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China's Belt and Road Initiative revisited

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The Belt and Road Initiative (BRI), introduced by Chinese President Xi Jinping in 2013, is an economic and geopolitical mega-project that has become a centrepiece of China's foreign and economic policy. The original goal was to better connect the emerging Asian economies with the industrially advanced European countries, both by land (belt) and by sea (road), as well as to stimulate deeper cooperation among the countries along the BRI routes. Over time, however, the scope of the BRI changed fundamentally. It expanded to include Africa, Latin America and beyond, and instead of the multilateral cooperation originally envisioned, a myriad of bilateral projects between China and individual 'BRI countries' were established, collectively worth more than USD 1tn by 2023. However, a debt crisis unfolding across BRI countries, along with other factors – including criticism of BRI projects because of their environmental impacts, minimal benefits to domestic employment, and corruption allegations – slowed its expansion. In addition, the pattern of projects changed significantly after the COVID-19 crisis, resulting in fewer large-scale infrastructure projects, more private investment, a focus on 'green' investments, and a revival of mining activities. Finally, 'back to the roots', multilateral cooperation in projects became a viable option – and one that will likely offer fresh opportunities for non-Chinese investors, including European companies, to participate in the BRI.

1. Introduction

After introducing the BRI to neighbouring Central Asian and Southeast Asian countries in 2013, the Chinese government communicated its vision of a 'New Silk Road' to various other important counterparts, such as the Russian president, leaders of Arab states, representatives of the European Union (EU), and representatives of the Central and East European (CEE) countries in the framework of the '16+1' initiative,[1] as 'bridgeheads' to Europe (Urban 2016). Many European countries – including Austria and, in particular, the CEE countries – initially supported the initiative, but their interest waned once the BRI evolved in a different way than was originally envisaged. However, recent developments of the BRI may point in a different direction. This Policy Brief will give an overview of the development of the BRI's scope and scale and its changing pattern since inception, with a focus on the most recent period after the COVID-19 pandemic. In addition, we will discuss certain geopolitical aspects and conclude with some remarks on policy options for Europe and, in particular, Austria.

2. The Silk Road goes global

In February 2025, China officially listed 149 countries – out of 193 United Nations (UN) member states – as 'BRI countries'.[2] A country is termed a BRI country if it has signed a memorandum of understanding (MoU) with China on participating in the BRI.

In the first phase, which lasted until the First Belt and Road Forum, held in Beijing in 2017, 55 countries joined the BRI. These were mainly countries along the historical Silk Road (i.e. countries in Southeast Asia, Central Asia, and the Near and Middle East) as well as the 16 CEE countries already engaged in the 16+1 format. At the same time, Egypt, Kenya and South Africa were the first African countries to join the BRI as important docking stations on the so-called Maritime Silk Road.

In the second phase (2018-2019), the BRI spread to the oil-rich Arabian Peninsula, further across the entire

[1] The 16+1 format was launched in 2012 in Warsaw to promote closer economic cooperation between 16 countries in CEE and China.

[2] Nedopil (2023). This number excludes Palestine, which is not classified as an independent country by the UN. Notably, Italy exited the BRI in 2023 and Panama did so recently, in February 2025.

African continent and then to Latin America, reflecting the attractiveness of the BRI as well as China's rising ambitions as a world power and a leader of the Global South. During this period, nearly 80 countries joined the BRI, including Iran and all Arab states along the Persian Gulf, the majority of African countries, and a significant number of countries in Latin America (e.g. Chile, Peru and Venezuela). As a result, the BRI 'lost all semblance of the original Eurasian connection, instead becoming a catch-all for China's foreign policy in general' (Tiezzi 2023). In the third phase (2020-2024), which was during and after the COVID-19 pandemic, only a few more countries joined the BRI, with the most prominent being Afghanistan and Argentina.

