



# **Promote One Belt and One Road Initiative with Pragmatic Measures**

China Development Bank

**Dr. Jiang Zhigang**

2015

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## **I. The Great Strategic Vision of the One Belt and One Road Initiative**

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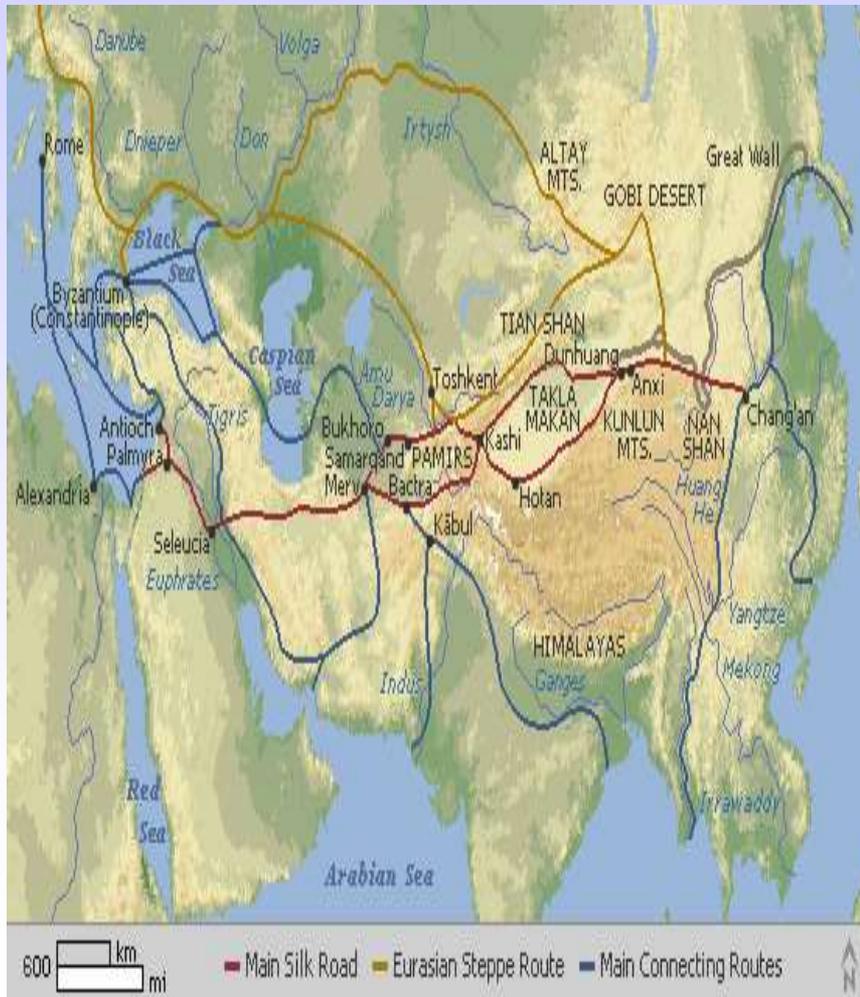
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## **III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance**

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# I. The Great Strategic Vision of the One Belt and One Road Initiative

## i. Background --- 1. Historical background



# I. The Great Strategic Vision of the One Belt and One Road Initiative

## i. Background --- 2. Practical significance



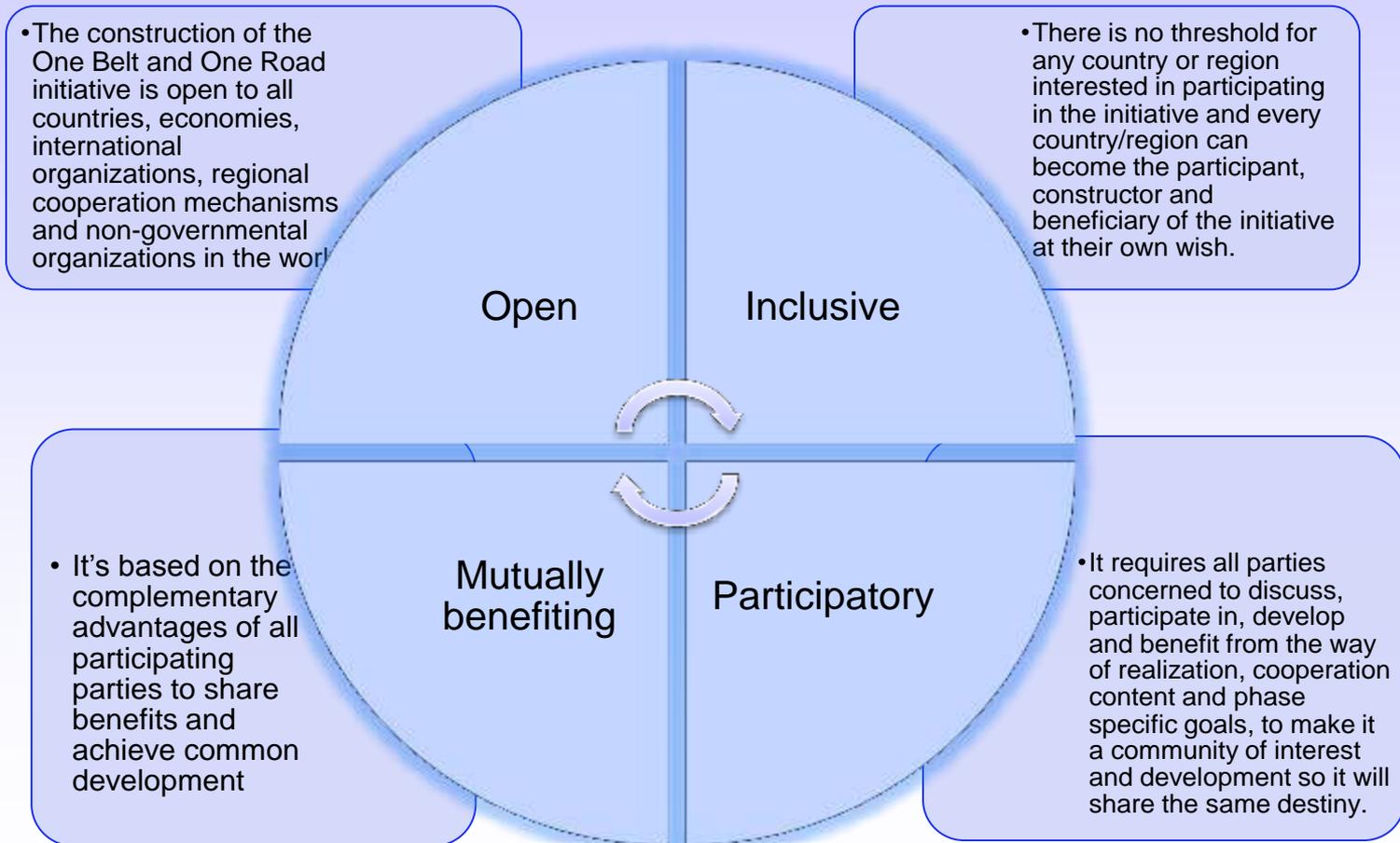
# I. The Great Strategic Vision of the One Belt and One Road Initiative

