play to the group's unique competitive advantages in both finance and industry, and provide comprehensive services for high-quality customers at home and abroad. Financing services, and relying on the full license operating advantages of the wholly-owned subsidiary CNCB Investment in Hong Kong, comprehensively use securities trading, securities consulting, corporate financing, asset management, research innovative financial product models, and actively develop investment mergers and acquisitions, equity funds and other products. Innovative, providing enterprises with all-round and multi-channel investment and financing services such as "commercial bank + investment bank", "domestic + overseas" and "equity + debt" to meet various international financial needs of enterprises.

The Shanghai Free Trade Zone has replicable and scalable experience in the opening up of trade, investment and finance, and has become an important platform for the construction of the "Belt and Road". Hua Xia Bank Shanghai Branch made full use of the convenience of cross-border investment and financing in the free trade zone and the unique conditions of first-hand trials, and developed the free trade agent link product "one-to-many agent link" to escort the development of enterprises. Through the "One-to-Many Agent Link", enterprises can use the trade financing credit line applied by themselves at Hua Xia Bank to apply for trade financing lines for multiple import/export agency companies entrusted by them within the group.

Give full play to the advantages of the "circle of friends" and guide various funds to jointly build the "Belt and Road"

Most of the countries along the "Belt and Road" are developing countries and emerging economies. At the same time, the infrastructure and other projects involved in the "Belt and Road" have a relatively large demand for construction funds, and the participation of a small number or a single type of banking financial institutions is far from enough. meet construction needs.

In order to give full play to the advantages of the "circle of friends" and guide various funds to jointly build the "Belt and Road", in recent years, banking financial institutions have used the free trade zone as the main platform to deepen multilateral financial cooperation.

In 2017, during the first "Belt and Road" International Cooperation Summit Forum, ICBC actively played the important role of major Chinese banks in supporting and leading the multilateral cooperation of the "Belt and Road" in finance, took the lead in organizing the "Belt and Road" Bankers Roundtable, and advocated Establish the "Belt and Road" inter-bank normalized cooperation mechanism (BRBR mechanism), which is included in the official list of achievements of the summit forum as the only achievement advocated by commercial organizations.



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financial markets, including financing cooperation with global mainstream commercial banks in international syndicates, club loans, and debt capital markets. International export credit insurance agencies jointly arrange export credit financing, carry out multilateral cooperation with the World Bank, Inter-American Development Bank, European Bank for Reconstruction, etc. on third-party market development, and try investment and loan linkages with global industrial funds, investment banks, and large multinational companies. It has made substantial contributions to improving the financing level of the "Belt and Road".

Up to now, the BRBR mechanism has covered 85 member institutions in 45 countries and regions. ICBC has cooperated with mechanism members to implement more than 50 projects along the "Belt and Road", with a total financing amount of more than US\$40 billion.

In April this year, China Development Bank took the lead in establishing the China-Latin America Development Financial Cooperation Mechanism in Beijing. This is the first multilateral financial cooperation mechanism between China and Latin America. In the cooperation mechanism, Latin American founding member banks include Latin American Bank for Foreign Trade, Argentine Investment and Foreign Trade Bank, National Development Bank of Ecuador, Mexican National Bank for Foreign Trade, Peru Development Finance Corporation, Panama National Bank, and Colombia National Development Finance Corporation, a total of 7 Latin American development banks. Financial Institutions.

Zhao Huan, chairman of CDB, suggested that member banks strengthen connection and close cooperation, actively participate in the construction of China-Latin America (bilateral) cooperation mechanism and planning cooperation, and deepen policy communication; jointly support major infrastructure cooperation projects between China and Latin America, and promote facility connectivity; Promote China-Latin America economic and trade exchanges to facilitate smooth trade; promote RMB and currency financing cooperation in Latin America and quick financial integration; earnestly fulfill social responsibilities, jointly support the improvement of people's livelihood and cultural exchanges, and promote people-to-people bonds.

"The Belt and Road Initiative" is not China's "solo", but a "chorus" of countries all over the world to achieve common development. CDB also initiated the establishment of multilateral financial cooperation mechanisms such as the SCO Interbank Consortium, the China-ASEAN Interbank Consortium, and the BRICS Bank Cooperation Mechanism, and carried out practical cooperation with member banks under the framework of multilateral and bilateral mechanisms. Regional and sub-regional financial institutions and financial institutions of partner countries have established cooperative relations.

Regarding the new ideas for the development of the "Belt and Road" in the next step, Zheng Zhijie, President of the China Development Bank, believes that it is necessary to use the multilateral mechanism as a platform to mobilize international funds and strengthen consultation and cooperation with international organizations such as the World Bank, the International Monetary Fund, and the United Nations Development Program. In particular, it focuses on the integration of rules and continuously expands the "circle of friends" for global financial cooperation.

The relevant person in charge of the Ministry of Commerce stated that since the "Belt and Road" cooperation initiative was proposed in 2013, we have always adhered to the principle of extensive consultation, joint contribution and shared benefits, and worked with relevant countries to actively promote the construction of unimpeded trade. The level of economic and trade cooperation between my country and relevant countries has been continuously improved, and a network of high-standard free trade zones has been rapidly formed. The "Belt and Road" has become an important platform for relevant countries to achieve win-win cooperation and common development.



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