Given the global dimension of the BRI, one may question be tempted to ask, who isn't part of the BRI? The most important countries 'outside' the BRI are the Western European countries,[3] the US and its allies (Australia, Canada, Israel, Japan, Jordan, Mexico, and New Zealand). But these are also joined by Brazil, Colombia, India, Venezuela and, most interestingly, North Korea.[4]

Remarkably, Austria is officially listed as a BRI country by China even though the Austrian government has never signed a MoU on participating in the BRI. This can most likely be attributed to the positive statements of then-Austrian Chancellor Sebastian Kurz and the signing of a MoU between what was then called the Federal Ministry for Transport, Innovation & Technology (BMVIT) and China's National Development and Reform Commission (NDRC) on cooperation with regard to the New Silk Road during a state visit to China in 2018 (Federal President of Austria 2018).

Russia, too, is considered a BRI country even though no evidence for a MoU could be found. However, this is not surprising given the county's own ambitions and agenda in BRI countries – as evinced, for example, by the Eurasian Economic Union (EAEU) – and its self-conception as a great power. In any case, Russia does, of course, closely cooperate with China, also in organisations such as the Shanghai Cooperation Organisation (SCO) and in the BRICS+ format. Investment cooperation focuses on the oil and gas sector and on chemicals respectively petrochemicals.[5] Finally, the transsiberian railway is an important transport corridor of the BRI.

Becoming a BRI country does not necessarily mean that China gets involved in a project with or in this country. No preferential treatment is implied, nor is such collaboration exclusive. What counts are the actual projects themselves. As Tiezzi (2023) notes: 'The growth of the BRI is perhaps best understood as symbolic: a picture of countries whose aspirations for their relationships with China outweigh their concerns. With that in mind, the BRI's reach today is important, if only as a good reminder that the vast majority of the world is not interested in 'decoupling' from China.' The recent exit of Panama – in the face of increasing pressure from US President Donald Trump – underlines this picture.

3. The myriad of BRI projects – difficult to quantify

Since a comprehensive official record of BRI projects does not exist, it is difficult to capture the true scale and scope of the BRI. The vast range of projects includes mega-infrastructure projects (e.g. the China-Pakistan Economic Corridor), power plants of various sizes, roads, railways and mining activities, but there are small projects, too (e.g. schools, scholarships, hospitals and water wells). China's official Belt and Road Portal offers qualitative information on a great number of projects, but it does not provide any comprehensive quantitative data.[6] Given these circumstances, researchers are forced to resort to unofficial sources. The figures presented here are based on a unique dataset generated by researchers at the Griffith Asia Institute (GAI) in Brisbane and the Green Finance & Development Center (GFDC) at Fudan University in Shanghai, which take CGIT data[7] and expand them with their own more detailed research data (Nedopil 2024).

According to these data, China's cumulative BRI engagement in the 2013-2023 period amounted to USD 1.053tn. Of this engagement, USD 643bn was dedicated to construction contracts and USD 419bn went towards investment (Nedopil 2024).

Over time, the amount and composition of BRI projects has changed considerably. At first, China's BRI engagement showed an impressive take-off, with projects worth more than USD 90bn in the first year, and this engagement rose rapidly in the next few years (Figure 1). This rise was driven by surplus capacities in China's construction, steel and cement sectors as well as China's unique 'all in one' system. According to this three-stage system, the government negotiates and approves a project with a BRI partner, a state-owned bank finances it, and a state-owned company carries out the project.

[3] According to Chinese sources, the following EU countries have signed MoUs: Cyprus, Greece, Luxembourg, Malta and Portugal (in 2018/2019) as well as the 11 CEE countries, including the Baltic states, that already joined the BRI during the first phase.

[4] This 'outsiders' group also includes Taiwan's few remaining diplomatic allies, which do not have any diplomatic ties with China.

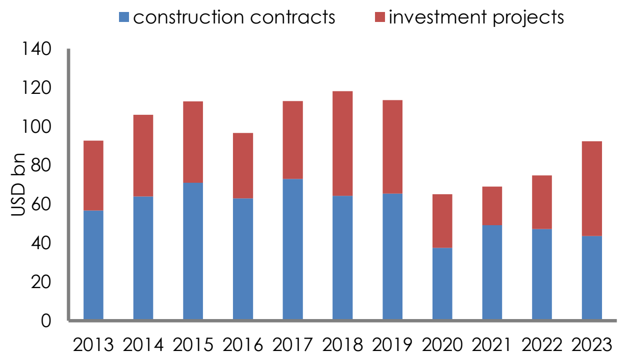
[5] Prominent examples are the Power of Siberia Gas Pipeline, the Yamal LNG project, the Arctic LNG II project and recently the joint construction of a methanol plant in Volgograd (Nedopil 2024).

