

Asia Economics

China's Belt & Road: Tracking Investment Flows to ASEAN

OBOR Funds Crossing a Trillion Dollars

President Xi pledged an <u>additional \$124bn</u> (or CNY840bn) to the One Belt One Road (OBOR) Initiative at the recent Beijing forum in May. This is on top of the \$900bn already available, including via the Silk Road Fund, policy banks, sovereign wealth funds and state-owned commercial banks. We believe China's increasing investment abroad and rapid foreign asset accumulation are still in the early stages of a decade-long wave.

ASEAN Seeing Large Greenfield & M&A Investments

ASEAN is emerging as a big beneficiary from China's greenfield and M&A investments. Both surged to their highest levels in 2015 following the announcement of OBOR in Sep 2013. For greenfield investments into ASEAN, Indonesia (\$27.9bn) Malaysia (\$11.8bn) and Vietnam (\$11.7bn) are the big winners. Manufacturing, electricity, construction and mining are the main sectors. For M&A investments into ASEAN, Singapore, Malaysia and Indonesia are the largest recipients, largely in oil & gas, IT communications and mining. For large-scale projects (>\$100m, mainly transport infra & energy), ASEAN ranks behind West Asia and South Asia. Thailand is not seeing as much China investments, in part because Thailand has huge excess savings (about 10% of GDP) and is emerging as an outward investor in its own right (in Myanmar for example).

China's Long Game and Broadening Reach

China's OBOR will not just increase infrastructure investments at an unprecedented scale and scope (across 69 countries with total population of 4.4bn & GDP of \$21trn). OBOR will strengthen China's geopolitical influence; boost exports & trade; increase the international use of the RMB and enhance its reserve currency status; expand the international presence of Chinese banks & companies; and foster new institutions (AIIB, NDB) and trading arrangements (RCEP, ASEAN+1).

China's OBOR vs. US Marshall Plan: Golden Age?

China's OBOR is comparable to the scale of the US Marshall Plan (1948-51), credited for ushering in Europe's "golden age", and where the objectives were as much political as economic. The US Marshall Plan's \$150bn (in current dollars, over 4 years) was about 2% of US GDP and 2% of collective GDP of recipient countries. China's OBOR \$1trn (over 10-20 years) represents 9% of China's GDP and 4.3% of the collective GDP of the recipients. OBOR support is however largely in the form of loans, while the Marshall Plan was more in the form of aid and subsidies.

Risks and Debt: Great Leap Forward or Backward?

We are positive on China's bold infrastructure plans but will monitor the <u>external debt</u> dynamics and <u>contingent liabilities</u>, particularly for the poorer emerging and frontier markets. Most of the financing are in the form of loans and will require sovereign guarantees. Poorer emerging and frontier economies may be more vulnerable to excessive external debt longer-term, if returns on infra projects are low or difficult to capture.

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China's Belt & Road Funding Crosses a Trillion Dollars

President Xi pledged an additional USD124bn (or CNY840bn) to the "One Belt One Road" (OBOR) Initiative at the recent Beijing forum in May (see Table 1). This is in addition to the \$900bn (Fitch estimates¹) in projects that are planned or currently in progress. The main funding source, the Silk Road Fund, received an additional \$14.5bn to reach around \$55bn.

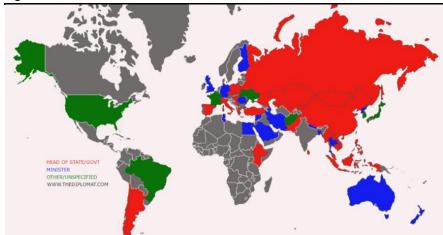
Table 1: China Pledged Another \$124bn at Belt & Road Forum

Item	USD bn	CNY bn
[1] Top-up existing Silk Road Fund	+\$14.5	+100
[2] Top-up available loans from two policy banks	+\$55.0	+380
[3] Increase aid to developing countries and international institutions in new Silk Road countries	+\$8.7	+60
[4] Encourage financial institutions to expand overseas yuan fund businesses	+\$43.5	+300
Total new amount pledged	+\$124.0	+840

Source: Various news sources, Maybank Kim Eng estimates

Two policy banks - China Development Bank and the Export-Import Bank of China - have already extended \$200bn in loans and will receive an additional \$55bn. China's three largest state-owned banks had provided a total of \$225bn in loans for more than 800 projects as at end-2016 (see Table 2). Sovereign wealth funds CIC and CITIC will be investing more than \$200bn. China's sovereign pension fund - the National Social Security Fund - which has \$295bn in total assets recently announced that it will start investing along the OBOR route.

Figure 1: Attendees of Belt & Road Forum



Source: The Diplomat, Maybank Kim Eng

A large proportion of the One Belt One Road funds are in the form of loans, from policy banks (EXIM Bank, CDB) and state-owned commercial banks (CCB, ICBC, BOC), rather than direct investments (see Table 2). This is one reason why China's FDI to OBOR countries understates the actual China's flow of funds (which includes loans and portfolio flows) to beneficiary countries. Some of these loans, particularly from the policy banks, will require recipient countries to import capital equipment and raw materials, and even workers, from China. Recipient countries will continue to bear a large proportion of the risk from these infrastructure projects as they will eventually have to repay these loans, albeit possibly at concessional rates, over the longer-term.

We believe China's increasing investment abroad and rapid foreign asset accumulation are still in the early stages of a decade-long wave (see <u>Asia Economics: China's Rising Wall of Savings</u>, 17 April 2017). We tap on different metrics on China's investment flows to track and measure the flows to ASEAN.

¹ Fitch Ratings (Jan 2017), "China's One Belt and One Road Initiative Brings Risks".

We rely on various sources (Ministry of Commerce, the Heritage Foundation, China Global Investment Tracker, Chinese Academy of Social Sciences, FDI Intelligence & Dealogic) to capture the nature of these flows, as no single metric tells the whole picture and is completely free of bias.

