

## BRI in Central Asia: Finance and IT Projects

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### ABSTRACT

China and its Central Asian counterparts pursue finance and IT projects for both commercial and strategic reasons. As this data article shows, transparency is limited and exact information on the size of their investments is only partly available. In the financial sector, China cooperates most closely with Kazakhstan among the Central Asian countries.

*Keywords:* BRI, China, finance, IT, Central Asia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan

### Background and data collection

Through the Belt and Road Initiative (BRI) projects, China aims to improve the infrastructure for trade and cooperation with Central Asia. Chinese investment in the region, however, not only targets infrastructure but also finance and communication projects.

This data article provides a detailed description of both the Chinese bilateral and BRI projects implemented in Central Asia. Data collection for this CADGAT dataset was carried out from August 2018 to January 2019 by one CADGAT researcher from each Central Asian country. Data were harvested from official statistics, local and international media news, government press releases, interviews and reports. These sources formed the basis for the collection of news clippings about BRI projects in the main table below. This is not a complete list of Chinese projects in the region. The data article, however, covers a diverse and wide range of projects—some already implemented and some still at the planning stage.

This data article is part of a series of such articles on BRI in Central Asia. All the data are also available in a unified Excel database at the following address:

<http://osce-academy.net/en/research/cadgat/>

### Key findings

China is not only investing in projects aimed at linking its energy markets with Central Asian suppliers but also emphasizing communication connectivity.

Finance and communication connectivity projects have both strategic and commercial drivers. Chinese financial support is channelled both through bilateral agreements and joint financial institutions.

Number of finance and IT projects and total funding

	Projects	Total funding (mln USD)
<b>Kazakhstan</b>	4	8 100
<b>Turkmenistan</b>	4	Information not available
<b>Kyrgyzstan</b>	3	Information not available
<b>Tajikistan</b>	2	Information not available

## **Definitions**

*Financing* – Sources of funding for each project are identified and presented.

*Commercial interests* – A project is classified as “commercial”, if the parties promoting it primarily pursue commercial goals.

*Strategic interests* – A project is classified as “strategic”, if it fits one of the broader categories, particularly strengthening connectivity.

*Connection to BRI* – If a project is announced publicly as part of BRI, then it is classified as a “BRI project”.

*Local project* – A project is classified as “local”, if the infrastructure or facility constructed and services provided, are limited to a specific country.

*Regional project* – A project is classified as “regional”, if it is part of the bigger regional initiative, which includes more than one country.

*Bilateral* – A project is classified as “bilateral”, if an agreement for project implementation is signed by the Chinese government or a Chinese company, as one party, and one of the Central Asian governments or companies as the other.

*Multilateral* – A project is classified as “multilateral”, if an agreement for project implementation is signed by three or more parties, including the Chinese or Central Asian governments, multilateral financial institutions (AIIB, China Development Bank, Export-Import Bank of China or New Silk Road Fund) and private enterprises.

Timing	Project	Financing	Project description (commercial vs strategic; connection to BRI)	Local vs regional	Bilateral vs multilateral
<b>KAZAKHSTAN</b>					
2016	China–Kazakhstan Production Capacity Cooperation Fund.	Total cost of the project: 2 bln USD. Source of financing: • Silk Road Fund.	Strategic and commercial: So far, the fund was used only once in 2018 for the subscription of common shares in the Astana International Exchange.  Branded as a BRI project.	Local	Bilateral
2015	Kazakhstan Infrastructure Fund.	Total cost of the project: 600 mln USD. Source of financing: • CITIC Group and Baiterek Holding.	Strategic: At least one project has already been financed by the fund.  Not branded as a BRI project. However, the agreement was signed in 2015 during the meeting of the heads of China and Kazakhstan, where the other agreements under BRI were signed.	Local	Bilateral
2014	Loan to joint-stock company (JSC) the Development Bank of Kazakhstan.	Total cost of the project: 500 mln USD. Source of financing: • Exim Bank of China.	Commercial.  Not branded as a BRI project. China Development Bank will provide 500 mln USD to the Development Bank of Kazakhstan under the Interbank Association of the Shanghai Cooperation Organisation. These funds will be used for non-oil sector-related areas of Kazakhstan's economy.	Local	Bilateral
2009	Loan to JSC the Development Bank of Kazakhstan.	Total cost of the project: 5 bln USD. Source of financing: • Exim Bank of China.	Commercial.  Not branded as a BRI project. The agreements were signed in April 2009, including a loan for 5 bln USD from the Exim Bank of China to the Development Bank of Kazakhstan for infrastructure and modernization of the energy sector to diversify the economy.	Local	Bilateral
<b>TURKMENISTAN</b>					
2017	Huawei programme "Seeds for the Future".	Information not available.	Strategic: This project will help to educate Turkmen specialists and then contribute to the Digital Belt and Road (DBAR) programme. Turkmen citizens are invited to attend a Chinese institution to improve their digital knowledge and skills. The media mentions that DBAR in Turkmenistan is realized by Huawei Technologies and ZTE and organized jointly by the Ministry of Telecommunication, the Ministry of Transportation and Huawei.  Branded as a BRI project. Even though it is not labelled a BRI project, it is part of DBAR, which was initiated in 2016.	Local	Bilateral
2015	Presidential decree for the purchase of computers for	Financed by the Turkmen government.	Strategic: The contract will reinforce collaboration in IT services.  Not branded as a BRI project.	Local	Bilateral