[6] Government of the People's Republic of China. https://eng.yidaiyilu.gov.cn/p/05V6G0IF.html

[7] These data include Chinese foreign direct investment (FDI) and Chinese overseas construction projects that are not based on real transactions but instead on transactions or contracts – each exceeding the value of USD 95m – as announced by investing firms.

In the first few years, projects focused on transport infrastructure (e.g. roads, railroads and ports) as well as on big energy-related projects (e.g. power plants, oil/gas infrastructure and pipelines), which were considered important for increasing foreign trade with and economic development in the BRI countries. When the First Belt and Road Forum was held in 2017, cumulative construction and investment had reached about USD 520bn, which was celebrated as a great success. However, in the following two years (2018/2019), when 80 new countries joined the BRI, the annual amounts spent on construction contracts decreased. Investments reached their peak in 2018 (Figure 1), most likely because China's financial and industrial capacities had reached a certain limit. At the same time, several criticisms were raised: Some accused China of monopolising the BRI, some warned of financial overstretch, and some cautioned that the lack of proper feasibility studies would cause environmental damage and might drive borrower countries into over-indebtedness. In addition, BRI countries complained that one-way trade was causing their trade balances to deteriorate and that the use of Chinese labour to build infrastructure came at the detriment of domestic employment. On top of that, there were corruption allegations and a track record of 'failed' projects.[8]

Figure 1: China's construction contracts and investment projects in BRI countries, 2013-2023



Source: Nedopil (2024), author's depiction

In any case, during the Second Belt and Road Forum, held in Beijing in 2019, new, ambitious demands were placed on the future development of the BRI, with the goal being to create a 'high-quality BRI' that should be 'open, green and clean'.[9] This shift in BRI policy must also be seen in the light of China's overall efforts to achieve more qualitative growth and to 'green' its industry, as manifested in its commitments in the Paris Agreement on Climate Change (signed in 2016), the 'Made in China 2025' industrial strategy and the 13th Five-Year Plan, covering the 2016-2020 period.

However, in 2020, the COVID-19 pandemic broke out and economic activities slowed down worldwide. China's BRI engagement decreased by nearly half over the course of that year (Figure 1). Financial restrictions prompted by an unfolding debt crisis played a role, as well.

4. The unfolding debt crisis

Since BRI projects are generally undertaken through debt instruments rather than foreign direct investment (FDI), China has provided an enormous amount of loans to these countries – although a big share seems to have gone unreported (Horn et al. 2021). By 2017, China had become the largest official creditor of emerging markets and developing countries (EMDEs), ahead of the International Monetary Fund (IMF), the World Bank and all 22 Paris Club governments combined (ibid.). However, the economic slowdown and falling commodity prices in the aftermath of the COVID-19 pandemic caused financial distress in many BRI countries and, by the end of 2022, an estimated 60% of China's cumulative loan claims to EMDEs was to countries in debt distress (Horn et al. 2022).[10] In this situation, China's state banks hesitated to issue new loans. Net financial transfers (meaning new disbursements minus debt repayment and interest rates) began to decline and turned even negative in 2019 (see Figure 2). To prevent a debt crisis, China has developed a number of financial support instruments, including swap lines, rescue loans and loan restructuring (Horn et al. 2023). But the opacity of China's overseas lending practices and bilateral restructuring is a serious challenge for other official creditors negotiating their debts, such as those in the framework of the Paris Club – a group of 22 major creditor countries aiming to provide a sustainable way to tackle debt problems in debtor countries. Although China is not a member of the Paris Club, it could be invited as an 'ad hoc' participant to negotiation sessions.[11]

