Chapter 10
Belt and Road Initiative 2.0 in the Making: How Far Can It Go?

The shifting global geopolitical environment amidst the power rivalry between the United States and China and the once-in-century global COVID-19 pandemic have pushed China to rely more on the domestic market, demands and resources for generating economic growth at home. The Chinese central government has for the past few years proposed and implemented a new development paradigm of "dual-circulation" (domestic and international) strategy, which emphasises the domestic market and demands as the primary force to drive development.

Meanwhile, the other side of China's circulation strategy is to open up its domestic economy to the world and to gain wider international market access for the Chinese firms. The Belt and Road Initiative is at the heart of international circulation under this strategy. The international market is crucial to hundreds of export-oriented manufacturing industries located in the Chinese coastal provinces, where millions of Chinese workers working in these industries rely on foreign markets and imports of intermediate goods and materials from abroad.

The completion and subsequent operation of the China-Laos Railway, the Phonon Penh-Sihanoukville Expressway and many other BRI infrastructure projects demonstrate that the BRI remains on track. According to China's Ministry of Commerce (2021), compared to the corresponding figures in 2018 and 2019, Chinese direct investment to the BRI countries recorded modest increases to US$18.1 billion in 2020 and US$20.3 billion in 2021. It indicates that China is still pumping money into the BRI-related projects abroad despite the changing global geostrategic environment and the global COVID-19 pandemic. Nevertheless, compared to when the initiative was initially launched in 2013, many new and complex challenges are facing implementation of the BRI.

Despite China's claims that the BRI is an economic cooperation initiative that will foster economic growth and industrial development for the participating countries, to create trade and investment opportunities and promote stability and peace in the world, the perception of China in general and the BRI in particular throughout the world is becoming increasingly negative. For example, according to a survey report

H. Yu, *Understanding China's Belt and Road Initiative*, Asia in Transition 26,
https://doi.org/10.1007/978-981-99-9633-9_10

by the ISEAS-Yusof Ishak Institute (2020), among member states of the ASEAN attitudes towards China have become increasingly complex and cautious. Most of the Southeast Asian elites surveyed believe that "China is a revisionist power and intends to turn Southeast Asia into its sphere of influence", with 63.6% of the respondents having little or no confidence in China's BRI. Moreover, the Pew Research Centre's Global Attitude Survey on China (2020) shows that the developed Western nations are also adopting increasingly negative attitudes towards China.

Meanwhile, mixed reactions and suspicion regarding the BRI from the participating countries are a product of a lack of trust in China and the motivations behind its push for the initiative. Many BRI countries are unclear as to whether or not the initiative will truly bring a win–win outcome with equal benefits and prosperity for all parties. China therefore needs to take practical steps to adjust its approach to promoting the initiative in response to the new regional and global new geopolitical environment. In the post-COVID-19 era, the international community needs to rebuild to create an open world economy and resilient regional and global industrial chains. And China's participation will be very important.

To achieve sustainability of the BRI, China needs to improve openness and transparency in its overseas infrastructure projects, pay more attention to the sustainability of borrowing in developing countries along the route and consider the long-term fiscal impact of borrowing for infrastructure projects on relevant countries (Yu 2022a). Excessive borrowing could pose a threat to financial sustainability for the borrowing countries. According to Horn et al. study (2019), low-income countries that have encountered huge debt burdens associated with China's BRI investment include Laos, Pakistan, Mongolia, Kyrgyzstan and Djibouti.

10.1 Readjustment of BRI Implementation[1]

China needs to calmly assess the progress made over the past decade since the implementation of the BRI and face up to the challenges. Against the backdrop of mounting pressure and serious challenges faced by BRI implementation, this initiative has reached a crossroads' moment requiring recalibration and readjustment. Given the diversity of BRI countries and their individual domestic conditions, China acknowledges that it is difficult for them to replicate China's own development model centred on domestic infrastructure development.

The construction and operation of BRI projects should fully take into account the feelings of local residents and communities and benefit the people and local communities of countries along the route, so that the BRI projects can truly integrate into those countries. For Chinese enterprises to successfully "go global", they need to accept and adapt to global standards and prevailing international rules, establish sustainable development principles and play the role of responsible investors. They

[1] An initial version of this chapter was first published as an academic article at (Yu 2023).

need to pay equal attention to the economic benefits of their overseas investment projects, the voice of the local community and sustainability of the environment.

In response to the international scepticism and criticisms of BRI implementation, during the second BRI summit in 2019, Xi pledged to deliver a multilateral BRI that would generate benefits for all participating countries. China has made adjustments to its BRI strategy through diversification and expansion of industrial sectors and cooperation areas under the BRI framework. BRI implementation was initially centred on infrastructure financing and construction, but its scope has now been expanded to include areas such as green and digital economy and health care.

10.1.1 Renewable Energy Sector

In order to deliver on its promise of a high-quality BRI, China is planning to build a green Silk Road, pay attention to the ecological protection and natural environment sustainability of countries along the route and minimise the potential environmental impact of investment projects on the BRI countries. In June 2021, China and 28 countries, including Singapore, Thailand and Kazakhstan, jointly launched the BRI Green Development Partnership Agreement, pledging to support the green and low-carbon development of the BRI countries, increase financing for low-carbon and environmentally friendly projects and promote the use and development of renewable energy.[2]

In September 2021, the Chinese authorities pledged not to approve any new overseas coal power generation projects and to vigorously support BRI countries in developing green and low-carbon energy. Chinese enterprises have strong manufacturing capacity and rich experience in the renewable energy sector. China is the world's largest producer of renewable energy equipment (e.g. wind and solar), accounting for 36% and 39% of the world's total solar photovoltaic capacity and total wind power installed capacity, respectively. China will be able to provide renewable energy equipment and transfer relevant technologies to countries along the Belt and Road routes, which will help them in their energy transition.

In addition, the Chinese authorities and Chinese firms have started to incorporate environmentally sustainable objectives into their BRI implementation plans and Chinese firms have started to assess the environmental impact of projects in countries along the BRI route, focus more on financing the construction of low-carbon clean energy projects and promote low-carbon development in BRI countries. China is seeking to place equal emphasis on the economic and environmental sustainability of BRI projects. In September 2021, the Nanoujiang Cascade Hydropower

[2] These countries include Afghanistan, Bangladesh, Brunei, Cambodia, Chile, Colombia, Fiji, Indonesia, Kazakhstan, Kyrgyzstan, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, the Philippines, Saudi Arabia, Singapore, Solomon Islands, Sri Lanka, Tajikistan, Thailand, Turkmenistan, United Arab Emirates, Uzbekistan and Vietnam.

Station in Laos, which was invested and constructed by the China Power Construction Group Co., Ltd., came into full operation. This hydropower station can supply 127.2 million kilowatts of stable and reliable clean energy, which is sufficient to meet more than 12% of Laos' electricity needs. In the process of project construction and operation, Chinese enterprises trained local Laotian technical talents in water resources' utilisation and management, to assist in the transformation of local energy use and promote sustainable development.

Prior to 2019, China's investment in overseas energy projects had been strongly tied up with carbon-intensive fossil fuels such as coal. Coal power generation is the world's single biggest cause of carbon emissions. However, in line with China's plan to cut domestic coal production and the overcapacity of coal-related equipment manufacturing at home, Chinese firms and banks have been willing to finance and build coal-fired power plants abroad. According to the findings of a World Resource Institute report published in 2018, from 2014 to 2017, 95% of overseas energy investments by Chinese state-owned enterprises were in fossil fuels, and 61% of energy-sector loans funded by the China Development Bank and Export–Import Bank of China were also channelled into fossil fuels (Zhou et al. 2018).

