

# The Economic and Trade Cooperation of China with Countries along the Belt and Road

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**Abstract**—From September 2013 Chinese President Xi Jinping proposed The Belt and Road, the strategic vision has been two years. China and countries of The Belt and Road economic and trade cooperation has become one of the focuses of attention. Based on this, this paper analyzes the current situation of economic and trade cooperation between China and along the countries of The Belt and Road. This article first introduced the Belt and Road related countries and province, city and regional of China in map and table form. And then using statistical data from China's Ministry of Commerce, this article analyzed the country's total trade, foreign direct investment, foreign direct investment, foreign direct investment, the use of foreign investment and foreign contracted projects from 2014 to the first half of 2015. This article analyzed the economic contribution of China's provinces to countries along the Belt and Road, the results show that the degree of trade dependence between China and the countries along the Belt and Road deepened, while showing uneven. And then get a conclusion that the economic and trade exchanges and economic integration continues to deepen of China with countries along the Belt and Road after the strategic of the Belt and Road.

**Keywords**—The Belt and Road; Economic and Trade; Total Trade; Absorb Foreign Capital; Outward Foreign Direct Investment;

## I. INTRODUCTION

Since Chinese President Xi Jinping put forward the Belt and Road, the positive response has been obtained along the countries, thus promoting the further development of trade and investment cooperation between China with countries along the Belt and Road.

In this paper, we choose the countries along the Belt and Road of 5 countries of Central Asia, Mongolia and Russia, 11 countries in Southeast Asia, 19 countries in central Eastern and European, 8 countries of South Asia and 19 countries in West Asia and the Middle East, etc, the paper uses the data of 2014 to 2015 in the first half of the year, and analyzes the trade and investment of China and these countries and regions.

## II. GEOGRAPHY AND ECONOMIC TRADE OF THE BELT AND ROAD

When Chinese President Xi Jinping visited Central Asia and Southeast Asia in September and October of 2013, he raised the initiative of jointly building the Silk Road Economic Belt and the 21st-Century Maritime Silk Road (hereinafter referred to as the Belt and Road). It mainly included <sup>[1]</sup>: The Belt and Road run through the

continents of Asia, Europe and Africa, connecting the vibrant East Asia economic circle at one end and developed European economic circle at the other, and encompassing countries with huge potential for economic development. The Silk Road Economic Belt focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with Southeast Asia, South Asia and the Indian Ocean. The 21st-Century Maritime Silk Road is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other.

Details are shown in figure 1 <sup>[2]</sup> and table 1.

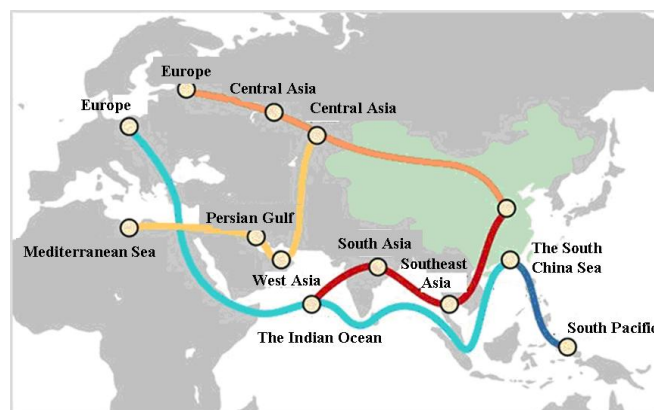


Figure1. Countries of the Belt and Road Initiative Area

The Belt and Road throughout Eurasia, China - Central Asia, West Asia, Mongolia and Russia and other major economic corridor radiation, involving about 65 countries. The total population of about 4400000000 of countries along the Belt and Road, about 21 of the total economy, accounting for about 63% and 29% of the world, respectively <sup>[3]</sup>.

According to the Asian Development Bank's estimates, in 2020, the annual investment in the Asian region for the construction needs of \$730000000000.