## ii. The connotation of the One Belt and One Road Initiative

- ◆ **It borrows the historical and cultural symbols of the ancient Silk Road, adds the themes of the times --- peaceful development and mutual benefits --- to it, advocates countries along it to strengthen cultural communication, develop economic cooperation and build a community of common interest and with mutual political trust, economic integration and cultural inclusiveness.**

# I. The Great Strategic Vision of the One Belt and One Road Initiative

## ◆ Basic nature of the One Belt and One Road Initiative



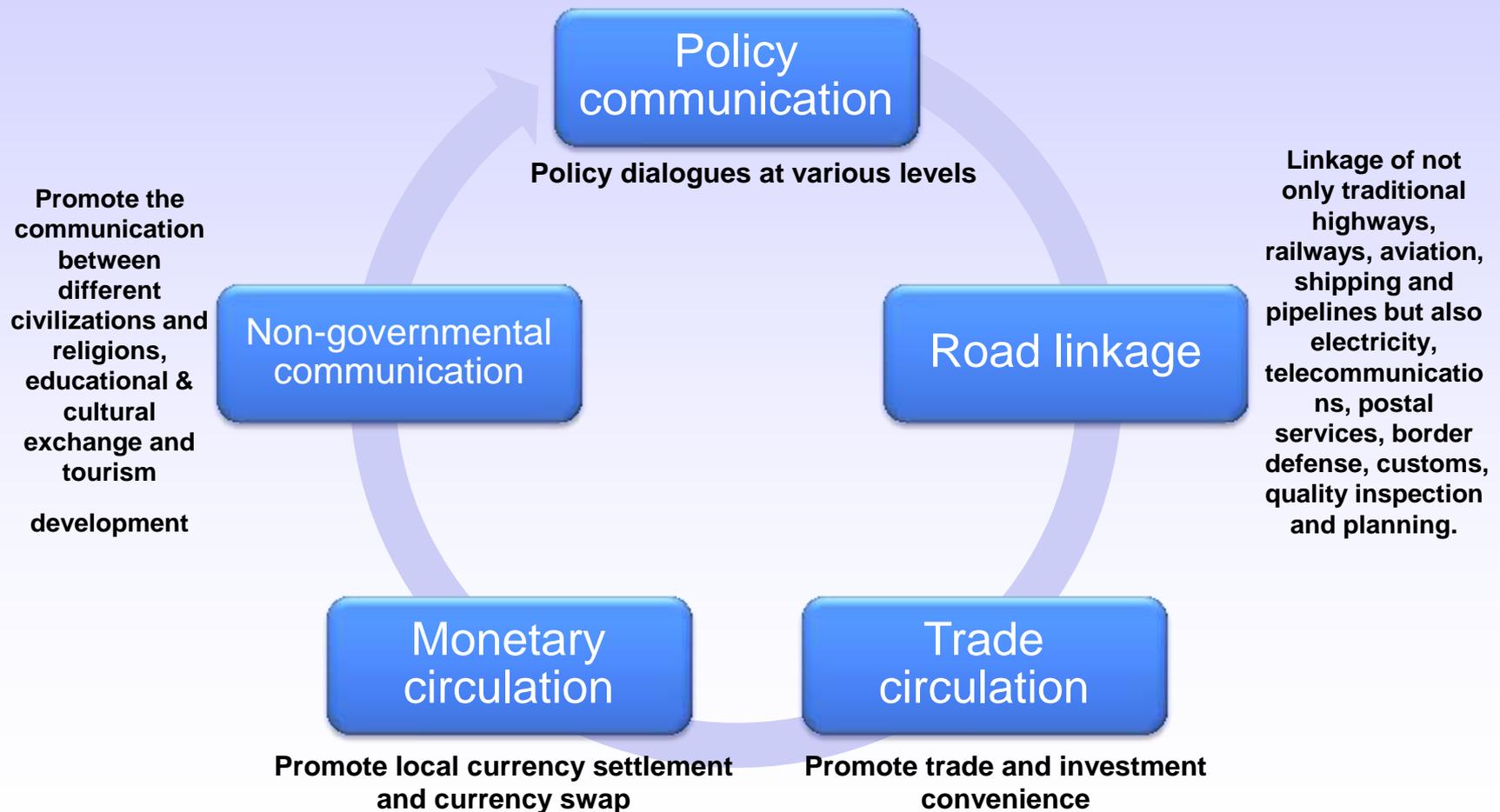
# I. The Great Strategic Vision of the One Belt and One Road Initiative

## iii. The features of the One Belt and One Road Initiative

- 1. With extensive common interest**
- 2. Based on existing cooperation mechanisms**
- 3. Innovating development mode**
- 4. Wide coverage in space and time**
- 5. Progressing based on existing capacity and foundation**
- 6. Seeking for common development based on mutual respect**
- 7. Giving full play to the market role**

# I. The Great Strategic Vision of the One Belt and One Road Initiative

## iv. Main content of the One Belt and One Road Initiative



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## **I. The Great Strategic Vision of the One Belt and One Road Initiative**

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## **II. Financial Support and Cooperation for the One Belt and One Road Initiative**

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## **III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance**

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## II. Financial Support and Cooperation for the One Belt and One Road Initiative

### 1. Main construction areas of the One Belt and One Road Initiative

#### 1. Cross-border passage

The railway, highway and pipeline capacity along the Silk Road needs to be improved, so do transport facilities.