Table 2: Funding for the Belt Road Initiative

Institution type	Institutions	Details
	Silk Road Fund	A <u>\$55bn</u> fund. Signed \$6bn for 15 projects as of end 2016. Supports BRI through equity and other forms of financing.
	China-ASEAN Investment Cooperation Fund	§1bn fund to target infrastructure, energy, minerals and agriculture investment in ASEAN.
Funds	China Insurance Investment Fund	A <u>\$49bn</u> fund set up in Jan-16, which will be capitalized by Chinese insurance companies and actively invest in the BRI.
	Silk Road Gold Fund	Raising <u>\$16bn</u> within 5 to 7 years to invest in gold- related businesses and mining firms in OBOR countries.
_	Green Ecological Silk Road Investment Fund	enterprises) to fund projects that improve the ecological environment.
	Bank of China (BOC)	Committed <u>\$67.4bn</u> in loans as of end 2016. Target of \$100bn in 2015-17.
State-owned Commerical Banks	Industrial and Commercial Bank of China (ICBC)	Committed <u>\$67.4bn</u> in loans for 212 projects as of end 2016.
	China Construction Bank (CCB)	Committed <u>\$90bn</u> in loans as of end 2016. Signed an MOU with IE Singapore to contribute \$22bn of financing to support firms on infrastructure projects under OBOR.
Policy Banks	Export-Import Bank of China (EXIM Bank)	
- Citcy Daliks	China Development Bank (CDB)	Signed more than <u>\$40bn</u> in 100 projects, with \$30bn in loans. Earmarked \$890bn for around 900 projects.
Sovereign Wealth	CITIC Limited	Committed to invest <u>\$113bn</u> on 300 projects between 2015 and 2025.
Funds	China Investment Corporation (CIC)	Raising <u>\$50bn-\$100bn</u> for overseas investment, focusing on OBOR countries. One of the contributors of Silk Road Fund's initial capital (15%).
	Asian Infrastructure Investment Bank (AIIB)	Extended <u>\$1.7bn</u> in loans to 9 projects as of end 2016. Launched with a capital of \$100bn.
Development Bank	New Development Bank (NDB)	Targets \$1.5bn of funding in 2017, and currently has \$100bn of authorized capital to focus on projects in BRICS and other developing countries. The NDB also signed a Memorandum on Strategic Cooperation with CCB in Jun-17 to cooperate in infrastructure financing.
Insurance	China Export & Credit Insurance Corporation	Insured more than <u>\$320bn</u> of export and investment projects in the B&R countries.

Source: Office of the Leading Group for the BRI^2 , Inclusive Development International³, various news sources, Maybank Kim Eng

China's Dream and the Long Game

China is playing the long game and broadening its economic space and reach. China's "One Belt One Road" (OBOR) initiative will not just increase regional infrastructure investment at a significant scale and scope (across 69 countries with total population of 4.4bn and GDP of \$21trn). OBOR will help China achieve many other broader and longer-term objectives⁴.

² Office of the Leading Group for the Belt and Road Initiative (May 2017), "Building the Belt and Road: Concept, Practice and China's Contribution".

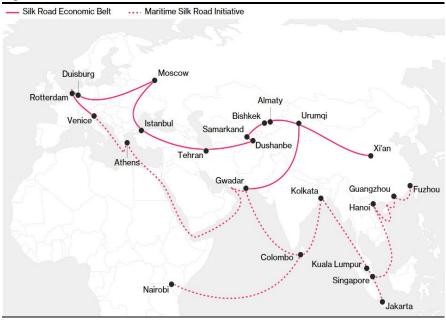
³ Inclusive Development International (2016) "Making Incodes Chinese Infrastructure".

³ Inclusive Development International (2016), "Making Inroads: Chinese Infrastructure Investment in ASEAN and Beyond".

⁴ See Shen, Simon (2016), "How China's Belt and Road Compares to the Marshall Plan," 6 Feb 2016, The Diplomat; Miller, Tom (2017), "China's Asian Dream: Empire Building Along the New Silk Road", Zed Books.

China's OBOR will help secure China's place as a modern superpower, equal to the US, and dominance over its own backyard. OBOR will strengthen China's geopolitical influence; boost regional exports and trade; increase the international use the RMB and enhance its reserve currency status; expand the international presence of China banks and companies; and foster new institutions (AIIB, NDB) and trading arrangements (RCEP, ASEAN+1).

Figure 2: China's Belt and Road Initiative



Source: Bloomberg, Maybank Kim Eng

China's OBOR Plan will boost regional exports and trade. China can export excess capacity and savings through foreign investments, especially given its strength in infrastructure building. China-made goods, particularly capital equipment, will receive a significant boost. China's state-owned companies will lead the infrastructure build. For example, China's steel industry appears to be benefiting from stronger steel export growth of late, with the steel PMI jumping to 54.8 in May 2017, its highest levels since April 2017.

China's Belt and Road Plan will increase the international use of its currency. Greater cross-border investment and cooperation will promote the cross-border circulation of the RMB and its reserve currency status. The IMF has included the RMB in its Special Drawing Rights basket of reserve currencies. China has signed currency swap agreements with 22 Belt & Road countries and regions, with a total value of RMB982bn (USD144bn). Most of the OBOR loans are denominated in RMB.

China's Belt and Road Plan will increase the international presence of China's large banks and companies. Large Chinese state-owned banks are increasingly setting up overseas branches and offices to finance OBOR projects. Recipient countries are granting bank licenses to Chinese banks, even in places where restrictions to further foreign bank participation had been tight. For example, China Construction Bank opened its first branch in Malaysia in June 2017, becoming the first foreign commercial bank to secure a license in 6 years. We highlight in Tables 8 & 9 the broad reach of China contractors, which are undertaking these projects across ASEAN, including China Communications Construction (8 ASEAN countries), State Construction Engineering (6 countries), China Railway Engineering (6 countries) and China Railway Construction (4 countries).