According to data from the Council on Foreign Relations (2021), 40% of BRI lending for the energy sector in Pakistan went to coal-fired power plants in 2018, which have had a major effect of increasing local carbon emissions. Many of the BRI energy and transport projects were built without conducting proper environmental impact assessment studies (Yu 2022b), which could generate long-lasting negative environmental consequences for the recipient countries. In response to climate change, Bangladesh, Egypt and some other developing countries have updated their energy development plans to promote energy diversification strategy and restrict new coal-fired power plants.

Meanwhile, leveraging on its strength as the global renewable energy superpower, China is promoting the green BRI by gradually shifting the focus of its overseas energy investments to more renewable power projects. The share of renewables had risen to 57% (or US$11 billion) of China's total energy investment in 2020, compared to the 2019 figures (Nedopil 2021). For example, China sent an official letter to Bangladesh in February 2021 announcing that the Chinese side intends to phase out coal project investment in Bangladesh, including the proposed US$433 million Gazaria 350-megawatt coal-fired thermal power plant (Green Belt and Road Initiative Center April 2021). Given that Bangladesh is one of the world's biggest recipients of coal financing, along with Indonesia, Vietnam, South Africa and Pakistan, and 70% of all coal-fired power plants built in the world today are funded by China, China's announcement to phase out coal investment in Bangladesh is both symbolic and significant. China could be expected to make similar announcements in other BRI countries too.

However, China's endeavour for a clean and green BRI has limitations. Some data convey a contradictory message from the Chinese side regarding BRI-affiliated investments on the energy sector. Although China's investment in renewables has increased, the share of carbon-intensive coal investment in its total energy-sector investment went up to 27% in 2020 from 15% in 2018 (Nedopil 2021). This signals that China has yet to make a decisive move towards investing primarily in environmentally friendly BRI projects. Chinese firms and banks so far have not stopped financing or building carbon-intensive coal-fired energy projects in the BRI countries, despite international calls to stop funding coal-fired power plants. For example, China's State Development Bank has recently financed a coal-fired power plant in Pakistan and the Export–Import Bank of China has funded a new coal investment project in Serbia (Ma et al. 2021).

While China is moving towards developing a green Silk Road and Chinese firms have taken steps towards mediating environmental impact of the BRI projects, conducting due environmental and social impact assessment and mediation is both costly and time-consuming. The extent to which the Chinese side and the participating countries will in the future pursue a sustainable path for BRI implementation by ramping up environmental safeguards remains to be seen.

10.1.2 Health Care

The "Health Silk Road" (or HSR) has become an important part of China's promotion of the BRI since the outbreak of the COVID-19 pandemic. Chinese President Xi Jinping repeatedly said that any vaccine developed and put into use by China would be used for the global public good in the fight against the pandemic. Vaccines, as the ultimate weapon to end the pandemic, had become one of the most sought-after strategic commodities in the world during the pandemic.

China's rapid development of several effective COVID-19 vaccines, mainly comprising Sinovac and Sinopharm vaccines, has become the starting point for China's foreign promotion of the HSR. In 2021, Sinopharm and Sinovac vaccines were successively approved by the World Health Organisation (WHO) as new COVID-19 vaccines for emergency use, and they were also the first two vaccines developed by non-Western countries and to have their safety and efficacy recognised by the WHO.

China has become the world's largest exporter of coronavirus vaccines. Based on the Chinese-made vaccines, China has been actively promoting the Health Silk Road regionwide and worldwide since late 2020. By January 2022, China had exported more than 2 billion doses of COVID-19 vaccines to more than 120 countries (Bridge Consulting, 2022). Chinese vaccine manufacturers are also working with overseas partners to set up overseas filling and production facilities for Chinese vaccines in Indonesia, the United Arab Emirates, Egypt, Malaysia and Brazil. This provides an opportunity to deepen cooperation between China and the BRI countries in the areas of public health and capacity manufacturing.

Expanding its export of coronavirus vaccines will also help China to enhance its soft power and global influence. Furthermore, according to the Lowy Institute's vaccine donation data (2021), China is the second-largest COVID-19 vaccine donor after the United States. The United States had so far donated 91.9 million doses of vaccines abroad, while China had donated 38.9 million doses by 2021.

Other BRI adjustment measures adopted by the Chinese authorities and Chinese companies in the past several years include project refinancing and debt deferment and shifting the focus of third-party market cooperation on energy investment to more environmentally friendly projects such as wind and solar power. Moreover, due to pressure from foreign governments and the local community in the past few years, Chinese firms' business operations and practices in the host countries have become more localised.

Chinese companies' "localisation" strategy in relation to BRI projects covers employee recruitment, raw materials and equipment procurement and revenue contribution. In addition, Chinese enterprises investing and building Belt and Road projects overseas have started to pay more attention to the traditional customs, cultural diversity and differences of countries along the route. Chinese enterprises are taking the initiative to go into the community, fulfil their social responsibilities, engage in dialogue with local people and communities and become integrated into local society as long-term investors and responsible stakeholders.

Another major readjustment to BRI implementation is that China has shown its willingness to take refinance projects in the low-income developing countries. Malaysia's East Coast Rail Link (ECRL) project is such a case in point. The ECRL is a flagship project between China and Malaysia under the BRI, and it is also the largest Chinese investment to Malaysia. China and Malaysia signed the ECRL construction agreement in 2016, and the project was officially launched in 2017 during the then Malaysia's Prime Minister Najib's era.

Faced by heavy criticism and pressure from the then Prime Minister Mahathir's administration regarding lack of openness and transparency of the project design and financing, and the expensive construction cost, China agreed to debt refinancing and project redesign measures for the ECRL project, and financing restructuring arrangements were concluded in 2019. According to this supplementary bilateral agreement, China offered the concession to Malaysia of lowering the construction cost of the ECRL project to RM44 billion, which was roughly 35% of the originally agreed cost. Meanwhile, the total cost of the ECRL project was reduced by roughly 25% after the contract renegotiation, to RM66.02 billion from the original cost of RM85.97 billion (see Table 10.1).

Table 10.1 Cost comparison of the ECRL project

Cost breakdown	Original cost (RM billion)	Amended cost (RM billion)
Construction cost	66.78	44.00
Land cost	7.55	8.92
Project cancellation/suspension cost	N.A	1.00
Interest during construction	11.09	11.70
Operating expenditure	0.55	0.40
Total	85.97	66.02

Source Ministry of Transport, Malaysia

The construction of the ECRL project has been resumed since this financial restructuring. The ECRL case reflects China's flexibility on BRI implementation, in response to doubts over debt sustainability and requests from the low-income recipient countries to lessen their debt burdens (Yu 2019). A lesson that China has learnt from the ECRL project is that changing political sentiments towards the Chinese investments among governments in the BRI countries could pose serious operational challenges and risks to the completion of the infrastructure projects.

In addition, in June 2020, China acted on the G20 initiative to suspend debt repayment "for the poorest countries" by announcing its consent to a temporary suspension of debt repayment (due by the end of 2020) for 77 developing countries and territories. China further supported the extension of the G20's Debt Service Suspension Initiative (DSSI) for the eligible countries to December 2021 (Ministry of Foreign Affairs of China 2021a).

Based on the World Bank/International Monetary Fund's Debt Sustainability Framework for Low-Income Countries, China's Ministry of Finance issued the "Debt Sustainability Framework for Participating Countries of the Belt and Road Initiative" in April 2019. This introduced a form of debt sustainability analysis for the BRI countries, while the Debt Sustainability Framework is non-mandatory.

Chinese authorities, such as the Ministry of Foreign Affairs and Ministry of Finance, claim that China has already offered debt relief in the form of emergency loans and extended loan maturities to the poorest countries affected by the COVID-19 pandemic and domestic economic crises. China also claims that it was the biggest contributor to a programme to temporarily suspend interest payments by borrower countries during the global pandemic.