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	pupils for 2015–2016.				
2015	Project on the construction of a modern digital ground-to-train railway communication network for the Bereket–Gudrolum railway.	Information not available.	<p>Strategic: This contributes to the technological advancement and improved efficiency of the national railway operations. It will also enhance the efficiency of the China–Kazakhstan–Turkmenistan–Iran transnational railway. Huawei was awarded the contract. The company previously won contracts to supply GSM-R for the Buzhun–Serhetyaka, Buzhun–Chilmammet, Chilmammet–Bereket and Ashgabat–Bereket–Turkmenbashi lines.</p> <p>Branded as a BRI project. Even though it is not labelled a BRI project, it is part of DBAR, which was initiated in 2016.</p>	Local	Bilateral
2015	Contract of supply GSM-R for the 265-km line from Bereket to Ak Yayla.	Information not available.	<p>Strategic: The customization and implementation of railway communications technologies will enhance the effectiveness of the Turkmen section of the transnational railway to China. Huawei was awarded the contract in July 2015. The company previously won contracts to supply GSM-R for the Bereket–Gudrolum, Buzhun–Serhetyaka, Buzhun–Chilmammet, Chilmammet–Bereket and Ashgabat–Bereket–Turkmenbashi lines.</p> <p>Branded as a BRI project. Even though it is not labelled a BRI project, it is part of DBAR, which was initiated in 2016.</p>	Local	Bilateral
<b>KYRGYZSTAN</b>					
Planned	Platform for transboundary remote medical services on the Silk Road.	Humanitarian aid from China.	<p>Strategic: 15 Kyrgyz health organizations were provided with telemedicine equipment. Telemedical communication was established between Kyrgyz and Chinese hospitals.</p> <p>Not branded as a BRI project. During an official visit, the Chinese side submitted to the Kyrgyz two draft agreements on cooperation in the field of cross-border remote medicine: 1) between the Government of Urumqi, the Xinjiang Uygur Autonomous Region of China and the Ministry of Health of Kyrgyzstan; and 2) between the Sanitary Department of Urumqi and the Hospital of Kyrgyzstan.</p>	Regional	Bilateral
2018	Seminar on information security for Shanghai Cooperation Organization Member States.	Financed by China.	<p>Strategic: The seminar strengthens cooperation in the provision of information security among Central Asian countries and China. The cost of training, accommodation and logistics was covered by the Chinese side.</p> <p>Not branded as a BRI project. The seminar was organized by the Ministry of Commerce of the PRC.</p>	Regional	Multilateral
2013	The opening of an international air route	Information not available.	Strategic: The opening of such an air bridge will be the first step for the development of cooperation in the field of air communication between China and Kyrgyzstan within the framework of the BRI project. To date, an	Regional	Bilateral

	between the cities of Osh (Kyrgyzstan) and Kashgar (China).		<p>international air route crossing the Kyrgyzstan–China state border reaches peak capacity (90%) at night.</p> <p>In September 2014, at the meeting of the International Civil Aviation Organization (ICAO) in Beijing, the Kyrgyz side proposed a draft for an air corridor between the cities of Osh and Kashgar; the project was included in the regional catalogue of ICAO proposals.</p> <p>Not branded as a BRI project.</p>		
<b>TAJKISTAN</b>					
2013–2017	Communication companies: Huawei Technologies and ZTE.	Information not available.	<p>Commercial: Communication companies implement various social and educational programmes—for instance, Huawei equipped four secondary schools with computers.</p> <p>Not branded as a BRI project.</p>	Local	Bilateral
2004	High-altitude Kulma–Karasu checkpoint on the Tajik–Chinese border.	Information not available.	<p>Commercial and strategic: Up to 60% of bilateral trade goes through the Kulma–Karasu checkpoint. China will use this checkpoint to promote trade within the BRI. According to the official statistics, trade between the two countries at this checkpoint equalled 1.7 mln USD in 2004 and grew to 733 mln USD in 2010, or 431 times in six years. According to Chinese customs, between 2005 and 2014, 120,000 people crossed the border at the Kulma–Karasu checkpoint from both directions.</p> <p>Not branded as a BRI project. Financed by Chinese companies and built by Chinese contractors.</p>	Regional	Bilateral

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## About CADGAT and the Central Asia Regional Data Review

The Norwegian Institute of International Affairs (NUPI) and the OSCE Academy established the Central Asia Data-Gathering and Analysis Team (CADGAT) in 2009. The purpose of CADGAT is to produce new cross-regional data on Central Asia that can be freely used by researchers, journalists, NGOs, government employees and students inside and outside the region. Comments and questions can be sent to: [ino@nupi.no](mailto:ino@nupi.no). The datasets can be found at: <http://osce-academy.net/en/research/cadgat/>

The following datasets have been published previously:

1. Hydroelectric dams and conflict in Central Asia
2. Narcotics trade and related issues in Central Asia
3. Language use and language policy in Central Asia
4. The transport sector in Central Asia
5. Road transportation in Central Asia
6. Gender and politics in Central Asia
7. Political relations in Central Asia
8. Trade policies and major export items in Central Asia
9. Intra-regional trade in Central Asia
10. Trade barriers and tariffs in Central Asia
11. Holidays in Central Asia. Part I: Laws and official holidays
12. Holidays in Central Asia. Part II: Professional and working holidays
13. Media in Central Asia: Print Media
14. Media in Central Asia: TV
15. Media in Central Asia: Radio
16. Renewable energy policies of the Central Asian countries
17. Wind power potential of the Central Asian countries
18. Solar power potential of the Central Asian countries
19. Hydropower potential of the Central Asian countries
20. BRI in Central Asia: Overview of Chinese projects
21. BRI in Central Asia: Rail and road connectivity projects
22. BRI in Central Asia: Energy connectivity projects
23. BRI in Central Asia: Mineral and petroleum exploration, extraction and processing projects
24. BRI in Central Asia: Industrial projects
25. BRI in Central Asia: Finance and IT projects

CADGAT has also produced a database on “Elites in Central Asia”, which can be found at <http://osce-academy.net/dbelite/>



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