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China's Belt and Road Plan will strengthen China's geopolitical influence and undermine the United States' influence. OBOR beneficiaries will increase their connectivity with and dependence on China. Some Asian countries are already adjusting to this new reality, including the Philippines and Vietnam. For example, in the Philippines, China has committed to finance at least 3 infrastructure projects (North-South railway, Kaliwa dam, Chico River irrigation project) worth \$3.4bn. US President Trump's proposal to cut spending on diplomacy and foreign aid, including to the United Nations, and withdraw from the TPP, will accelerate this shift.

China's Belt and Road Plan will foster new institutions and trading arrangements. China is creating new institutions, including the Asian Infrastructure Investment Bank (AIIB) - of which both the US and Japan have not joined - and the BRICS or New Development Bank (NDB), which competes with existing institutions such as the World Bank, IMF and ADB. China will strengthen its trade and investment links with the rest of Asia under the Regional Comprehensive Economic Partnership (RCEP) FTA, while the US pivots away with the failure of the Transpacific Partnership (TPP) deal.

China's OBOR versus US Marshall Plan

Comparisons have been made with the US Marshall Plan, or formally known as the European Recovery Program (ERP), which is widely regarded as a success. Over the 4 years from 1948 through 1951, the United States transferred \$13bn (roughly \$150bn in current dollars⁵) to the war-torn nations of Europe. The transfer represented approximately about 2% of US GDP and roughly the same share of the collective GDP of the recipient countries. The recipient European countries mounted a strong recovery, with industrial production leaping 55% in just 4 years. Europe then embarked on a "golden age" of economic growth that spanned decades⁶.

China's OBOR initiative would be of a comparable scale or larger than the US Marshall Plan. OBOR's \$1 trillion of potential investment (over 10-20 years) represents about 8.9% of China's GDP, and 4.3% of the collective GDP of the recipient countries. Most of the Marshall Plan was however in the form of aid or subsidies, while OBOR is largely in the form of loans.

Objectives of the Marshall Plan were as much political as economic, just like China's OBOR initiative. The US wanted to prevent the collapse of economic activity in Europe. The US sought a Europe that could provide a buoyant market for American exports. But the US also sought to prevent Europe from falling into the Soviet camp, given the background of the Cold War and with powerful communist parties in Western European countries. Europe was the key for an effective balance of power between the US and Soviet Union. The Marshall Plan actively encouraged collaboration and steps in the direction of economic and financial integration, a path that rendered another European war inconceivable. It also allowed the US to increase the international usage of its currency, as US dollars were used for the subsidies. China's broader geopolitical and economic objectives (trade, currency, internationalization, soft power, regional integration) from OBOR resonate with some of these Marshall Plan objectives.

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Tarnoff, Curt (2017), "The Marshall Plan: 70th Anniversary," 18 Apr 2017, CRS Insight.

⁶ Eichengreen, Barry (2010), "Lessons from the Marshall Plan," World Bank Development

Tracking China's OBOR Investment to ASEAN

China's non-financial direct investment to Belt & Road countries has increased to USD14.5bn in 2016 from the USD12.5bn in 2014, based on official Ministry of Commerce data. China announced its OBOR vision in Sep 2013. As of the first 4 months of 2017, direct investment to Belt & Road countries actually contracted by about 19% from a year ago. Capital controls may be a factor for the fall. Around 15% of China's total non-financial outward investment was directed to Belt & Road countries. This share is almost double than of 2016 (see Table 3).

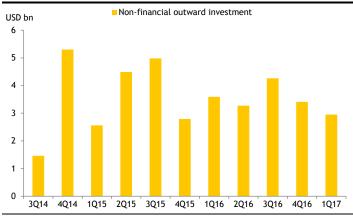
Table 3: Share of China's Investment to Belt & Road Countries Rising

	investment	ncial outward to Belt & Road untries	Total non-financi investme		Investment to Belt & Road Countries
	USD mn	%YoY	USD mn	%YoY	% of total
2014	12,538		107,202	-12.9%	11.7%
2015	14,820	+18.2%	121,422	+13.3%	12.2%
2016	14,530	-2.0%	170,110	+40.1%	8.5%
4M17	3,980	-18.9%	26,370	-56.1%	15.1%

Source: CEIC, Ministry of Commerce, Maybank Kim Eng

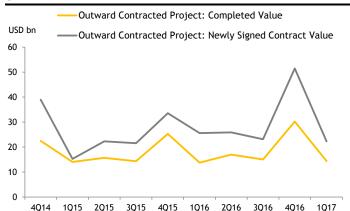
China's outward investment to Belt & Road countries will likely accelerate in the coming years given the trillion dollar commitment. The cumulative inflow of non-financial investment since 2014 is only about \$46bn so far (as OBOR was announced in Sep 2013).

Figure 3: China's Non-Financial Outward Investment to Belt & Road Countries



Source: CEIC, Ministry of Commerce, Maybank Kim Eng

Figure 4: Outward Contracted Projects with Belt & Road Countries



Source: CEIC, Ministry of Commerce, Maybank Kim Eng

China's outward investment probably <u>understates</u> the size of the flows to Belt & Road countries, as a large part is intermediated via Hong Kong. Most of the OBOR funding is also in the form of loans, which is not captured in direct investments component of the balance of payments. There are probably three limitations to the official data compiled by the Ministry of Commerce. <u>First</u>, more than half of China's outward investment data is directed to Hong Kong, but the ultimate destination of this investment is not disclosed. As a result, investment to OBOR countries which occurs through Hong Kong or offshore financial centers such as Virgin Islands is not captured and the headline number may thus be understated. <u>Second</u>, it does not disclose individual transactions. <u>Third</u>, the data is limited to direct investment, and may not capture the total amount of loans that were committed or other forms of investment (portfolio) to the countries.

