

# Research on the Impact and Strategy of China's Belt and Road Construction Enterprises from the Perspective of New Coronavirus Epidemic Situation

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**Abstract.** The so-called belt refers to the silk road economic belt, one road refers to the 21st century maritime silk road. Therefore, the Belt and Road Initiative is actually the joint abbreviation of both. It is based on the premise of the formation of bilateral and multilateral mechanisms between China and relevant countries. With the help of existing and effective regional cooperation platforms, it has jointly created a community of interests of political mutual trust, financial cooperation and cultural integration. China's infrastructure construction enterprises are facing broader world market, but both opportunities and challenges coexist. In addition, the whole world is currently in a period of new coronavirus outbreak which affects those companies. This article proposes to promote the comprehensive and effective development of China's Belt and Road construction enterprises from the aspects of overall planning, utilization of resources, ensuring engineering efficiency, and reducing corporate risks.

**Keywords:** China epidemic perspective, the belt and road, construction enterprises

## 1 Introduction

Until December 25, 2019, data released by China Ministry of Commerce showing that the Belt and Road has played a remarkable role in economic and trade cooperation with relevant countries. In 2019 alone, China's trade volume with countries along the belt and road reached as much as \$11.4 trillion, an increase of 17.8% compared with the same period in 2018. Experts estimate that the number will continue rising in the next two to three years. View Research released the "2019 China's construction market analysis report - market competition pattern and investment opportunity research shows that in 2018, China's newly signed contracts for countries along the Belt and Road route amounted to US \$ 125.8 billion, accounting for 52% of the newly signed contracts for foreign contracted projects, and Laos railway, Malaysia's eastern coastal railway and other large engineering are going smoothly; The proportion of total imports and exports to the Belt and Road countries increased from 25.6% in 2016 to 40.8% in 2018. In addition, the number of domestic companies listed as ENG international contractors increased in 2018, with 69 domestic companies listed in the 2018 list, which is the highest number since the Belt and Road Initiative, and the overseas revenue of these listed companies accounted for 23.7%, 2.6 percentage up compared with that in 2017. Although COVID-19 punched up in January 2020 had a certain impact on the development of China's construction enterprises along the Belt and Road, China's imports and exports to ASEAN and countries along the "Belt and Road" maintained a growing trend, with imports and exports increasing by 2.0% and 1.8%, respectively. For the first time, the proportion of total imports and exports exceeded 30%, according to data released by the National Bureau of Statistics in March 2020. From the perspective of the epidemic situation, the development of China's Belt and Road construction enterprises has withstood the test of the new coronavirus epidemic situation. Based on the basic situation of the development of the Belt and Road construction enterprises under the perspective of China's epidemic situation. This paper will analyze the challenges, impacts and corresponding strategies faced by the Belt and Road construction enterprises.

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## **2 Challenges Faced by the Belt and Road Construction Enterprises from the Perspective of Epidemic Situation**

Affected by the new coronavirus pneumonia epidemic, the defense and anti-epidemic warnings have been raised all over the world. Due to weak economy, insufficient defensive awareness, many countries and regions have serious deficiencies in public emergency and health care. As a result, the epidemic is very serious, and this environment has also brought obvious challenges to the development of the construction enterprises of the Belt and Road to a certain extent.

### **2.1 Natural Environment Challenge**

The natural environment is objective and the most direct factor affecting the development of construction enterprises. From the perspective of the epidemic, the natural environment will change to a certain extent, which will bring some unpredictable challenges to the development of construction enterprises. Under the guideline of the Belt and Road policy, China construction enterprise has created established cooperative relations with the associations of south-east Asian nations (ASEAN), Europe and Asia, Africa and other countries. For construction companies, these places include cold plateau, the vast desolate wilderness, and rough sea, so everywhere is filled with the challenge of severe natural environment, and different geographical environments have different soil, weather, water and so on. This is a huge challenge for China's construction enterprises. In addition, the coronavirus pneumonia outbreak spreads around the world, Europe has become a major disaster area of the outbreak, which is a huge challenge for construction companies all the way. How to enable enterprises to overcome the challenges of the local severe natural environment and more effectively overcome the challenges of the new coronavirus pneumonia epidemic in the future development has become the main goal of the current Belt and Road construction enterprises.

