

Risk Prevention of China's Outward Foreign Direct Investment Under the "Belt and Road Initiative"*

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Abstract—The economic development level, political system, religious belief and cultural customs of different countries and regions along "the Belt and Road" line are different, and China faces many risks such as politics, security, management, market and environment when investing abroad. In order to guard against many risks, we should not only take general risk prevention measures, such as familiarizing OFDI (outward foreign direct investment) market, adopting diversified investment methods, establishing a safe OFDI (outward foreign direct investment) guarantee system, enhancing the sense of environmental protection responsibility of the direct investment enterprises and effectively controlling the public opinion of the investment place, but also take special measures to give full play to the characteristics that the insurance industry can provide risk protection in China.

Keywords—the "Belt and Road Initiative"; OFDI (outward foreign direct investment); risk prevention; risk guarantee

I. INTRODUCTION

Since 2013, China put forward the "the Belt and Road" Cooperation Initiative, and the OFDI (outward foreign direct investment)¹ in the countries and regions along the line (hereinafter referred to as the economic entity) has shown the characteristics of rapid development, high concentration and wide investment industries. Against the background of Chinese government's vigorous promotion of this initiative, the domestic investors' outward foreign direct investment will get better and faster development. However, in the new situation, opportunities and risks coexist. While the initiative brings opportunities for outward foreign direct investment, it also brings corresponding risks. What risks domestic

*Fund: National Social Science projects (project approval number: 14FFX047); Project supported by the national overseas study fund (project approval number: CSC201406565041).

¹ Outward foreign direct investment in this paper refers to the economic activities in which Chinese enterprises and groups (hereinafter referred to as domestic investors) set up, participate in, merge and acquire foreign enterprises by means of cash, physical objects and intangible assets in foreign countries and Hong Kong, Macao and Taiwan. They own 10% or more of the equity of the enterprises and take the right to own or control the operation and management of the enterprises as the core. The connotation of outward foreign direct investment is mainly embodied in the goal that an economic entity realizes its lasting interests by investing in another economic entity. Overseas enterprises are mainly divided into overseas subsidiaries, joint ventures and branches according to the mode of establishment.

investors are facing and how to make the risk prevention are worth studying.

II. THE ECONOMIC ENTITY ALONG THE "BELT AND ROAD" LINE IS A HOT SPOT FOR CHINA'S OUTWARD FOREIGN DIRECT INVESTMENT

Current uncertainties in global economic policies and increased geopolitical risks may lead to a bumpy recovery of international direct investment worldwide. New tax policies in the United States may also have a significant impact on the flow of cross-border investment. There are structural problems in China's economy and increasing external financial risks. At the same time, the trend of "anti-globalization" is surging, the protectionist force of trade and investment is rising, the international political situation is turbulent and changeable, and the uncertainty factors are increasing. All these will bring new challenges to China's outward foreign investment.

The transformation of old and new kinetic energy has become the key to the recovery and prosperity of the world economy. Since the outbreak of the international financial crisis, the deep-seated impact has continued to show. The world economic recovery has been difficult and tortuous. The growth rate of global trade has been lower than that of the world economy for five consecutive years. Transnational investment has not yet returned to its pre-crisis level.

It forms an international balance of power. With the deep adjustment of the world economic structure, the emerging markets and developing countries rise collectively. The trend of "rising in east, falling in west" and "rising in south, falling in north" of international forces is more obvious.

It forms the feature of economic globalization through in-depth development in twists and turns. Economic globalization has never been smooth, but is developing in twists and turns. In recent years, the weakness of the world economy, the imbalance of development, the dilemma of governance, the fairness deficit and other issues have become more prominent. The surge of anti-globalization thoughts and the rise of protectionism and inward-looking trends have cast a shadow on the development of world economy and trade. As the largest destination and source of global transnational investment, the Trump Administration of the United States pursues the concept of "American

Priority". After taking office, it has withdrawn from the Trans-Pacific Partnership Agreement. The uncertainty faced by the rules of international trade and investment has increased significantly and is facing new changes. In 2016, the EU began to raise the threshold for reviewing China's state-owned enterprise mergers and acquisitions in Europe. The legal rules, administrative restrictions and public opinion orientation of western major economic entities under the guidance of investment protectionism have formed obstacles for Chinese enterprises to invest abroad, such as the legal restrictions of EU on Chinese traditional medicine, environmental restrictions on manufacturing industry and restrictions on labor access, which have brought legal and cost obstacles to Chinese enterprises' investment.