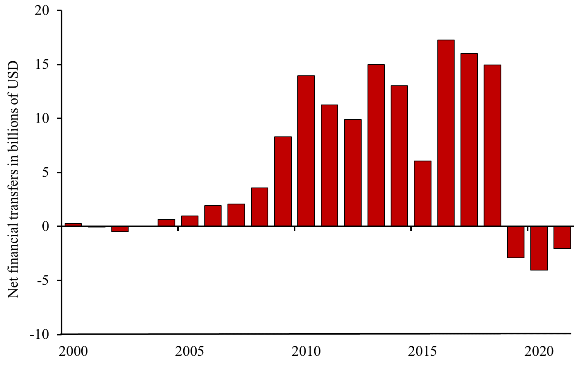
[8] Famous examples include: the Hambantota International Port in Sri Lanka, which created vast surplus capacities and debt problems; the Addis-Ababa-Djibouti railroad, which was very expensive and is not fully functional yet; and various delayed or unfinished road projects in the CEE countries.

[9] Remarks by President Xi Jinping at the press conference of the Second Belt and Road Forum, 27 April 2019, and the joint communiqué of the leaders' roundtable meeting of the Second Belt and Road Forum, 28 April 2019.

[10] Not all – but most – of these countries are BRI countries. One prominent exception is Venezuela, which is a big debtor country in distress but has not signed a MoU to participate in the BRI.

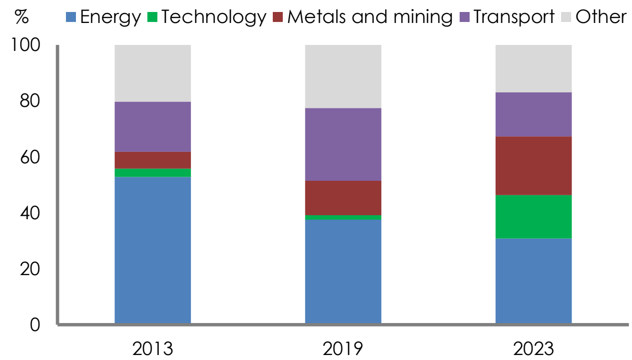
[11] Opacity of lending is a characteristic not only of China, but also of other emerging market creditors, such as India, Saudi Arabia and the United Arab Emirates. The G20's Common Framework on Debt Treatments, established in 2020, provides for collaboration with Paris Club creditors, but it has been of little significance to date.

Figure 2: From boom to bust in China's overseas lending



Source: Reinhart (2023)

Figure 3: Main sectors of China's BRI engagment



Source: Data from Nedopil (2024), author's depiction

5. The BRI takes a new shape

After the COVID-19 slowdown, the BRI emerged in a different pattern than before, following the guidelines of the Second Belt and Road Forum 2019, which were reiterated during the Third Belt and Road Forum 2023, prioritising 'high-quality, open, green and clean' projects. The pattern also adjusted to the financial restrictions prompted by debt problems in many partner countries as well as China's domestic problems, such as the real estate crisis and slow economic growth. In addition, in September 2021, Chinese President Xi Jinping called for 'xiao er mei' ('small and beautiful') projects to be promoted, as opposed to the huge infrastructure projects of the past.[12] An official interpretation of 'xiao er mei' does not exist, but it is widely accepted to include small projects that are economically, socially and environmentally viable, whereby 'small' can be understood as either a small project in itself or a small part of a larger project. Economic security plays an increasing role, as well.

Most evident is a pivot away from large-scale infrastructure projects.[13] In general, public construction contracts became smaller and investment projects became bigger. In fact, by 2023, the latter even outpaced the former (Figure 1), with private investors gaining importance compared to state-owned enterprises (SOEs). One prominent example of the former is Contemporary Amperex Technology (CATL), the world's largest battery producer.