#### 2. Infrastructure

Countries along the Silk Road haven't fully established the market economic system, their domestic market still needs more regulation and transport and city infrastructure needs to be improved.

#### 3. Energy and resources

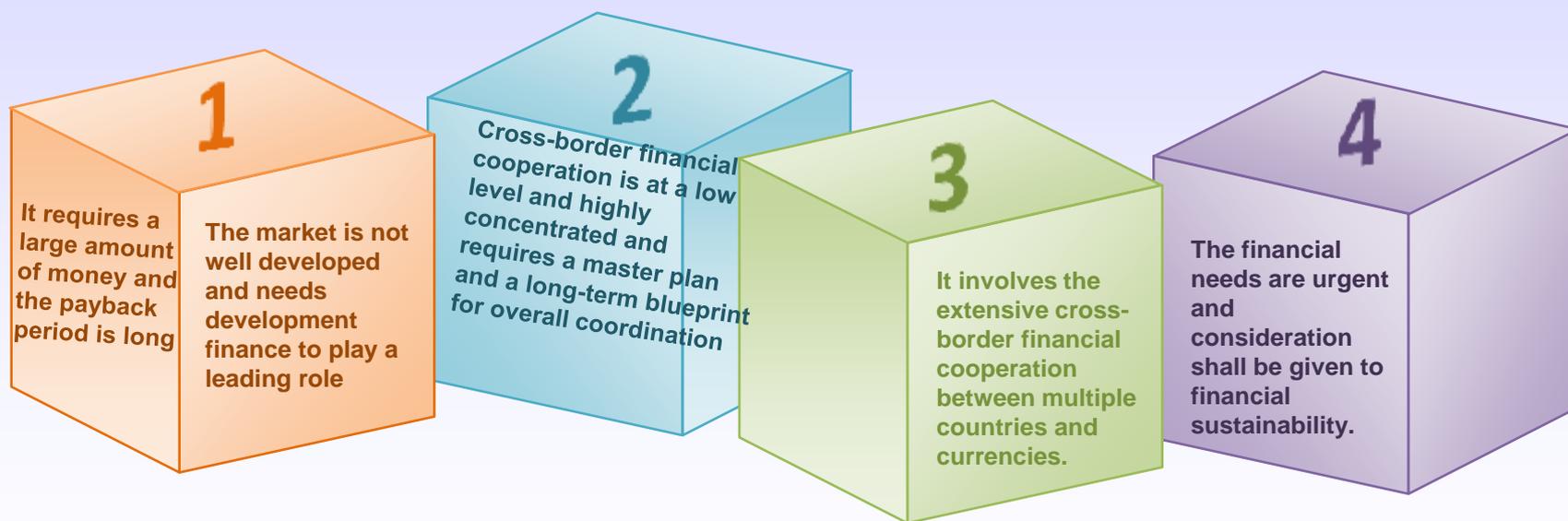
The Silk Road boasts abundant reserves of mineral products, petroleum, natural gas, timber and cotton, with great development potentials.

4. The construction of industrial parks/zones  
To build a batch of industrial development zones, industrial parks/zones and agricultural demonstration parks/zones.

5. Developing advantageous projects to meet the development needs of countries involved  
The realistic needs of countries along the Silk Road should be taken into full account to respect and address the reasonable concerns of these countries and big powers involved.

## II. Financial Support and Cooperation for the One Belt and One Road Initiative

### 2. Main characteristics of financial needs for the construction of the One Belt and One Road Initiative



## II. Financial Support and Cooperation for the One Belt and One Road Initiative

### 3. Basic requirements of financial support and services



## II. Financial Support and Cooperation for the One Belt and One Road Initiative

### 4. Main ways of financial support and services

◆ As to enhancing the financing accessibility of cross-border industrial, trade and investment cooperation

 **Bank credit support**

 **To vigorously develop the international bond market and make full use of direct financing channels to serve the construction of the Silk Road Economic Belt**

 **To encourage the involvement of institutional investors and non-governmental capital**

## II. Financial Support and Cooperation for the One Belt and One Road Initiative

### 4. Main ways of financial support and services

◆ As to enhancing the convenience of cross-border industrial, trade and investment cooperation

 To strengthen monetary cooperation

 To tighten the cooperation between financial institutions and enterprises

 To strengthen cooperation in financial infrastructure

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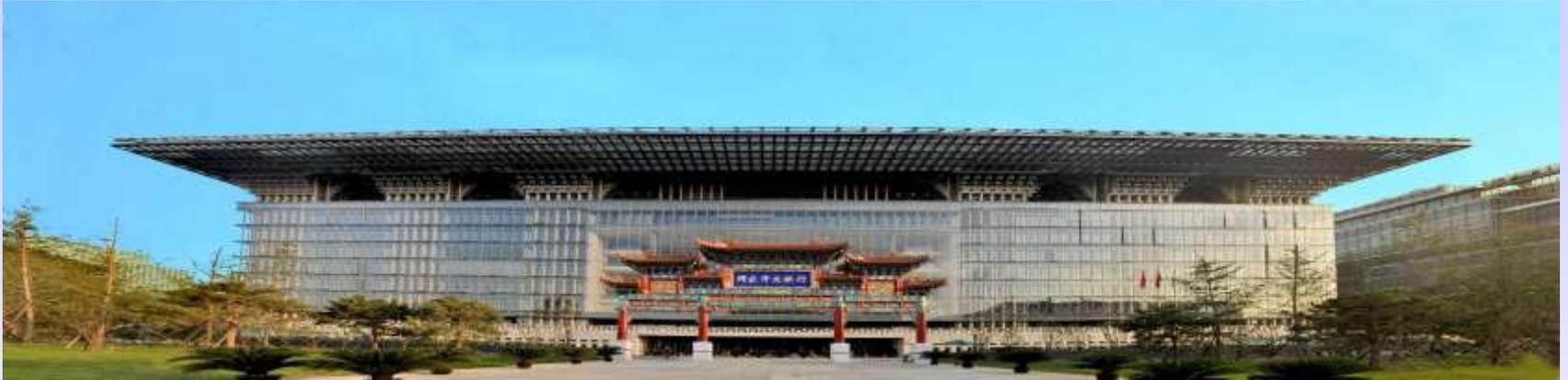
**I. The Great Strategic Vision of the One Belt and One Road Initiative**

