

## Research on China's "the Belt and Road Initiative" Cooperation Strategy Based on the New Situation of International Regional Economic Cooperation

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**Abstract:** "One Belt One Road" is China's current main strategy for foreign economic development. This strategy better caters to the requirements of globalization and brings tremendous energy in promoting the development of regional economic cooperation and creating more well-being for the people of countries along the route. China's "One Belt, One Road" is the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". It is a major decision made in response to the development of economic globalization and changes in the global economic situation. After entering the new century, China's economy is in a period of rapid development, which is inseparable from the continuous development of economic globalization and the continuous progress of the regional economy. How to make better use of the "Belt and Road" strategy to promote international regional economic cooperation is the main direction of current research in the field of economic development. Starting from the new situation of international regional economic cooperation, this article analyzes the important strategic significance of China's implementation of the "Belt and Road" construction, and makes relevant reflections on the key points of the "Belt and Road" strategic construction.

### 1. Introduction

The "Silk Road" started in Han Dynasty. As an ancient commercial trade route connecting Asia, Africa and Europe, it gradually evolved from the original Silk Transport Road into the main channel for the exchanges between East and West in trade and culture [1]. China's "the belt and road initiative", namely the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road", is an important decision made in line with the development of economic globalization and changes in the global economic situation [2]. "The belt and road initiative" is the main strategy of China's current foreign economic development. This strategy better caters to the requirements of globalization and brings great energy in promoting the development of regional economic cooperation and creating more benefits for people along the route [3]. Since the establishment of the World Trade Organization (WTO), international regional economic cooperation has been greatly developed. The establishment of WTO also promoted the establishment of regional economic cooperation organizations. Facing the development trend of economic globalization, regional economic cooperation enhances the economic strength of countries in the region, enhances the ability to cope with the risks of globalization, and greatly improves the competitiveness of countries. There are many WTO members, and their development level is not the same as that of national policies. It is difficult to reach agreement involving the interests of all parties, but the implementation of regional economic cooperation. Members can freely choose to cooperate in trade and economy to maximize their benefits. Therefore, regional economic cooperation has become an indispensable and important part of today's world economic development, changing the world pattern [5].

After entering the new century, China's economy is in a period of rapid development, which is inseparable from the continuous development of economic globalization and the continuous progress of regional economy. China, as the starting point of "the belt and road initiative", needs to pay more attention to the economic region and communicate and cooperate with the neighboring

countries along the route [6]. With the remarkable effect of “the belt and road initiative” applied in some countries, many countries have joined the “the belt and road initiative” strategy. With the impact of politics, economy and culture in different regions, the preferential cooperation mode has been unable to solve all the problems encountered in the “the belt and road initiative” strategy, so a multi-dimensional generalized economic cooperation mode has emerged [7]. The “the belt and road initiative” strategy is conducive to China's going out and realizing regional economic integration with China as the core. How to make better use of the “the belt and road initiative” strategy to promote international regional economic cooperation is the main research direction in the field of economic development [8]. Based on the basic connotation of “the belt and road initiative”, this paper explores the preferential cooperation mode of bilateral and multilateral and the generalized mode of multidimensional. On this basis, it discusses the development strategy of China's international regional economic cooperation in the future under the background of “the belt and road initiative”.

## **2. New Situation of International Regional Economic Cooperation**

In the process of regional economic cooperation and development, since most of the countries along the bilateral and multilateral preferential treatment are developing countries, if the free trade agreement is signed directly, it will affect the development of the countries along the route to a certain extent, and also affect the enthusiasm of the countries along the route to participate in the “the belt and road initiative” strategy. Because regional agreements are exclusive to countries outside the agreements to a certain extent, and can bring trade and investment transfer effects to countries outside the agreements, countries outside the regional agreements are worried about being marginalized in many regional agreements, the transaction costs of entering in the future and the increased trade and investment risks in the region, and so on, and have also accelerated the pace of bilateral or regional agreement negotiations. In the strategic development of “the belt and road initiative”, bilateral or multilateral preferential trade agreements can be signed through the cooperation of relevant countries from the perspective of the benefit of cooperation between both parties. In order to better promote the smooth cooperation. China can improve the enthusiasm of countries along the “the belt and road initiative” to participate in the signing of bilateral preferential agreements by granting foreign aid loans, and can also use the aid of related projects in China [9]. Under regional agreements, the depth and breadth of liberalization and facilitation of trade in goods and services among countries are constantly improving, and countries in the region are adjusting to a more open and non-discriminatory direction in terms of tariffs, non-tariff measures, market access for services, and trade and investment facilitation. The development of economic integration brings many benefits to both enterprises and the general public. From the economic point of view, it can reduce the tariff and the cost of international trade, and bring a lot of convenience to other aspects. The formalities in the import and export trade will be convenient and a large number of trade conflicts will be prevented.

