

Regional Economic Cooperation between the Belt and Road Initiative and the APEC

Sheng Bin, Guo Ting*

Abstract: The Belt and Road Initiative is inherently consistent with APEC in terms of geographical scope, objective, connotation and cooperative principle and is closely related and complementary to China's push for the Free Trade Area of the Asia Pacific region. China should prioritize the projects concerning infrastructure construction and connectivity improvement in surrounding countries and regions during the advancement of the Belt and Road Initiative and APEC cause, enhance its cooperation with key players like Russia and ASEAN countries, promote in-depth integration of regional economies, and properly address possible political and economic risks within and beyond APEC region. Such external efforts are expected to boost domestic industry restructuring and economic development.

Keywords: The Belt and Road Initiative; APEC; China

The Belt and Road Initiative is a major strategic layout proposed by China to address the profound changes in today's international political and economic landscape and new domestic conditions emerging in the context of the Reform and Opening-up. Soon after it was introduced, it immediately attracted high attention from all walks of life both in China and abroad. The Belt and Road Initiative highly accords with the APEC, enjoying shared objectives of infrastructure and connectivity improvement, injecting new vigor into the economic development of the Asian-Pacific region. This paper attempts to seek common ground for cooperation between

* Sheng Bin, professor, Nankai University.

Guo Ting, PhD student, Nankai University.

* Foundation item: This paper is funded by the Studies of the Approaches and Strategies for the Mutual Promotion of APEC and the Belt and Road Initiative, a major program of the key research base of the humanities and social sciences of the Ministry of Education of the PRC.

the Belt and Road Initiative and APEC agenda by analyzing their inner link, thereby identifying priority areas and mechanisms for cooperation and propose corresponding suggestions on policy.

1. The internal link between the Belt and Road Initiative and APEC

APEC is currently the highest-level and most influential economic cooperation organization, which enjoys the largest number of members and the most advanced mechanisms in the Asia-Pacific region. Ever since its establishment in 1989, it has reached extensive consensus among member economies based on the cooperation principle of “voluntary engagement and mutual consultation” and has managed to facilitate regional trade and investment, enable economic and technological cooperation and capability building among its members, and boost trade growths. APEC has contributed significantly to the economic development of the Asia-Pacific region and even the entire world. The Belt and Road Initiative is a grand strategic vision proposed by Chinese president Xi Jinping in 2013. The Belt and Road routes, stretching across the continents of Asia, Europe and Africa and connecting 65 countries and regions, are the world’s longest economic corridor and most promising cooperation zone. Its advancement will surely deliver a key impact on the Asia-Pacific region and Eurasia. The Belt and Road Initiative and APEC are arguably the two most influential frameworks in the Asia-Pacific region and have a lot in common

in terms of geographic scope, in-depth connotation, cooperation model and strategic landscape.

1.1 The geographic overlapping of the Belt and Road Initiative and APEC

At present, APEC has 21 members across the Asia-Pacific region, while the Belt and Road Initiative covers 65 countries and regions across Eurasia, ten of which are APEC economies (China’s Mainland and Hong Kong, Russia and seven ASEAN countries). Meanwhile, it also strategically extends westward to Central and Western Asia, South Asia and even Central and Eastern Europe, thus forming a connected strategic layout targeting Eurasia and influencing the entire world. If the 57 AIIB founding members are also considered, the Belt and Road Initiative also benefits APEC economies of Australia, New Zealand and South Korea.^①

In terms of economic size, countries and regions along the Belt and Road have a combined population of some 4.55 billion, accounting for about 62.0% of the global population and a combined trade volume of over USD 15.6 trillion, contributing about 31.6% of the total global trade volume. Among them, those falling into APEC economy category have a combined population of 2.08 billion, accounting for 45.6% of the entire population along the Belt and Road routes, and 73.5% of the entire APEC population; meanwhile, their combined trade volume exceeds USD 10.3 trillion, accounting for some 65.8% of the trade volume of the Belt and Road countries and regions, and 45.1% of the APEC economic volume.^②

① There are 57 AIIB founding member states, including 37 regional founding members and 20 non-regional founding members. To be exact, the 37 regional founding members include 13 states in East Asia (China, South Korea, Mongolia and 10 ASEAN countries), four states in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan), nine states in Western Asia (Iran, Turkey, Jordan, Israel, Saudi Arabia, Oman, UAE, Qatar and Kuwait), six states in South Asia (India, Pakistan, Bangladesh, Sri Lanka, Maldives and Nepal), three CISs (Russia, Georgia and Azerbaijan) and two states in Oceania (Australia and New Zealand); the 20 non-regional founding members include 17 states in Europe (the UK, France, Germany, Iceland, Austria, Denmark, Finland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Spain, Sweden and Switzerland), two states in Africa (Egypt and South Africa) and one state in South America (Brazil).