**II. Financial Support and Cooperation for the One Belt and One Road Initiative**

**III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance**

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### i. Introduction to China Development Bank (CDB)



- ◆ China Development Bank (CDB) was founded in 1994, originally the No.1 of China's three policy banks, and changed into China Development Bank Co., Ltd. on December 11, 2008 with the approval of the State Council, with the registered capital of over RMB306.7 billion.
- ◆ **Mission:** Strengthen China's competitiveness and improve people's living standards
- ◆ **Task:** Serve the major development strategies of the national economy **mainly by launching medium- and long-term credit and investment business.**
- ◆ **Strategy(three-in-one) :** Two basics & one pillar, grassroots finance and international cooperation

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### i. Introduction to China Development Bank (CDB)

◆ **The world's biggest development financial institution**

CDB's total assets had exceeded RMB1 trillion by the end of 2014.

◆ **China's biggest foreign investment & financing cooperation bank**

By the end of 2014, CDB had registered a balance of international business of about USD 320 billion.

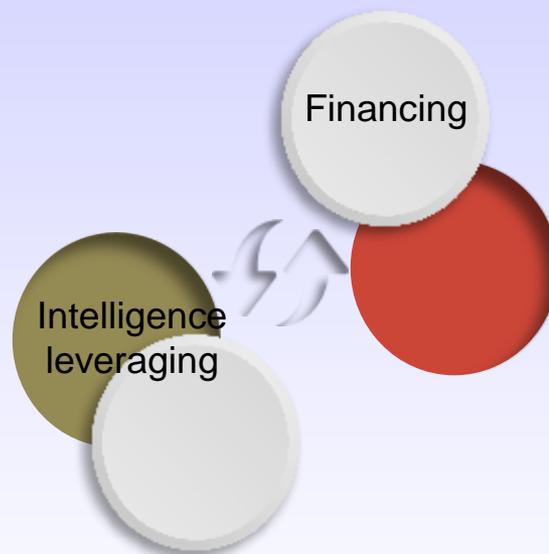
◆ **A large bank with the lowest non-performing loan ratio in China**

By the end of 2014, CDB had the non-performing loan ratio of 0.63% which had been kept under 1% for 39 consecutive quarters.

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development

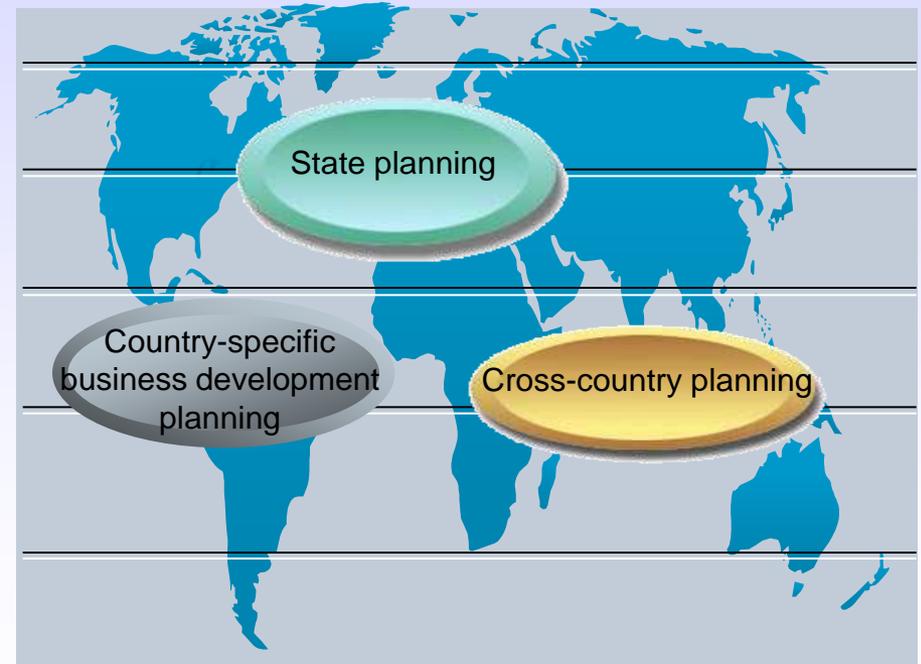
- Combining **intelligence leveraging** and **financing**, promoting win-win cooperation and supporting social and economic progress.



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development --- intelligence leveraging

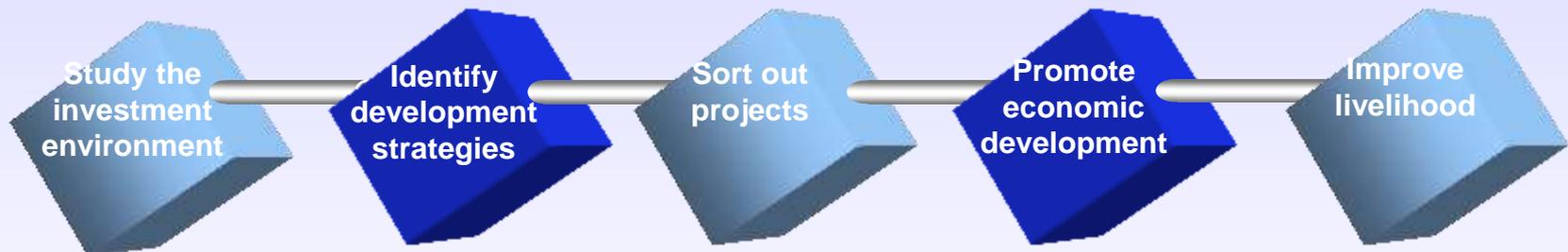
##### 1. Connotation of CDB's "prior planning" concept supporting economic development by leveraging intelligence



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development --- **intelligence leveraging**

2.The concept and method of CDB's "prior planning" supporting the economic development of state partners by providing **intelligence leveraging** services



# III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

## ii. Characteristics of CDB's support of economic development --- intelligence leveraging

### 3. CDB international planning procedures

Submit the final report and sign financial framework and enterprise cooperation agreements with the state partner;  
follow up with project finance, build project pool, and promote project implementation

Step 8

Revise the planning cooperation report or planning document, and negotiate project cooperation

Step 7

Invite high-profile government delegation to China; organize investment forums, business meetings, project promotions, etc.

