

Whitehall Papers >

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

593 | 1 | 0  
Views | CrossRef citations to date | 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>

 Check for updates

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

## We Care About Your Privacy

We and our 848 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. [Privacy Policy](#)

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

[List of Partners \(vendors\)](#)

 I Accept

Essential Only

Show Purpose



## 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.<sup>1</sup> In September 2014, Tajikistan and China signed a \$5-billion direct investment deal.<sup>2</sup> 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.<sup>3</sup>

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'.<sup>4</sup> 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.<sup>5</sup>

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

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

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



No

1 Aleksa  
2013.

2 Yu Lint

3 September

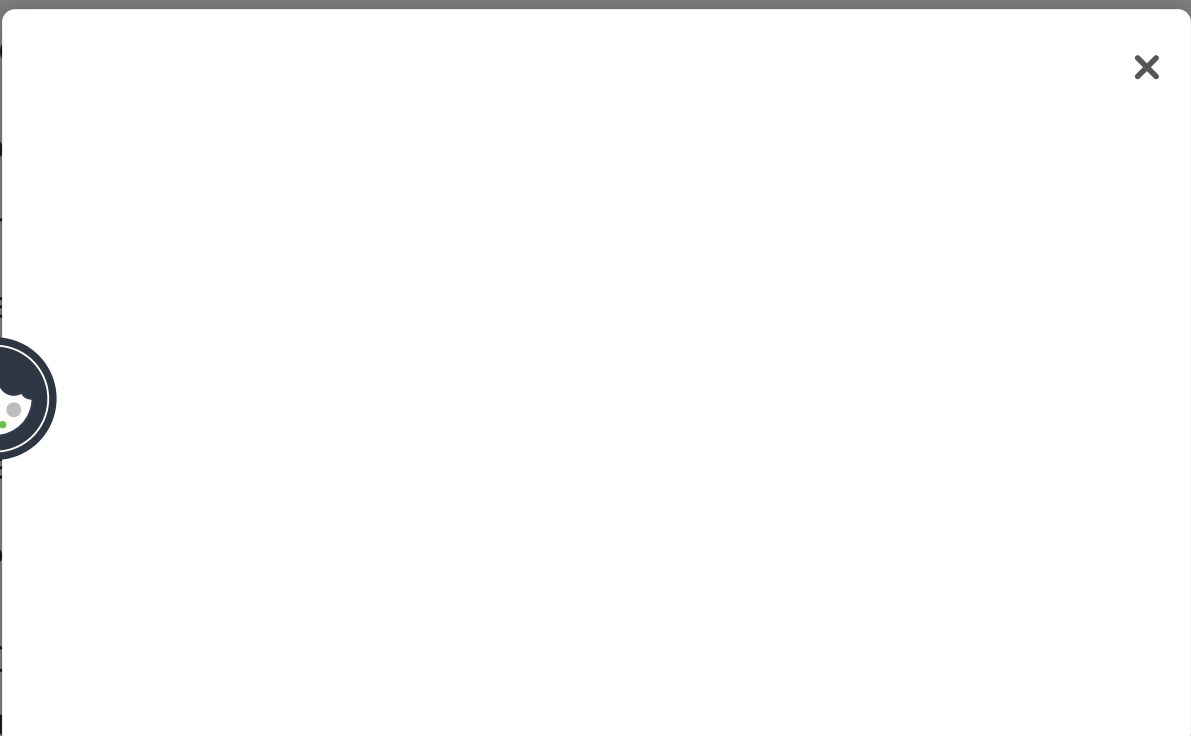
14.

- 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 L, 'China Daily, 6 August 2016
- 14 Zhen, 'China Daily, 29 June
- 15 Ja, '9 May 2016
- 16 Antho, 'Visits Beijing',
- 17 Franc, 'hint.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 ... al, 4 June 2012.
- 28 Asian ... a Pakistan Road Pro
- 29 S ... 3 Investm
- 30 AIIB, ... s in Pakistan and Mya
- 31 Xinh ... er 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 Kyng
- 43 Debo (Oxford: Oxford U
- 44 Wade 'ng Fast', Forbe
- 45 Glase
- 46 GeoP
- 47 OECD 2016; Enhanci
- 

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

> Acc

Log i

> Log

Re

> Res




Purch

ave for later

### PDF download + Online access

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

USD 53.00

 Add to cart

\* Local tax will be added as applicable

## Related Research

People also read

Recommended articles

Cited by  
1

I. China's Grand Strategy: The Belt and Road Initiative >

Raffaello Pantucci et al.

Whitehall Papers

Published online: 16 May 2017



## 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