TABLE I. COUNTRIES THE BELT AND ROAD INITIATIVE AREA

Map plate	The countries along the Belt and Road
Central Asian	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan
Mongolia and Russia	Mongolia, Russia
Southeast Asian	Vietnam, Laos, Kampuchea, Thailand, Malaysia, Singapore, Indonesia, Brunei, Philippines, Burma, East Timor
South Asian	India, Pakistan, Bangladesh, Afghanistan, Nepal, Bhutan, Sri Lanka, Maldives
Middle East and European	Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Serbia, Montenegro, Macedonia, Bosnia and Herzegovina, Albania, Estonia, Lithuania, Latvia, Ukraine, Belarus, Moldova
West Asia and the Middle East	Turkey, Iran, Syria, Iraq, the United Arab Emirates, Saudi Arabia, Qatar, Bahrain, Kuwait, Lebanon, Oman, Yemen, Jordan, Israel, Armenia, Georgia, Azerbaijan, Egypt

### III. ANALYSIS OF THE TRADE BETWEEN CHINA AND COUNTRIES ALONG THE BELT AND ROAD IN 2014

#### A. Analysis of Total Trade

The total trade volume between China with countries along the Belt and Road in 2001 was \$8400000000, in 2014 was \$112000000000, an increase of about 14 times. Among them with the total trade of Southeast Asian countries reached \$48030000000, accounting for 43.9%, West Asia and middle East of the 19 countries, the total trade accounted for 28.2%.<sup>[4]</sup>

In 2014, China's foreign capital inflows to \$128000000000, foreign investment \$140000000000.

China has surpassed Japan as the largest foreign investor in Asia and the world's third largest foreign investor in Asia for the first time. In 2014, China to Asian, Africa, Russia, India and other countries of the bilateral trade growth rate was significantly higher than the average growth rate. China has become the largest trading partner of ASEAN in the five years; bilateral trade volume is expected to reach \$100000000000 by 2020. In the next ten years, China and countries along the Belt and Road in the export share is expected to increase to 1/3.

#### B. Maintaining the Integrity of the Specifications Analysis of Outward Foreign Direct Investment

Chinese enterprises have carried out direct investment in 48 countries along the Belt and Road. Total investment of \$70500000000, an increase of 22%<sup>[5]</sup>, this investment accounts for 15.3% of China's non - financial foreign direct investment. China's investment is mainly aimed at countries such as Singapore, Indonesia, Laos, Russia, Kazakhstan and Thailand. The above analysis shows that the trade relations between China with the country's of the

Belt and Road have become more and more closely, since the Belt and Road proposed.

### IV. ECONOMIC AND TRADE SITUATION OF CHINA WITH COUNTRIES OF THE BELT AND ROAD IN JUNE, IN 2015

Along with the strategy of the Belt and Road, since 2015, China has been working closely with the national economic and trade cooperation along with countries of the Belt and Road. Analysis of the data from the first quarter and the first half of 2015

#### A. The National Economic and Trade Cooperation of China with Countries of the Belt and Road in the First Quarter of 2015

At a routine press conference, the spokesman Shen Da n-yang of Chinese Ministry of Commerce said that<sup>[6]</sup> China and the countries along with of the Belt and Road of bilateral trade volume of \$236000000000, accounting for 26% of the total import and export volume, among them, China's exports of \$144500000000, an increase of 10%, accounting for 28% of China's total exports, a substantial lead in the overall export growth. At the same time, China imported \$91500000000 from the country, accounting for 23.4% of China's total imports, in the first quarter of 2015.

##### 1) The Use of Foreign Investment

The countries along with of the Belt and Road to set up foreign investment enterprises 457 in China, an increase of 18.4%, the actual amount of foreign investment \$16800000000. Among them, Mongolia and Russia and Central Asian countries in China's real investment in the overall growth of more than 1 times, and Central and Eastern Europe, Western Asia and North Africa region of China's real investment amount increased more than 4 times.

