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**РОЛЬ КИТАЙСКИХ БАНКОВ В РАЗВИТИИ ИНИЦИАТИВЫ
„ОДИН ПОЯС – ОДИН ПУТЬ“
THE ROLE OF CHINESE BANKS IN THE DEVELOPMENT
OF THE BELT AND ROAD INITIATIVE**

Аннотация. Инициатива «Один пояс, один путь» (ИОП), запущенная Китаем в 2013 году, стала одной из самых амбициозных международных программ развития XXI века. В данной статье рассматривается вклад китайских государственных и коммерческих банков в реализацию ИОП, анализируются основные финансовые механизмы, используемые для поддержки развития инфраструктуры, и оценивается экономическое воздействие деятельности китайских банков.

Abstract. The Belt and Road Initiative (BRI), launched by China in 2013, has become one of the most ambitious international development programs of the twenty-first century. This article examines the contribution of Chinese policy and commercial banks to the implementation of the BRI, analyzes the main financial mechanisms used to support infrastructure development, and evaluates the economic impact of Chinese banking activities.

Ключевые слова: Инициатива «Один пояс, один путь», китайские банки, финансирование инфраструктуры, Китайский банк развития, Экспортно-импортный банк Китая, международные инвестиции.

Keywords: Belt and Road Initiative, Chinese banks, infrastructure finance, China Development Bank, Export-Import Bank of China, international investment.

Introduction

The Belt and Road Initiative (BRI), announced by Chinese President Xi Jinping in 2013, represents one of the largest international economic cooperation programs in modern history. The initiative seeks to strengthen economic ties between Asia, Europe, Africa, Latin America, and the Middle East through infrastructure development, trade facilitation, investment cooperation, and financial integration.

According to official estimates, more than 150 countries and over 30 international organizations have signed cooperation agreements related to the BRI. Since its inception, total Chinese engagement in BRI projects has exceeded **USD 1.17 trillion**, demonstrating the enormous scale of financial resources involved.

Infrastructure development requires substantial long-term financing. Railways, highways, ports, power plants, and telecommunications networks often involve investments worth billions of dollars and may take decades to generate returns. Consequently, financial institutions play a decisive role in ensuring the implementation and sustainability of such projects. Chinese banks have emerged as the central actors in financing the BRI. Through loans, investments, export credits, and financial services, they provide the capital necessary for large-scale projects while simultaneously promoting China's economic and strategic interests abroad. **1. Chinese Banking Institutions Supporting the BRI.**

The financial structure of the BRI relies on several categories of Chinese financial institutions. The China Development Bank is the largest development finance institution in the world. It specializes



in long-term infrastructure financing and has provided hundreds of billions of dollars for transportation, energy, and industrial projects. The CDB's primary objective is not short-term profitability but long-term economic development. As a result, it can offer favorable financing conditions and extended repayment periods, which are particularly attractive for developing countries.

The Export-Import Bank of China supports international trade and overseas investment. It provides export buyer's credits, concessional loans, preferential export credits and overseas investment financing. The bank plays a crucial role in supporting Chinese companies participating in BRI projects and facilitating the export of Chinese technology, equipment, and engineering services. Major commercial banks participating in the BRI include many banks like Industrial and Commercial Bank of China (ICBC), Bank of China, China Construction Bank, Agricultural Bank of China and etc. These institutions provide project financing, syndicated loans, currency exchange services, trade finance, and settlement operations.

Chinese banks cooperate with international organizations like Asian Infrastructure Investment Bank (AIIB), Silk Road Fund, New Development Bank (NDB). These institutions help diversify funding sources and improve project governance.

Table 1.

Major Financial Institutions Supporting the BRI

Institution	Type	Main Function
China Development Bank	Policy Bank	Infrastructure financing
Exim Bank of China	Policy Bank	Export credits and concessional loans
ICBC	Commercial Bank	Project finance and settlements
Bank of China	Commercial Bank	International financial services
AIIB	Multilateral Bank	Co-financing infrastructure projects
Silk Road Fund	Investment Fund	Equity investment in BRI projects

2. Financing Mechanisms Used by Chinese Banks

Chinese banks employ several financial instruments to support BRI projects. One of the most common forms of financing involves loans provided directly to governments. Such loans are frequently used for transportation infrastructure, energy projects, and public utilities.

Project finance allows banks to lend based on the future cash flows generated by a project rather than relying solely on government guarantees. This approach is increasingly popular in energy and industrial sectors.

Large infrastructure projects often require financing beyond the capacity of a single bank. In syndicated lending multiple banks share risks, financing capacity increases and transaction costs decrease. This mechanism has become particularly important for projects exceeding USD 1 billion.

Chinese banks increasingly support PPP arrangements that combine public resources with private sector expertise. Advantages include improved efficiency, better risk allocation and greater project sustainability.

Chinese banks facilitate international trade through letters of credit, bank guarantees, documentary collections or foreign exchange services. These instruments reduce transaction risks and promote cross-border economic cooperation.