In addition, the intensification of global geopolitical contradictions, raising tensions in the Middle East and other regions, and the active terrorist forces in many regions may interfere with global economic development and increase the uncertainty of the world economy.

In the face of the external economic environment, such as the weak recovery of the world economy, local conflicts and frequent turbulence, and the intensification of global problems, the economic entities along "the Belt and Road" line will continue to be a hot spot for Chinese enterprises to invest abroad, and outward foreign investment should be steadily promoted. With the continuous construction of the "Belt and Road", China will actively develop its economic cooperation with the economic entities along "the Belt and Road" line. In terms of economic cooperation between China and the economic entities along "the Belt and Road" line, cross-border direct investment is a key and core field, and cooperation priorities include infrastructure connectivity, energy and resources cooperation, industrial park construction and cooperation on advantageous production capacity. China has increasingly diversified its investment industries of the economic entities along "the Belt and Road" line, while mergers and acquisitions continue to be active. In the future, China's direct investment in the economic entities along "the Belt and Road" line will increase significantly, and the prospects for cooperation will be broader.

III. THE STATUS QUO OF CHINA'S DIRECT INVESTMENT IN THE ECONOMIC ENTITIES ALONG "THE BELT AND ROAD" LINE

The current status quo of China's direct investment in the economic entities along "the Belt and Road" line can be analyzed from three aspects: investment volume and scale, investment country and investment industry.²

² The data in this paper come from the data released by the Department of Foreign Investment and Economic Cooperation of the Ministry of Commerce of China. The outward foreign direct investment statistics mainly includes all kinds of corporations and non-corporation foreign direct investment enterprises that domestic investors own or control 10% or more of voting rights or other equivalent interests abroad through direct investment (hereinafter referred to as overseas enterprises).

A. Investment Volume and Scale

The outward foreign direct investment volume of a country is not only reflected in absolute amount, but also in the relative amount expressed by comparing with various indicators of domestic economic development. It is not only reflected in its own level of development, but also in its comparison with international level.

First of all, from the absolute scale, Chinese direct investment flows to the economic entities along "the Belt and Road" line were 20 billion 170 million US dollars in 2017, an increase of 31.5% over the same period of last year, accounting for 12.7% of China's outward foreign direct investment in the same period. At the end of 2017, China's stock of direct investment in the economic entities along "the Belt and Road" line was 154 billion 398 million US dollars, accounting for 8.5% of China's foreign direct investment stock. In 2018, Chinese enterprises invested 15 billion 640 million US dollars in non-financial direct investment in 56 countries along "the Belt and Road" line, an increase of 8.9% over the previous year, accounting for 13% of the total of the same period.

Secondly, in terms of relative scale, there are two criteria. One is the proportion of outward foreign direct investment flows to the formation of domestic fixed assets. The other is the proportion of outward foreign direct investment stocks to GDP. Relevant data show that China's outward foreign direct investment flow account for a relatively low proportion of fixed assets in the country. Although it has increased under the Belt and Road Initiative, it is still far below the world average level and is not as good as the average level of developing countries, and this gap still needs continuous improvement in China.

B. Investment Countries

China has a high degree of direct investment concentration in the economic entities along "the Belt and Road" line. In 2017, the top 10 countries for Chinese domestic investors' direct investment stock to the economic entities along the "Belt and Road" line are: Singapore, Russia, Indonesia, Kazakhstan, Laos, Pakistan, Burma, Cambodia, United Arab Emirates and Thailand. Over the past five years, China has invested 80.73 billion US dollars in the countries along "the Belt and Road" line. In 2018, it mainly made the investment in Singapore, Laos, Vietnam, Indonesia, Pakistan, Malaysia, Russia, Cambodia, Thailand and United Arab Emirates.

C. Investment Industry

At the end of 2013, the investment stock of five industries, leasing and business services, finance, mining, wholesale and retail, manufacturing, accounted for 83%, and the investment flow of these five industries accounted for more than 80% in 2013. In 2017, Chinese investors made direct investment in nearly 3000 overseas enterprises in 57 countries along the "Belt and Road" line, involving 17 industries in the national economy.

