



Whitehall Papers >

Volume 88, 2016 - [Issue 1: China's Eurasian Pivot: The Silk Road Economic Belt](#), by Raffaello Pantucci and Sarah Lain

607 Views | 1 CrossRef citations to date | 0 Altmetric

Articles

V. Finance and Economics of the Belt and Road Initiative

Raffaello Pantucci & Sarah Lain

Pages 56-68 | Published online: 16 May 2017

🗨️ Cite this article 🔗 <https://doi.org/10.1080/02681307.2016.1274609>



Sample our
Politics & International
Relations Journals
>> **Sign in here** to start your access
to the latest two volumes for 14 days



📄 Full Article

🖼️ Figures & data

🗨️ Citations

📊 Metrics

🖨️ Reprints & Permissions

Read this article

🔗 Share

V. FINANCE AND ECONOMICS OF THE BELT AND ROAD INITIATIVE

Finance

In contrast to the lack of more comprehensive and immediate detail about what the BRI means for the region, the allocation of finance to back the ambitious vision has been quick to emerge.

China's President Xi Jinping marked the announcement of the SREB in 2013 with deals worth billions of dollars: \$30 billion in Kazakhstan, \$3 billion in Kyrgyzstan and \$15 billion in Uzbekistan.¹ In September 2014, Tajikistan and China signed a \$5-billion direct investment deal.² In Pakistan in April 2015 Xi and Pakistan's Prime Minister Nawaz Sharif agreed a \$46-billion deal to fund the development of the CPEC.³

It is unclear, however, how exact these numbers are. One representative in the Chinese Embassy in Tashkent said that '\$15 billion' in a deal with China sometimes changed 'depending on who you were speaking to'.⁴ It is also not always clear the degree to which the deals are actually new each time, or whether they are in fact old deals repackaged or reannounced. For example, the deals between Chinese regions and specific Central Asian countries often appear to be subsets of the larger national deal signed when Xi visits the country.

Fundamentally, however, the grand totals are less important than the physical projects that result from Chinese investment. This has led many in Central Asia to view China as a somewhat more reliable partner than Russia in terms of aid and infrastructure construction pledges.⁵

¹ Aleksandra Jarosiewicz, 'A Chinese Tour De Force in Central Asia', OSW, 18 September 2013.

² Yu Lintao, 'Getting Tight with Tajikistan', *Beijing Review*, 22 September 2014.

³ Katharine Houreld, 'China and Pakistan Launch Economic Corridor Plan Worth \$46 Billion', *Reuters*, 20 April 2015.

⁴ Authors interview with representative from Chinese Embassy, Tashkent, Uzbekistan, October 2014.

⁵ This surfaced repeatedly in conversations, particularly on research trips to Kazakhstan and Kyrgyzstan, September 2014.

Notes

1 Aleksandra Jarosiewicz, 'A Chinese Tour De Force in Central Asia', OSW, 18 September 2013.

2 Yu Lintao, 'Getting Tight with Tajikistan', *Beijing Review*, 22 September 2014.

- 3 Katharine Houreld, 'China and Pakistan Launch Economic Corridor Plan Worth \$46 Billion', Reuters, 20 April 2015.
- 4 Authors interview with representative from Chinese Embassy, Tashkent, Uzbekistan, October 2014.
- 5 This surfaced repeatedly in conversations, particularly on research trips to Kazakhstan and Kyrgyzstan, September 2014.
- 6 He Yini, 'Development Body to Give \$61b Funds for Local Infrastructure', China Daily, 17 February 2016.
- 7 China Daily, 'Xinjiang Investing Heavily in Infrastructure in 2016', 7 April 2016.
- 8 Economic Times, 'China Kicks Off \$79.8 Billion Silk Road Infrastructure Project in Northwest Province of Gansu', 1 March 2015.
- 9 Reuters, 'China Approves \$8.34 bln in Infrastructure Projects – NDRC', 27 May 2016.
- 10 Radio Free Europe/Radio Liberty, 'Chinese Province to Invest \$800 Million in Tajikistan', 7 November 2014.
- 11 Raffaello Pantucci and Anna Sophia Young, 'Xinjiang Trade Raises Doubts Over China's "Belt and Road" Plan', Financial Times Beyond BRICS, 10 August 2016.
- 12 Andrew Critchlow, 'China's New \$16bn Gold Fund at Centre of New "Silk Road"', Daily Telegraph, 26 May 2015.
- 13 Lan Lan, 'Top Economic Planner Plans Steps to Bolster Bond Market', China Daily, 6 August 2015.
- 14 Zheng Yangpeng, 'China Gets 30% Stake in AIIB as Bank Takes Shape', China Daily, 29 June 2015.
- 15 James Kynge, 'How the Silk Road Plans Will Be Financed', Financial Times, 9 May 2016.
- 16 Anthony Williams, 'China Becomes EBRD Member as Suma Chakrabarti Visits Beijing', EBRD, 15 January 2016.
- 17 Francis Fukuyama, 'Exporting the Chinese Model of Development', Livemint.com, 31 December 2015.