Step 6

Visit the state partner for on-site investigation

Step 5

Study background materials of the state partner

Step 4

Establish a team of top experts

Step 3

Reach consensus on cooperation, and enter into planning cooperation agreement or minutes of meeting

Step 2

Advertise national planning cooperation and "planning first" philosophy

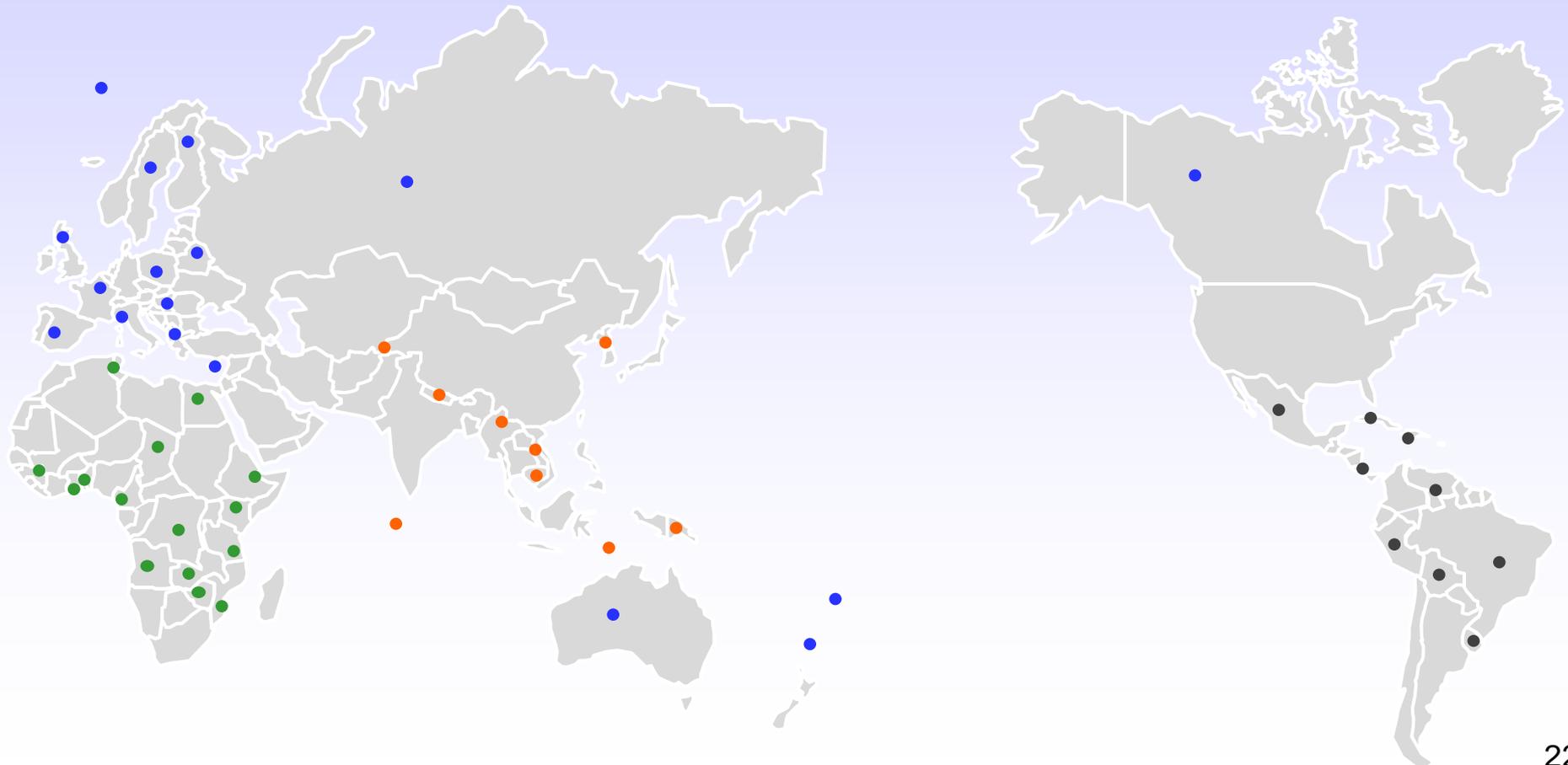
Step 1

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development --- intelligence leveraging

##### 4. Results of CDB's international planning

● Asian countries: 14   ● African countries: 20   ● Latin American countries: 10   ● European, Oceanian, and North American countries: 22



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development --- intelligence leveraging

##### 4. Results of CDB's international planning



- \* Director Jiang Zhigang talked with Deputy Prime Minister of Laos Somsavat Lengsavad over the 8th Five-Year Plan and foreign assistance planning.

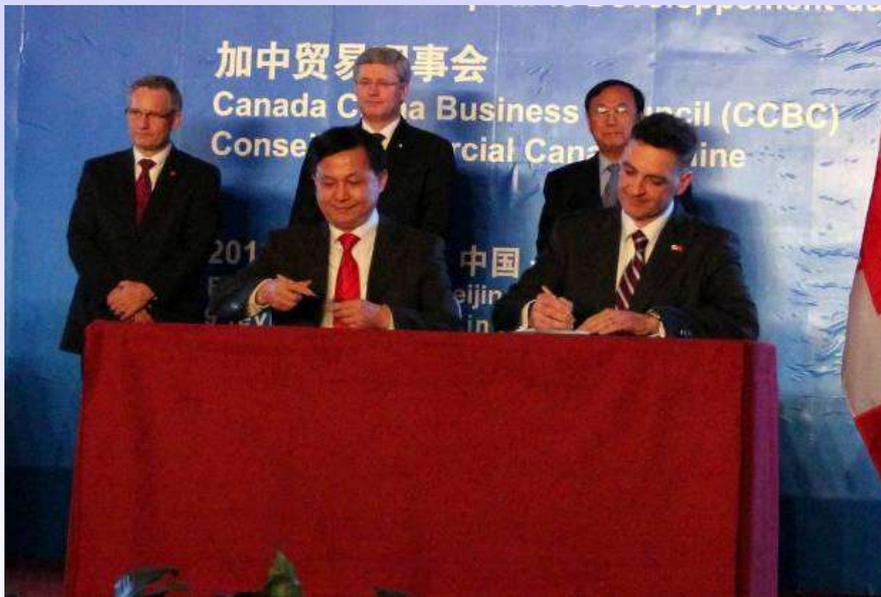


Country-specific planning cooperation launched for the One Belt and One Road initiative.