Table 4: China's Outward Direct Investment Stock as of 2015

	Chinala Dinant Investment Steel	
Country	China's Direct Investment Stock (USD mn)	% of GDP
Singapore	31,985	10.8%
Russia	14,020	1.0%
Indonesia	8,125	0.9%
Kazakhstan	5,095	2.8%
Laos	4,842	39.1%
United Arab Emirates	4,603	1.3%
Myanmar	4,259	6.9%
Pakistan	4,036	1.5%
India	3,770	0.2%
Mongolia	3,760	32.0%
Cambodia	3,676	20.2%
Thailand	3,440	0.9%
Vietnam	3,374	1.7%
Iran	2,949	0.7%
Saudi Arabia	2,434	0.4%
Malaysia	2,231	0.8%
Hungary	571	0.5%
Georgia	534	3.8%
Pulgaria	224	O E%

Source: CEIC, Ministry of Commerce, World Bank, Maybank Kim Eng estimates

Figure 5: China's Outward FDI Flow to ASEAN, 2005-2015



Source: CEIC, Ministry of Commerce, Maybank Kim Eng

We take stock of China's greenfield, M&A and large-scale projects investment in OBOR countries via actual deals in recipient countries to better capture China's OBOR flows. We rely heavily on a recent report by the Chinese Academy of Social Sciences⁷ (see "An Analysis of the Characteristics of China's Direct Investment along the One Belt One Road", 27 May 2017) which collated data from various sources such as FDI Intelligence, Dealogic and the Heritage Foundation (published jointly with the American Enterprise Institute in the China Global Investment Tracker database).

The Chinese Academy's data differentiates China's investment into OBOR countries into three types: [1] greenfield investments; [2] mergers & acquisitions; and [3] large scale projects. We highlight that the numbers provided by these sources may not square with the official numbers, due to the reasons mentioned above. Data from the Heritage Foundation, for instance, does not take into account the actual delivery or failure of projects and may thus overestimate the investment size.

[1] China's Greenfield Investments

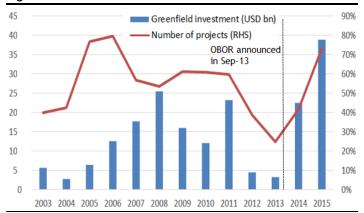
China's greenfield investment into Belt & Road countries surged after the OBOR initiative was announced in Sep 2013 (see Fig 6). Greenfield investments have a more significant impact on growth and real investment, compared to M&A investments (which are just a change of shareholders). Greenfield investment surged to its highest level in 2015 to reach USD39bn, making up 75% of total investment, based on FDI Intelligence.

China's greenfield investments to ASEAN also surged in 2015, based on China Global Investment Tracker (see Fig 7). About 70% of this amount was invested into the coal industry in Indonesia and Vietnam (see Table 8).

For the period of 2003 to 2015, ASEAN was the largest beneficiary of Chinese greenfield investments particularly Indonesia, Malaysia and Vietnam (see Fig 8). Most of the investment into ASEAN was concentrated in manufacturing (59% share) followed by primary industries such as electricity (17%), construction (7.5%) and mining (7.4%). Services only made up 9.2% of China's total greenfield investment.

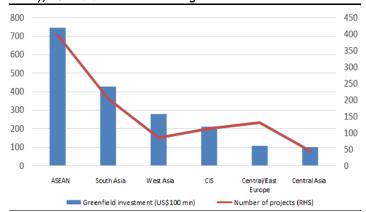
⁷ Lee and Wang (May 2017), "An Analysis of the Characteristics of China's Direct Investment along the One Belt One Road" (available only in Chinese), Working Paper No. 201703, Chinese Academy of Social Sciences.

Figure 6: China's Greenfield Investment in OBOR Countries



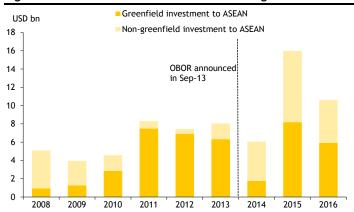
Source: FDI Intelligence, Chinese Academy of Social Sciences, Maybank Kim Eng

Figure 8: China's Greenfield Investment by Region (2003 to 2015); ASEAN Most Favoured Region



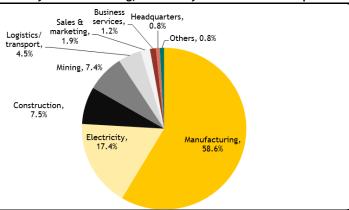
Source: FDI Intelligence, Chinese Academy of Social Sciences, Maybank Kim Eng

Figure 7: Greenfield Investment to ASEAN Surged in 2015



Source: China Global Investment Tracker, Maybank Kim Eng

Figure 9: China's Greenfield Investment into ASEAN by Industry: Manufacturing, Electricity & Construction Top 3



Source: FDI Intelligence, Chinese Academy of Social Sciences, Maybank Kim Eng

As a percentage of GDP, smaller economies, such as Vietnam, benefit proportionately more from China's green investments (see Table 5). Vietnam is the biggest beneficiary in ASEAN, as China's cumulative greenfield investments over 2003-15 accounted for about 6% of GDP, followed by Malaysia (4% of GDP) and Indonesia (3.2% of GDP). Thailand is not seeing as much China investments, in part because Thailand has huge excess savings (about 10% of GDP), does not need the Chinese funding for its infrastructure investments, and is emerging as an outward investor in its own right (in Myanmar for example).

By region, China's greenfield investments will likely make more of an impact on Central Asia and South Asia, given the size of these investments relative to their GDP (see Table 5). Smaller and poorer countries such as Kyrgyzstan (20.4% of GDP), Afghanistan (17.7%), Uzbekistan (16.3%), Turkmenistan (9.7%), Yemen (9.2%) and Pakistan (4.6%) benefit disproportionately from China's greenfield investments.