The envisaged 'greening' of the BRI takes two different forms: China's engagement in 'green energy' projects and its investments in 'green technologies', such as the production of batteries, electric vehicles, solar panels and wind turbines (the first are included in the 'energy' sector and the latter in the 'technology' sector in Figure 3). In 2023, investment in battery plants alone reached more than USD 8bn (Nedopil 2024). Pull and push factors are driving this development, as BRI countries are striving for 'green transition' and China has ample capacities in these fields. The development is being given additional impetus by EU and US barriers to trade against some of these products. In 2023, 'green energy' (i.e. solar, wind, biomass and hydropower) projects reached a record amount of USD 9.5bn and, together with supporting distribution systems, this amounts to 45% of all BRI energy projects. However, more than half of the projects are still related to oil and gas, and there are probably some coal projects, too.[14] Although the energy sector was once the biggest sector within the BRI, its relative importance has dramatically declined (see Figure 3).

There has also been a new surge in mining activity (Figure 3). China's engagement in 'metals and mining' reached USD 19.4bn in 2023, it has grown 158% compared to 2022 and reached the highest level since 2013 (Nedopil 2024). Investments in 'metals and mining' increased in particular in African and Latin American countries, with the aim to secure raw materials, especially those important for China's 'green industries' (e.g. copper, nickel and lithium), as China is also a world leader in material processing. Prominent examples are Chinese companies mining for copper (and cobalt as an important by-product), in Congo (DRC)[15] and in Zambia, but for instance in Botswana and Serbia (Zijin Mining Group in Bor) as well. There is a recent big investment in the extraction of Nickel in Indonesia and increased engagement in Lithium

[12] President Xi Jinping at the Third Symposium on the Construction of the Belt and Road Initiative, 19 November 2021.

[13] The following section draws largely on the results presented in Nedopil (2024) and Barisitz (2024), who gives a detailed analysis of Chinese investment in the 2019-2023 period, with a focus on the BRI.

[14] 'Following China's announcement in September 2021 to not build new coal-fired power plants, select new coal-fired power projects seem to progress.' Nedopil (2024), p. 15.

[15] Reportedly, China already ownes 80% of DRC's copper mines and Congo (DRC) is now the world's second largest producer of copper after Chile.

mining in Bolivia and Chile, but in Mali and Zimbabwe, too.

Transport infrastructure has always been at the core of the BRI. But as these projects are typically huge and largely dependent on public funding, they are particularly prone to financial restrictions. However, given their importance for China's foreign trade, for the supply of raw materials, and for strategic and even military factors, Chinese engagement in transport projects around the globe have continued (e.g. the massive Port of Chancay in Peru, an important logistic hub for Chinese trade with Latin America) although at a significantly lower level than in the years before COVID-19. To reduce the financial burden, alternative modes of investment – such as public-private partnerships (PPPs) and build-operate-transfer (BOT) agreements – are being tried (e.g. for road construction in Africa). In addition, cooperation with multinational development banks (MDBs) is envisaged.

China is also increasingly present in the digitalisation of emerging markets, such as with data centers and mobile networks. The Chinese company Huawei reportedly built 70% of Africa's 4G network and signed 5G agreements with Kenya, South Africa and Uganda (Barisitz 2024). Other examples are the Chinese partnership in a big data center in Serbia and Alibaba's e-commerce project in Malaysia, which aims to help local businesses to identify opportunities for global cross-border trade.

Perhaps the most important innovation after COVID-19 has been the 'multilateralisation' of BRI projects. This includes cooperation between China and interested financial investors (e.g. the Gulf states) as well as collaboration with MDBs and non-Chinese public or private enterprises. To cite a few (of many) examples: Trina Solar, Sinar Mas, Agra Surya Energi and Indonesia's government-owned power company PLN agreed to cooperate in constructing Indonesia's largest solar cell and solar panel factory in Central Java; the China State Construction Engineering Corporation (CSCEC) and the South Korean company Eco Plant have jointly invested in a giant hydrogen-production facility in Egypt[16]; and PowerChina and the French firm Alstrom are working together on a new metro line in Belgrade.[17] However, cooperation can also simply take the form of bidding together with non-Chinese companies in a public tender. For example, CSCEC teamed up with a company from Azerbaijan to build a highway section in Bosnia and Herzegovina (Xinhua 2024), and China's Sinopec (35%) and Spain's Tecnicas Reunidas (65%) won the tender to jointly construct a gas-liquefaction plant in Saudi Arabia (GTAI 2024).