3. Economic Impact of Chinese Bank Financing

Chinese bank financing has generated significant economic benefits for participating countries. One of the most visible outcomes of the BRI is the construction of large-scale infrastructure projects. Examples include: China–Pakistan Economic Corridor (CPEC); Jakarta–Bandung High-Speed Railway; Port of Piraeus modernization; Addis Ababa–Djibouti Railway. These projects improve transportation efficiency and reduce logistics costs.



Improved infrastructure facilitates trade by reducing transportation time and increasing connectivity. The World Bank estimates that transportation corridors associated with the BRI could reduce travel times by up to **12%** and increase trade among participating countries by several percentage points.

Infrastructure projects create employment opportunities during both construction and operation phases. According to various estimates, millions of jobs have been generated directly and indirectly through BRI-related investments.

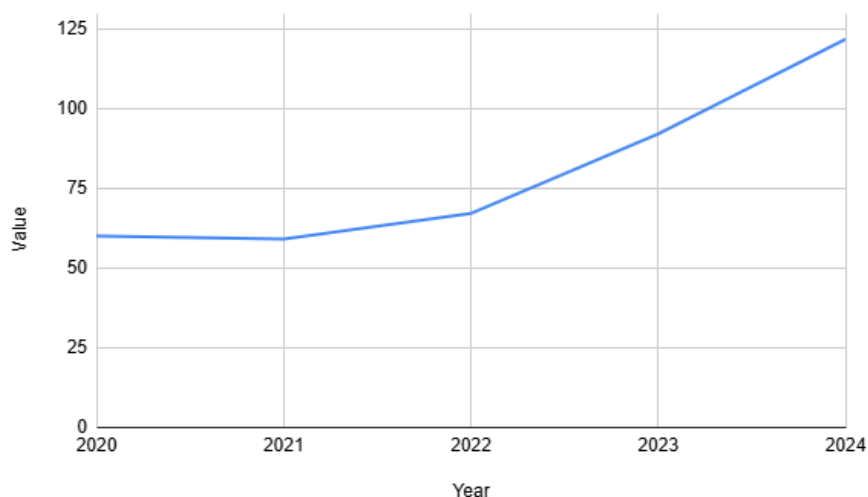


Figure 1. Growth of Total BRI Engagement (USD Billion)

The data demonstrate a strong recovery in BRI activity after the COVID-19 pandemic. Between 2022 and 2024, annual engagement increased by more than 80%, indicating renewed investment momentum and greater participation by financial institutions.

4. Recent Trends in BRI Financing

Recent years have witnessed significant changes in the structure of BRI financing. China has increasingly emphasized environmentally sustainable investments. In 2024 Green energy engagement reached approximately **USD 11.8 billion**, renewable energy accounted for a growing share of new projects and coal-related financing continued to decline.

Chinese banks are increasingly financing data centers, telecommunications networks, 5G infrastructure, and smart logistics systems, all of which support the development of the Digital Silk Road. At the same time, Chinese financial institutions promote the use of the renminbi (RMB) in international transactions. This approach helps reduce exchange-rate risks, lower transaction costs, and strengthen financial integration among participating countries.

Table 2.

Structure of BRI Engagement in 2024

Category	USD Billion
Construction Contracts	70.7
Direct Investments	51.0
Green Energy Projects	11.8

5. Challenges and Risks

Despite its achievements, Chinese bank financing faces several challenges. One of the most frequently discussed concerns is debt accumulation in recipient countries. Critics argue that some



governments may experience difficulties repaying large infrastructure loans. Supporters, however, emphasize that many projects generate long-term economic benefits that improve repayment capacity.

Factors like political instability, regulatory changes, security threats and governance issues can delay implementation and increase costs during different infrastructure projects. Large-scale infrastructure projects may affect biodiversity, water resources and even local communities. Consequently, Chinese banks are adopting stricter environmental and social governance (ESG) standards. The BRI operates in an increasingly complex geopolitical environment. Competition among major powers influences: Investment decisions, Regulatory frameworks, Access to strategic infrastructure assets. Chinese banks must therefore balance economic objectives with geopolitical considerations.

Conclusion

Chinese banks constitute the financial backbone of the Belt and Road Initiative. Through policy lending, commercial banking services, project finance, and international cooperation, they provide the resources necessary for the implementation of large-scale infrastructure projects across the world. The evidence suggests that Chinese financial institutions have played a decisive role in expanding transportation networks, improving energy security, stimulating trade, and promoting economic development in participating countries. At the same time, they face significant challenges related to debt sustainability, geopolitical competition, and environmental governance.

The future success of the Belt and Road Initiative will depend largely on the ability of Chinese banks to adapt to changing global conditions and prioritize sustainable, innovative, and high-quality investments. As the initiative evolves, Chinese banks are expected to remain among the most influential actors in international development finance.

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