The need to safeguard domestic financing stability does, however, restrict China's flexibility in refinancing and debt reduction for BRI infrastructure projects. The renegotiation of contracts for BRI projects could have impact in terms of domestic economic slowdown and capital flight that might threaten China's domestic financial stability. The Chinese banking institutions have no intention of writing off debt for the BRI countries, but delaying debt repayment and debt restructuring are open for negotiation. During the annual meeting of the Boao Forum for Asia in April 2021, Hu Xiaolian, then Head of the Export–Import Bank of China, who is one of the largest Chinese creditors for foreign lending, said that China would consider delaying debt repayments for borrower countries which are struggling to repay their debt due to domestic economic crises deriving from the severe impacts of the COVID-19 pandemic. However, China would not offer debt reduction or debt relief for these countries, because it would harm Chinese commercial interests and safety of the Chinese lenders' loans.

Moreover, China is seeking to cooperate with the participating countries and the established multilateral financial institutions to jointly enhance debt management capacity of the borrowing BRI countries, through adopting a flexible approach of "third-party market cooperation" under the BRI umbrella (Ministry of Foreign Affairs of China 2021b). China's MOF has already signed MOUs with various multilateral development banks in order to forge partnerships that will advance progression of the BRI., China's central ministries have also signed such agreements with 14 countries, such as France, Italy, Japan, Switzerland and Singapore, to enhance third-party market cooperation on infrastructure financing and construction in both BRI and non-BRI countries. For example, among these countries, France and Japan have not signed up for the BRI.

Cases of third-party market cooperation between Chinese firms and foreign companies include the following: the State Grid of China and Singapore Power collaborated to co-invest in an energy network project in Australia involving the gas transmission line from Northern Territory to eastern Australia; China Communications Construction Group collaborated with a German firm to build the Maputo-Katembe Bridge and Linkroads Project in Mozambique and China Railway Group cooperated with an Italian firm working on a water supply project in Beirut, Lebanon.

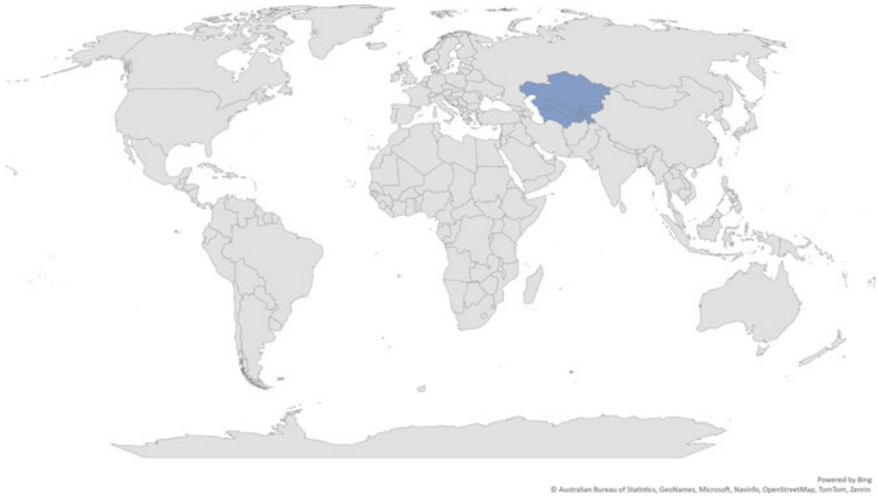
These readjustments to BRI implementation demonstrate that, despite certain limits and restrictions, China can apply adaptability and flexibility. The implementation of the initiative has been evolving over time, and in the future a more open China will play a pivotal role in the world economy. Through the BRI, China and the participating countries will improve interregional connectivity, expand bilateral trade and two-way investment and drive the Chinese economy to become deeply integrated in the global economic system. Expansion of the BRI's circle of friendly countries can create a positive environment for China's international development and help China respond strategically to the changing global geopolitical situation.

Central Asian countries have both geographical proximity and close economic ties with China. Those Central Asian states of smaller size and with limited capabilities have asymmetrical relations with China, their giant neighbour. Proposals for China's contemporary continent-based Silk Road initiatives were first put forward in Central Asia. The Silk Road Economic Belt, which forms the continental component of the Belt and Road Initiative, was launched by President Xi Jinping during a speech at Nazarbayev University in the Kazakh capital in September 2013. Literally, the seeds of the Belt and Road Initiative were sown in Kazakhstan.

Alongside the ASEAN countries, Central Asia is one of the core regions in China's push for the BRI implementation. It is therefore worthwhile examining how the readjustment of BRI implementation is playing out in the Central Asian countries.

10.2 BRI Implementation in Central Asia

Central Asia (see Map 10.1 for the geographical location of Central Asian countries) is recognised as a geographical region that comprises five countries: Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Turkmenistan. These countries declared independence from the Soviet Union in December 1991. Although they have abundant energy and other mineral resources, Central Asian countries are characterised as having weak economies and underdeveloped industries. Moreover, in many Central Asian countries, political and social instability have been fuelled by rampant corruption and cronyism.



Map 10.1 Location of Central Asian Countries

The unprecedented turmoil in Kazakhstan in the beginning of 2022, sparked by petrol price increases, was a vivid example of the vulnerable and volatile political and social situation in Central Asia. In Almaty, the epicentre of Kazakhstan's unrest, gunfire echoed through the government buildings and streets. Kazakh President Kassym-Jomart Tokayev called the unrest a "Coup attempt". In response to an urgent appeal by President Tokayev, the Russia-led Collective Security Treaty Organisation (CSTO), for the first time since its inception, sent massive numbers of troops to Kazakhstan to help to restore local public order and safeguard critical infrastructure facilities such as airports. The unrest in Kazakhstan was due to more than the petrol price hike, as it can also be attributed to accumulation of political, social and economic problems which have been left unresolved by the government.

Central Asia is one of the key regions for China's neighbourhood diplomacy in general and its push for the BRI in particular. Geographically, Central Asia plays an indispensable role in connecting China with the vast Eurasian continent. Central Asian countries are situated in prime locations in relation to overland trade routes linking East Asia with Europe. China sees the region as a crucial overland passage alternative for the maritime trade to Europe. Access to Central Asia is thus vital in guaranteeing open passage for the Silk Road trade routes. Historically, Central Asia was a key participant in the ancient Silk Road trade until its decline by the mid-fifteenth century. Uzbekistan's Samarkand is an ancient Silk Road city; hence, many Central Asians are familiar with the Silk Road concept and tend to be more amenable to the concept of the BRI.

The geographical isolation imposed by their unique landlocked status has motivated the Central Asian states to welcome and participate in the BRI. A lack of both intra-regional and cross-border connectivities (e.g. insufficient road, rail and air networks) has long constricted the economic development of the Central Asian countries, largely due to high transport and logistical costs for accessing the sea to participate in maritime trade. As a consequence, Central Asia has achieved only a low level of integration into the global economy.

China's BRI, which is centred on promoting infrastructure-driven connectivity, offers the Central Asian countries a viable but affordable option to improve their intra-regional and cross-border connectivity by building transport and other infrastructure projects. The enhanced connectivity will empower the regional countries to unleash their growth potential, to promote trade and pursue industrial take-off.

China's relations with Central Asian countries have been visibly picking up pace in recent years. In September 2022, President Xi made a state visit to the Central Asian countries of Kazakhstan and Uzbekistan. As Xi's first foreign visit since the outbreak of the COVID-19 pandemic in 2020, this trip signals the significance of Central Asia in China's foreign policy and its global diplomatic outreach.

On 18–19 May 2023, a two-day China-Central Asia summit was held in the city of Xi'an, the ancient capital of China and the Eastern starting point of the ancient Silk Road. It was symbolic as the first in-person gathering of such kind since diplomatic relations were established between China and the five Central Asian nations in 1992. It was attended by China's President Xi Jinping and the presidents from all five Central Asian countries.