Multilateral cooperation is expected to attract additional financing to mitigate risks and improve the quality of the projects. To bolster project quality, China's State Administration of Foreign Exchange (SAFE) – the ultimate source of funding for most of China's state-owned policy banks, commercial banks and investment funds – announced in 2021 that it would prioritise projects adopting the ESG[18] criteria of MDBs and incorporate ESG principles 'into the whole project investment process from decision-making to post-investment management' (Parks et al. 2023, quoting SAFE 2021). Also, in 2019, China adopted the 'G20 Principles for Quality Infrastructure Investment'.

6. Geopolitics matter

In addition to helping EMDEs to meet their urgent need for infrastructure and other investments, China's extensive BRI engagement has increased its economic and political power in the Global South. As a counterweight, Japan launched the Partnership for Quality Infrastructure programme in 2015, which offers high-quality infrastructure to other Asian countries, such as India, which is particularly worried about China's rising influence in the region. In 2019, the United States established the U.S. International Development Finance Corporation (DFC) to boost its weight in global development finance and, in June 2021, President Biden announced the Build Back Better World (B3W) initiative, which proposed that the G7 countries jointly support the infrastructure needs of developing countries 'to counter the BRI'.

In September 2021, the EU, which had originally supported the BRI, presented its own initiative, the Global Gateway, with the aim to mobilise up to EUR 300bn in investment between 2021 and 2027 as well as a focus on Africa.[19] Finally, at the G7 summit in June 2022, the US and the EU initiatives were combined under the Partnership for Global Infrastructure Investment (PGII) programme, and shared investment (public and private) is envisaged to reach a total of USD 600bn (including contributions from Japan and Canada) by 2027. There are two flagship PGII projects to mention: the India-Middle East-Europe Economic Corridor (IMEC), connecting India and Europe by sea and land via the United Arab Emirates (UAE), Saudi Arabia, Jordan and Israel (following the old 'spice route'), and the Trans-African Corridor (also named the Lobito Corridor), connecting the Port of Lobito in Angola with the the Democratic Republic of the Congo (DRC) and Zambia (European Commission 2023). Both projects are not only about connectivity, but also securing access to raw materials (e.g. oil, green hydrogen, cobalt and copper) and offering

[16] In January 2023, the two companies agreed on a strategic partnership to jointly develop renewable energy resources worldwide. www.kedglobal.com/energy/newsView/ked202301060001

[17] Official Belt and Road Portal (https://eng.yidaiyilu.gov.cn/), GTAI (2024), Nedopil (2024) and Barisitz (2024).

[18] ESG is shorthand for an investment principle that prioritises environmental issues, social issues and corporate governance.

[19] European Commission (n.d.). The inaugural milestone was the Africa-Europe Investment Package, worth EUR 150bn.

African countries and important 'middle powers', such as the Arab statess and India, an alternative to engaging with China. However, both projects are currently facing challenges sparked by armed conflicts (e.g. between Israel and Hamas as well as between rebel and government forces in the DRC). Nevertheless, India and the UAE signed the first formal agreement on the corridor's development in February 2024.[20] As regards the Lobito Corridor, the first section, the 'Lobito Atlantic Railway' (LAR) is operating and first shipments of copper from Congo (DRC) via the Atlantic port of Lobito have reached the U.S. already. For the second more challenging part, the 'Lobito-Zambia Greenfield Rail Line', the feasibility study is completed and the social and environmental impact assessment is in progress. The target date for construction to begin is 2026.

In the meantime, China has been actively consolidating its economic and political position in the Global South through other formats, such as the BRICS+ platform and the Shanghai Cooperation Organisation (SCO). The original group of BRICS – which included two important countries that were not 'BRI countries', namely India and Brazil – was expanded to BRICS+ in 2024 and 2025, with all 'plus' members being BRI countries.[21] The SCO, originally founded to improve regional security cooperation, is now also focusing on economic issues, and all of its members are BRI countries.[22] One common goal is the 'de-dollarisation' of trade and investments using national currencies or the renminbi instead of the US dollar for the settlement of transborder transactions.