② According to WDI database in 2015; Palestine was included in “West Bank and Gaza,” due to data inaccessibility, Taipei was not included in the statistics of APEC population and trade volume.

1.2 The shared objectives and connotations of the Belt and Road Initiative and APEC

From a short-term perspective, the Belt and Road Initiative highly accords with APEC in enhancing infrastructure construction and boosting the development of the service sector. According to the *Vision and Actions on Jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road* (hereinafter referred to as the “Vision and Actions”), the Belt and Road Initiative will strive to improve regional infrastructure, develop a safe and efficient network with links over land, sea and air, and thereby raise the connectivity level. The implementation is expected to further improve trade and investment facilitation, forge a high-level FTA network, enhance economic ties, consolidate mutual political trust, extend and deepen cultural communications, and promote mutual learning and common prosperity among civilizations, and peaceful co-existence and friendly exchanges among peoples. As a guideline of the future APEC development and integration, *APEC Connectivity Blueprint for 2015–2025* was published at APEC Summit in Beijing in 2014. The Blueprint advocates result-oriented actions in the connectivity of hardware, software and personnel to build an all-round multi-layered compound network of Asia-Pacific states (APEC, 2014). When it comes to connectivity and infrastructure construction, the Belt and Road Initiative and APEC share a common objective of integrating intra-regional resource development and connectivity and will inject new vigor into joint regional development.

From a long-term perspective, both the Belt and Road Initiative and APEC are visions concerning Asia and the Asia-Pacific region and share common long-term objectives of joint regional development and further integration. More

specifically, the Belt and Road Initiative aims to promote joint development, common prosperity and win-win cooperation among countries and regions along the routes. This is in line with APEC’s long-term mission to enable free and open trade & investment, deepen regional economic integration, enhance economic and technological cooperation and improve the business environment in a bid to forge a vigorous, harmonious Asia-Pacific family that benefits all (APEC, 2017). Through combination and complementation, the Belt and Road Initiative and APEC will further promote regional economic and technological cooperation and enhance the capacity building of developing countries. This will help realize their common vision of regional economic integration and sustainable development.

1.3 The shared cooperation principles of the Belt and Road Initiative and APEC

The Belt and Road Initiative is an economic framework which is open, inclusive and balanced and its co-construction principle conforms to the APEC’s established cooperation principle of “voluntary engagement and mutual consultation.” In fact, APEC has long been practicing non-binding cooperation of “coordinated unilateralism.” In such a context, its member economies reach agreements and voluntarily fulfill non-binding commitments based on mutual respect, equality and reciprocity. According to the Vision and Actions, the Belt and Road Initiative should be based on the principle of being open, cooperative, harmonious, inclusive and market-oriented to deliver mutual benefits and win-win results. Based on the UN-endorsed Five Principles of Peaceful Coexistence, the Initiative strives to carry out result-oriented cooperation and forge a community of common destiny, shared interests and collective responsibilities. Such a community should be politically trustworthy, economically

integrated and culturally inclusive.

The 65 countries and regions along the Belt and Road routes are characterized by a complicated geo-political landscape, unbalanced economic development, various cultural practices and habits, as well as different religious beliefs. Because of that, political trust among its members remains weak. In comparison, APEC member economies have even subtler and more complicated bilateral and multi-lateral relations. Within the APEC system, there are overlapped and multi-layered international economic and political relations among China, Japan and South Korea, and between China and Japan, China and the USA, China and India, the USA and Russia, the ASEAN and India. Besides, a variety of geo-political competitions and territorial disputes (the “10+X” Initiative proposed by China and ASEAN, the USA’s Asia-Pacific Rebalancing strategy, the South China Sea disputes, the Taiwan issue) increase the uncertainty of economic cooperation and political exchanges among APEC members. Such geo-political gaming shapes the basis of cooperation between APEC and the Belt and Road Initiative, which inevitably requires respecting the wishes of all members, seeking common ground while preserving differences, and adhering to the principle of voluntary engagement, mutual consultation, equal footing, inclusive development and win-win cooperation.