Table 5: China's Greenfield Investment by Country (Cumulative 2003-2015, as % of GDP in 2015)

Region	Country	Greenfield Investment (USD bn)	% of GDP	Region	Country	Greenfield Investment (USD bn)	% of GDP
	Indonesia	27.9	3.2%		India	25.2	1.2%
	Malaysia	11.8	4.0%		Pakistan	12.5	4.6%
ASEAN	Vietnam	11.7	6.0%	South Asia	Afghanistan	3.4	17.7%
	Philippines	7.4	2.5%		Sri Lanka	0.8	1.0%
	Singapore	4.5	1.5%		Nepal	0.7	3.2%
	Saudi Arabia	10.5	1.6%		Turkey	2.7	0.3%
	Iran	9.7	2.3%		Bulgaria	2.2	4.4%
West Asia	Yemen	3.5	9.2%	Central/Eastern	Hungrary	1.2	1.0%
	Syria	1.6	N.A.	Europe	Poland	1.0	0.2%
	UAE	1.2	0.3%		Romania	1.0	0.6%
	Kazakhstan	3.6	2.0%	C	Russia	19.2	1.4%
Central Asia	Turkmenistan	3.5	9.7%	Commonwealth	Azerbaijan	0.8	1.5%
Central Asia	Kyrgyzstan	1.4	20.4%	of Independent States	Belarus	0.5	1.0%
	Uzbekistan	10.9	16.3%	States			

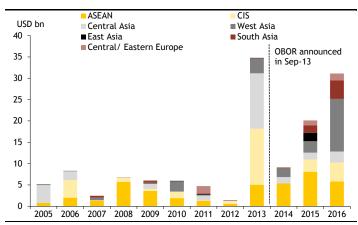
Source: FDI Intelligence, Chinese Academy of Social Sciences, Maybank Kim Eng

[2] China's Mergers & Acquisitions (M&A) Investments

China's investment via M&A has also risen steadily over the past three years. The surge seen in 2013 was mainly due to the signing of major deals such as PetroChina's East Siberian gas field project in Russia (\$10bn), the Kazakhstan Kashgar Oil Project (\$5.3bn) and the Caspian Sea project (\$5bn). China's M&A investments surged in 2016, driven by West Asia and ASEAN (see Fig 10).

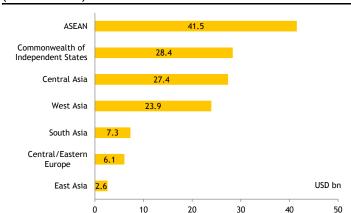
ASEAN accounts for the largest share of Chinese M&A investment (see Fig 11). ASEAN accounted for about 30% of total M&A investment to OBOR countries for the period of 2005-16, with the largest recipients being Singapore, Malaysia, Indonesia and Thailand.

Figure 10: China's M&A Investment into OBOR by Region



 ${\it Source: Dealogic, Chinese \ Academy \ of \ Social \ Sciences, \ Maybank \ Kim \ Eng}$

Figure 11: China's M&A Investment into OBOR Countries (2005 to 2016)



Source: Dealogic, Chinese Academy of Social Sciences, Maybank Kim Eng

China's largest M&A investments are in oil & gas, IT communication and mining (see Table 6). Oil and gas alone accounts for a 39% share of total M&A investments over the 2003-16 period.

In recent years, the IT communications sector is increasingly attracting more China investments (see Table 6). In 2016 alone, IT communications registered the largest M&A deals worth \$8.9bn, based on Dealogic estimates. This reflects China's fast emerging tech giants as they expand offshore. Examples include Alibaba's purchase of Singapore-based e-commerce player Lazada. Other deals that are currently in the works are JD.com Inc.'s investment in Indonesian online marketplace Tokopedia, Tencent's investment in Indonesia's ride-hailing service

Go-Jek, and Didi's plan to support Grab. Malaysia has also signed a MoU with Alibaba Group in May this year to launch a data centre by end 2017.

Table 6: China's M&A Investment into OBOR Countries by Sector (USD100mn)

	Oil and gas	IT Communic ation	Mining	Public utilities & energy	: Chemicals	Finance	Real estate	Transport	Health & Insurance	Consumer goods	Food & Beverage	Others	Total
2005	50.0						0.8					0.1	50.9
2006	62.3		10.0	0.5		9.8						0.3	82.9
2007	6.2	4.2	4.7	0.9		0.6	0.6		1.2		0.2	5.8	24.4
2008	3.6	0.7	0.3	36.2	1.1	20.1				2.1	0.1	4.2	68.4
2009	37.5	0.1	7.4	1.2	2.2	5.3	0.5	0.2		0.1		6.6	61.1
2010	17.8	0.8	2.4	1.8	21.1	0.1	2.2	5.5	0.1			8.2	60.0
2011	5.0	1.5	11.2	0.2	15.6	0.8	2.8	1.4	1.2	1.2	0.8	5.5	47.2
2012	0.6	0.8	7.6	0.1	1.1	1.0	1.6	0.1	0.1	0.5		0.8	14.3
2013	253.6	0.6	35.7	0.2	22.0	13.3	10.9	1.4	2.7	0.7	0.4	6.6	348.1
2014	15.3	28.9	3.0	1.0		3.2	4.4	2.7	1.3		13.9	18.0	91.7
2015	42.6	24.1	21.2	49.9		6.8	9.6	14.6	6.2	12.8	7.5	5.9	201.2
2016	34.0	89.3	44.0	35.7	51.2	5.1	21.5	14.0	14.8	8.1	0.2	3.6	321.5
Total	528.6	151.1	147.5	127.5	114.3	66.1	54.9	39.9	27.7	25.4	23.1	65.8	1371.9

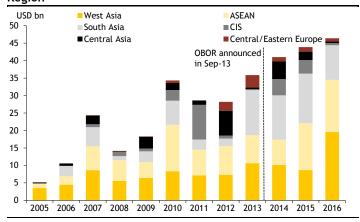
Source: Dealogic, Chinese Academy of Social Sciences, Maybank Kim Eng

[3] China's Large Scale Project Investments

More than half of the large scale projects (defined as transactions worth more than \$100m) that China is undertaking in are located along the OBOR region. Unlike direct investment, the large-scale projects are mostly public projects. These are skewed towards energy and transport infrastructure, as compared to high-tech fields and services.