### **2.2 Political Challenges**

Political environment is one of the main factors influencing the development of the enterprise. Normally, a good political environment will bring the development of the enterprise more vast and positive market. Otherwise, the market will become unstable and uncertain. Therefore, in the process of the development of the enterprise, enterprises should pay close attention to politics, with a positive attitude and measures to meet the challenge. Because of the outbreak of novel coronavirus, governments around the world have taken active measures to respond to the challenge of this virus. Therefore, some countries have adopted temporary containment measures and temporary quarantine measures for the sake of the safety of local people and the effective containment of the outbreak. In the process of the Belt and Road enterprise development, it will inevitably cause the flow of foreign personnel. However, in case of local people and their own safety, the process of returning to work needs to pass through multiple checks and joint department assessment. Some places due to the serious epidemic directly introduced policies and measures of short term production pause. As a result, all these policies will undoubtedly make construction enterprises without more effective method. So, with different political factors, the Belt and Road construction enterprises are facing a very severe policy environment challenge. It is necessary for them to actively seek measures in the process of development to avoid the adverse factors in the policy as much as possible, providing a more favourable policy environment for the development of construction enterprises along the belt and road.

### **2.3 Enterprise's Own Challenges**

From the overall situation, the Belt and Road construction enterprises can continue to survive under the background of the epidemic. The key factor is whether their own forces can withstand the market challenges. From the perspective of epidemic situation, the challenge that China's Belt and Road construction enterprises need to face mainly contain three aspects: first of all, whether the comprehensive power of enterprises can be recognized by the market; Secondly, whether the innovation ability of the enterprise can be recognized by the industry; Finally, whether the enterprise's own emergency prevention and control ability can meet the requirements of the development of all enterprise employees. Under the

background of epidemic, only by fully improving their own strength can Chinese the Belt and Road construction enterprises achieve comprehensive development in the broad infrastructure market environment.

#### **2.4 Standard Difference Challenge**

In the process of development, Chinese the Belt and Road construction enterprises need to go abroad actively to meet the challenges in a wider space. However, Chinese infrastructure enterprises should realize that going abroad does not simply extend domestic projects, nor copy domestic management norms and standards to foreign countries. Especially from the perspective of the epidemic situation, the risk control management of various countries has been further strengthened. If China's Belt and Road construction enterprises are to develop further in a broader market, they need to adopt building standards for different countries, different places and different time periods. With a more comprehensive and accurate understanding, otherwise it is extremely easy to cause acceptance failures and serious losses due to differences in standards.

In summary, from the perspective of the epidemic situation, China's Belt and Road construction enterprises have not only an extremely broad market in the process of development, but also face various challenges in terms of natural environment, political factors, enterprises themselves, and standard differences. In view of this situation, China's Belt and Road construction enterprises should actively formulate corresponding measures to meet these challenges in order to obtain rapid and effective development of the enterprises.

### **3 The Impact of Epidemic Situation Perspective on the Development of the Belt and Road Construction Enterprises**

Judging from the current situation of world development, the world economy has shown a downward trend since 2015. Countries, localities, and economic communities are all facing different levels of economic straits. The new coronavirus pneumonia epidemic has hit the global economy. It has been hit hard, and for the construction enterprises of the Belt and Road, the construction enterprises have been mainly affected by the following aspects from the perspective of epidemic situation.

#### **3.1 Impact of Construction Period**

As we all know, construction projects, especially infrastructure projects, cannot be completed within a short period of time, and some construction periods may even be as long as ten years. Within such a long construction period, the Belt and Road construction enterprises must be effectively developed. The entire construction period needs to be strictly controlled and grasped, for example, whether the construction period can be carried out according to the original plan, what is the reason for the extension, and whether the construction period can be advanced within the prescribed standards. Among them, there are all kinds of interlocking and interrelation, and a mistake in any step will exert impact on the original schedule. Under the influence of the new coronavirus pneumonia epidemic, the production, people's lives, and work of various departments of various enterprises have been seriously affected, especially because of the restriction in various regions during the epidemic, and serious areas have even been hopeless to resume work. In this case, the labor, the use of raw materials, and the transportation of machinery of Chinese construction enterprises in the Belt and Road are difficult to be conducted effectively according to the original construction period, which also affects the construction period of the construction enterprise to a certain extent.

#### **3.2 Pioneering Influence**

Judging from the planned development routes of the Belt and Road Initiative, most of them are developing countries along the way, and the infrastructure construction in these countries is relatively less developed. For example, a large number of infrastructure facilities are required in various parts of Asia and Africa. The vast market also brings more opportunities for the development of enterprises, but in the epidemic

environment, all countries have adopted prudent development measures in the development. At this moment, China's construction enterprises in the Belt and Road Initiative must go in the development process and going out and exploring a broader market will certainly be affected. Statistics from the National Bureau of Statistics show that China's imports and exports to ASEAN and countries along the "Belt and Road" in January-February 2020 have maintained a growth trend, and the volume of imports and exports has also increased, with the proportion even exceeding 30%. However, from the actual situation, it is still not as expected, so from the perspective of the epidemic, construction enterprises in the Belt and Road are still seriously affected by the epidemic.

