

CHINA

Statement of the People's Republic of China by
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European Bank for Reconstruction and Development

First of all, I would like to thank the Government of Cyprus for the wonderful organization and considerate arrangements of this year's Annual Meeting of the European Bank for Reconstruction and Development (EBRD).

Since 2016, at the backdrop of moderate recovery in the global economy and commodity prices, economies in EBRD's countries of operations continues to pick up. Their average growth rate has reached at 1.6%, and their economic structure has been improved. However, global and regional economic growth and transition are confronting challenges stemming from policy uncertainties in major countries, emerging protectionism tendency, rising geopolitical risks, and increased refugee flows.

Under the outstanding leadership of President Chakrabarti, the EBRD has maintained a good development momentum in 2016,

playing an irreplaceable role in bolstering infrastructure, structural reforms and trade financing across the region. At the same time, climate change financing, SMEs development, social equality and capital market development have become the Bank's new focus areas, by valuing both fairness and efficiency, EBRD provides an increasingly strong support for transition of regional countries.

We would like to express our support to EBRD's *Strategy Implementation Plan 2017-2019*. We fully agree that green Economy Transition, strengthening of the Bank's policy analysis and delivery capability as well as reinforcement of its control functions in a challenging environment should become the Bank's three priority areas. We also welcome the recent revision of the transition concept in line with changing global environment, which promote the quality of a well-functioning market economy that is competitive, inclusive, well-governed, environmentally friendly, resilient and integrated. We believe the revised concept will guide EBRD to take advantage of its expertise in promoting a dynamic private sector.

China has joined the EBRD in early 2016 and enjoyed a good cooperation with the Bank and its member countries since then. In September 2016, the Equity Participation Fund (EPF) has been

established, and China was one of the cornerstone investors. We are convinced that the EPF will not only provide an enhanced long-term financing support for EBRD countries of operations, but also become a milestone of our mutual cooperation. At the same time, the Chinese government has attached great importance to nuclear safety, which is crucial for each country's safety, development and stability. We have worked closely with the international community in the construction of New Safe Confinement of Chernobyl. In addition, EBRD has established a close cooperation with Chinese financial institutions and enterprises including Silk Road Fund, ICBC, Shanghai Stock Exchange, etc. The co-financing cooperation between EBRD and AIIB has also achieved a remarkable progress. To our great pleasure, EBRD will take part in the *Belt and Road Forum for International Cooperation* to be held in Beijing in mid-May, and will make joint efforts with other Multilateral Development Banks to promote the economic and social development of countries along the Belt and Road.

Based on our cooperation so far, we would like to make the following recommendations for EBRD and are willing to further strengthen our relationship with the Bank and other member countries.

First of all, EBRD is encouraged to make full use of all kinds of financing resources to promote regional development. EBRD has enhanced its Annual Bank Investment to meet the demands of countries at the backdrop of increasing regional and global challenges. On condition of maintaining the Bank's financial soundness, we support EBRD to expand its business, enhance project impact, improve the efficiency of resources and avoid the risks of business over-concentration. At the same time, we also encourage EBRD to strengthen its cooperation with other countries and international organizations in the forms of co-financing, equity investment and so on, so as to crowd in more financing resources into the region.

Second, regional interconnection is vital to promote regional integration. EBRD's countries of operations are highly complementary to each other. Therefore, it is crucial to improve infrastructure as well as trade and investment liberalizing, so as to facilitate regional integration. China's "Belt and Road" initiative has many common interests with national economic development strategies in EBRD's operation countries. We look forward to working closely with EBRD and relevant parties to promote coordination and cooperation under this initiative.

Third, we support EBRD in its initiative of market-oriented green investments. Climate change is a common challenge for the entire world. We support EBRD's enhanced commitment to green investment, which will help operation countries make market-oriented transition and respond effectively to climate change. With the development concept comprised of innovation, harmony, environmental protection, openness and inclusion, China strongly supports green finance and green bond market developments, so as to encourage more private investments into the green industry in a market-friendly way. We're ready to reinforce our cooperation with the Bank and relevant parties in this respect, to promote global green and sustainable development.

The fourth recommendation is to promote financial inclusion to achieve inclusive growth. Equal opportunity is key to social equality. Financial inclusion is an effective way to allow vulnerable groups to get equal opportunities and to benefit from the economic growth. Thanks to its convenience, low cost and low thresholds, the digital finance enjoys several natural advantages in promoting financial inclusion. China has rich experience in financial inclusion, especially in digital finance inclusion. We're ready to share our experiences and strengthen our cooperation with all relevant parties

in this sector to complete the last mile of financial services to the less-advanced regions.

Lastly, we would like to express our gratitude to President Chakrabarti, to the management, to every Director and staff of the Bank for their hard work. China is getting along very well with Netherlands, Mongolia, Macedonia and Armenia in the Constituency. In the future, we hope to exploit further potential of cooperation and look forward to making joint efforts with other members to contribute to the development of the Bank and the economic transitions of its countries of operations.