



## University of Colorado Denver CIBER January 6-16, 2019 Faculty Development in International Business Program China's Belt and Road Initiative Visiting Shanghai, Hangzhou, Dunhuang and Hong Kong

### Overview

The Peoples Republic of China is implementing its **Belt and Road Initiative (BRI)**, a key pillar of China's global strategy and a critical driver for enhancing China's leadership position in the global economy. Championed by President Xi Jinping, BRI has become a national strategy supported throughout all levels of government. The cornerstones of BRI are the Silk Road Economic Belt (from China through countries on the original Silk Road: Central Asia, West Asia, the Middle East, and Europe) and the Maritime Silk Road (from China through contiguous waterways to countries on the maritime trade routes). In addition to economic development, BRI includes efforts to promote greater financial integration and use of the Renminbi by foreign governments, link regional information and communications technology networks, and lower barriers to cross-border trade and investment in the region.

The January 2019 China Faculty Development in International Business Program (China FDIB) will examine: How is BRI creating connectivity and cooperation among China and as many as 70 countries in Eurasia, Oceania, and East Africa? How is it opening new markets and sources of supply and raw materials for Chinese companies? What roles are the Chinese government in general and the Silk Road Fund and Asian Infrastructure Investment Bank in particular playing in financing the massive projects under BRI? How is BRI influencing and impacting the competitive positions of China and the United States in the global economy?

### For additional information contact

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### Who should participate

- Faculty interested in examining China's changing role in the global economy, its economic and business climate, cultural opportunities and challenges, and Chinese and US companies operating in China.
- Faculty interested in incorporating Chinese business content in their courses and developing new field study courses to China.
- Faculty interested in conducting research on Chinese business and its economy, global competitive dynamics, and establishing research contacts with US and Chinese faculty and researchers.

### Program fee

\$5000 for single occupancy. The fee includes hotel, most meals, transportation in China, site visits, and cultural tours. It does not include airfare to/from Asia, incidental expenses, tips, passport and visa fees, and some meals.

### Limited partial scholarships are available for US faculty

- Who have never been to China
- Who have never participated in a CIBER foreign FDIB program
- Who are beginning an international emphasis
- Who are teaching at minority serving institutions
- Who are teaching at community colleges

**Applications will close October 15, 2018** - Visit <https://www.surveymonkey.com/r/Apply2019ChinaFDIB> to apply.

### Cancellation

Registrants may cancel until December 1, 2018 with a \$500 cancellation fee.



## Ancient Silk Road

The Ancient Silk Road existed for thousands of years, but flourished throughout the first millennium AD, reached its prime during the Tang Dynasty (618-907 AD), and flourished again during the 13<sup>th</sup> Century under the Mongols. The Silk Road continued for about 5000 miles through a dozen countries between China, the Mediterranean, and beyond. It generally began in Xian and followed no single route but used several branches depending on the season, local political situations, and geographic events including water supplies. Though primarily for trade, the Silk Road was also a conduit for invaders, travelers, missionaries, entertainers, and scientific knowledge. During the Ming Dynasty (1368 – 1644 AD), land trade between China, Central Asia, and the Middle East withered away. By the time of the Ottoman and Qing supremacies, the Silk Road was little more than a memory, superseded by direct maritime trade between Europe and Asia and finally the arrival of railroads.



## Maritime Silk Road

The old Maritime Silk Road had two routes: one from China to the East China Sea linking to the Korean Peninsula; the second from China to the South China Sea, Southeast Asia, South Asia, Arabian Sea, Indian Ocean, and the Persian Gulf. Archeological evidence suggests maritime transportation dates back thousands of years before the inception of the Silk Road. Maritime trade routes strengthened during the Ming Dynasty with their capacity for greater volume of goods and their relative safety compared to the looting inherent in the land route. Art, culture, and religion were key factors for co-existence and tolerance among civilizations participating in maritime trade.



## Silk Road Fund

The Silk Road Fund began in December 2014 as a \$40 billion fund for infrastructure and resource investments in countries in the BRI economic development areas. It is backed by China's foreign exchange reserves, China Investment Corp, Export-Import Bank of China, and China Development Bank. In May 2017, China's central bank decided to inject an additional \$14.5 billion into the Silk Road Fund, facilitating increased flexibility, efficiency, and leverage. The market-oriented operating principal behind the Silk Road Fund requires fair returns on investment and champions the concept of green and sustainable development incorporating social responsibilities (i.e., environmental protection) into its feasibility evaluation and risk management system. As of May 2017, the Silk Road Fund has provided \$4 billion of investments.

## Asian Infrastructure Investment Bank (AIIB)

AIIB is a multilateral development bank focusing on Asian infrastructure and other productive sector development: energy and power, transportation and telecommunications, rural infrastructure and agriculture, water supply and sanitation, environmental protection, urban development, and logistics. AIIB was developed in part due to Beijing's concern that the governance structure of existing international financial institutions was evolving too slowly. Representatives from 50 countries signed its Articles of Agreement in 2015. AIIB has an authorized capital of \$100 billion, 75% of which will come from Asian and Oceanian countries. China is its largest stakeholder with 26% of voting rights. AIIB's biggest challenges are ensuring selected projects serve the needs of the people, don't cause damage, and are done cost-effectively or efficiently. Though AIIB and BRI overlap, the two are different and AIIB financing can be made available for non-BRI projects. If AIIB is successful, in five years it could lend \$20 billion annually which would be on a scale with the World Bank's International Bank for Reconstruction and Development. As of September 2017, AIIB has provided \$3 billion in loans for 17 projects that include a hydroelectric plant in Tajikistan and a dam improvement project in Indonesia.