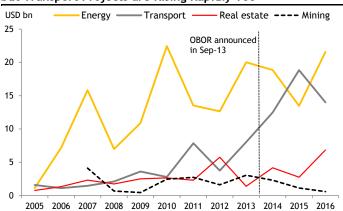
For the period between 2014 and 2016, the top three regions that China's large-scale projects were focused on were West Asia (29% of total value of OBOR projects), South Asia (28%) and ASEAN (27%) (see Fig 12). For ASEAN, China's projects were at a record high of \$15bn in 2016, still below the \$20bn channeled to West Asia but exceeding the \$9.9bn to South Asia.

Figure 12: Large-scale Projects by China in OBOR Countries by Region



Source: The Heritage Foundation, Chinese Academy of Social Sciences, Maybank ${\it Kim}\ {\it Eng}$

Figure 13: China is Most Actively Involved in Energy Projects, but Transport Projects are Rising Rapidly Too



Source: The Heritage Foundation, Chinese Academy of Social Sciences, Maybank $\mathit{Kim}\ \mathsf{Eng}$

Energy projects have always been the dominant area that the Chinese partake in, and remain so today (see Fig 13 and Table 7). However its share has fallen from above 60% prior to 2011 to around 46% in 2016, as the share of transport infrastructure projects rise to around 30% in 2016 from less than 20% prior to 2011. With China's more active involvement in building Economic Corridors in the Belt & Road initiative such as the China-Pakistan and China-Indochina Peninsula Economic Corridor, such large scale projects will likely continue increasing.

Table 7: China's Large-Scale Investment Projects in OBOR Countries by Sector (USD100mn)

	Energy	Transport	Real estate	Mining	Agriculture	Chemicals	Public utilities	Technology	Others	Total
2005	11.1	15.7	7.5	12		3.5	1.5			51.3
2006	71.6	11	13.2		4.3			5.5		105.6
2007	158.3	14.4	23	41	3.5		1	1.5	1.4	244.1
2008	69.7	20.9	17.2	6.6	14.6		1.4	4	7.2	141.6
2009	108.9	36	24.9	4.4			1.1	9.2		184.5
2010	224.6	27.8	26.3	24.4	19	12.6	2.9	4.2	1.3	343.1
2011	135.2	78.5	22.8	27.3	12.2	1.3			8.6	285.9
2012	126.6	37.3	57.4	16	12.6		4.4	9.5	18.1	281.9
2013	200.2	80.2	13.7	30.4		11	13.5	4.3	5.4	358.7
2014	188.5	124.8	41.6	22.8	6.9	14.3	6.7	1.2	3.3	410.1
2015	134.8	188.3	27.5	11.2	12.6	22.7	24.9		26.8	448.8
2016	215.9	140.0	68.3	5.8	8.9	7.5	2.7	9.1	7	465.2
Total	1645.4	774.9	343.4	201.9	94.6	72.9	60.1	48.5	79.1	3320.8

Source: The Heritage Foundation, Chinese Academy of Social Sciences , Maybank Kim Eng

Figure 14: Greater Mekong Sub-region (GMS) Economic Corridors



Source: HKTDC Research, "The ASEAN Link in China's Belt and Road Initiative"



China Investment Deals in ASEAN

We summarize and highlight some of the largest China investment deals in ASEAN countries in 2010-2016 to provide more color (see Table 8).

Table 8: Top Five Largest Chinese Investments into ASEAN Countries from 2010 to 2016

Country	Year	Month	USD mn	Share Size	Investor	Transaction Party	Sector	Greenfield
Indonesia	2014	Jul	1,360		CIC	Bumi Resources Minerals	Energy (Coal)	
	2015	Dec	1,320	70%	Shenhua	PLN	Energy (Coal)	G
	2012	Jun	1,260	61%	China Nickel Resources	PT Jhonlinto	Metals (Steel)	G
	2011	Jul	930		Jilin Nonferrous		Metals (Steel)	G
	2015	Mar	870	55%	Huadian	Bukit Asam	Energy (Coal)	G
Malaysia	2015	Nov	5,960	100%	China General Nuclear	Edra	Energy	
	2016	Mar	1,970		China Railway Engineering		Transport (Rail)	G
	2013	Dec	1,370		Guangzhou R&F Properties		Property	G
	2011	Apr	800		Chinalco	Smelter Asia	Metals (Aluminium)	G
	2011	Nov	790		Zhouda Real Estate		Property	G
Singapore	2014	Dec	1,660	100%	Jiangsu Changjiang	STATS ChipPAC	Technology	
	2015	Jun	1,500		China Minsheng Investment		Finance	G
	2016	Apr	1,000	51%	Alibaba	Lazada	Consumer	
	2016	0ct	990	100%	Shenzhen Government	ACR Capital	Finance	
	2013	Aug	910		Shandong Bright Ruby	Park Hotel	Property	
Thailand	2014	Jun	880	18%	China Mobile	True Corp	Telecom	
	2010	Dec	500		Ashima Cultural Group	•	Property	G
	2015	May	160		Trina Solar		Energy (Solar)	
	2012	0ct	150	51%	SAIC	CP Group	Transport (Autos)	
	2012	Oct	120		Shandong Linglong Tyre	•	Transport (Autos)	G
/ietnam	2013	Oct	1,760	95%	Southern Power Grid and China Power Investment	Vinacomin	Energy (Coal)	G
	2015	Jul	1,660	50, 45%	Southern Power and State Power Investment	Vinacomin	Energy (Coal)	G
	2015	Jul	1,310	70%	China Energy Engineering	JAKS Resources	Energy (Coal)	G
	2011	Aug	360	19%	CIC	AES and POSCO	Energy (Coal)	Ğ
	2016	Dec	320		JA Solar		Energy (Solar)	Ğ
Cambodia	2012	Dec	1,150	50%	Sinomach	Cambodia Petrochemical	0, (G
	2011	Nov	500		Guangxi Nonferrous		Metals (Steel)	Ğ
	2013	Dec	410		Huaneng	Royal Group	Energy (Hydro)	Ğ
	2016	Apr	360		Guangdong Heng Fu	,	Agriculture	Ğ
	2012	May	240		Ex-Im Bank		Entertainment	
_aos	2012	Jan	1,520		Shanghai Wanfeng		Property	G
	2016	Apr	1,360		Power Construction Corp		Energy (Hydro)	Ğ
	2010	Dec	1,030		Sinohydro		Energy (Hydro)	-
	2010	Jan	200		Shandong Sun Paper		Timber	G
	2013	Dec	180	85%	Norinco	EDL	Energy (Hydro)	Ğ
Myanmar	2016	Apr	2,100	70%	Zhuhai Zhenrong		Energy (Oil)	
,	2010	Sep	1,480	70/0	Norinco	Myanmar Economic Holdings	Metals (Copper)	G
	2013	Oct	100		Zongshen Industrial	Hotoliss	Metals (Steel)	G
	2013	OCL	100		Longshell illuusti lut		metats (steet)	J