- 18 Jane Perlez, 'China Creates a World Bank of its Own, and the US Balks', New York Times, 4 December 2015.
- 19 NDRC, People's Republic of China, 'Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road', March 2015.
- 20 Bridges, 'BRICS Countries Launch New Development Bank' (Vol. 18, No. 26, 17 July 2014).
- 21 François Godemont and Agatha Kratz (eds), '"One Belt, One Road": China's Great Leap Outward', European Council on Foreign Relations, 10 June 2015.
- 22 Chris Rickleton, 'By Opposing SCO Development Bank, Is Russia Biggest Loser?', Eurasianet, 25 March 2015.
- 23 NDRC, 'Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road'.
- 24 In an interesting twist, James Woolsey, the adviser to then President-elect Donald Trump, said in the wake of the US election that this was a strategic mistake by the US. Wendy Wu and Kristin Huang, 'US Opposition to AIIB "Strategic Mistake" Says Senior Trump Advisor', South China Morning Post, 10 November 2016.
- 25 The Source, 'Chinese Contractor for Beitbridge-Chirundu Highway Banned by World Bank for Corruption', 6 June 2016.
- 26 Jan Cieski, 'Poland to China: You're Fired', Financial Times, 15 June 2011.
- 27 James T Areddy, 'European Project Trips China Builder', Wall Street Journal, 4 June 2012.
- 28 Asian Development Bank, 'ADB Approves First Cofinancing with AIIB for a Pakistan Road Project', 10 June 2016.
- 29 Svitlana Pyrkalo, 'Road Project in Tajikistan Becomes First Joint EBRD-AIIB Investment', EBRD, 24 June 2016.
- 30 AIIB, 'AIIB's Board of Directors Approves Loans to Finance Energy Projects in Pakistan and Myanmar', AIIB Press Release, 29 September 2016.
- 31 Xinhua, 'China Proposed Six Platforms for SCO Cooperation', 15 December 2015.

- 32 Russia-China Investment Fund, 'About Us', <<http://www.rcif.com>>, accessed 5 December 2016.
- 33 Xinhua, 'China's Silk Road Fund Makes First Investment in Pakistan Project', 20 April 2016.
- 34 Kane Wu, 'China's Silk Road Fund Backs Another IPO of State-Owned Firm', Wall Street Journal, 24 November 2015.
- 35 Kynge, 'How the Silk Road Plans Will Be Financed'.
- 36 Maria Levina, 'China Helps Upgrade Bishkek Thermal Power Plant', Times of Central Asia, 23 September 2013.
- 37 Asia Plus, 'Tajik Interior Minister Meets Huawei Officials in Beijing to Discuss the Safe City Project', 25 February 2016.
- 38 Nurlan Zhumugalov, 'Avtonomnaya respublika CNPC v Kazakhstane' ['Autonomous Republic of CNPC in Kazakhstan'], yvision.kz.
- 39 Author conversation with international financial institution in Dushanbe, Tajikistan, 2012.
- 40 Tini Tran, 'As U.S. Fights, China Spends to Gain Afghan Foothold', NBC News, 7 March 2010.
- 41 Author conversation with oil executive, Ashgabat, Turkmenistan, May 2012.
- 42 Kynge, 'How the Silk Road Plans Will Be Financed'.
- 43 Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford: Oxford University Press, 2011).
- 44 Wade Shepard, 'Why the China-Europe "Silk Road" Rail Network is Growing Fast', Forbes, 28 January 2016.
- 45 Glaser and Funaiole, 'Geopolitical Consequences of China's Slowdown'.
- 46 GeoPolitical Futures, 'Net Assessment of Central Asia', 17 March 2016.
- 47 OECD, 'Overview: Economic Outlook for Southeast Asia, China and India 2016; Enhancing Regional Ties', 2015.

48 European analyst participant at RUSI-SASS Shanghai Conference, June 2015.

49 Konstantin Syroezhkin, 'China's Presence in the Energy Sector of Central Asia', Central Asia and the Caucasus, (Vol. 13, No. 1, 2012).

50 Ibid.

51 Authors' interview with representative from development bank, Ashgabat, Turkmenistan, October 2014.

52 Authors' interview with representative from a state-owned oil and gas company, Ashgabat, Turkmenistan, October 2014.

53 Pantucci, 'China-Pakistan: With Great Investment Comes Some Responsibility'.

54 Mukhamedzhan Adilov, 'Zyat prezidenta Timur Kulibaev uvel iz budzheta Kazakhstana \$1.8 milliard, sekonomiv na nalogakh vmeste c Lakshmi Mittalom. Eshcho \$1 milliard v Shveytsarii spryatal test' ['The President's Son-in-law Timur Kulibaev Stole \$1.8 Billion Dollars from the Budget of Kazakhstan, Saving on Taxes Together with Lakshmi Mittal. Father-in-law Hid Another \$1 Billion in Switzerland'], 26 February 2010, <<http://www.compromat.ru/files/32382.pdf>>, accessed 12 December 2016.

Log in via your institution

➤ [Access through your institution](#)

Log in to Taylor & Francis Online

➤ [Log in](#)

Restore content access

➤ [Restore content access for purchases made as guest](#)


Purchase options *

[Save for later](#)

PDF download + Online access

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed

EUR 48.00

 Add to
cart

* Local tax will be added as applicable

Related Research

People also read

Recommended articles

Cited by
1

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG