

China scales up financing support for B&R Initiative



Chinese President Xi Jinping and other delegates attending the Belt and Road Forum (BRF) for International Cooperation pose for a group photo in Beijing, capital of China, May 14, 2017. Xi attended the opening ceremony of the forum and delivered a keynote speech. (Xinhua/Pang Xinglei)

President Xi Jinping said Sunday that China will contribute an additional 100 billion yuan (about US\$14.5 billion) to the Silk Road Fund to scale up financing support for the Belt and Road Initiative.

Xi made the announcement when delivering a keynote speech at the opening ceremony of the two-day Belt and Road Forum for International Cooperation.

Designed to finance the Belt and Road Initiative, the Silk Road Fund was officially founded in December 2014 and jointly backed by China's foreign exchange reserves, the China Investment Corp., the Export-Import Bank of China (China EximBank) and China Development Bank (CDB).

To provide more funding for Belt and Road cooperation, China will also encourage financial institutions to conduct overseas RMB fund business with an estimated amount of about 300 billion yuan, Xi said.

In addition, the CDB and the China EximBank will set up special lending schemes respectively worth 250 billion yuan equivalent and 130 billion yuan equivalent to support Belt and Road cooperation on infrastructure, industrial capacity and financing, he said.

China will also work with the Asian Infrastructure Investment Bank (AIIB), the BRICS New Development Bank, the World Bank and other multilateral development institutions to support Belt and Road related projects, Xi said.

Financing bottleneck is a key challenge to realizing connectivity. China has engaged in multiple forms of financial cooperation with countries and organizations involved in the Belt and Road Initiative.

The AIIB has provided 1.7 billion U.S. dollars of loans for nine projects in Belt and Road participating countries.

The Silk Road Fund has made four billion U.S. dollars of investment, and the 16+1 financial holding company between China and Central and Eastern European countries has been inaugurated.

A multi-tiered Belt and Road financial cooperation network has taken an initial shape, Xi said in the speech.

China will also work with other parties concerned to jointly formulate guidelines for financing the Belt and Road related development projects, he said.

Proposed by Xi in 2013, the Belt and Road Initiative is a grand plan to connect Asia with Europe and Africa along, and beyond, ancient trade routes by putting in place an unparalleled trade and infrastructure network.

So far, the initiative has won support from more than 100 countries and international organizations, of which over 40 have signed cooperation agreements with China.

A total of 29 foreign heads of state and government leaders attended the forum. Other delegates include officials, entrepreneurs, financiers and journalists from over 130 countries, and representatives of key international organizations.