1.4 The relevance between the Belt and Road Initiative and the FTAAP motion

Currently, the APEC region is experiencing rapid economic development and the global value chain keeps extending and deepening. Under such circumstances, it becomes more and more difficult for traditional multilateral trade systems to get adjusted to the latest development of international trade. The slow progress of the Doha round of negotiations among the WTO membership has prompted major players like the USA to shift their diplomatic focus to bilateral agreements and regional

strategies. This has given rise to an increasing number of Asia-Pacific-oriented programs of regional integration, among which are the ASEAN-centered “10+X” strategic vision, the Regional Comprehensive Economic Partnership (RCEP), the Trans-Pacific Partnership Agreement (TPP), as well as the Free Trade Area of the Asia-Pacific motion (FTAAP) proposed by China at the APEC summit in Beijing in 2014.

In terms of a strategic blueprint, both the Belt and Road Initiative and the FTAAP motion are parts of China’s framework of regional integration. Outlining China’s overall opening-up picture, the Belt and Road Initiative is a primary framework concerning China’s external economic exchanges and regional development. From a geo-political perspective, the Belt and Road Initiative, the RCEP in progress and the proposed FTAAP are all strategic layouts initiated by China to better shoulder its international responsibility as a major player and growing voice in international economic and political affairs against the background of China’s constantly enhanced comprehensive strength and the shift of the global economic center to the Asia-Pacific region. The Belt and Road Initiative has taken a new path westward by enhancing infrastructure construction, promoting economic and trade cooperation and cultural exchanges, and avoiding political and ideological disputes. This new path can be deemed a new approach to addressing the economic and political conflicts between China and the USA in the international arena. Within the APEC framework, the FTAAP motion and the Belt and Road Initiative support each other to seek joint development in the Asia-Pacific region, which will be conducive to building major country relations featuring mutual respect and win-win cooperation between China and the USA and reshaping the global economic and political landscape.

2. The priority sectors for the cooperation between the Belt and Road Initiative and APEC

2.1 The identification of priority sectors

As the maturing global value chain brings gradual changes to international production systems, business formats and trade & investment landscapes, connectivity has become an important carrier for all the countries for their bilateral and regional cooperation, external economic and trade management and efforts to fit into the regional economic integration. Hence enhancing connectivity and infrastructure construction is a significant political and economic consensus among all Asian countries and a goal of strategic importance.

The APEC summit in 2013 in Bali Island adopted connectivity between Asia-Pacific countries into its major topics, passed the *APEC Framework on Connectivity and the APEC Multi-Year Plan on Infrastructure Development and Investment*, which focuses on financing for infrastructure development and has established APEC's overarching goal and tasks in realizing physical, institutional and people-to-people connectivity (APEC, 2013). In 2014, the APEC Summit in Beijing listed enhancing all-round connectivity and infrastructure construction as a core topic, and issued the *APEC Connectivity Blueprint for 2015–2025* as a guide for future APEC cooperation in connectivity, which stipulated that infrastructure construction financing channels must be broadened, regional financial cooperation must be strengthened, the soft connectivity between the regions must be advanced and educational and people-to-people exchanges must be encouraged, so as to build a wide-ranging, multi-level and multi-channeled APEC connectivity panorama that integrates hard connectivity, soft connectivity and people-to-people communications. The APEC Summit held in Beijing in November 2014 also saw

