

RESEARCH ON "THE BELT AND THE ROAD" PPP FINANCING MODEL BASED ON GAME THEORY PERSPECTIVE

Lu Guixian & Yao Yuan
University of Henan, Kaifeng, CHINA

ABSTRACT

"The Belt and the Road" is an important international strategy of China in the 21st century. Infrastructure construction is of great significance to promote the strategy of "the Belt and the Road". There is a huge funds gap to build infrastructure, so it is urgent to finance from domestic and foreign investors. This paper first analyzes the theoretical basis and practical needs of the application of PPP financing model in the construction of "the Belt and the Road", and then analyzes the mechanism of PPP financing based on the perspective of game theory. The results show that there are Nash equilibrium solutions for domestic and foreign investors to participate in PPP projects, and in this case the total utility of social public goods is Pareto optimal. Finally, a few suggestions on how to better introduce the PPP financing model are proposed.

Keywords: The Belt and the Road, PPPmode, game theory.