First of all, the investment in manufacturing industry can improve the problem of overcapacity in China's industry. On

the other hand, the strength of labor in the Southeast Asian countries along the "Belt and Road" line can be manifested. In order to promote the development of the industrialization, these countries need to undertake the processing and manufacturing industries of other countries, so as to ease the pressure of employment and realize the upgrading of their industrial structure. Therefore, there is a certain conjunction point between China and the economic entities along the "Belt and Road" line.

Secondly, in the mining industry, China's three largest oil companies (China National Offshore Oil Corporation, China National Petroleum Corporation (CNPC) and Sinopec Group) carry out outward foreign direct investment in the oil industry of the Middle East countries along the "Belt and Road" line, including oil exploitation, pipeline construction, port facilities and infrastructure projects. For China, outward foreign direct investment in petroleum industry can not only increase the added value of energy export products, cope with the shale revolution of the United States, but also encourage China to upgrade the refining processing system and expand the energy transportation pipeline construction.

Finally, the overall financial strength of the economic entities along the "Belt and Road" line is limited. There is a lack of financial and financing support for building an interconnected infrastructure. And the geopolitical politics and economic game is very complicated. There are still some practical difficulties in building and improving regional monetary stability system, investment and financing system and credit system, and many obstacles can be solved through financial means and financial instruments. At present, the Chinese commercial banks have gone deep into most of the countries along the "Belt and Road" line, and have accumulated a lot of experience in financial cooperation, and plan to strengthen the "Belt and Road" strategic layout. For example, in the international development plan of ICBC, it is clearly pointed out that in the coming period, overseas organizations will cover 50 economic entities along the "Belt and Road" line. And the Silk Road Fund was registered at the end of 2014. It marks the rise of the "financial interpretation" to the nation-level strategy. In 2015, the Asian infrastructure investment bank was formally established, marking the construction of the finance-oriented "Belt and Road" into a pragmatic and efficient implementation stage.

IV. THE RISK OF CHINA'S OUTWARD FOREIGN DIRECT INVESTMENT UNDER THE "BELT AND ROAD INITIATIVE"

There are many economic entities along the "Belt and Road" line, including both developing countries and developed countries. These countries have different economic development levels, political systems, religions and cultural customs. They will have some risks to China's outward foreign direct investment. Many risks can be roughly divided into the following five types:

A. Political Risk

The instability of domestic politics and the frequent replacement of the ruling party in many countries along the

"Belt and Road" line, such as Afghanistan, Kyrgyzstan, Libya, Syria, Iraq and Egypt, will disrupt the continuity of the policy of attracting foreign investment. However, many of its investment projects have a long-term nature. Therefore, there will have many unfavorable effects of uncertainties such as political instability to legitimate rights and interests of proposed projects or projects under construction and foreign investors. For example, the "high-speed rail for rice" project between China and Thailand was suspended because of political changes in Thailand.

B. Safety Risk

Three forces, such as religious extremist forces, ethnic separatist forces and violent terrorist forces along the "Belt and Road" line have rampant activities. What is particularly concerned is that terrorist forces have formed the "Western Asia — Middle East — South Asia — Central Asia" arc zone along the "Belt and Road" line. On the one hand, it poses a serious threat to the personal safety of China's migrant workers. On the other hand, it directly affects the revenue of investment and the smooth progress of investment. During the turmoil period in the Middle East in 2011, China's investment in that region suffered huge losses, for example, the investment affected by the turmoil in Libya amounted to 18.8 billion US dollars. In 2014, Vietnam broke out a large-scale attack, smash, rob and burn against Chinese enterprises, which caused heavy losses to Chinese enterprises.

C. Management Risks

Geographical distances and differences in operational modes will weaken the control of Chinese enterprises over overseas branches, which will increase risks. The total assets of Chinese state-owned enterprises abroad exceed 4 trillion yuan. However, without auditing, the assets and benefits have always been a mess. According to the results of a sample survey conducted by the State Audit Office in 2014, there are many problems in the investment and management of state-owned enterprises abroad, which have become channels for the transmission of illegal interests. In March 2015, China's State-owned Assets Supervision and Administration Commission announced to conduct a third-party audit of overseas assets of large state-owned enterprises, aiming at the huge losses and corruption of Chinese state-owned enterprises overseas.