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development --- intelligence leveraging

#### 4. Results of CDB's international planning



In Feb, 2012, witnessed by Harper, Prime Minister of Canada, Jiang Zhigang, General Director of CDB's Planning Department, signed the Planning Cooperation Agreement with EDC.



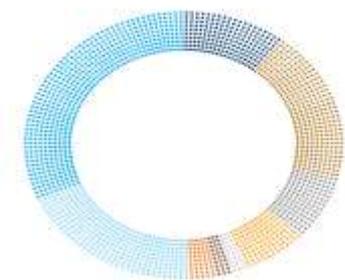
In Jun. 2012, General Director of CDB's Planning Department, Mr. Jiang Signed the "China-Cuba Economic Cooperation Joint Task Force Meeting Minutes" with Cuba Minister of Foreign Trade and Foreign Investment

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

#### ii. Characteristics of CDB's support of economic development --- financing

#### 1. "Two basics and one pillar" --- infrastructure, basic industries and pillar industries

贷款余额主要行业分布图  
Outstanding Loan Balance: Breakdown by Industry



行业	百分比 %
电力 Electric power	10.94%
公路 Public highways	18.05%
铁路 Railway	7.89%
石油石化 Petrochemical	6.96%
煤炭 Coal	1.53%
邮电通讯 Postal & telecommunications	1.31%
农林水利 Agriculture & related industries	2.78%
公共基础设施 Public infrastructure	10.31%
其他 Others	31.23%
合计 Total	100%

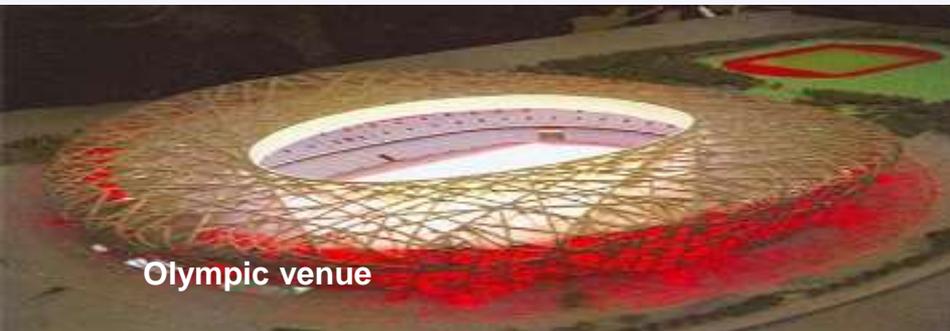
贷款余额地区分布图  
Outstanding Loan Balance: Breakdown by Geography

单位: 百分比 %



◆ More than 65% of the loans go to new-type urbanization and large public infrastructure in cities

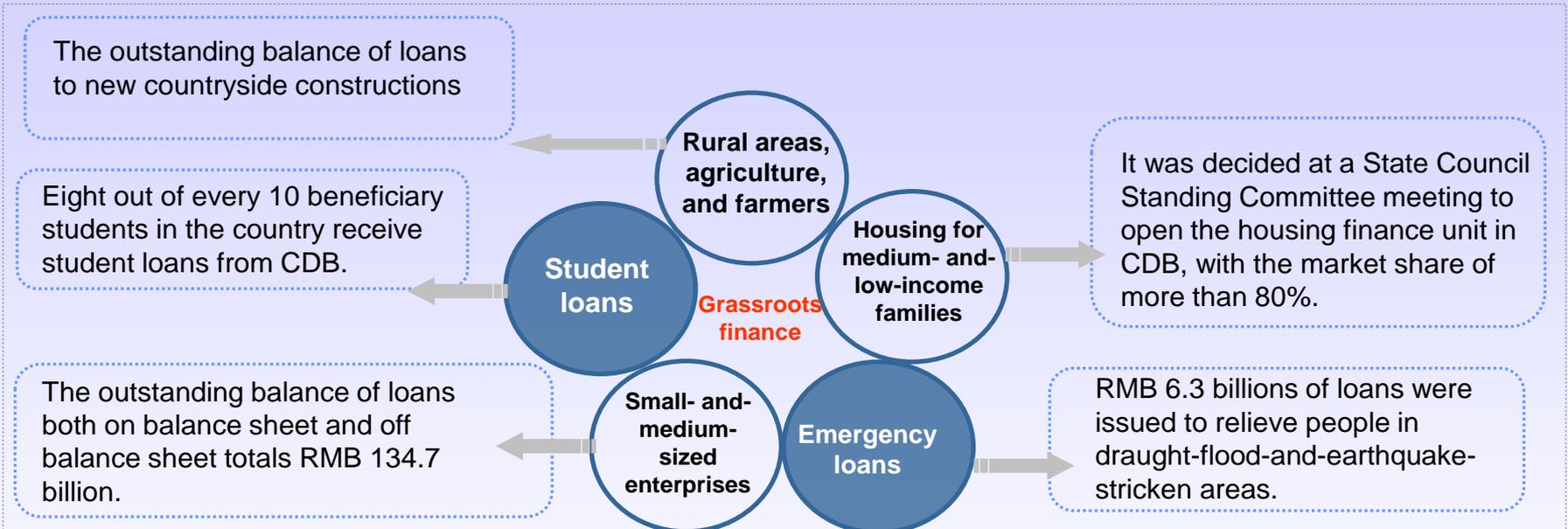
◆ More than 60% of the loans go to Central and West China and old industrial bases in Northeast China, benefiting a large number of national major projects such as the Three Gorges Project, South-to-North Water Diversion Project and West-to-East Gas Pipeline Project.