Under the “the belt and road initiative” strategy, international regional economic cooperation needs to choose a scientific development model from the development characteristics of each country. Therefore, it is very difficult to solve all development problems only by the preferential economic cooperation mode. In the long run, the “the belt and road initiative” strategy can enhance China's political strength and improve China's international economic and financial position. “the belt and road initiative” has realized the industrial upgrading, and made China form a new industrial pattern. At the same time, countries around the world can have a good environment for rational allocation of resources and reduce trade friction with other countries. During the implementation of the “the belt and road initiative” strategy, regional economic cooperation can not be separated from the support of funds. In order to better help the implementation of the “the belt and road initiative” strategy, it is necessary to further innovate and diversify the mode based on the traditional financing means. Through the “the belt and road initiative”, China can make use of its huge foreign exchange reserves and infrastructure capacity to strengthen mutual benefit and complementarity with the vast number of emerging market countries, so that foreign exchange reserves and infrastructure capacity

will be transformed into important economic factors to promote China's development. In carrying out the “the belt and road initiative” strategy, the benefits brought by relying solely on government investment are not obvious. Therefore, it is necessary to further stimulate the enthusiasm of private capital on the existing basis, and complete infrastructure construction through the joint injection of private capital and government capital.

### 3. “One Belt, One Road” Strategy for Regional Economic Cooperation

With the appreciation of RMB, the rising cost of domestic production, the gradual disappearance of demographic dividend and the arrival of “lewis turning point”, the competitiveness of China's export products is constantly weakened, and transformation and upgrading have become the inevitable way to reshape the competitiveness of foreign trade. The “the belt and road initiative” strategy is the most important international strategy in China at present. The continuous deepening of the construction of “the belt and road initiative” is not only the deepening and opening up of China's reform and opening up, but also meets the requirements of China's in-depth cooperation with Asia, Europe, Africa and other countries in the world. From the perspective of service industry, China's construction industry and transportation industry do not have industrial competitive advantages. After the implementation of the “the belt and road initiative” strategy, it has been impacted to a certain extent. But in other service industries, the decline of China's output and export is not obvious. With the development of economic globalization and the deepening of international and regional economic cooperation, China's strategy of regional coordinated development is constantly being promoted. The implementation of the “the belt and road initiative” strategy will completely transform the strategy into practical cooperation, and ensure the continuous improvement of the economies of various countries, which is of great significance to the progress of countries along the route and countries all over the world. Figure 1 shows the Forum on Agricultural Science and Technology and Economic and Trade Cooperation of Central and Eastern European Countries held in China.



Fig.1 Forum on Agricultural Science and Technology and Economic and Trade Cooperation among Central and Eastern European Countries

In the development of international regional economic cooperation in “the belt and road initiative”, the economic development level of many countries along the route is quite different. Therefore, China should make full use of the AIIB to further penetrate the cooperation with countries along the route on the basis of the original China-Pakistan Economic Corridor, so as to realize north-south communication. The implementation of the “the belt and road initiative” strategy can promote the development of all countries, and it is a road of cooperation in which all countries can prosper together, and it is also a way to promote the peaceful development of understanding and trust and strengthening exchanges among all countries [10]. In the process of implementing the “the belt and road initiative” strategy in the future, China should further strengthen cooperation with East Asia and Central Asia, actively coordinate the interests of all parties and effectively promote bilateral exchanges by creating a stable and harmonious cooperation environment. With the initiative of China's comprehensive regional development, China's inland

and coastal infrastructure construction has been improved, and foreign-funded enterprises can be transferred from the original coastal areas to the inland border areas. In the promotion of the “the belt and road initiative” strategy, we should further improve the dialogue mechanism and further establish trade agreements.

#### **4. Conclusions**

The construction of “the belt and road initiative” will drive the steady growth of macro economy and industry between China and the countries along the route, and it is a pioneering multilateral win-win cooperation. Therefore, we should unswervingly carry out this strategy, and welcome all countries and regions in the world to join in, give full play to their comparative advantages in industry and complement each other's advantages. The implementation of the “the belt and road initiative” strategy has broken the barriers of the traditional trading mode, promoted the trade liberalization of countries along the route, played a positive incentive effect for the trade between China and countries along the route, and had a negative impact on countries that did not join. In the promotion of the “the belt and road initiative” strategy, we should further improve the dialogue mechanism and further establish trade agreements. China is an important part of the international region. “the belt and road initiative” drives the economic and other development of countries along the border, improves the level of infrastructure and economic development of countries along the border, reduces the differences between countries, maintains and stabilizes the relations between countries, and enables China to give full play to its role and value in international regional economic cooperation. In the process of implementing the “the belt and road initiative” strategy in the future, China should further strengthen cooperation with East Asia and Central Asia, and actively coordinate the interests of all parties by creating a stable and harmonious cooperation environment.

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