D. Market Risk

Among the countries along the "Belt and Road" line, there are many developing countries, some of which have opaque foreign exchange rate policies. For example, Burma adopts the dual exchange rate system. There is a big gap between the actual market exchange rate and the official exchange rate. In addition, some developed countries also have market crises, such as the European debt crisis and the subprime mortgage crisis. Such risks have greater impact on China's outward foreign direct investment in European countries along the "Belt and Road" line. First, the Chinese enterprises operating in Europe may face the risk of declining sales and reduced profits caused by the weakening of the market. Secondly, the exchange rate risk may increase.

It will bring new challenges to China's direct investment in European enterprises along the "Belt and Road" line. Since the outbreak of the financial crisis, the instability of the US dollar value has brought turbulence to the global foreign exchange market, which increases the uncertainty. The European debt crisis has led to strict control of capital flows in European countries, which in turn has a negative impact on China's outward foreign direct investment.

E. Environmental Risk

In recent years, Chinese enterprises have not paid enough attention to the protection of ecological environment. China's enterprises' indifferent inertia consciousness of environmental protection has made their investment abroad cause the ecological damage and environmental pollution of the host country for many times, such as "predatory development", "China's environmental neo-colonialism", "China's environmental threat theory" and "China's ecological dumping theory" and so on. On the one hand, the key fields of China's oil, natural gas, mineral, iron and steel, electric power and other industries in overseas investment extremely easily cause environmental pollution. On the other hand, because of the weak ecological environment of developing countries along the "Belt and Road" line, the unsound legal system of environmental protection, and the imperfect regulatory mechanism of environmental protection, it has caused serious damage to its environment.

V. GENERAL PRECAUTIONS AGAINST THE RISK OF CHINA'S OUTWARD FOREIGN DIRECT INVESTMENT UNDER THE "BELT AND ROAD INITIATIVE"

There are many risks in China's outward foreign direct investment under the "Belt and Road initiative". Chinese enterprises still need to actively explore, expand the market and increase outward foreign direct investment. However, they should not blindly expand; otherwise they will attract the exclusion of other countries. At present, we should take the following five general precautionary measures:

A. Being Familiar with Outward Foreign Direct Investment Market

As the saying goes, "Knowing yourself and your enemies, you will win a hundred battles". Because the economic development level, politics, religion, customs and so on of all the economic entities along the "Belt and Road" line are different, Chinese enterprises should fully understand the market policies of the corresponding countries, grasp the political risks, financial risks and security risks of the countries along the "Belt and Road" line, and adopt different foreign direct investment plans for different countries, so as to achieve a win-win situation and avoid a big gap between actual gains and expectation earnings. In short, when Chinese enterprises carry out foreign investment under the "Belt and Road Initiative", they should consider docking with the cultural traditions and customs of the host country. Also, they should consider docking with the political system and legal system of the host country, face up to the differences in social culture, and fully understand the historical traditions, institutional arrangements, media

opinions, consumption tendencies and customs of the countries, so as to formulate flexible, changeable and targeted countermeasures.

B. Adopting Diversified Investment Methods

There are many ways of outward foreign direct investment, such as entrusted processing, sole proprietorship, joint venture, technology transfer and so on. The way of outward foreign direct investment of China's enterprises in the economic entities along the "Belt and Road" is relatively simple, lacking experience in selecting the way. In the outward foreign direct investment, when it comes to key and sensitive areas, there will be many obstacles. At this time, changing the way of investment can achieve a win-win situation.

