



BRI Pulse

6th August 2018

CEXIM BRI Loan Update

CEXIM's loan balance related to Belt and Road projects increased 37% year-on-year in the first six months of 2018, according to data released this week. It did not report the total value of loans but said that all the project loans, totalling RMB130bn (US\$19 billion), that were discussed at the BRI Forum in Beijing May 2017 had now been converted into agreements (*this is therefore a 100% pledge to actual delivery in just 4 quarters*). Chairman Hu Xiaolian said that CEXIM would continue to maintain moderate growth of its business during H2 2018.

In Malaysia, the new government has suspended the US\$20 billion East Coast Railway Link rail project – 85% of which is financed by CEXIM. Myanmar is discussing scaling down the costs of the US\$7.3 billion Kyauk Pyu deepwater port, which also involves loans from CEXIM.

BRI – H1 2018 FDI

China's foreign direct investment in the 55 countries covered by the BRI was US\$7.68 billion in H1 2018, down 15% year-on-year, according to figures released by MOFCOM (*it is important to note that MOFCOM reports on a cash accounting basis – i.e. when cash actually enters the project*).

BRI – Selected Country Updates

Pakistan has now drawn down additional Chinese loans of US\$5 billion over the past year to plug a funding gap – in addition to the original pledge of US\$57 billion for CPEC, the largest amount to any BRI country.

Ports Construction Updates

Chinese companies have participated in the construction and operation of a total of 42 ports in 34 countries under BRI since it was launched in 2013, according to China's Ministry of Transport (*our Grisons Peak data also includes M&A/equity investments, bringing the total to over 70 ports*).

MoT said China has also signed 38 bilateral and regional maritime agreements covering 47 countries along the Belt and Road trade routes.

And Finally...

The US, Japan and Australia announced a trilateral agreement to increase infrastructure investment in the Asia-Pacific region most likely via a fund. Mike Pompeo mentioned a number of US\$113 million, while neither Japan nor Australia mentioned any amounts upon announcement.

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