President Xi Jinping advocate injecting elements of the Belt and Road Initiative into the existing APEC economic cooperation framework, and providing more trade facilitation and cooperation space to the member countries by achieving a wide-ranging, multi-level and broad-scope Asia-Pacific connectivity. During the Dialogue on Strengthening Connectivity Partnership, President Xi noted that connectivity should not mean only making linear connections between different places on the surface, but more importantly, it should be a three-way combination of infrastructure, institutions and people-to-people exchanges and a five-way progress in policy communication, infrastructure connectivity, trade links, capital flow, and understanding among peoples (the Five Types of Connectivity). It should be a wide-ranging, multi-dimensional connectivity network. The *Leaders' Declaration of APEC Peru 2016* in Lima reiterated the importance of quality infrastructure for sustainable economic growth, and pledged to enhance the synergy and cooperation among various infrastructure connectivity programs towards real and functional connectivity in the region (APEC, 2016). The Belt and Road Initiative, focusing on the Five Types of Connectivity, fits well with the core content of the *APEC Connectivity Blueprint for 2015–2025* in that both have listed infrastructure construction and connectivity as a thematic priority.

APEC basically relies on regional and international cooperation frameworks to advance connectivity and infrastructure development in Asia-Pacific, while the Belt and Road Initiative, being in nature a political and economic policy of China's opening-up in the new age, mainly depends on China's already-existing bilateral and multilateral relationships with other countries in politics, economics and trade. The mutual complement and synergy between APEC and the Belt and Road Initiative make it possible for connectivity

development and infrastructure construction to be applied amenably in the various bilateral partnerships within the regional cooperation framework. Thus, combined development between different regions and the sub-regional economic corridors can be connected and an Asia-Pacific connectivity panorama can take shape covering both sides of the Pacific.

2.2 The priority territories

In recent years, not only has China built close economic and trade ties with the countries along the Belt and Road routes and formed the FTA/RTAs network centered on itself, but also it has maintained close political relations with its neighbors, developed multiple kinds of “partnerships” that feature mutual respect and harmony despite differences and win-win cooperation, and forged a fairly mature bilateral mechanism for consultation and dialogue. The two-way influential ties in economics, trade and politics together with the high-level dialogue mechanism have laid solid foundations for the advancement of the Belt and Road Initiative and also brought resilience to the connectivity development and infrastructure construction under the multilateral APEC model. If the Initiative joins hands with the APEC connectivity construction, the countries along the Belt and Road routes, who have established manifold political and economic ties with China, could be listed as the “pivot” territories gaining priority in connectivity development. Specific priority sectors must then be established based on the already-existing political and economic foundation and the cooperation mechanisms in those countries and be adaptable to their national conditions. The ultimate objectives are to bring the earliest fruits of regional infrastructure connectivity to those countries and to build them into exemplary early beneficiaries and role models, injecting more faith into the Belt and Road Initiative and the APEC connectivity initiative. More specifically, Russia

and ASEAN are the top candidates to be priority territories in the Belt and Road Initiative and the APEC connectivity initiative and are sure to act as effective messengers between the two initiatives.

China and Russia, as two major economies in the world and major countries in Asia-Pacific, have built quality ties with each other for years, which are marked by the mechanism of regular meetings between their heads of state driving China-Russia economic and trade cooperation. Since 2013, 107 important agreements have been reached between China and Russia on cooperation, of which 55 have been well implemented, 21 long-term cooperative projects of strategic value are going as planned and 31 cooperative projects are being actively promoted (Yang, 2015). In May 2014, the *China–Russia Joint Statement on a New Stage of Comprehensive Strategic Partnership of Coordination* was signed when President Vladimir Putin of Russia visited China, explicitly announcing that Russia supported the Belt and Road. In April 2015, Russia decided to join the China-led AIIB. In terms of APEC connectivity and infrastructure construction, there is a wide range of sectors for China-Russia cooperation, such as the China-Russia oil and gas pipeline and natural gas pipeline construction, the Yuxinou (Chongqing-Xinjiang-Europe) International Railway, the Western Europe-Western China Expressway, the China-Russia cross-border bridge construction and water utilization, and the China-Russia synergy on the Russian Far East Development Strategy. Moreover, the China-Russia comprehensive strategic partnership can be used as a wrenching tool to activate the strategic synergy between the Belt and Road Initiative and the Eurasian Economic Union (EAEU), the construction of the China-Mongolia-Russia Economic Corridor, and the establishment of mechanisms for dialogues and cooperation among China, Belarus, Kazakhstan, Armenia and Kyrgyzstan. By coordinating the Belt and Road



the Yuxinou (Chongqing–Xinjiang–Europe) International Railway

Initiative, Russia's Trans-Eurasian Rail project and Mongolia's Prairie Road program, and by connecting high-speed railways, roads, road and pipeline transportation, port construction and cross-border power grids, the China-Mongolia-Russia Economic Corridor would be made barrier-free and the network of connectivity in the whole sub-region and its neighboring areas would be vitalized.