The China-Central Asia summit was replete with symbols of the ancient Silk Road. The venue chosen for the summit was Tang Paradise, a large theme park with buildings and gardens incorporating elements of the Tang Dynasty (618–907 BC), during which period the ancient Silk Road arguably reached its zenith. This clearly signalled China's President Xi Jinping desire to convey to the Central Asian leaders that the historical bond between China and Central Asia under the ancient Silk Road should not only be cherished but revived under the BRI.

During the summit, Xi Jinping pledged to offer RMB26 billion (about US$38 billion) in a package comprising both financing support and grants in order to promote bilateral cooperation between China and the Central Asian countries under the BRI umbrella and support those nations' domestic development (Ministry of Foreign Affairs of the People's Republic of China 2023a). As stated in the China-Central Asia Summit Xi'an Declaration, the Central Asian leaders endorsed China's greater engagement with the region under BRI implementation (Ministry of Foreign Affairs of the People's Republic of China 2023b). This summit is perceived as a diplomatic victory for China and a major achievement for its outreach endeavour under the BRI. The Chinese and Central Asian leaders agreed to institutionalise their summits and hold meetings every two years, hosted alternately by the six countries. The second summit will be held in Kazakhstan in 2025. Beijing is expected to gain much from its deepened relations with the Central Asian nations, while both Moscow and Washington struggle to match Beijing's investment commitment to the region.

As reflected in the summit's joint declaration, the bilateral cooperation between China and Central Asia is multidimensional, focusing mainly on connectivity, trade and economic aspects, but also covering cultural and people-to-people exchange, agricultural development, national capacity building, security and the high-tech sector. Nevertheless, while the joint declaration was heavy on pledges and rhetoric, it was short on concrete projects and action roadmaps. The leaders agreed to speed up work on the planned construction of China-Kyrgyzstan-Uzbekistan (CKU) railway, which could become a flagship project in Central Asia under the BRI. The geological survey for this railway construction plan was completed in October 2022. On the one hand, the construction of the CKU railway will facilitate the exports of Chinese-made products to the markets of the Middle East, Iran, Turkey, the Caucasus and Europe by shortening transport distance and reducing logistics cost. On the other, the railway will help to transform the landlocked region of Central Asia into a transcontinental transport hub connecting East Asia, South Asia, the Middle East and Europe.

New geopolitical realities in Central Asia are unfolding, whereby Chinese influence is rapidly growing in the region via the BRI implementation. Beijing's pursuit of close partnerships with Central Asia forms part of China's broader plan to deepen political, economic and security relations with the BRI countries within a new multipolar world order that could counter the United States-led global order. Due to the growth of China's global influence, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Turkmenistan all anticipate reaping economic benefits from spillover to the region of China's rapid development dividend. The Central Asian countries also view the BRI as offering an alternative to the conventional Russian domination of the region's political, economic and strategic spheres.

The BRI could be instrumental in facilitating cross-border trade and investment across the Belt and Road countries through its focus on infrastructure connectivity improvement. Baniya et al. (2019) showed that the BRI-linked transportation projects, through improvement of economic corridors, could increase the total amount of exports among the participating countries by 4.6% and by 7.2% when border delay issues are reduced.

BRI implementation in Central Asia has also increased China's access to resources that it needs to power economic growth at home, since the Central Asian countries have abundant reserves of oil, gas, gold, coal and other mineral resources. For example, 21% of China's imports of zinc and lead come from the Central Asia region (Umarov 2020).

Central Asia is situated in the key node for the China–Europe Railway Express, which is a flagship project for overland connectivity under the BRI. All routes of the China–Europe Railway Express service will have to pass through Kazakhstan before heading towards other Eurasian countries as well as Europe. According to a Ministry of Commerce of China source (2022), the number of trains increased from 80 in 2013 to 12,406 in 2021, with the numbers of outbound and return trips becoming more balanced (Fig. 10.1). By 2021, the capacity of train cargo shipments had risen to 1.46 million TEUs. The Railway Express is thus emerging as a viable transportation means for trade on the Eurasian continent.

Despite the Central Asian nations having abundant agricultural, energy and other mineral resources, realisation of their development potential has been hampered by the low level of intra-country and intercountry infrastructure connectivity. All Central Asian states are landlocked and geographically isolated with the outside world. From the Central Asian perspective, their geographical isolation attributed by their landlocked condition drives the Central Asian countries to embrace the BRI,

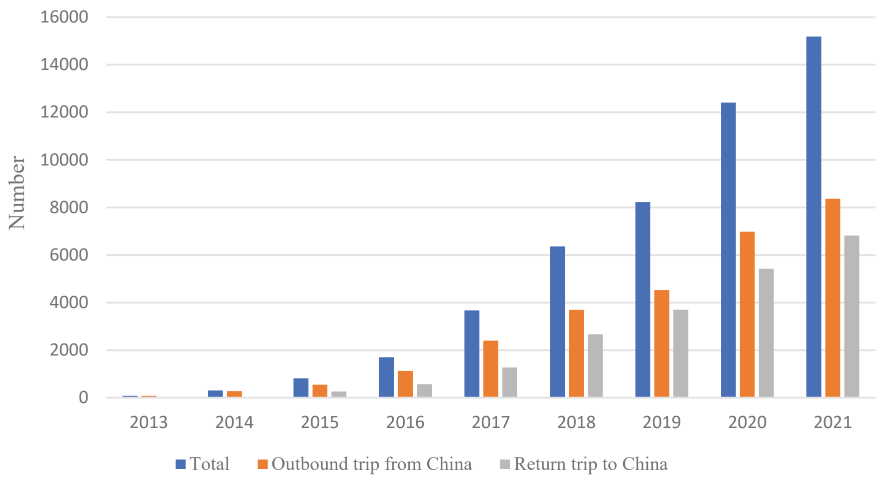


Fig. 10.1 Operation of the China–Europe Railway Express. *Sources* Office for the CCP Central Leading Group for BRI and State Railway Corporation of China (2021)

which promises for better connectivity, trade opportunities and access to the huge Chinese market. Enhanced connectivity will be crucial to unleash economic growth potential of landlocked Central Asian countries. A lack of connectivity, including infrastructure underdevelopment and the relatively high transport and logistics costs, constraints the economic development of the regional countries in Central Asia.

The BRI-affiliated infrastructure projects will help the Central Asian countries to develop new trading routes (via Afghanistan, Pakistan and China) and thus to diversify their trade. Central Asian countries are keen to circumvent Russian hegemony by reducing the trade and economic dependence on Russia since their independence.

Enhanced intra-regional connectivity through the development of roads, railways, civil aviation and telecommunication facilities under the BRI cooperation framework will also help to boost regional economic integration among the Central Asian countries.

Pursuit of enhanced connectivity and developing new trade routes have dominated the geopolitical and geoeconomic calculations of the Central Asian countries to embrace the BRI for the past decade. The rail and road network, civil aviation and telecommunication facilities are all badly needed to upgrade and improve. According to the World Economic Forum (2019), Central Asian countries (e.g. Tajikistan and Kyrgyzstan) lag behind many other countries in global rankings on infrastructure readiness. Improvement of transportation and other infrastructure in the Central Asian countries is essential in order to overcome their landlocked geographical disadvantage, boost local economic growth and increase their participation in regional as well as global trade networks.

In addition, Central Asian nations aspire to increasing their manufacturing capacity in such as the textile and garments, food processing and transport equipment industries, but they need investment, technology and management skills and expertise in order to make meaningful inroads. Based on China's strength in the infrastructure construction sector, Central Asia views China as a much-needed source of foreign investment for improving the region's infrastructure connectivity. Numerous China-funded large-scale transport and other infrastructure projects have either been completed or are under construction in the region, including highways, bridges, power plants, tunnels and airport upgrading.

