

Research on the Coordinated Promotion of the "Belt and Road" with the Internationalization of RMB

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Abstract: General Secretary Xi Jinping pointed out in the nineteen report of the Communist Party of China that China adheres to the basic state policy of opening to the outside world and persists in opening up the country and building it. We will actively promote international cooperation along the road, create a new platform for international cooperation and add new impetus to common development. It is of great significance for promoting a new pattern of all-round opening up and promoting socialist modernization.

1. Introduction

General secretary Xi Jinping pointed out in the nineteen major reports of the Communist Party of China that China adheres to the basic state policy of opening to the outside world and persists in opening up the country and building it [1]. We will actively promote international cooperation along the road and build a new platform for international cooperation [2]. Adding new impetus to common development is of great significance for promoting a new pattern of all-round opening up and promoting socialist modernization [3].

RMB internationalization is the inevitable result of the rapid development of China's economy, and it is also the need to promote sustained and long-term economic development [4]. With the rapid changes of the global economy, the internationalization of RMB can not only enhance our economic strength and enhance its international status [5]. At the same time, it also provides favorable protection for the orderly and stable development of world trade.

The internationalization of RMB and the "one road area" are the two major strategies to adapt to the development of the world and adapt to the current national conditions of China [6]. With the acquisition of the layout and substantial progress of the "one way and one way", it shows the leading position of China's great powers, and provides a good opportunity for China to realize the internationalization of the RMB [7]. In the course of the implementation of the "area and one road" strategy, the frequency and scope of use of the RMB will be increased, the circulation of the RMB in the international scope will be strengthened and the international trade will be promoted.

The development of "one way and one way" can not be separated from financial support and currency circulation, and the deepening of the internationalization of RMB can not be separated from the implementation of the "along the way" strategy. Therefore, it is necessary to study the "one way and one way" with the internationalization of RMB internationalization.

2. Literature Review

"One way and one way" is a strategy for China to promote regional economic cooperation. And the internationalization mode of RMB is made up of two ways: "trade settlement and offshore market" and "capital outflow of enterprises out of the country and RMB". Hu Zongyi and Liu Yiwen used a dynamic computable general equilibrium model to study the impact of RMB internationalization on

China's import and export trade. The simulation results show that it plays a positive role in improving China's terms of trade and optimizing the industrial structure. Ba Shu song and other initiatives to promote the outflow of RMB to provide the premise, foreign demand for the renminbi and motivation to use the offshore RMB market in Hongkong, while driving the RMB overseas self-circulation. Tan Xiujie and Zhou Maorong used the gravitational model to study the trade potential of China and the countries along the "Sea Silk Road". The results show that the trade efficiency of our country and the countries along the line has great export potential. It is not difficult to see that at present, some achievements have been achieved in the study of the internationalization of RMB and the "one road area", and some research results have a good reference and guidance to the solution of the problem of synergistic promotion. Although the research on Collaborative promotion has attracted the attention of academic circles both at home and abroad. However, there is not much literature on the relationship between a regional economic belt and the internationalization of RMB. Therefore, the research on the cooperation between the "one area and one road" and the internationalization of RMB should be further discussed.

3. RMB and International Monetary System

Currency internationalization refers to the process of free exchange, trading and circulation of a country's currency across the country's borders and eventually becoming an international currency. From the economic perspective, the key factor affecting the internationalization of money is the economic base. Secondly, opening to the outside world provides market support for currency internationalization. China is integrating into the global financial system with a more open, pragmatic and inclusive mentality. After the global financial crisis in 2008, the renminbi won the trust and sense of security of overseas investors. The renminbi has gradually become a more important stabilizing force in the global financial system, and the demand for RMB by the international trade and financial system has increased rapidly and steadily. In July 2009, the people's Bank of China began to start the pilot of RMB cross-border settlement transactions in some cities in Shanghai and Guangdong, which is the symbol of the formal start of the RMB internationalization strategy. The milestone was in October 1, 2016, and the RMB became one of the five Basket Currencies of the IMF to calculate the value of SDRs, with a weight of 10.92%, second only to the dollar and the euro. In March 31, 2017, the International Monetary Fund updated the official foreign exchange reserve currency composition database for the first time. As a representative of the international reserve currency, the renminbi is improving the international monetary system to a more just, orderly and more diversified direction.

4. The Internationalization of RMB under the Strategy of "Belt and Road"

Most of the road along the road belongs to the developing countries, which has not yet completed the process of industrialization and urbanization, and has great potential for development in all fields. In the course of the "one way and one way" strategy, China and the countries along the line fully study the complementarity of the industry, looking for a win-win cooperation opportunity.