Source: China Global Investment Tracker, Maybank Kim Eng

Some of the largest individual investment deals in ASEAN are in the energy sector. These are seen in Malaysia (China Nuclear, \$6bn), Brunei (Zhejiang Hengyi and Sinopec, \$2.8bn), Myanmar (Zhuhai Zhenrong, \$2.1bn) and Vietnam (Southern Power Grid and China Power Investment, \$1.8bn). Greenfield projects are seen predominantly in Laos, Vietnam, Myanmar, Cambodia, Malaysia and Indonesia.

Singapore and Thailand sees more China M&A than greenfield investments. For Thailand, China's investment activity looks to be less than the other ASEAN-5 and LVMC countries. This may reflect the fact that Thailand has ample excess savings (>10% of GDP), and can funds its own infrastructure investments. An example of this is the Thai-Chinese high-speed railway projects, which was originally scheduled to start in May 2016. The project was delayed as Thailand was dissatisfied with the interest rates that China offered, which eventually led

to Thailand financing the project itself. China will supply just technology and overseas procurement.

In the non-energy sector, China investments are seen in Singapore (for technology, finance, property), Thailand (telecom, transport, property) and Malaysia (transport, property). We expect Chinese investments in the non-energy sector to grow more rapidly in the future, including in the area of technology, property and finance.

We list the top <u>5 Chinese construction contracts</u> in ASEAN from 2010-16, as China construction companies have been making inroads and building infrastructure across the region (see Table 9). Presence of China construction companies and size of contracts are most visible in Malaysia, Indonesia, Laos and Vietnam, roughly in that order.

Table 9: Top Five Chinese Construction Contracts in ASEAN Countries from 2010 to 2016

Country	Year	Month	USD mn	Contractor	Transaction Party	Sector	Subsector
Indonesia	2015	Dec	1,710	China Railway Construction	PT Kayan Hidro Energi Satu	Energy	Hydro
	2016	Dec	1,470	Harbin Electric	Malaysia's YTL	Energy	Coal
	2015	Dec	1,160	Sinomach	PT Bantaeng Sigma Energi	Energy	Coal
	2011	May	990	Gezhouba	PLN	Energy	Hydro
	2014	Jul	990	State Construction Engineering		Metals	
				China Railway Contruction, China Railway		_	
Malaysia	2016	Nov	2,120	Engineering, and China Communications		Transport	Rail
				Construction			
	2016	Oct	1,910	Power Construction Corp, Shenzhen Yantian, &	KAJ Development	Transport	Shipping
			ŕ	Rizhao Port		•	
	2012	Dec	1,480	MCC	B 1: + C	Other	Timber
	2012	Mar	1,420	Power Construction Corp	Radiant Starfish		Construction
	2014	Aug	1,330	Sinopec	Petronas	Energy	Oil
Philippines		May	1,000	Power Construction Corp	Ayala and Power Partners	Energy	Coal
	2010	Jan	600	Gezhouba	Philippine Green Energy	Energy	Hydro
2013 2010	Apr	600	China Energy Engineering	Filinvest	Energy	Coal	
		Mar	460	Gezhouba	a	Energy	_Hydro
	2012	Feb	350	Huawei	Globe Telecom	Technology	Telecom
Singapore		Apr	490	State Construction Engineering		Real estate	
	2011	Nov	400	China Railway Construction		Transport	Rail
	2010	Jun	320	China Communications Construction	Jurong Shipyard	Transport	Shipping
	2014	May	290	Shanghai Shentong		Transport	Rail
	2014	Jul	200	Power Construction Corp	Sembcorp	Transport	Rail
Thailand	2015	Aug	2,840	China Railway Construction and China Railway		Transport	Rail
		•	•	Engineering		•	
	2016	Dec	540	China Railway Construction	Win Win House	Agriculture	
	2015	May	220	Sinopec	IRPC	Chemicals	
	2016	Oct	210	Great Wall Industry		Technology	Telecom
	2015	Jul	180	China Western Power Industrial	Sermsappaisal	Energy	Alternative
Vietnam	2010	Jul	1,990	Huadian	Tan Tao	Energy	Coal
	2011	Apr	1,490	Huadian	Janakuasa	Energy	Coal
	2010	Mar	1,400	Dongfang Electric	Electricite de Vietnam	Energy	Coal
	2011	Aug	1,300	China National Chemical Engineering, Dongfang Electric, and China Energy Engineering	Electricite de Vietnam	Energy	Coal
	2010	Dec	1,150	Hydrochina	Alstom	Energy	Hydro
Cambodia	2013	Jan	1,600	China Railway Engineering	Cambodia Iron and Steel	Metals	Steel
	2016	Sep	620	Lanzhou Lanshi		Energy	Oil
	2015	Dec	260	CITIC	Chip Mong Insee		Construction
	2013	Mar	250	Shanghai Construction		Transport	Autos
	2015	Jul	240	State Construction Engineering			Construction
Laos	2016	Mar	2,100	Sinomach	Electricite Du Laos	Energy	
	2010	Jun	1,680	Sinomach	Banpu Power and Ratchaburi Electricity	Energy	Coal
	2010	Aug	1,500	Norinco	Liceti leity	Agriculture	
	2016	_		China Railway Engineering		Transport	Rail
	2015		1.190	Power Construction Corp		Energy	Hydro
Myanmar	2014	Oct	370	CNOOC	PTTEP	Energy	Oil
.,	2011	Mar	210	China Communications Construction		Transport	Shipping
	2013	Dec	200	CITIC	Siam Cement		Construction
	2010	Dec	100	China Communications Construction	Jan. Comenc	Transport	Aviation
Brunei	2015	Sep	330	State Construction Engineering		Transport	Autos
Dianci	2015	May	200	China Communications Construction		Transport	Autos
	2013	Feb	140	China Communications Construction	Surati Construction	Transport	Autos