Meanwhile, from a security perspective, China views Central Asia as crucial to safeguarding national security in its Western Region in general and Xinjiang in particular. Kazakhstan, Tajikistan and Kyrgyzstan share a 3300-km border with Xinjiang, which is arguably the region of China most beset by domestic security and stability problems.

Xinjiang is a highly sensitive issue in China's relations with the Central Asian states. There are roughly 1.5 million ethnic Kazakhs, 180,000 ethnic Kyrgyz, 50,000 ethnic Tajiks and 10,000 ethnic Uzbeks living in Xinjiang (Umarov 2020). Understandably, Central Asians feel a strong ethnic and religious kinship with the Uyghurs. The China image and its reputation in Central Asia have been somehow damaged since the early 2010s following the tightening up security measures and policies against the ethnic minorities in Xinjiang, including Uyghurs, Kazakhs, Kyrgyz and Tajiks. Although the respective governments in the Central Asian states insist that the Xinjiang issue is an internal matter for China, many in Central Asia have criticised Beijing's heavy-handed ethnic policies in Xinjiang and its harsh and discriminative treatment of the Uyghur minority, with some going further by waging protests.

Almaty is the largest and the most populous city in Kazakhstan and Centra Asia as a whole. It is also merely 350 km away from Xinjiang. China has watched the developments in Kazakhstan closely, since maintaining stability in Kazakhstan is vital for access to the Silk Road routes, and the safety of the China-funded projects and Chinese personnel in Kazakhstan. On 7 January 2022, President Xi sent a verbal message to Kazakh President Tokayev, demonstrating solidarity with the Kazakh regime, in which he stated, "China firmly opposes any deliberate attempt by external forces to provoke unrest and instigate 'colour revolutions' in Kazakhstan, as well as any attempt to harm the China-Kazakhstan friendship and disrupt the cooperation between the two countries" (Ministry of Foreign Affairs of China January 2022).

China, Kazakhstan, Tajikistan, Uzbekistan and Kyrgyzstan, together with Russia, are the founding members of the Shanghai Cooperation Organisation (SCO), which is a Eurasian political, economic and security alliance founded in June 2001. For the past 20 years, China has conducted joint military exercises and military training with armies from Russia and the Central Asian countries under the provisions of the SCO framework. China has also supplied security equipment to Central Asian countries such as Tajikistan.

Although China has become the largest trading partner as well as an important source of foreign investment for the Central Asian countries, gradually displacing Russia's economic dominance in the region, it is not currently able to challenge Russia's military and security clout in Central Asia. China is merely able to react to events taking place there, as reflected from the case of turmoil in Kazakhstan. The five Central Asian countries still have strong historical connections to Moscow, and Russia will continue to be their dominant military partner and security guarantor for the foreseeable future.

10.3 China's Economic Ties with Central Asia: Development and Issues

Discrepancy between China and the Central Asian countries' data on customs figures, mainly due to official corruption and the existence of a sizeable shadow economy, makes it difficult to estimate the actual bilateral trade volume. Nevertheless, without doubt, China's trade ties with Central Asian countries have been strengthening over the past decade and the BRI trade routes are playing an important role in boosting bilateral merchandise trade between China and Central Asia.

In 2022, according to data published by the Ministry of Commerce of China (2021), China's total trade volume with the five Central Asian countries amounted to US$70.2 billion, with China enjoying a trade surplus. China has become the largest trading partner for Uzbekistan, Kyrgyzstan and Tajikistan and the second-largest trading partner for Kazakhstan. Except for Turkmenistan (which exports large volumes of natural gas to China under the bilateral energy agreement), in 2019, the Central Asian countries all had trade deficits with China, though the situation varies from country to country.

China's trade with Central Asia accounts for a small fraction of the former's total foreign trade. While China's trade dependence on Central Asia is extremely low (Central Asia accounted for merely 1% of China's total volume of trade in goods in 2019), China is among the Central Asian region's most important trading partners. In 2019, 22% of the Central Asian countries' exports went to China, while 37% of their imports came from China. China enjoys a huge trade surplus with the countries in Central Asia, but the latter's trade deficit has increased over the years. Energy and mineral resources and agricultural raw materials still dominate the Central Asian countries' exports to China, while their imports from China mainly include China-made household appliances, machinery, electronics and telecommunication equipment (see Table 10.2). This asymmetrical trade relationship is detrimental to Central Asia's pursuit of industrialisation, and it is not sustainable.

Central Asia's economies are highly dependent on the energy and mineral extraction sectors. They need to diversify in order to accelerate economic growth. The economic diversification strategy long pursued by the respective governments in Central Asian countries has so far achieved little progress. The five Central Asian states all still have large agricultural sectors and weak manufacturing industries, in addition to outdated infrastructure facilities and limited exposure to global value chains.

According to the "Chinese Global Investment Tracker" data, from 2013 to 2022, the value of the accumulated volume of Chinese investments and China-funded

Table 10.2 Decoding the trade commodity structure between Central Asia and China

Country	Chinese exports	Chinese imports
Uzbekistan	Electronics; household appliances; plastic products	Gas; natural uranium; cotton
Turkmenistan	Electronics; textiles and apparel products; chemical products	Gas; minerals; cotton; woollen products
Tajikistan	Textiles; household appliances; electronics	Minerals; gold; aluminium; cotton; leather
Kyrgyzstan	Textile; household appliances; electronics; leather	Copper; leather; mineral
Kazakhstan	Household appliances; textile and apparel products; electronics	Oil; natural gas; mineral

Source Compiled by the author

projects in Central Asia was US$12.4 billion. Kazakhstan is the top destination for Chinese outbound investments to Central Asia under the BRI. The volume of Chinese investments and China-funded projects in Kazakhstan was worth US$9.19 billion between 2013 and 2022, accounting for 74.1% of China's total investment in Central Asia. The volume of Chinese investments and contracts in Uzbekistan amounted to US$1.27 billion during the same period, accounting for 10.2% of China's total investment in Central Asia. In contrast, the other three Central Asian states combined accounted for only 15.7% of Chinese outbound investment to the region during the same period (Fig. 10.2).

Thus, most of these Chinese investments in Central Asia were directed into joint ventures in the industrial sectors of oil, natural gas, mining and infrastructure construction. For example, the China National Petroleum Corporation (CNPC)

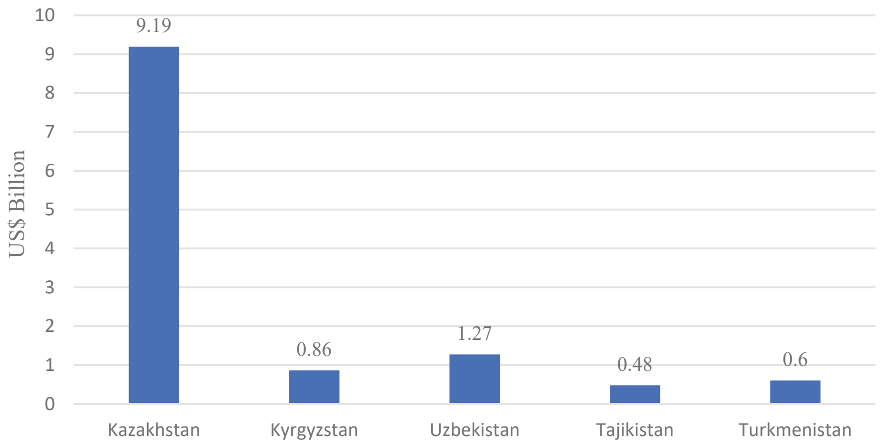


Fig. 10.2 China's investments and contracts in Central Asian Countries between 2013 and 2022. *Source* American Enterprise Institute (2023), "China Global Investment Tracker"

is one of the largest foreign investors in Kazakhstan. It has engaged in the acquisition, exploration and production of oil and gas, as well as in the sale of oil and refined products. Meanwhile, another Chinese mining firm, Zijin Mining, holds a 75% share in Zarafshon Joint Venture, which operates in Tajikistan's Penjikent Region and mines nearly 70% of the volume of gold produced in the country annually (Asia-Plus 2020).