C. Establishing a Safe Outward Foreign Direct Investment Guarantee System

The construction of investment security system is an important means for a country to safeguard the interests of Chinese enterprises and citizens' foreign investment. It can effectively avoid disputes. Security threats and political threats in the host country make Chinese enterprises face more and more personal and property security challenges when they invest in foreign direct investment. Therefore, there is an urgent need to establish a security force to meet the needs of foreign investment security. First, we should actively participate in United Nations peacekeeping operations. Many countries along the "Belt and Road" line are turbulent. We cannot guarantee the safety of personnel and property of Chinese enterprises relying on its domestic law enforcement power. Therefore, as a permanent member state of the United Nations, China should actively participate in UN peacekeeping activities, use peacekeeping forces to stabilize the environment of foreign direct investment, and ensure the safety of enterprises and investment projects. For example, China participated in UN peacekeeping activities in Bhutan to ensure the smooth progress of China's oil exploitation in 2014. Secondly, military cooperation should be established with the host country. Under the "Belt and Road Initiative", it is far from enough for Chinese enterprises to rely on the United Nations peacekeeping forces. We should improve cooperation in the field of security, and eliminate the adverse effects of terrorist organizations, extreme forces, pirates and natural disasters on the economic cooperation through the cooperation advantage between investors and host countries, and build a real security system.

D. Enhancing the Sense of Environmental Protection Responsibility of Direct Investment Enterprises

The environmental protection obligations of enterprises in international law belong to the nature of soft law. They do not specify the environmental protection obligations and environmental damage responsibilities of transnational corporations, and do not have strict legal binding force. However, Chinese enterprises should not evade the restriction of environmental obligations when conducting foreign investment activities. They should take the initiative to assume the responsibility of environmental protection.

Firstly, the environmental protection clauses should be clearly stipulated in the investment agreements between the two sides. With the enhancement of environmental protection awareness, we should balance the interests of investors and host countries. Also, we should pay attention to the environmental protection of host countries. Under the Belt and Road Initiative, as exporters of capital, Chinese enterprises should actively fulfill and undertake the obligations and responsibilities of environmental protection. Also, we should pay attention to the environmental barriers of some developed countries and the trade protection measures under this excuse, so as to enhance the vigilance of environmental protection. Therefore, in order to reduce the disputes between the two parties, it is necessary to introduce the environmental protection clause into the investment agreement. Secondly, we should make the best use of the relevant environmental protection laws to restrain the environmental problems caused by Chinese enterprises when they invest in the host country. Without compromising the sovereignty of the host country, Chinese enterprises should attach importance to the protection of the environment of the host country and enhance the environmental protection awareness of employees working in the local area.

E. Effectively Controlling Public Opinion in Investment Places

With the substantial improvement of China's economic strength and comprehensive national strength, the world economic structure is gradually re-planning, and the traditional distribution system of rights and interests dominated by western countries is objectively challenged. Western media often associate the foreign investment of Chinese enterprises with the political and military strategic intentions of China, advocate "China's economic threat theory" and "China's economic penetration theory" and so on, and try their best to restrain China from practicing "going out" strategy. "China's high-speed railway threat theory" has almost become the political basis for the host country's opposition to attack their own government and China's investment projects. On this basis, China should create a positive atmosphere of public opinion in the international arena, and not put forward words that would easily make China be the target, so as to escort the foreign direct investment of Chinese enterprises. At present, China has done some things, such as working instructions and lobbying in the local parliament, and doing a good job in public relations in the public media. However, this is not enough. China should attach great importance to guiding the public opinion of the local people, implement the concept of mutual benefit and win-win situation, distinguish foreign direct investment from politics and military affairs, establish the impression that China will never seek hegemony, and work with the host country to develop and benefit from each other.

The above five points are the general risk prevention measures that China can take when investing in the economic entities along the "Belt and Road" line.

VI. CHINA'S INSURANCE INDUSTRY SHOULD PROVIDE RISK PROTECTION UNDER "THE BELT AND ROAD INITIATIVE"

In addition to the above general risk prevention measures that can be taken in direct investment in the economic entities along the "Belt and Road" line, China's insurance industry can also provide risk protection.

A. China's Insurance Industry Can Provide Risk Guarantee for Chinese Enterprises to "Go out"

In recent years, with the promotion of the "Belt and Road" construction in China, more and more Chinese enterprises have gone abroad. However, the international political and security situation continues to be turbulent, and risks such as legal, economic and social risks make Chinese enterprises' strategy of "going out" face huge risk exposure, and it is especially obvious in the economic entities along the "Belt and Road" line. In the face of all kinds of risks arising from the implementation of "the Belt and Road Initiative", China's insurance industry should give full play to its own professional advantages in risk management, so as to escort enterprises to "go out".