##### 2) Outbound Investment

China to the countries along with of the Belt and Road to achieve non financial direct investment 2560000000 U.S. dollars, accounting for 9.9% of total foreign direct investment over the same period; of which Singapore, Indonesia and Laos were among the top three.

##### 3) Foreign Contracted Project

In the foreign contract engineering business, China's business and along the way along the country signed a contract amount of \$152000000000, completed a turnover of \$7.6%, an increase of 14000000000 and 10.3%, respectively.

#### B. Economic and Trade Situation of China with Countries of the Belt and Road in June, 2015

August 4, 2015, China's Ministry of Commerce held a regular press conference, at the meeting, spokesman Danyang Shen introduced the national economic and trade cooperation of China with countries of the Belt and Road in the first half of 2015<sup>[7]</sup>.

##### 1) Foreign Trade

The bilateral trade amounted to \$485370000000 of China with countries of the Belt and Road, accounting for 25.8% of China's total imports and exports over the same period, among them, China's exports of \$295770000000, up to 1.9% and account for 27.6% of total exports. On the other hand, China imported \$189600000000, down from 20.9%, accounting for 23.4% of total imports.

### 2) Absorb Foreign Capital

The countries of the Belt and Road to invest in China to set up enterprises 948, an increase of 10.62%; the actual amount of foreign investment for China is \$3670000000, an increase of 4.15%. From the perspective of the investment industry, Table 2 lists the industry and an increase in the growth rate.

TABLE II. AN INDUSTRY OF RAPID INVESTMENT GROWTH

	Transmission of information	Computer, software industry	Finance, leasing and business services
Growth rate	116.54%	1262.15%	150.02%

From the national sources, Table 3 lists some of the countries where they actually put an increase in the number of foreign investment.

TABLE III. COUNTRIES WITH HIGH GROWTH IN FOREIGN INVESTMENT

	Malaysia	Saudi Arabia	Poland	Russia	The Republic of Slovakia
Growth rate	135.51%	697.27%	3621.92%	129.36%	196.67%

### 3) Outward Foreign Direct Investment

Chinese companies for the 48 countries made a direct investment, the total investment of \$7050000000, an increase of 22%, these amounts account for 15.3% of China's non financial foreign direct investment.

The investment mainly to Singapore, Indonesia, Laos, Russia, Kazakhstan and Thailand, etc.

### 4) Foreign Contracted Projects Conclusions

Chinese enterprises to undertake foreign projects a total of 1401 and the newly signed contract amount to \$37550000000, in the same period of the contract amount of 43.3% and an increase of 16.7%. The projects are mainly in the fields of electrical engineering, communication engineering, housing construction, transportation, petroleum and chemical engineering. Turnover has been completed for \$29700000000, accounted for 44% of the turnover of the same period, an increase of 5.4%.

### 5) Outsourcing of Services

Chinese enterprises with countries of the Belt and Road has signed a contract of service outsourcing contract amount of \$7060000000, the amount has been executed for \$4830000000, an increase of 17% and 4.1%, respectively.

## V. ANALYSIS OF THE ECONOMIC CONTRIBUTION OF CHINA'S PROVINCES TO THE COUNTRIES OF THE BELT AND ROAD CONCLUSIONS

In China, the focus of the planning of the Belt and Road, including 18 provinces, such as figure 8 and table 4 shows <sup>[8]</sup>.