While Chinese investment in Central Asia has been shoring up local manufacturing, its impact in terms of developing the local workforce via skills training has been limited. The fact that Chinese firms have brought in many Chinese workers with them indicates a need to create more jobs for the locals. Indeed, the rapid influx of Chinese workers to Central Asia as a result of Chinese investment has generated negative perceptions and anti-Chinese resentment in the local society. The locals' concern about the disproportionate use of immigrant Chinese employees in the China-funded projects and Chinese companies provoked anti-China protests of various scales in Kazakhstan and Kyrgyzstan in 2018 and 2019, respectively (see Gerber and He 2022).

The Chinese investment that flowed into the Chinese firms was also used to purchase Chinese-made equipment and intermediary goods, as well as to hire Chinese workers to carry out project construction and business operations in Central Asia. During a meeting with the senior management team of the CNPC in November 2019, Kazakhstan's President Tokayev expressed rare concern over the low wages of Kazakhstani workers employed by CNPC. In addition, he asked for the share of Kazakhstani content in the CNPC's procurement of goods and services to be increased (Office of the Prime Minister of the Republic of Kazakhstan 2019).

Publicly available information on Chinese investments to the Central Asian countries is limited. There is a lack of transparency on the specific details of projects, for example, project financing and loan repayment structure, project operation and management. The Export–Import Bank of China and State Development Bank are the two major Chinese financial institutions for providing loans in Central Asia for BRI-related projects. These two Chinese policy banks are both owned by and subordinate to the State Council of China.

Kyrgyzstan and Tajikistan have become the two Central Asian countries most indebted to China due to the BRI-related investment. In 2021, Kyrgyzstan's debt to China accounted for 30.5% of its GDP, whereas Tajikistan's debt to China accounted for 16.1% of its GDP. Meanwhile, the debts of Uzbekistan and Turkmenistan to China accounted for 16.0% and 13.1% of their GDP, respectively. In contrast, Kazakhstan's debt to China amounted to 6.5% of its GDP, the lowest figure among the Central Asian nations (Fig. 10.3).

Consequently, compared to bigger countries such as Kazakhstan and Uzbekistan, smaller Central Asian states like Kyrgyzstan and Tajikistan could find it difficult to keep up the loan repayments to China associated with the BRI projects. For example, Kyrgyzstan owed US$1.7 billion of its total US$4 billion foreign debt to China. The Kiel Institute for the World Economy report lists Kyrgyzstan among low-income countries that have encountered huge debt burdens associated with China's BRI investment. In addition, Tajikistan's debt owed to China was US$1.38 billion, accounting for almost 50% of Tajikistan's total external debt (See Horn et al. 2019).

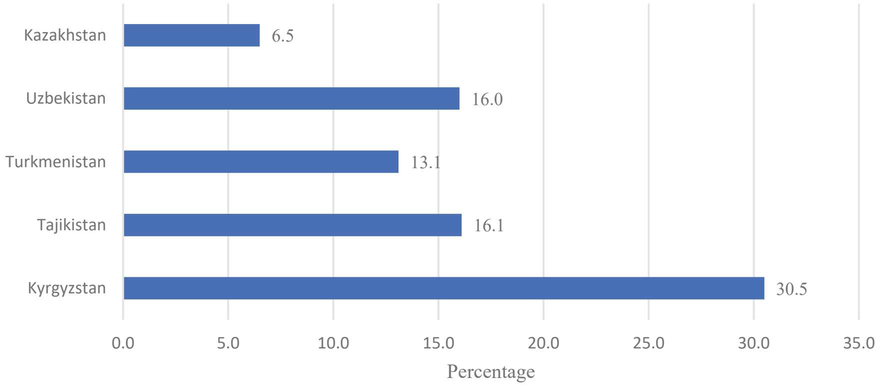


Fig. 10.3 Ratio of Central Asian countries' accumulated debt to China to their GDP in 2021. *Source* Author's own compilation and calculation based on the individual country information available

The BRI-linked projects in Central Asia are still lacking in transparency. Key financial details of many BRI-linked infrastructure projects have been kept from public oversight, including the terms of their loan structure and the length of the lease. Furthermore, the Central Asian countries are vulnerable to debt distress related to the BRI projects. As the case of Central Asia demonstrates, the smaller the country and the closer it is to China geographically, the more it will be indebted to China.

Given China's aim to enhance its international image through its push for BRI implementation in the region and beyond, it has no desire to deliberately drive the recipient countries into a debt trap or force them to borrow from China. However, if these issues are left unaddressed, they could make difficult for China to win the hearts and minds of locals and deter the Central Asian countries from cooperating fully with China's BRI in the future. They could also potentially jeopardise the BRI by fostering strong opposition to the China-funded projects under its umbrella.

The anti-China protests sparked in several Central Asian countries reflect both scepticism and a lack of trust among the local community in the region over China's push for the BRI. China has to do more in order to convince the Central Asian countries that implementation of BRI is a win–win situation for both parties.

China looms large in the region through the BRI platform, which is shoring up China's political and economic influence. China is becoming the most influential external power in Central Asia, although Russia still maintains strong political, cultural and defence ties in the region as a legacy of the Russia-led Soviet Union. Although China and Russia are competing for influence in the region, it is in both countries' interests to maintain stability in Central Asia.

There is concern among the Central Asian countries that they could become too economically dependent on China through BRI implementation and eventually lose autonomy over their foreign policy by being forced to adopt pro-China diplomacy. The Central Asian countries do not want to be drawn into China's orbit of development; neither do they want to be seen as passive recipients of China's BRI implementation, due to lack of consultation and communication with the Central Asia side.

The Central Asian countries wish to prevent the emergence of a China-centric regional order that might replace the Russia-dominated regional order and are keen to avoid tilting too far towards any of the major powers, namely China, Russia or the United States. Safeguarding national security by deploying a "balance of power" strategy of putting their national interests first and keeping China's growing influence in check has become an indispensable element of Central Asian nations' relations with China.

Therefore, while building strong ties with China under the BRI is important for the Central Asian nations in order to attract Chinese investment and technology and gain better access to the Chinese market, building on relations with other powers including Russia, the United States, European Union, Japan, India and South Korea is equally crucial. Hedging their bets by diversifying their foreign relations is the best option for the Central Asian countries in responding to the intensifying rivalry between the major powers and mounting pressure to choose sides.

10.4 Readjustment of BRI Implementation in Central Asia

Pressure from overseas authorities and citizens, including in the Central Asian countries, to increase provision for local manufacturing industries, local jobs and tax revenue has led China to make several major readjustments to the BRI and the related project implementation in Central Asia since 2019. A Joint Communique of the Leaders' Roundtable of the Belt and Road Forum (BRF) was released immediately after the second BRF. The Joint Communique emphasised the need for high quality of infrastructure projects, debt sustainability, project transparency and environmental sustainability and respect for internationally accepted practices, norms and standards (The Second Belt and Road Forum for International Cooperation 2019).

First, there has been a gradual shift of Chinese investment in the region, from the energy and mining sectors to agriculture and industries. China has started to do more to help Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to industrialise by setting up manufacturing and developing processing plants for raw materials. In addition, Chinese firms are helping to modernise textiles, cement, steel and glass factories in Tajikistan, Kyrgyzstan and Uzbekistan.