# III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

## ii. Characteristics of CDB's support of economic development --- financing

### 2. Finance for people's livelihood --- the drive behind grassroots financial innovation in China



Public Housing in Jiangxi Province



Tea Farm in Shanxi Province



Inauguration Ceremony in Yushu, Qinghai Province

# III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

## ii. Characteristics of CDB's support of economic development --- financing

### 3. Foreign exchange business (international cooperation) --- China's biggest foreign investment & financing cooperation bank

#### Basic facts

The loan balance exceeds USD320 billion and its overseas branches cover 197 countries.

#### Financial products

Loans of international consortiums of banks, China-Africa Development Fund's investment in Africa and consultation service, etc.

#### Business scope

Infrastructure, basic industries, agriculture, small- and medium-sized enterprises (SMEs), housing and environment, etc.

#### Cooperation mode

Loan, investment, lease, bank credit etc.



China-Russia petroleum pipeline

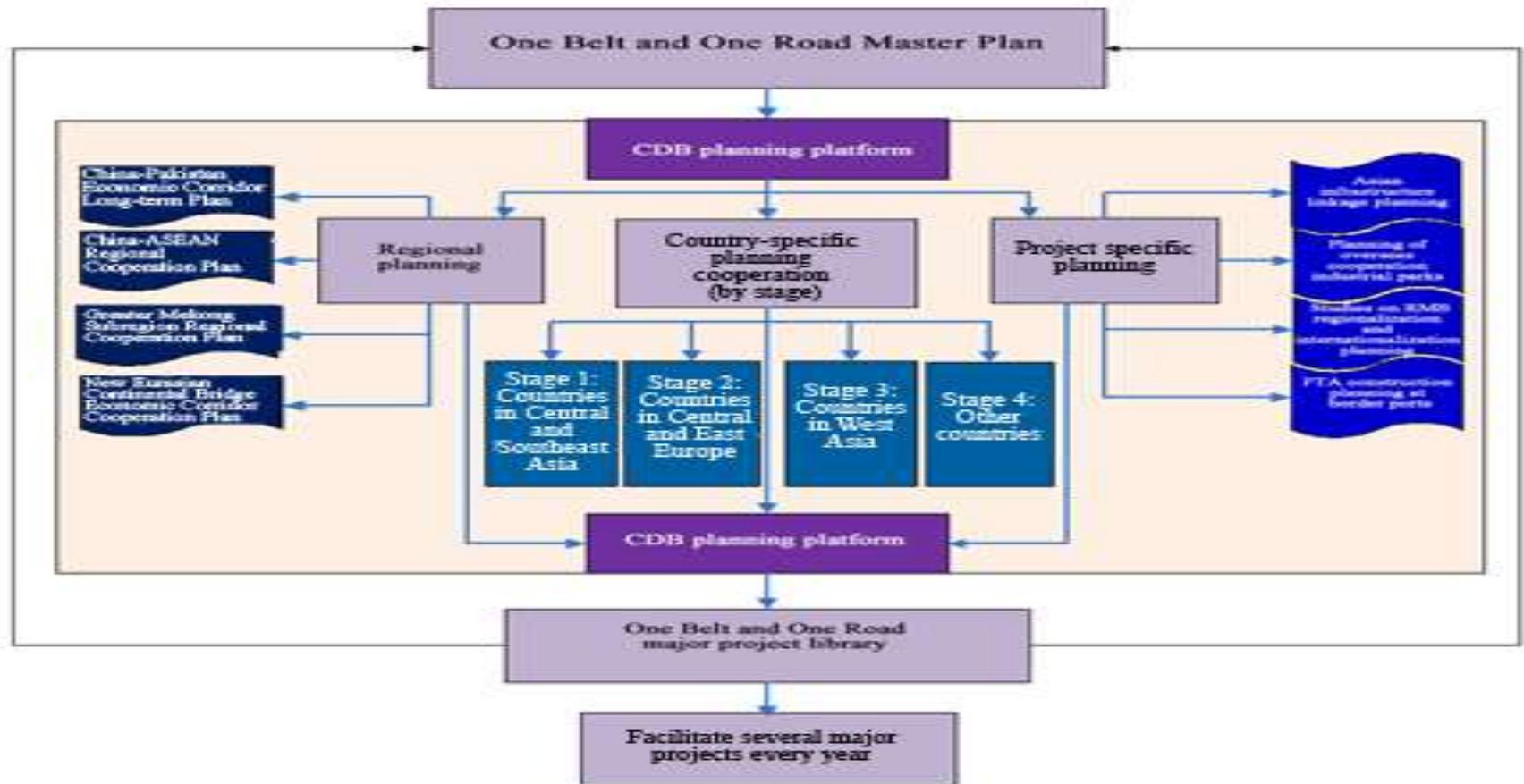


China-Kazakhstan natural gas pipeline

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

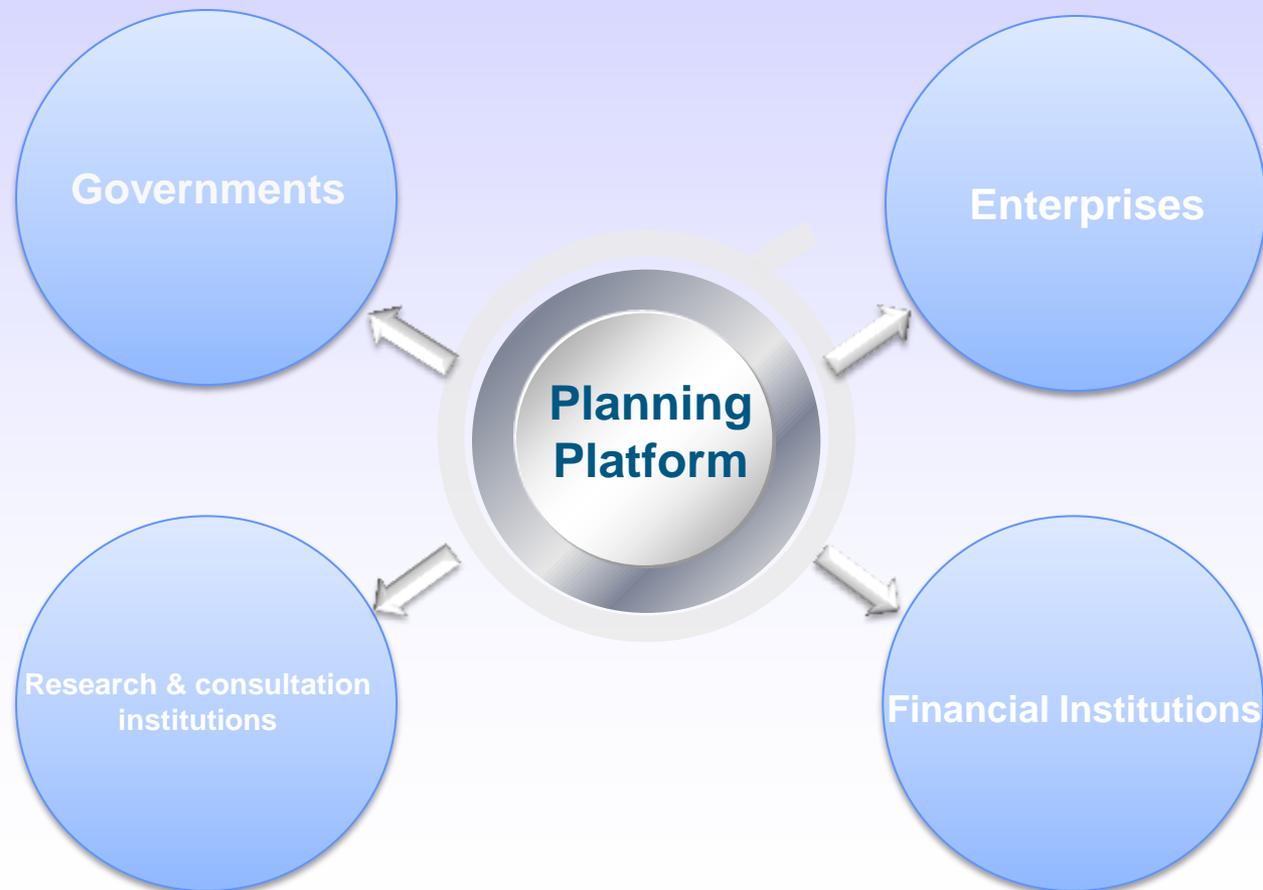
One Belt and One Road planning system and overall structure



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

1. Leverage the advantage of CDB as **an international planning cooperation platform** to support the One Belt and one Road initiative



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

2. Launch regional and project specific planning cooperation and research to support the One Belt and One Road initiative



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

3. Launch country specific planning cooperation and research to support the One Belt and One Road initiative



### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

4. Build a project pool to support the One Belt and One Road initiative

Based on the result of Regional Planning and Project Specific Planning

determine priority industries and sectors

develop projects in batch

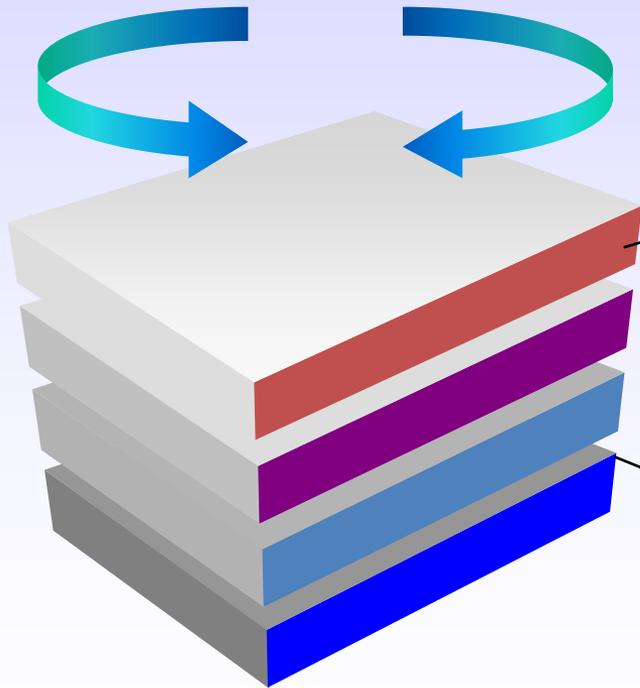
construct the project pool  
for the One Belt and One  
Road initiative.

观察

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

5. Push forward major projects in an orderly way to support the One Belt and One Road initiative