There is a profound foundation for China-ASEAN cooperation on the connectivity and infrastructure development that has grown over the past two decades. Since their first dialogue in 1991, China and ASEAN have continuously expanded and deepened their economic and trade cooperation, ushering in the establishment of the ASEAN–China Free Trade Area (ACFTA) in 2010, and a negotiation in August 2014 for an

upgraded version of ACFTA. The key sectors of their cooperation include 11 topics; agriculture, the information industry, human resources development, investments, the development of the Mekong River Basin, transportation, energy, culture, tourism, public health, and environmental protection. Wide cooperation has also been seen in another 20 sectors, such as law enforcement, youth exchange and non-traditional security (Ministry of Foreign Affairs of the PRC, 2014). In terms of the connectivity of infrastructures, the two have established their own bilateral cooperation mechanisms, such as the China-ASEAN Committee on Connectivity Cooperation, the ASEAN-China Transport Ministers Meetings, and the China-ASEAN Investment Cooperation Fund, also projected projects including the Pan-Asia Railway Network and the development of the

Mekong River Basin.

2.3 The priority projects

To achieve a three-way combination of infrastructure, institutions and people-to-people exchanges and a five-way progress in the Five Types of Connectivity, and to build a wide-ranging, multi-dimensional connectivity network, efforts must first be focused on the Asian countries, and connectivity development in Asia must be viewed as a priority. Specific measures include forming a fundamental connectivity framework based on the economic corridors, and constructing transportation facilities, especially railways and roads between China and its neighbors, to make Asia the early winners in connectivity construction. The China-Russia and China-ASEAN connectivity construction and infrastructure development, serving as a key juncture for the Belt and Road Initiative, not only fits well into the APEC framework but also connects several important regional economic corridors, such as the China-Mongolia-Russia economic corridor, the New Eurasian Land Bridge and the China-Indochina Peninsula economic corridor. Priority sectors and projects in the cooperation between APEC and the Belt and Road Initiative rightly fall where China is joining hands with Russia and ASEAN, such as the development of oil and gas resources, high-speed rail and highway construction, cross-border river bridge construction and utilization of water resources.

2.4 The priority mechanisms

Apart from launching cooperation in specific countries, sectors and projects, APEC and the Belt and Road Initiative must also focus efforts on establishing interactive connectivity mechanisms and advancing connectivity development and infrastructure construction under regional and international cooperation frameworks. First, APEC's multi-lateral cooperation framework and manifold dialogue mechanisms must be combined with the

extensive ties in politics and economics between China and the countries along the Belt and Road routes, so as to launch high-level governmental dialogues and people-to-people exchanges, and to provide flexible solutions for all kinds of issues arising in the connectivity construction and infrastructure development. Second, the AIIB and the financing mechanisms of the "Silk Road Fund" must be given full play, so as to transcend the cooperation framework of the Belt and Road Initiative, provide financial support for APEC and even the world's connectivity construction and infrastructure development, enhance AIIB's performance in financing, credit rating and overall influence as an independent international financial institution, and to make APEC and countries along the Belt and Road routes more closely linked with other countries and international institutions through in-depth financial cooperation.

3. The referential significance and policy suggestions to China

Spurred by the "hard connectivity" "soft connectivity" and "people-to-people connectivity" defined in the connectivity blueprint under APEC's multi-lateral cooperation framework, alongside the connotation of the Five Types of Connectivity proposed in China's Belt and Road Initiative, a wide-ranging, multi-level and compound connectivity panorama has been formulated in Asia-Pacific. This displays a new round and trend of regional cooperation and regional economic integration among APEC countries, which are faced with new changes by the international production system and the global political and economic circumstances. To inject the Belt and Road into APEC and to make the two benignly interactive to boost connectivity development and infrastructure construction in Asia-Pacific are not only a critical issue for China

to resolve, but it will also exert significant influence on the regional cooperation in Asia-Pacific and even the world's political and economic panorama. Considering what's been said, this paper delves into the synergy and cooperation between APEC and the Belt and Road Initiative and comes out with some policy suggestions as follows.