### **3.3 Impact of Acceptance**

The project acceptance involves the joint work of multiple departments. In the current anti-epidemic environment, many departments have added temporary work, coupled with a limited number of personnel. Therefore, the efficiency of the acceptance is not as high as before. There will also be some subjective factors in inspection work that affect the smooth inspection of Construction enterprises in the Belt and Road in China.

### **3.4 Impact of Repayment**

After the completion of the project inspection, the construction enterprises of the Belt and Road Initiative still needs to receive a portion of the remaining payment. In this case, if the remaining payment of the enterprise cannot be quickly received, this will easily affect the further development of the enterprise. It is often encountered that the impact of various uncertain factors causes the payment to be untimely. Due to the impact of the epidemic, the economic interests of various industries are impaired, and some enterprises or departments cannot obtain a timely economic cycle. This will definitely influence the payment collection of the Belt and Road construction enterprises by a certain degree.

In summary, from the perspective of the current epidemic situation, China's Belt and Road construction enterprises have been affected by the construction period, pioneering, inspection, and payment collection in the development process, which has prevented the Belt and Road construction enterprises from fully realizing their expectations and need to be developed in the next step by taking positive measures.

## **4 Strategies for Epidemic Situation to the Development of Belt and Road Construction Enterprises**

Although judging from the current actual situation, the world's epidemic situation has not been more effectively controlled, economic development has never stopped, and various opportunities are still hide in the crisis. Therefore, in the epidemic environment, China's Belt and Road construction Enterprises should take active measures from the following aspects to promote their effective development.

### **4.1 Strengthen Belief and Formulate Overall Plan**

Although the current development of the world is facing extremely severe challenges, as long as China's Belt and Road construction enterprises firmly believe and actively take effective measures to formulate a global plan during the development process, and they will definitely be able to make the enterprise effective development in a wider market. For example, each Chinese Belt and Road construction company should fully analyze the basic situation of the current epidemic, then analyze the specific conditions of the countries and localities along the Belt and Road, and then fully combine the enterprise's own power to formulate a global plan from the perspective of overall development, for example, separately formulating China-Africa cooperation plan, China-EU development plan, and China-Asia cooperation plan, etc., and helping enterprises gradually achieve comprehensive development in the overall plan.

### **4.2 Take Advantage of Local Conditions and Make Full Use of Resources**

Practice has proved that from the perspective of the epidemic situation, if China's Belt and Road

construction enterprises finally aim is to develop comprehensively, they need adapt to local conditions, actively use local resources, using Chinese technology as much as possible, and obtain materials locally so that it may break the resources limit. Getting as much basic resources as possible, and will lay the foundation for the development of construction.

### 4.3 Innovate to Ensure the Efficiency of the Project

In the context of the epidemic, China's Belt and Road construction enterprises found during the development process that most enterprises need effective innovation and development in the development process, so that the project can be further developed. In this case, in the process of development, China's Belt and Road construction enterprises should actively take measures to reduce costs and improve technology, so that enterprises can ensure the efficient progress and development of the project from technological innovation and cost reduction in the development process.

### 4.4 Risk Control Management to Reduce Corporate Risks

From the practical situation and perspective of epidemic situation, China's Belt and Road construction enterprises will face the impact of nature, policy, and the corporate itself during the development process. Therefore, for China's Belt and Road construction enterprises to develop effectively, it is necessary to promote enterprises to carry out risk control management in the development process, for example, to conduct a detailed analysis of the market, to have a more comprehensive understanding of the basic national conditions, laws, and accounting of the partners and then formulate corresponding risk control based on these elements to ensure that the enterprise reduces risks in the development process.

## 5 Conclusion

In summary, driven by the Belt and Road Initiative, China's construction enterprises have developed in all directions, and have actively stepped out of the country with the help of the state and society. After the development in recent years, the development of the Belt and Road construction enterprises has been more comprehensively improved, but in the context of this epidemic, China's Belt and Road construction enterprises are affected to a certain extent. This shows that from the perspective of China's epidemic situation, the construction enterprises of the Belt and Road Initiative also need to actively take effective measures to prompt them to actively meet the challenges in the epidemic environment, actively solve the problems, and ultimately achieve sustainable development of the enterprise.

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