As well as building local industrial capacity and localising the workforce, Chinese firms are helping to upgrade local workers' skills through training. In Tajikistan, some Chinese companies have steadily increased their local hires and skills' training for local workers both onsite and in China. For example, 97% of CNPC's workforce and 80% of Huawei operations workforce are locals (Klev and Yau 2021). In May 2021, during a meeting with the foreign ministers of the five Central Asian countries in China's Xi'an city, China's State Councillor and Foreign Minister announced that China would further support upskilling of the local workforce by setting up a vocational training centre called the "Luban Workshop" (named after a legendary

Chinese craftsman) in each of the five Central Asian countries over the next three years (Ministry of Foreign Affairs of China May 2021c). In November 2022, Tajikistan Luban Workshop, the first Luban Workshop established in Central Asia, was put into operation (Luban Workshop 2022). It focuses on skills training in the renewable energy and civil engineering sectors for local Tajikistan students through targeted training courses designed by China and taught by the Chinese teachers using Chinese teaching equipment.

To enhance the "localisation" of the BRI projects, China has already opened 11 Luban workshops in Thailand, Pakistan, Kenya and a few other countries since 2016. A report issued by the Lowy Institute in May 2021 states that since 2019, the Chinese-aided and Chinese-built overseas projects have become more localised in terms of local job creation, and local tax revenue contribution, citing country cases including Tajikistan.

Second, while the BRI was centred on large-scale infrastructure financing and construction in the earlier phrase, its scope has now been expanded to include domains such as digitalisation and health. By leveraging on its advanced digital technology and its leading tech firms, China intends to use the Digital Silk Road (DSR) to cement its position as a leading international technological power through increasing digital access among the urban and rural populations of developing countries via the BRI platform.

Digital network infrastructure plays a pivotal role in the development of modern industries and economies, and safeguarding national economic and defence security. There are only a handful of firms in the world capable of providing 5G network infrastructure, China's Huawei being one of them. A substantial amount of the telecommunication network hardware in the BRI countries, such as data processing equipment, has been provided by Huawei, ZTE and other Chinese tech firms due to their products being competitive in terms of both cost and quality.

Although the Chinese government has not clarified in detail the structure and role of the DSR, Chinese tech firms such as Huawei and ZTE are already investing in digital infrastructure and related industries across the globe, including 5G cellular networks, fibre-optic cables, big data, cloud computing, artificial intelligence and satellite navigation systems (its own Beidou system). China is engaged in digital infrastructure projects in 80 countries, with the value of the projects amounting to US$79 billion (Cheney 2019).

In 2019, Uzbekistan signed a cooperation agreement with Huawei, China's leading tech company, to launch development of digital infrastructure facilities and surveillance capability for government agencies, including law enforcement bodies. In addition, in 2019, Uzbekistan used loans from China to purchase Huawei technology with a value of US$150 million to upgrade its cellular networks (ITUC 2021).

A third area in which China is actively promoting the HSR is through what is commonly known as its Vaccine Diplomacy. Central Asia's already difficult economic situation was worsened by the COVID-19 pandemic. In response, China has already delivered over 37 million doses of Chinese-made vaccines to the Central Asian countries, the majority of which were delivered under sales agreements with the respective countries. Uzbekistan is the largest recipient country of Chinese vaccines

Table 10.3 China's COVID-19 vaccine delivery to Central Asian countries (in million doses)

Country	Total delivered	Purchased	Donated
Uzbekistan	26.99	26.99	0
Kazakhstan	4.50	4.50	0
Kyrgyzstan	4.15	2.35	1.80
Tajikistan	2.30	2.0	0.30
Turkmenistan	0	0	0
Total	37.94	35.84	2.10

Source Bridge Consulting (2022)

in Central Asia, whereas Turkmenistan has so far not ordered any vaccine from China. In terms of vaccine donation, only 2.1 million doses of Chinese-made COVID-19 vaccine have been donated to Central Asia, of which Kyrgyzstan received 1.8 million doses and Tajikistan 0.3 million doses (Table 10.3).

Given China's growing clout in Central Asia, it is hard to imagine the countries in the region achieving future development without cooperation with China. China claims that the goal of the BRI is to pursue high-standard, transparent, shared, green and sustainable development in partnership with the recipient countries. While China has made some major readjustments to BRI implementation in Central Asia since 2019 in response to local demands and criticism regarding its outreach approach and business practices, the BRI in Central Asia has not yet become the global initiative based on high standards of transparency, environmental and financial sustainability and shared development that was promised by China.

10.5 Conclusion

The Central Asian nations are situated in prime locations along overland trade routes linking East Asia with Europe and China with the vast Eurasian continent. Through opening up the vital Silk Road trade routes, BRI implementation has helped to expand China's economic interests and influence in Central Asia.

In the light of China's asymmetrical economic relations with the various Central Asian countries, these countries will need to walk a tightrope of maximising the economic and infrastructure development benefits of the BRI while minimising the threats to national sovereignty and risk of social backlash. Central Asia's strategic location at the crossroads between Europe and Asia means that the Central Asian states are having to find a balance in the face of competition for regional influence among the world's great powers.

China's push for the BRI in Central Asia has met with both challenges and resistance. Many BRI projects lack transparency as well as proper consultation and support from the local community. Moreover, the existing high debt stress in several regional countries, attributed to the financing for the BRI-related projects, could potentially jeopardise future cooperation by the Central Asian countries with the BRI.

BRI implementation is based on a China-centric approach, rather than being a credible multilateral endeavour, as claimed by the Chinese government. As shown in the case of Central Asia, the BRI is built on bilateral deals, with no multilateral involvement in overseeing the BRI or making investment decisions. The anti-China protests in several Central Asian countries in 2018 and 2019 reflect both strong suspicion and resentment among the local community in the region over China's push for the BRI.

Despite its attempts to localise BRI implementation in the face of local pressure, China has yet to convince the Central Asian countries that the BRI is a win–win situation for both parties. There is currently a lack of any vigorous internal review or public debate on BRI implementation within the Chinese society or among public intellectuals and business elites. It therefore remains to be seen how far China is willing to go with this readjustment process in the long run.

China should work together with the Central Asian countries to build a high-quality Belt and Road Initiative, based on mutual openness and cooperation. Multilateralism is the only effective way to boost the transparency and credentials of the BRI and achieve equal benefits for all parties.

Moreover, the Chinese companies should shift their focus from building large-scale infrastructure projects in Central Asian countries towards working with local partners on "small but beautiful" projects. These projects, including such as rural roads, bus stations, electricity transmission plants, water wells and rural telecommunications networks, should be primarily aimed at improving the people's living standards and helping the local community to share in the benefits of economic development. These smaller projects are more visible to the local community and could help to enhance local people's sense of gain under the BRI cooperation framework.

Although BRI implementation in Central Asia will be affected by the Chinese economic slowdown and the shifting global geostrategic environment, China is likely to persist in its determination to push for the BRI. This ambitious initiative is important for the Chinese economy at home and gaining global market access for the Chinese firms and Chinese-made goods and is even more significant for China's pursuit of its geopolitical and geoeconomic ambitions.

References

American Enterprise Institute, 2023. *Chinese Global Investment Tracker*. https://www.aei.org/china-global-investment-tracker/. Accessed 15 May 2023.

Asia-Plus. 2020. Resources and Facilities: How Much has China Gone into Tajikistan? https://asiaplustj.info/ru/news/tajikistan/politics/20200111/resursi-i-obekti-naskolko-kitai-uglubilsya-v-tadzhikistan. Accessed 16 Jan 2022.

Baniya, Suprabha, Nadia Rocha, and Michele Ruta. 2019. *Trade Effects of the New Silk Road: A Gravity Analysis*. World Bank. http://documents.worldbank.org/curated/en/623141547127268639/pdf/WPS8694.pdf. Accessed 29 Apr 2019.

Batsaikhan, Uuriintuya, and Marek Dabrowski. 2017. Central Asia—Twenty-Five Years After the Breakup of the USSR. *Russian Journal of Economics* 3 (3): 296–320.

