

Western banks rush to gain deals on China's Belt and Road Initiative

BEIJING, Feb. 28 (Xinhua) -- With China's Belt and Road Initiative gaining more recognition globally, Western banks are rushing in for a piece of the pie in this once in a generation opportunity.

British and U.S. banks, including Citigroup, HSBC and Standard Chartered have been seizing opportunities brought about by the initiative proposed by Chinese President [Xi Jinping](#) in 2013.

The initiative aims to create greater trade, infrastructure and people-to-people links between Asia, Europe, Africa and beyond by reviving and expanding the ancient Silk Road routes. The modern version comprises an overland Silk Road Economic Belt and a 21st Century Maritime Silk Road.

According to Financial Times, the big banks have held conferences on the Belt and Road Initiative, appointed senior bankers to champion their role in the initiative and set up committees to coordinate their approaches across different business activities.

Standard Chartered has taken the initiative as a key part of its plan to generate the revenue growth necessary to achieve its target of making a return on equity above 10 percent.

The bank has won 20 financing deals linked to the initiative over the past four years, such as a 515 million U.S. dollars project financing for a power plant in Zambia, a 200 million dollars loan for a Bangladesh electricity plant, and a 42 million dollars export credit

facility for a gas terminal in Sri Lanka.

Gerry Keefe, head of corporate banking in Asia-Pacific at Citigroup, said "our multinational clients -- both from the U.S. and Asia -- see the Belt and Road Initiative as a generational opportunity to expand the scale and reach of their businesses."

Christopher Heathcote, head of the G20 Infrastructure Hub, a group established following the 2014 G20 summit in Brisbane, has said that the Asia Infrastructure Investment Bank (AIIB) will play an important role "through its very diverse international ownership structure."

Heathcote, who is working with the AIIB, believes that "the AIIB can have a very powerful impact on making sure projects are well planned ...making sure that the projects that are being built are actually projects the countries need."

The AIIB, created through negotiations of all the 57 founding member countries and now has 84 members, is duty-bound to support projects related to the Belt and Road Initiative.

Neil Harvey, chairman of Greater China at Credit Suisse, said in May 2017 when attending the Belt and Road Forum for International Cooperation in Beijing said "with our market leading global investment banking franchise, Credit Suisse can support the OBOR initiative," referring to the acronym for One Belt, One Road, namely the Belt and Road Initiative.

He said Credit Suisse had undertaken financing deals with the Belt and Road countries and was involved in some of the larger ones, including the sale of a controlling stake in [Pakistan](#)'s K-Electric to Shanghai Electric Power for 1.8 billion dollars.

Among the banks sending top-ranking staff to Beijing to court their business at the forum were HSBC, Bank of America Merrill Lynch, Credit Suisse and more.

Jim Yong Kim, World Bank (WB) president, said when attending the Second "1+6" Roundtable on Sep. 12 in Beijing that Belt and Road investments "can bring substantial development benefits to participating countries through improved infrastructure, greater trade, and higher cross-border investment."

He said "we applaud One Belt One Road, and we're working to support it in any way we can."

The Belt and Road Initiative is set to lead the world toward "a common community of a shared future for humankind," another vision devised by China out of its responsibility to respond to changes in the global landscape, and inscribed in multiple UN resolutions.

The initiative well serves the UN 2030 Agenda for Sustainable Development, according to UN Secretary-General Antonio Guterres. In a message to a November forum in New Zealand, Guterres noted "clear synergies" between them.

Both strive to "stitch countries together in networks of trade and mutual gain," and aim to "deepen global connectivity," he said.



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