

Speech: Belt and Road Forum: Philip Hammond's speech

Excellencies; Ladies and Gentlemen. It's a pleasure to be back in China for this second Belt and Road Forum. To take stock of how the Belt and Road Initiative (BRI) has evolved over the past two years...

...to discuss the next phase of the Initiative.

To hear, as we have of China's commitment to the BRI not only to deliver much-needed economic infrastructure, but to demonstrate leadership in addressing social and environmental challenges too;

We have all seen how China's own development has lifted hundreds of millions of its citizens out of poverty in just four decades...

...and none of us doubts that the Belt and Road Initiative has tremendous potential to spread prosperity and sustainable development – touching, as it does, potentially 70% of the world's population.

A project of truly epic ambition...

...and I congratulate President Xi and the Chinese people on the scale of this vision...

..and the determination with which it has been pursued.

The UK is committed to helping to realise the potential of the BRI – and to doing so in a way that works for all whose lives are touched by the project.

The potential benefits are clear to all of us in this room;

But to deliver them, it is essential that BRI operates to the highest international standards;...

...with all parties working together in partnership within the rules-based international system...

...to create genuine win-win outcomes, in which host countries, investors and promoters alike benefit...

...with fair terms...

... sensitivity to local concerns and traditions...

...and the highest environmental standards...

...all delivered to international norms of good governance...

...with full transparency around projects, and around the sustainability of the debt that partner countries are incurring to secure them;

...Ensuring that Belt and Road is an exemplar of how globalised, open economic cooperation can deliver benefits for all.

And I welcome the “triple pledge” we heard from President Xi Jinping this morning to ensure the highest international standards in delivery of Belt and Road, to maintain China’s commitment to free trade and multilateralism; and to continue the reform and opening up of China’s economy.

Two years ago, at the First Belt and Road Forum, I spoke of the UK as a ‘natural partner’ in Belt and Road...

...citing the complementarity of the UK and Chinese economies...

...the potential of London’s deep capital markets to support the future financing needs of the BRI...

...and of the strength of the UK’s legal, professional and technical services sectors to support the design, development, contracting and delivery of BRI projects.

And since then, I have worked to turn that vision of cooperation into a reality.

In May 2018, I was pleased to appoint Sir Douglas Flint, former Chairman of HSBC, as HM Treasury’s Financial and Professional Services Envoy to the Belt and Road Initiative;

Under his chairmanship, we’re bringing together UK business leaders from financial and professional services and China Development Bank, Bank of China, and China Construction Bank to establish a Belt and Road expert board in London.

We have launched, in April 2019, a three year China Infrastructure Programme to work with China to improve infrastructure development outcomes in Africa and Asia.

And we have worked with the AIIB to deepen our relationship and to support the development of a pipeline of high-quality infrastructure projects.

It is clear that, to support the sheer scale of the BRI vision, private finance will need to play an ever greater role in these infrastructure projects.

And to unlock that private finance, and reassure investors, we must create a recognised infrastructure asset class for Belt and Road projects...

...with standardised contract terms and uniform reporting that global investors will recognise and trust.

In doing so, we should, of course, draw on the work that G20 and other international organisations are doing to create frameworks for sustainable infrastructure investments; and I want to offer London’s world class expertise in project financing and the associated legal, professional and

technical skills as a partner of choice in delivering these international-standard infrastructure projects.

The BRI is an extraordinarily, ambitious vision. To turn that vision into a sustainable reality it must work for everyone involved.

That means achieving the highest economic, social, governance and environmental standards;

It means attracting the necessary private capital;

It means ensuring that all partner countries and all their citizens can benefit.

Our offer is to bring the best of Chinese manufacturing, engineering and construction with the best of British project design and legal, technical and financial services expertise...as we harness the "Golden Era" of UK-China relations...

...to deliver world-class sustainable infrastructure for all for the twenty-first century.

I look forward to working with all of you to make that happen...

To deliver jobs, growth and higher living standards for all of our citizens.