First, in terms of the mechanism of international and regional cooperation, the connectivity development and infrastructure construction of APEC and the Belt and Road Initiative must fully recognize the importance of involving all related countries so that the real development requirements and interests of the countries along the Belt and Road routes could be well addressed, and the vitality of the connectivity could be long maintained. More specifically, the APEC, as a multilateral cooperation framework, must acquire a consensus among its member economies before any of its initiatives become valid, while the Belt and Road Initiative, as an opening-up strategy of China, must be well coordinated with other countries' development strategies. Unlike the mature multi-level operation mechanisms featuring APEC Senior Officials' Meetings, APEC Annual Ministerial Meetings and Informal APEC Leaders' Meetings, the Belt and Road Initiative relies more on the bilateral international negotiation between China and other countries, which is more flexible, yet also more complex, backward and unstable. For China, the attitude of its to-be partners is foremost. China must thoroughly consider their real and objective needs, adhere to the principle of mutual respect, equal communication, mutual benefit and win-win cooperation, mobilize the countries along the Belt and Road routes, fully understand and respect their partners' strategies and plans, accordingly adjust its own plans to better match those of its partners, realize mutual complementing elements and synergies between their strategies and finally build the Belt and Road and APEC connectivity strategies

into a real international initiative in an Asia-Pacific gathering with unified efforts in pursuit of common development. It should never be China's solo show.

Second, from the perspective of geopolitics and geo-economics, the Belt and Road Initiative and the APEC connectivity development and infrastructure construction must take into serious account the regional geopolitical circumstances and guard against any political risks in the region, for the Belt and Road passes the geopolitically unstable Central Western Asia, while ASEAN, a key partner of APEC and the Belt and Road Initiative, is also far from pleasant in politics (such as Thailand, Myanmar and Indonesia). Also, the varied levels of development inside ASEAN lead to rare chances for a consensus, thereby weakening its political foundation for connectivity. The Belt and Road and APEC partnership must keep an eye on any signs of potential geopolitical changes or economic policy changes in the region and take measures to prevent any minor political shift in a country or a sub-region from destroying the whole plan. The Belt and Road Initiative and the APEC connectivity development and infrastructure construction must also be more pragmatic and less politicized, for fear of sinking into the mire of regionalism by intervening in politically sensitive issues.

Third, in the global context, seen from the relationships among major countries, China must pay close attention to how other major countries in Asia-Pacific—the USA and Japan, to avoid misunderstanding that might lead to damaging competition in the sub-region. China's Belt and Road Initiative has already roused tensions with the USA and Japan, and has even been dubbed the “Chinese-version Marshall Plan.” And the so-called China Threat, as it was going hot, has raised concerns and doubts over the China-led connectivity initiative from the neighboring countries. To be sure, China and the USA are rivals in the regional integration

of Asia-Pacific. However, there is a huge space for potential cooperation and complement between the two in the area. The connectivity construction and infrastructure development in Asia-Pacific should not be a destructive competition between the USA and China where one rises and the other falls. Instead, it should be a mutually beneficial and win-win cooperation among all countries. The infrastructure construction proposed by China is in line with its own strengths in exporting and could drive the economic development of related countries through the construction of high-speed railways, roads and ports. In comparison, the USA and Japan are better at exporting technologies and cultural ideologies. That poses no fundamental conflicts for the regional cooperation. China must endeavor to launch in-depth cooperative projects with other major countries, recognize all partnerships' geopolitical and economic advantages in Asia-Pacific, enhance mutual communication, resolve differences, make their respective advantages complementary to each other, expand their common interest, and jointly boost the connectivity development and infrastructure construction in the area.