✓ Manage the project library by category, review and issue loans to mature projects as soon as possible; co-determine the list of major projects, update the list year by year, design the integrated financing mode and conduct financing according to the maturity degree of projects concerned.

✓ Strengthen platform construction, hold investment forums and project recommendation meetings with domestic and overseas parties concerned when necessary, introduce investors and promote the implementation of projects.

### III. Tremendous Promotion of the One Belt and One Road Initiative with the Advantages of Development Finance

iii. Comprehensive, systematic and multi-tiered combination of **intelligence leveraging and financing** to support the One Belt and One Road initiative

6. Give play to CDB's comprehensive financial advantage to support the One Belt and One Road initiative

#### Financial service layout

serve the One Belt and One Road initiative through investment, loans, bonds, lease and securities

Set up a capital pool for technical assistance loans, give play to the key role of CDB's development finance and support early-stage design and studies of major projects

Study the use of earmarked loans for major projects

Cooperate with domestic and global financial institutes to support One Belt and One Road initiative. E.g. syndicated loan ; co-financing projects and etc.

Based on existing overseas organizations, study the setup of overseas organizations in key countries and cities of One Belt and One Road and the establishment of overseas branches and representative offices.



The construction of the One Belt and One Road initiative will take a long time, countries involved shall coordinate to give play to the role of market mechanism, encourage enterprises and financial institutions to participate, and governments shall play a guiding role. We shall also strengthen the construction of intergovernmental and regional economic and trade cooperation mechanism and platform, design the investment and trade mode in line with local conditions, advance the work according to institutional arrangements with easy and near jobs first, and promote economic and trade cooperation and priority project construction in a down-to-earth way. We believe that the construction of and cooperation in the One Belt and One Road initiative will strongly boost coordinated regional economic development, promote mutual benefits of countries involved and realize regional and even world peace and stability.



**Thank you!**