In addition to significantly helping to expand trade between China and individual BRI countries, the enormous expansion of transport infrastructure under the BRI is also of strategic importance. To the detriment of its competitors, China is now the major trading partner of 150 countries. For example, in many Latin and South American countries – most recently, in Argentina and Bolivia – China has replaced the US as the main trading partner.[23] While China's massive investment in maritime infrastructure has helped to secure its sea routes, the extended network of land routes (e.g. roads, railways and pipelines) has lessened its dependence on sea transport for the supply of critical items, such as oil. In any case, both maritime and land-based investments are improving China's economic security and strategic position, which has to be seen in the light of growing tensions with the US, looming conflicts in the South China Sea, and China's increasing militarisation.

Will the U.S. under President Donald Trump continue to support PGII?

The probability that the Trump administration will continue to support PGII seems relatively high, as countering Chinese influence in the Global South is at the core of President Trump's foreign policy and public-private partnership (PPP) is considered by him the most cost-efficient way to reach this goal. In fact, the International Development Finance Corporation (DFC) was founded during his first term in office, with the purpose to de-risk private sector projects abroad and advance PPPs. The DFC is the major U.S. source of finance for the PGII and Trump's officials most recently signalled openness to increase its lending capacity and shift money from USAID to DFC.[24] The Lobito Corridor project further serves another important concern of President Trump, namely promoting U.S. access to critical minerals. His interest in IMAC on the other hand, seems to focus on data center infrastructure exports and related power generation facilities rather (Silverberg and Slater 2025). However, the mode of cooperation with PGII partners might change. Probably there will be more pressure on Europe to mobilise money and investments and President Trump's geostrategic priorities and 'America First' policy could strain cooperation with partner countries in the Global South. However, given his record of erratic politics, the possibility that President Trump will decide to go it alone or collaborate with partners outside the G7 (e.g. South Korea or Australia) on infrastructure projects in the Global South cannot be completely ruled out either (Gupta 2025).

7. Conclusions and policy options

To summarise, China has spent more than USD 1tn on projects in EMDEs so far, which has significantly helped to increase its economic and political power in the Global South. However, the pattern of BRI projects changed significantly after the COVID-19 crisis. Perhaps the most important changes are the pivot away from large-scale infrastructure projects and the 'multilateralisation' of projects, which includes cooperation between China and foreign financial investors, collaboration with MDBs and non-Chinese public and private enterprises. Other changes refer to the emphasis on investment instead of construction projects, private investors gaining importance compared to state-owned enterprises and a focus on

[20] A third large project is the EU-Central Asia Connectivity initiative, which aims to establish an efficient transport corridor between Europe and Asia that bypasses Russian territory (Barisitz 2024).

[21] At present, BRICS+ comprises 10 countries: Brazil, China, Egypt, Ethiopia, India, Indonesia, Iran, Russia, South Africa and the UAE, although various candidates are on the waiting list.

[22] The SCO now includes 10 countries as well: China, India, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan, Uzbekistan and, most recently, Belarus.

[23] See Runde et al. (2024) and WTO (2023).

[24] 'The President has also highlighted infrastructure investments in joint statements with visiting prime ministers of Japan and India, and amidst massive personnel cuts at the State Department, the Trump team left the PGII office unscathed, signalling support' (Silverberg and Slater 2025).

‘greener and cleaner’ projects. Finally, in reaction to the criticism of many BRI projects, their quality should improve to meet international standards, which has still to be proved. As for the sectors, recent BRI projects focus on ‘green energy’ (solar, wind, hydropower), on ‘green technologies’ (batteries, electric vehicles, solar panels and wind turbines) and digitalisation projects. Last but not least, a new surge of engagement in the metals and mining sector, reflecting China’s increased economic and strategic security interests, can be observed.