Fourth, through the lens of domestic economic development, China must seize the cooperation platform constructed by APEC and the Belt and Road Initiative to transform its industrial structure and integrate its industrial resources. Currently, the Chinese economy is being challenged by a raft

of problems, such as overcapacity, notably rising cost of production factors, huge foreign exchange reserves that are still increasing and beginning to become a burden. It would help ease China's domestic overcapacity and vitalize its domestic economy if, through the AIIB, the Belt and Road Initiative and the APEC connectivity development and infrastructure construction, some industries are transferred from China, capital is exported, resources are integrated, and foreign exchange reserves turn into foreign exchange capital. Meanwhile, the connectivity development and infrastructure construction and the Belt and Road Initiative expand China's space for opening-up, and makes Western China a front in a new round of opening-up, whereby there will be a better balance for development among the different regions. As for the design work from the top, China must follow the strategic layout presented in the Vision and Actions, give full play to the guidance of the Office of the Leading Group on Promoting the Implementation of the Belt and Road Initiative, and coordinate relations among different provinces and different departments. As for the specific implementation, provincial interests must be well balanced, and liabilities in details and priority tasks must be clearly stipulated to avoid overly intense competition among provincial governments. The goal is to build a competitive world-oriented force and achieve sustainable growth of the domestic economy.

(Translator: Wu Lingwei; Editor: Jia Fengrong)

This paper has been translated and reprinted with the permission of *Asia Pacific Economic Review*, No. 2, 2017.

REFERENCES

- APEC. (2013, October 8). *APEC framework on connectivity*. Retrieved from http://www.apec.org/Meeting-Papers/Leaders-Declarations/2013/2013_aeln/2013_aelm_annexA.aspx.
- APEC. (2013, October 8). *APEC Multi-Year plan on infrastructure development and investment*. Retrieved from http://www.apec.org/Meeting-Papers/Leaders-Declarations/2013/2013_aelm/2013_aelm_annexB.aspx.
- APEC. (2014). *Connectivity blueprint for 2015—2025*. Retrieved from: http://apec.org/Meeting-Papers/Leaders-Declarations/2014/2014_aelm/2014_aelm_annexd.aspx.
- APEC. (2016, December 20). *2016 leaders' declaration*. Retrieved from http://www.apec.org/Meeting-Papers/Leaders-Declarations/2016/2016_aelm.aspx.
- APEC. (2017, March 12). *Mission statement*. Retrieved from <http://www.apec.org/About-Us/About-APEC/Mission-Statement.aspx>.
- Chu Yin & Gao Yuan. (2015). Three issues concerning China's Belt and Road Initiative positioning. *International Economic Review*, (2): pp 90-99.
- Djankov, S. Miner, S. (2016). *China's Belt and Road Initiative motives, scope and challenges*. IIE Briefing 16-2, Peterson Institute for International Economics, Washington D.C.
- Hu Bin & Zheng Liansheng. (2015). The connectivity of Asia: China's strategy, policy and action. *Academic Frontier*, (12), Vol. 1: pp 74-95.
- Huang Yiping. (2015). China's Belt and Road Initiative: A new economic and diplomatic strategy. *International Economic Review*, (1): pp 48-53.
- Ministry of Foreign Affairs of the PRC. (2014). *China-ASEAN relations (10+1)*. Retrieved from http://www.fmprc.gov.cn/chn/pds/gjhdq/gjhdqzs/lhg_14/zghgzz/t575554.htm.
- Sheng Bin & Guo Ting. (2015). The ASEAN and China in the process of Asia-Pacific economic integration—How to interpret the “Core Position” appeal of the RCEP and the ASEAN. *Academic Frontier*, (3), Vol.1: pp 68-75.
- Sheng Bin & Li Feng. (2016). The international political and economic analysis of the Belt and Road Initiative. *Journal of Nankai University* (Philosophy and Social Sciences Edition), (1): pp 52-64.
- Shi Yinhong. (2015). The Belt and Road Initiative: Best wishes and prudent attitude. *World Economics and Politics*, (7): pp 151-154.
- The State Council of the People's Republic of China. (2014, December 8). *Xi Jinping's speech at dialogue on strengthening connectivity partnership*. Retrieved from http://news.xinhuanet.com/fortune/2014-11/08/c_127192119.htm.
- Yang Chuang. (2015). From divergence to convergence: Russia's adjustments and choice in the context of the Belt and Road Initiative. *Academic Frontier*, (6) Vol. 1: pp 51-63.