1) *Providing insurance for the operation risk of "going-out" enterprises:* At present, the various types of insurance developed by insurance companies in China can basically cover the risk needs of "going-out" enterprises in China. There are mainly the following kinds. First, in view of the personal safety and health of the expatriate workers in "going-out" enterprises, we should develop the related insurance for accidental injury and health of the expatriate workers. Secondly, we should develop property insurance and business interruption insurance for the equipment loss or business interruption risk in the production and operation process of "going-out" enterprises. Thirdly, the relevant liability insurance is developed for the personal injury or property loss and other risks caused to the third party by "going-out" enterprises in production, operation or sales. Fourthly, in view of the risk of goods loss in the process of goods transportation in "going-out" enterprises, cargo transportation insurance is developed. Fifthly, export credit insurance is developed for overseas receivables collection loss of "going-out" enterprises.

2) *Providing credit enhancement services for the financing of "going-out" enterprises:* At present, the credit insurance policy issued by insurance companies in China has the function of financing and credit enhancement. When the capital turnover of "going-out" enterprises is tense, they can obtain bank financing quickly through the way of policy pledge loan, which alleviates the financing difficulties of "going-out" enterprises to a certain extent.

3) *Work of China Insurance Regulatory Commission in the future:* In the future, the China Insurance Regulatory Commission (hereinafter referred to as CIRC) shall guide the insurance companies to do the following work in promoting "the Belt and Road" construction:

First is to optimize insurance products. According to the risk characteristics of "going-out" enterprises, the existing insurance products are optimized and upgraded. At the same time, research and development of insurance products should be more in line with the actual needs of enterprises.

Second is to improve business processes. We should simplify the insurance process, improve the degree of intelligence of the system, establish a quota automatic approval model, optimize the credit report commissioning process, and further enhance the insurance efficiency.

B. Risk Safeguard Measures That CIRC May Adopt

In order to guard against the risk of foreign investment of Chinese investors, the CIRC should further improve the supervision system and risk control measures of foreign investment of insurance funds in the future, and strengthen the risk supervision of foreign investment.

1) Strengthening statistics, monitoring and early warning of cross-border foreign exchange fund flows in the insurance industry: We will continue to urge trustee banks to effectively perform the supervision functions on foreign investment, report timely to the CIRC on the capital flows and flows of key institutions, strengthen supervision over the opening of foreign investment accounts by insurance institutions, regularly analyze the changes and risks of foreign investment by insurance institutions, and improve the risk monitoring system for foreign investment.

2) Implementing the classified supervision system of foreign investment: In order to strengthen the capacity and system construction of foreign investment, we should formulate the Notice on Strengthening the Supervision of Foreign Investment in the future, improve the requirements of foreign investment ability of insurance institutions, and implement classified supervision over the scope and proportion of foreign investment of insurance funds according to the comprehensive strength of insurance institutions, the adequacy of solvency and the scale of assets, so as to improve the efficiency of supervision. We will strengthen supervision over large foreign investment in insurance funds.

3) Standardizing foreign financing behavior of insurance institutions: In the future, the CIRC should formulate relevant policies to regulate the internal and external loan business of insurance institutions, requiring insurance institutions to carefully carry out the internal and external loan business in accordance with the principle of asset-liability matching management, taking into account the liquidity of asset portfolios, the changing trend of interest rates and exchange rates in the international financial market, financing costs and benefits, and effectively guard against the related risks of foreign financing.

C. Progress in the "Belt and Road" Construction in the Insurance Industry

At present, the insurance industry mainly promotes the "Belt and Road" construction from the following three aspects:

1) Providing financial support for the "Belt and Road" construction: In recent years, the CIRC has thoroughly implemented the major decisions and arrangements for China's "Belt and Road" construction, gives full play to the long-term investment advantages of insurance funds, and actively guides the insurance funds to join the "Belt and Road Initiative".

2) Promoting the establishment of Chinese-funded insurance institutions in countries along the "Belt and Road" line: The CIRC has amended eight regulations, such as the Regulations on the Management of Foreign Insurance Institutions of Insurance Companies, cancelled and adjusted the examination and approval matters, increased follow-up supervision measures, and implemented the reform requirements of the registered capital registration system, so as to further release market vitality. By the end of July 2017, four Chinese insurance institutions had set up business entities in the countries along the "Belt and Road" line, namely, subsidiaries of China Life Insurance Co. Ltd. in Singapore, subsidiaries of China Reinsurance (Group) Co. Ltd. established in Singapore, and subsidiaries of China Taiping Insurance Company Co. Ltd. in Singapore and Indonesia. The establishment of business institutions by Chinese-funded insurance institutions in countries along the "Belt and Road" line can provide insurance guarantee for local investment projects of China.

