

**THE BELT AND ROAD INITIATIVE  
IN CENTRAL ASIA**

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## **Executive Summary**

1. Central Asia is a vital link in China's Belt and Road Initiative (BRI). As the continental component of the BRI, the Silk Road Economic Belt was launched by China's President Xi Jinping during a speech at Nazarbayev University in the Kazakh capital in September 2013.
2. The BRI has much to do with the expansion of China's economic interests and influence in Central Asia.
3. Central Asia connects China with the vast Eurasian continent. Central Asian nations are strategically located along the overland trade routes linking East Asia with Europe. Access to Central Asia is thus vital in guaranteeing open passage for the Silk Road trade routes.
4. Central Asia is situated in the key node of the China-Europe Railway Express, 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 and Europe.
5. Central Asian countries are keen to participate in the BRI as it is an alternative to the conventional Russian domination of the region's political, economic and strategic spheres. The BRI could facilitate cross-border trade and investment across BRI countries through its focus on infrastructure connectivity improvement.
6. Kazakhstan is the top destination for Chinese outbound investments to Central Asia under the BRI. Chinese investments and China-funded projects in Kazakhstan totalled US\$8.97 billion between 2013 and 2020, accounting for 84.4% of China's total investment in Central Asia.
7. There has been a gradual shift of Chinese investment in the region since 2019, from the energy and mining sectors to agriculture and industries. China has played

a role in helping Central Asian nations industrialise by setting up manufacturing and processing plants for raw materials.

8. China also views Central Asia as crucial for safeguarding its national security in its Western Region in general and Xinjiang in particular. Kazakhstan, Tajikistan and Kyrgyzstan share a 3,300-kilometre border with Xinjiang, the most troubled region in China in terms of maintaining stability.
9. While Chinese investments in Central Asian countries have expanded, publicly available information on these investments remains 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.
10. Kyrgyzstan and Tajikistan are the two Central Asian countries most indebted to China due to the BRI-related investment. The smaller the country and the closer it is to China geographically, the more it will be indebted to China. The BRI in Central Asia has yet to become a global initiative based on high standards of transparency, sustainability and shared development that was promised by China.