From this picture, the following conclusions can be drawn: There is a persistent need to counterweight China’s political and economic influence in the Global South by offering alternative infrastructure projects as provided in the Global Gateway and PGII framework. Even more so, as a big infrastructure gap is to fill[25] while China is pulling back and concentrating on projects relevant for its own economic and national security, mainly securing its trade routes and access to critical raw materials. This represents a special challenge for the EU, given its own increased security concerns as a result of the COVID-19 crisis and Russia’s invasion in the Ukraine. This challenge doesn’t just apply to the Global South, but to the EU’s own backyard, the Western Balkan, as well.

On the other hand, European companies could make better use of the improved basis for cooperation with Chinese companies in BRI countries. The increasing ‘multilateralisation’ of BRI projects, their focus on investment instead of construction and the bigger role of private enterprises offer fresh opportunities for European companies to cooperate with Chinese companies on infrastructure projects in third countries. There are already many projects of this kind with companies of the Gulf states, with several Asian but some European companies as well (e.g. Siemens, EDF, Alstrom).[26] Such cooperations could open new markets for European suppliers as well. Furthermore, European and Chinese companies could jointly bid on tenders, leveraging China's experience and cost-efficiency alongside European quality.[27]

Austrian companies, in particular, could focus on cooperating with Chinese firms on smaller projects or bid on tenders with them. Perhaps they could start with projects in countries where they have experience already, providing some ‘value added’ for the Chinese partner and then try to extend their cooperation to new markets. Probably some highly specialised companies will be able to skip the first step. Austrian companies could also seize opportunities to supply Chinese 'green technology' investments in the CEE countries, such as battery factories in Hungary (e.g. CATL, EVE Energy) and an electric vehicle (EV) factory currently under construction in Hungary (BYD),[28] with additional Chinese EV-related investments planned. Probably, in the short run these Chinese companies will be assembling components from China mainly or rely on Austrian companies, which have been their suppliers in China already, but in the medium-term certain opportunities might emerge. Austria could also try to attract some ‘green technology’ investments or assembly operations from China. However, high costs in Austrian manufacturing pose a major obstacle.

Moreover, European and Austrian exporters could better leverage the enhanced, fast railway connections under the BRI framework, not only to China but also to Central Asia and, more recently, to Southeast Asia.[29] Indeed, despite Russia’s full-scale invasion of Ukraine, the number of freight trains between Europe and China has steadily increased.[30] Finally, Austria could make an effort to become a logistic center for trade between China respectively Asia and the EU, in particular taking advantage of the new high-speed Koralm Railway between the cities of Graz and Klagenfurt, expected to be operational in December 2025. This railway line is an important part of the north-south Baltic-Adriatic rail freight corridor which meets the east-west Alpine-Western Balkan rail freight corridor in Carinthia.

[25] ‘Developing countries need $40 trillion for infrastructure by 2035 to meet economic and sustainability goals’ (Larsen 2024).

[26] China State Construction Engineering Co. and Siemens repair and build a dual fuel power station in Iraq, Chinese Jinko Solar and France’s EDF cooperate in the world’s largest solar farm in the UAE, China’s Power Construction Corporation (PowerChina) and French firm Alstrom cooperate installing a new metro line in Belgrade, Serbia.

[27] China’s Sinopec and Spain’s Technicas Reunidas, for instance, won tenders to jointly construct a gas-liquefaction plant in Saudi Arabia and a large petrochemical unit in Kazakhstan, in the framework of their ‘strategic alliance’ subscribed in 2023.‘China now has less of a financial role but instead plays a key role in providing price-competitive engineering, procurement, and construction (EPC) contracting and technology’ (Larsen 2024).

[28] In July 2024, BYD was reportedly actively looking for Austrian suppliers (Mrazek 2024).

[29] Combining the new China-Laos Railway with China-Europe freight train services has reduced delivery times from Europe to Laos and Thailand to 15 days (Chang 2025).

[30] According to the Chinese official Belt and Road Portal, the number of freight trains reached 9,343 (westbound) and 8,180 (eastbound) in 2023. www.crexpress.cn/en/#/home

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