3) Enhancing the ability of insurance services: The CIRC shall guide insurance companies to continuously improve the efficiency of insurance claims, and guarantee the "Belt and Road" construction. At present, we should mainly do the following work. First is to optimize and improve business processes. We should simplify the insurance process, improve the degree of intelligence of the system, establish a quota automatic approval model, optimize the credit report commissioning process, and further enhance the insurance efficiency. We promote the service mechanism of "Green Channel of Claims" and "Quick Claims" of small cases, speed up the pace of claims processing and reduce the time of closing cases. Second, we should intensify our delegation of authority. For branch companies with strong team professional ability, we should authorize insurance and claim settlement, shorten the process of approval of insurance and claim cases, and save time effectively. Thirdly, standardized insurance schemes should be formulated. According to the relatively small export scale and single risk demand of small and micro enterprises, simplified and standardized insurance schemes are formulated, and insurance policies are processed in batches. Fourth, we should strengthen the assessment mechanism. We should incorporate the working efficiency

of insurance and claim service into the evaluation and incentive policy system, promote the subjective work enthusiasm of insurance and claim settling personnel, and improve efficiency.

In the future, the insurance industry should continue to provide strong support for the implementation of the "Belt and Road" construction, and strengthen the insurance support function and financing support. We will further promote the ability of insurance institutions to continuously upgrade their foreign investment capabilities, support the participation of insurance funds in major infrastructures, important resources development, key industrial cooperation and financial cooperation in the economic entities along the "Belt and Road", and provide long-term capital support for large investment projects through equity, debt, stock debt combination and funds. We will encourage insurance institutions to make innovation in products and services, increase their support for export credit insurance, foreign investment insurance and reinsurance, support insurance institutions to strengthen cooperation with financial institutions such as commercial banks, explore the mechanism for commercial insurance institutions to participate in enterprise financing guarantee, and support insurance funds to participate in relevant transportation and energy resources, infrastructure and other projects in the western region under the premise of controllable risks, so as to provide support for the construction of interconnected market clusters. We will encourage Hongkong and Macao to participate in the "Belt and Road" construction, support Hongkong to play the role of an international financial center, support Hongkong to provide insurance and reinsurance services for the "Belt and Road" construction, hedge and defuse risks, promote cooperation between Macao and mainland financial institutions, and jointly provide insurance and financial services for the economic entities along the "Belt and Road" line.

VII. CONCLUSION

Due to the continuous impact of the international financial crisis, the world economy is generally depressed and demand is declining. The pattern of World Trade and investment has undergone profound changes. To make better use of the "Belt and Road" construction to stimulate the economy of various countries and build the economic community of the Silk Road is still an urgent problem to be solved. In any case, the initiative will do more good than harm to all relevant economies. However, it should not be overlooked that the implementation of the initiative is facing great challenges and needs to face the major credit risks of investing in "Belt and Road" construction. According to Moody's report, the credit situation of most countries along the "Belt and Road" line is relatively weak. Among the economic entities along the "Belt and Road" line, 42 countries (62%) were rated below the investment level (Ba or below) or not within Moody's rating, which meant that the potential implementation risk was higher. 38% of the countries along the "Belt and Road" line had stronger financial and economic strength. Secondly, while Chinese enterprises have succeeded in "going-out" strategy, the

obstacles encountered by Chinese enterprises are also increasing substantially. From January 2016 to March 2017, 215 trade remedy surveys were conducted on Chinese enterprises, including anti-dumping, anti-bribery, anti-dumping and anti-bribery, anti-circumvention and safeguard measures. Finally, most of the countries along the "Belt and Road" line are developing countries. With huge differences in development stages and complex and diverse national conditions, they have provide broad development space for Chinese investors, at the same time, they also increase the potential risks of Chinese enterprises in the process of foreign investment and operation. The uncertainties caused by it will exist for a long time, and it will be a long-term task to study and prevent risks.

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