## Shanghai (Province-Level Municipality)

Known as the City Upon the Sea, Shanghai lies on the Yangzi River delta. Until 1842, it was a small fishing village. After the first Opium War, the village was carved into autonomous concessions administered concurrently by the British, French, and Americans. During these times, Shanghai catered to the rich and had the best art, the greatest architecture, and the strongest business in Asia. In the 1930s and 40s, the city suffered raids, invasions, and occupation by the Japanese. Between 1950 and 1980, Shanghai soldiered on through periods of extreme famine, drought, reform, and suppression. In 1990, Deng Xiaoping chose Shanghai as the center of the country's commercial renaissance. Since then, it has become mainland China's financial and commercial centers with the world's largest container port. Shanghai is one the PRC's four direct-controlled or province-level municipalities (along with Beijing, Chongqing, and Tianjin). Its 2016 population was estimated at 24.15 million, making Shanghai China's largest city.



*Yangshan Deep Water Port*

## Hangzhou (Zhejiang Province)

Hangzhou came into existence after river currents and tides threw up a barrier of silt which eventually formed West Lake or Xi Hu from a wide shallow inlet off the bay. It came into prominence after the completion of the Grand Canal thrust it into the center of trade, particularly moving grain between China's north and south. Noted by Marco Polo to be the City of Heaven, it is also known as China's Tea Capital and Silk City. Hangzhou is now one of China's most prosperous major cities and entrepreneurial hubs, with diverse sectors such as e-commerce, manufacturing, medicine, information technology, automotive components, electronics, telecommunications, chemicals, and food and beverage processing. Hangzhou is the capital and largest city in Zhejiang Province with 3.6 million people living in its six urban core districts, 8.7 million in its prefecture, and 21.1 million in the Hangzhou Metropolitan Area, an area of 13,353 square miles. Two major organizations have been set up in Hangzhou to implement Belt and Road Initiatives, the Silk Road International Association which provides services for BRI projects, and a \$14.6 billion fund to support Zhejiang companies participating in BRI.



*The Grand Canal in Hangzhou*

## Dunhuang (Gansu Province)

Also known as the Blazing Beacon, this last watering oasis before the Taklamakan Desert was the ancient point of entry to China "proper" from Central Asia via the Silk Road and thus a melting pot of cultures and religion. Just outside of Dunhuang behind the towering dunes of Singing Sand Mountains, are the Mogao Grottoes, considered to be the world's richest repository of Buddhist art. They were carved and painted between 366 AD and the 10th Century then left undisturbed until the end of the 19th Century. Today, Dunhuang is a rapidly developing small city of 180,000 mainly Han, but also Hui, Uighur, Mongol, and Tibetan citizens. Dunhuang is using its history, its location, and its highly diverse culture to integrate into BRI. Due in part to BRI, tourism is increasing significantly as are road construction projects, trade and technology exchanges, solar energy investments, ecological projects, industrial connections, collaborations with Central and West Asia, and cultural exchanges.



*Mogao Grottoes at Dunhuang*

## Hong Kong (Special Administrative Region of the People's Republic of China)

Hong Kong dates back as many as 39,000 years. In 214 BC, it was incorporated into imperial China by Qin Shi Huang, the first emperor of a centralized China. The earliest European visitor arrived from Portugal in 1513, the catalyst of a short-lived turbulent maritime trade business. Since the 14th Century, China enforced laws forbidding all foreign maritime activities to prevent contact by sea with foreigners. In 1839, threats by the imperial court of Qing to sanction opium imports caused friction with the British Empire, escalating into the Opium Wars, the ceding of Hong Kong to the United Kingdom of Great Britain and Ireland in 1842, and Britain's 99 year lease in 1898. July 1, 1997, sovereignty over Hong Kong transferred from the United Kingdom to the People's Republic of China with the stipulation that Hong Kong would retain its laws and be guaranteed a high degree of autonomy for at least 50 years. Hong Kong is the world's eleventh largest trading entity and has a major capitalist service economy characterized by low taxation and free trade. It is the world's largest re-export center with products made outside the territory re-distributed through Hong Kong to the rest of the world.



*Hong Kong Harbor*

### Chen Ji, Program Leader

Chen Ji is Director of China Initiatives for the University of Colorado Denver Center for International Business Education and Research and Senior Instructor of Finance. He has led faculty and student study tours to China for over 20 years. Chen Ji teaches principles of finance, international financial management, financial institutions and markets, investment and portfolio management, corporate financial management, China and the Global Economy, and Window on China. His research focuses on China's bond and securities markets, banking system, pension and insurance reform, and human resources management practices. Chen Ji holds a master's degree in finance from the University of Colorado Boulder, a master's degree in economics from Liaoning University, and a BS in engineering from Dalian Institute of Technology.



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*2017 China Faculty Development Program Participants*

**Co-sponsored**

by the U.S. Department of Education through its Centers for International Business Education and Research (CIBERs) at universities to be identified.

