Xièxiè, wǒ hěn róngxing lai dao měilì de Běijīng

[Thank you. I am very honored to be in beautiful Beijing.]

Three years ago, President Xi Jinping told the members of APEC,

Asian countries are just like a cluster of bright lanterns.

Only when we link them together, can we light up the night sky in our continent.

As someone who was born in Korea, I’m inspired by the Belt and Road Initiative.

And the World Bank Group very proudly supports the Government of China’s ambitious, unprecedented effort to light up that night sky. The Belt and Road will improve trade, infrastructure, investment, and people-to-people connectivity – not just across borders, but on a trans-continental scale.

Building on ancient trade routes that were commercial highways during the Mongol Empire; and sea routes that Admiral Zheng He sailed to Africa and the Middle East in the 15th century – the Belt and Road will link China with 64 countries that collectively account for 62 percent of the world’s population and 30 percent of global GDP.
The Belt and Road Initiative has potential to lower trade costs, increase competitiveness, improve infrastructure, and provide greater connectivity for Asia and its neighboring regions.

But realizing the promise of this Initiative will require appropriate policies, institutions, and services, such as:

- Effective governance, which is critical to ensuring developmental impact;
- Careful attention to conditions “at the border” – like customs procedures – and regulations beyond the border – like non-tariff measures;
- Access to ancillary services for efficient supply chains – like transportation, financing, insurance, and telecommunications. The markets for these services are uneven across the Belt and Road countries, so reforms like national regulatory policies will be needed.

The World Bank Group is dedicated to the development of countries along the Belt and Road.

We have ongoing commitments of 86.8 billion dollars in numerous infrastructure, trade, power, and connectivity projects in those countries.

In transportation alone, we have commitments of 24 billion dollars. We’re financing projects like Afghanistan’s Trans-Hindukush Road Connectivity, Kazakhstan’s East-West Roads, Pakistan’s Karachi Ports, and Uzbekistan’s Pap-Angren Railway that are already reinforcing connections along the Belt and Road.

IFC, our private sector arm, is partnering with the Silk Road Fund and China’s Three Gorges Company to develop Hydropower in Pakistan, and we’re working with China’s Exim Bank, CIC, and others to develop infrastructure. And we also supported an estimated 12.9 billion dollars in trade through global short-term finance programs.

And MIGA, our insurance arm that specializes in political risk insurance and credit enhancement, has provided 1 billion dollars in guarantees, which has facilitated 1.8 billion dollars of investment along the Belt and Road.

But to ensure the Belt and Road Initiative’s success, we need to remember that –

- **First**, because of the Initiative’s sheer size, the estimated investment needs will be large.
- **Second**, individual countries are at different stages of development, with varying capabilities, constraints, and risk profiles. They will need support mechanisms to define and meet consistent, satisfactory standards.
• **Third**, the benefits of the Belt and Road Initiative are broader than one project or one country. Projects will require innovative financing mechanisms – a mix of public and concessional finance and commercial capital.

• **Finally**, our decades of experience with large infrastructure projects suggest that project preparation and appropriate risk allocation will be critical for success.

We’re ready to work on all of these issues with countries along the Belt and Road to overcome these challenges.

This afternoon, at the invitation of China’s Ministry of Finance, we’re signing an MOU with other multilateral development banks to support the Belt and Road.

President Xi spoke this morning about win-win situations. Some of the best win-win situations can come from crowing in private capital. Right now, there’s 8.5 trillion dollars sitting in cash, waiting for better investment opportunities.

Happily, we’re proud to announce that we’ve already begun working on the Belt and Road Initiative:

• With the support of China’s Ministry of Finance, we’re studying the economics of the Belt and Road Initiative to quantify the potential benefits, identify critical infrastructure bottlenecks, and suggest solutions for policy and regulatory constraints.

• In partnership with China, other countries, and multilateral development banks, we’ve initiated the Global Infrastructure Facility and the Global Connectivity Alliance to provide project preparation funds, and transaction structure advice to help accelerate project readiness.

Over the last five years, I’ve traveled to many of the countries along the Belt and Road. And I’ve seen how technology and connectivity is helping raise aspirations. The Belt and Road Initiative can be a catalyst for A NEW APPROACH to development, where we crowd in private capital to meet people’s rising aspirations.

The three arms of the World Bank Group – the World Bank, IFC, and MIGA – can provide a unique combination of tools and expertise to leverage public and private financing and invest in countries along the Belt and Road.

We’re ready to help make the promise of the Belt and Road Initiative a reality.

Thank you.