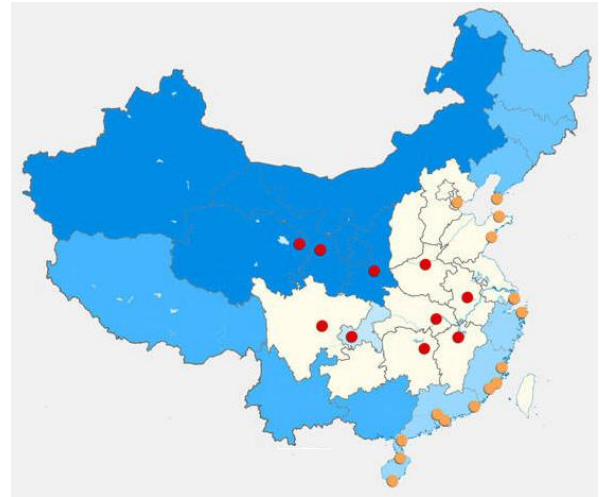


Figure2. China's Provinces and Cities in the Area of the Belt and Road

TABLE IV. CHINA'S PROVINCES AND CITIES IN THE AREA OF THE BELT AND ROAD

Area	Name of the province and the city	The color shown in Figure 2.
6 provinces in the Northwest of China	Xinjiang, Shanxi, Gansu, Ningxia, Qinghai, Inner Mongolia	
3 provinces in the Northeast of China	Heilongjiang, Jilin, Liaoning	
3 provinces in Southwest of China	Guangxi, Yunnan and Tibet	
4 provinces and 1 cities in the Southeast of China	Fujian, Guangdong, Zhejiang, Hainan and Shanghai City	
Inland region of China	Chongqing City	
the city clusters		
Coastal cities and ports		

### A Analysis of China's Foreign Investment in 2014

China's total foreign investment reached \$116000000000 in 2014, If you add from the third party financing after re investment, in 2014, China's total foreign investment of about \$140000000000. China's total foreign investment exceeds the total amount of foreign investment in China, China has become a net exporter of capital. 2014 China's foreign investment data shown in Figure 3 <sup>[9]</sup>.

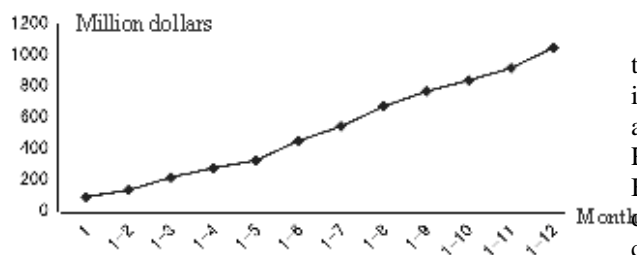


Figure3. China's Foreign Investment Data in 2014

In 2014, China's total non-financial direct investment was \$102890000000, an increase of 14.1%; the actual use of foreign investment was 195600000000, an increase of 1.7%. For the first time, China's bilateral investment approach to balance.

#### B Analysis of China's Foreign Investment to the Key Countries of the Belt and Road in the First Half of 2015

The first quarters of 2015, total import and export volume reached \$27800000000 of Guangdong province to the key countries of the Belt and Road, an increase of 6.5%. Total import and export volume of Jiangsu province to the key countries of the Belt and Road was \$26400000000, of which exports \$17800000000, an increase of 7%.

Total import and export volume of Zhejiang province to the key countries of the Belt and Road was \$ 23360000000, of which exports \$ 19400000000, an increase of 16%.

Total import and export volume of Fujian province to the key countries of the Belt and Road was \$10100000000, an increase of 3.6%<sup>[9]</sup>.

In the first half of 2015, From the regional distribution of foreign investment, the higher the proportion of investment is Shanghai, Jiangsu and Shandong provinces, the proportion was 22.24%, 16.04% and 7.84%<sup>[7]</sup>.

## VI. CONCLUSION

From the above analysis, a conclusion can be drawn that the economic and trade exchanges and economic integration continues to deepen of China with countries along the Belt and Road After the strategic of the Belt and Road. Therefore, we believe that the construction of he Belt and Road is not only conducive to China's development, but also conducive to the growth of countries along the line and the global economy. The number of countries involved in The Belt and Road are large and a wider range, which requires China to take part in the strategy that must be based on the need to combine common interests, to seek a breakthrough in the construction of The Belt and Road.

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