Bridge Consulting. 2022. *China Covid-19 Vaccine Tracker*. https://bridgebeijing.com/our-publications/our-publications-1/china-covid-19-vaccines-tracker/. Accessed 7 Feb 2022.

Burna-Asefi, Sophia Nina. 2022. Uzbekistan Looks South foe New Trade Routes. *The Diplomat*. Available at https://thediplomat.com/2022/04/uzbekistan-looks-south-for-new-trade-routes/. Accessed 15 July 2023.

Cheney, Clayton. 2019. China's Digital Silk Road: Strategic Technological Competition and Exporting Political Illiberalism. *Pacific Forum Working Paper* 8 (19): 1–23.

Council on Foreign Relations. 2021. *China's Belt and Road: Implications for the United States.* Independent Task Force Report No. 79. https://www.cfr.org/report/chinas-belt-and-road-implications-for-the-united-states/. Accessed 20 Jan 2022.

Gerber, Theodore P., and Qian He. 2022. Sino-Phobia in Russia and Kyrgyzstan. *Journal of Contemporary China* 31 (133): 38–56.

Green Belt and Road Initiative Center. April 2021. *China's Coal Investments Phase-Out in BRI Countries—Bangladesh Case*. https://green-bri.org/chinas-coal-investments-phase-out-in-bri-countries-bangladesh-case/. Accessed 5 Feb 2022.

Horn, Sebastian, Carmen Reinhart, and Christoph Trebesch. 2019. China's Overseas Lending. KIEL Working Paper No. 2132, Kiel Institute for the World Economy. https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/Christoph_Trebesch/KWP_2132.pdf. Accessed 15 Jan 2022.

ISEAS-Yusof Ishak Institute. 2020. *The State of Southeast Asia: 2020 Survey Report*. https://www.iseas.edu.sg/wp-content/uploads/pdfs/TheStateofSEASurveyReport_2020.pdf. Accessed 5 Feb 2022.

ITUC, Belgium and the Friedrich-Ebert-Stiftung. 2021. *Belt and Road Initiative in Central Asia: Desk Study*.

Lemahieu, Hervé, and Leng Alyssa. 2021. *Asia Power Index Key Findings 2021*. Lowy Institute. https://power.lowyinstitute.org/downloads/lowy-institute-2021-asia-power-index-key-findings-report.pdf. Accessed 17 Jan 2022.

Luban Workshop. 2022. The Launch Ceremony of the First Luban Workshop in Central Asia. http://www.lubanworkshop.cn/html/2022/jsjc-lb_1201/461.html.

Ma, Xinyue, Gallagher Kevin, and Chen Siqi. 2021. *China's Global Energy Finance in the Era of COVID-19*. GCI Policy Brief 006, Global Development Policy Center at the Boston University. https://www.bu.edu/gdp/files/2021/02/GCI_CGEF_PB_FIN.pdf. Accessed 20 Jan 2022.

Ministry of Commerce of China. 2021. China's Trade and Investment Cooperation under the Belt and Road Initiative 2021.

Ministry of Foreign Affairs of China, 2021a. *On April 2, 2021, Foreign Ministry Spokesperson Hua Chunying hosted a regular press conference*, 2 April 2021. Available at http://sg.chinaembassy.gov.cn/fyrth/202104/t20210402_8918118.htm. Accessed 1 September 2023.

Ministry of Foreign Affairs of China. 2021b. *High-Quality Belt and Road Cooperation: Partnership on Connectivity*. Report on the Findings and Recommendations from the Meetings of the Advisory Council of the Belt and Road Forum for International Cooperation in 2019 and 2020.

Ministry of Foreign Affairs of China. May 2021c. *Wang Yi Talks About the Eight-Point Consensus and Ten Outcomes of the 'China + Five Central Asian Countries' Foreign Ministers' Meeting*. https://www.fmprc.gov.cn/web/wjbzhd/202105/t20210512_9137291.shtml. Accessed 16 Jan 2022.

Ministry of Foreign Affairs of China. January 2022. *Xi Jinping Sends a Verbal Message to Kazakh President Kassym-Jomart Tokayev*. https://www.mfa.gov.cn/mfa_eng/zxxx_662805/202201/t20220108_10480233.html. Accessed 18 Feb 2022.

Ministry of Foreign Affairs of the People's Republic of China. 2023a. Keynote Speech by Xi Jinping at the China-Central Asia Summit. https://www.fmprc.gov.cn/zyxw/202305/t20230519_11079936.shtml.

Ministry of Foreign Affairs of the People's Republic of China. 2023b. China-Central Asia Summit Xi'an Declaration (Full Text). (中国 – 中亚峰会西安宣言). https://www.fmprc.gov.cn/zyxw/202305/t20230519_11080194.shtml.

Nedopil, Christoph. 2021. China's Investments in the Belt and Road Initiative (BRI) in 2020. International Institute of Green Finance at the Central University of Finance and Economics.

Office for CCP Central Leading Group for BRI & State Railway Corporation of China. 2021. *Report of the China-Europe Railway Express Development*. https://www.ndrc.gov.cn/fzggw/jgsj/kfs/sjdt/202208/P020220818311703111697.pdf.

Office of the Prime Minister of the Republic of Kazakhstan. 2019. *The Head of State Received Wang Yilin, Chairman of the Board of Directors of CNPC Corporation*. https://primeminister.kz/ru/news/glava-gosudarstva-prinyal-predsedatelya-soveta-direktorov-korporacii-cnpc-van-ilinya. Accessed 15 Jan 2022.

Pew Research Center. 2020. *Unfavorable Views of China Reach Historic Highs in Many Countries*. https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/. Accessed 16 Jan 2022.

Stronski, Paul and Nicole Ng. 2018. *Cooperation and Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic*. Washington D.C: Carnegie Endowment for International Peace.

The Second Belt and Road Forum for International Cooperation. April 2019. *Joint Communique of the Leaders' Roundtable of the Second Belt and Road Forum for International Cooperation*. http://www.beltandroadforum.org/english/n100/2019/0427/c36-1311.html. Accessed 29 Apr 2019.

Umarov, Temur. 2020. *China Looms Large in Central Asia*. Carnegie Moscow Center.

Van der Klev, Dirk, and Niva Yau. October 2021. *How Central Asians pushed Chinese Firms to Localize*, 1–49. Carnegie Endowment for International Peace.

Van Noort, C., and T. Colley. 2021. How Do Strategic Narratives Shape Policy Adoption? Responses to China's Belt and Road Initiative. *Review of International Studies* 47 (1): 39–63.

World Economic Forum. 2019. *The Global Competitiveness Report 2019*. https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf. Accessed 30 Apr 2022.

Yu, Hong. 2019. Reflections on the Belt and Road Initiative. *China: An International Journal* 17 (4): 8–23.

Yu, Hong. 2022a. China's Ten-Year-Old BRI Needs a Revamp. *ThinkChina*. Available at https://www.thinkchina.sg/future-china-chinas-ten-year-old-bri-needs-revamp. Accessed 23 Nov 2022.

Yu, Hong. 2022b. China Wants to Win the World over with the BRI, but Something's Amiss. *ThinkChina*. https://www.thinkchina.sg/china-wants-win-world-over-bri-somethings-amiss. Accessed 30 Apr 2022.

Yu, Hong. 2023. Is the Belt and Road Initiative 2.0 in the Making? The case of Central Asia. *Journal of Contemporary Asia* 53 (3): 535–547.

Zhou, Lihuan, et al. 2018. Moving the Green Belt and Road Initiative: From Words to Actions. Working Paper, World Resource Institute. https://files.wri.org/d8/s3fs-public/moving-green-belt-and-road-initiative-from-words-to-actions.pdf. Accessed 14 Jan 2022.