In terms of facilities Unicom, China has accumulated rich experience and achievements in the construction of road, bridge, high speed rail, port, pipeline, power, network and other major infrastructure construction, and has formed a strong international competitiveness. On the railway side, China and Europe have opened nearly 7000 lines, running 57 routes, and 35 domestic cities, reaching 12 cities and 34 cities in Europe. Aviation, China Civil Aviation has carried out direct air navigation with 43 countries along the line (as of May 2017), and foreign airlines have opened 18 new national routes along the road. In terms of port and maritime logistics, China has signed bilateral shipping agreements, "river transport agreement" with 36 countries along the route and EU and ASEAN respectively. The investment in infrastructure construction is huge, and the share of the RMB as the promotion of the international currency settlement function and the dollar - dominated clearing function market can be greatly improved.

In the smooth flow of trade, it is necessary to develop mutually advantageous markets and develop

trade cooperation with the countries along the border. China has signed various investment and trade agreements with 58 countries (up to November 2017). The simplification rate of "single window" was 59%, and 20.1% in the first three quarters of 2017 to the countries along the road along the road. In the first three quarters of the same period, 2893 newly established enterprises invested in China by the countries along the border, an increase of 34.4% over the previous year, with an actual investment of US \$4 billion 240 million. At present, the main commodities exported by our country to the "one along the road" are electronic products and nuclear technology, and the main imports from these countries are energy and primary products. With the development of trade cooperation, the use of RMB to replace the US dollar for trade settlement, the influence of RMB in the region has increased rapidly. At the same time, the countries along the line can reduce the cost by using the stable exchange rate of the people, and further promote the economic prosperity and development of the countries along the line, as well as the international status of the RMB.

In terms of financing, RMB products should be added to foreign investment and project loans. At the same time, cross-border financial management, capital settlement and many other RMB financial services can stimulate RMB to participate in financial projects overseas. To promote the development of the offshore financial business of the RMB and to accelerate the innovation of financial products can enrich the RMB products in the offshore market, and promote a good interaction between offshore and domestic markets. The total number of subinvestment banks has increased to 84. The 42 is the country along the line. Approval of more than 20 investment projects totaling more than US \$3 billion 700 million. The Silk Road Fund has signed 17 projects, promising to invest \$7 billion to support the project involving a total investment of US \$80 billion. 6 Chinese banks set up more than 80 branches, sub banks and representative offices in 19 countries along the route. China UnionPay card covers more than 50 countries, more than 4 million merchants and 400 thousand ATM. China Export and Credit Insurance Corp has signed cooperation agreements with various countries such as Belarus and Georgia for nearly 20 countries' cooperation projects. These measures enhance the participation of RMB in infrastructure construction along the line, and strive to become the mainstream currency of infrastructure financing system.

In the people's heart, there are many countries along the line, with various cultural forms and distinct differences, and there are many religious, ethnic and cultural contradictions, and then the differences in ideas and behavior patterns are produced. Expand interaction with people in the countries along culture, folklore and education. 734 friendly cities have been established with 53 countries along the line. As for tourism, citizens have been signed or signed to the 24 countries along the route to expand gradually to Western Asia, North Africa and central and Eastern Europe (as at 07 2017). We should strengthen cultural exchanges, enhance understanding, and resolve the differences between cultures and religions and ideology, and lay the foundation for cultural and public support for more extensive cooperation in the region. This has a positive impact on China's influence and the influence of the renminbi as an international currency.

5. Conclusion

In 2018, in the international background of the overall recovery of the world economy, the "anti-globalization" trend of thought and the rising trend of trade protectionism, the increase of policy spillover effects and uncertainty factors in developed economies. China faces many difficulties, such as domestic overcapacity, lack of endogenous drive for economic growth, and continuous accumulation of financial risks. However, the overall economy has maintained steady and rapid growth, the economic structure has continued to be optimized, and employment has basically remained stable. The strategy of "one way and one way" and the internationalization of RMB have been steadily pushed forward, and the effective docking of the policies of all countries along the line is gradually realized. The construction of China Unicom in five aspects is the breakthrough point to promote the growth of trade and investment along the line as soon as possible. From a single field to a multidisciplinary strategy, it is basically in line with the common interests of all countries along the

line. By substantially expanding the scope of the application of RMB assets along the region along the "one along the road", the proportion of RMB in the region and to the whole international trade market and financial market is increased. We will further promote the more robust internationalization of the RMB and support the deep development of the "along the way".

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