Source: China Global Investment Tracker, Maybank Kim Eng

Risks and Debt: Great Leap Forward or Backward?

China's OBOR and infrastructure investments will increase growth and improve livelihoods across the region. We are positive on the bold plans but will monitor the external debt dynamics and contingent liabilities, particularly for the poorer emerging economies and frontier markets. Most of the projects will require sovereign guarantees on the loans. Returns on some of these infrastructure investments, especially in more remote areas, on their own merit may be questionable. And even if social returns are high, governments may face difficulties in capturing these returns to repay the loans over the medium-term.

There are already reports of numerous failed projects. According to China Global Investment Tracker, more than \$250bn in China's overseas investments failed between 2010 and 2015 (see Table 10). Projects have also been suspended or delayed due to political risks or tensions between China and the recipient countries. The ambitious China-Pakistan Economic Corridor is under security risk as construction sites have become the target of extremist factions, and also due to the increasing tension between India and Pakistan.

In ASEAN, some of the notable examples of failed projects include Myanmar's Myitsone Dam Project which was halted due to public pressure regarding environmental concerns, and Midea Group's withdrawal from Vietnam following protests relating to the South China Sea (see Table 11 for full list of China's disinvestments from ASEAN projects).

Table 10: Examples of Failed or Delayed OBOR Projects

Country	Failed or Delayed Projects
Myanmar	A \$3.6bn dam project led by China Power Investment was stopped after local protests regarding environmental concerns.
Vietnam	Midea Group Co., an electronics manufacturing firm, had to withdraw investment from Vietnam due to protests over China's oil-exploration in the South China Sea.
Sri Lanka	The Colombo Port City project in Sri Lanka worth \$1.5bn was delayed by demonstrations and briefly stopped in 2015 after a new government pledged to review all deals by the previous administration with China.
Pakistan	Terrorism and security risks affecting the development of the \$46bn China- Pakistan Economic Corridor as construction sites have been targeted by extremist factions.
Venezuela	A \$7.5bn high-speed railway project was abandoned, as the country defaulted on a payment of principal in an oil-for-loan program in 2016 due to its economic crisis

Source: Bloomberg, various news sources, Maybank Kim Eng

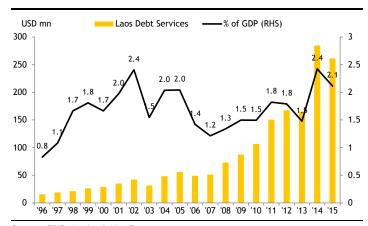
Slow progress on some projects signed between China and ASEAN countries could also be due to domestic factors, such as land. For example, the ground-breaking ceremony for the Jakarta-Bandung high speed train project took place in Jan 2016 and construction was originally scheduled to start in Aug 2016. But so far the \$4.5bn that China Development Bank has pledged to Kereta Cepat Indonesia China (KCIC) has not been disbursed. This is owing to the condition that China imposed on Indonesia prior to receiving the funding, which is to secure all of the land needed for construction. According to state-owned construction company PT Wijaya Jarya, only 85% of the land had been acquired as of end January.

Another example is the Laos railway project that would connect northern Laos to Vientiane, the capital. The negotiation of the project took a long five years, as the two countries debated over how Laos would afford its share of the project. Cost of the project is around \$6bn, while Laos' GDP is only \$12bn as of 2015. A Chinese firm's feasibility study found that the project would be losing money for the first 11 years. There are already concerns that Laos will struggle to service the debt from the hydroelectric projects (see Figures 15 & 16).

Figure 15: Laos - Sharp Increase in External Debt (for Figure 16: Laos - Steep Increase in Debt Servicing Ratio **Financing Dam Projects)**



Source: CEIC, Maybank Kim Eng



Source: CEIC, Maybank Kim Eng

Table 11: China's Disinvestments from Projects in ASEAN Countries

Year	USD mn	Share Size	Chinese Entity	Transaction Party	Sector	Country
2007	4,130		China Development Bank and Fuhua	t	Agriculture	Philippines
2011	3,600		China Power Investment	Asia World Company	Energy (Hydro)	Myanmar
2007	1,750	92%	Perfect Field	Rowsley	Energy (Alternative)	Singapore
2015	1,500		China Communications Construction		Transport (Rail)	Indonesia
2006	1,000		Jinchuan	Philnico	Metals (Steel)	Philippines
2007	1,000		China Merchants		Transport (Shipping)	Vietnam
2014	890		MCC	Formosa Plastics	Metals (Steel)	Vietnam
2006	790	49%	Chinalco	Vietnam National Coal-Mineral Industries	Metals (Aluminium)	Vietnam
2014	760		China Railway Engineering		Transport (Rail)	Myanmar
2012	510		Sinomach		Transport (Rail)	Philippines
2010	500		Zijin Mining	Indophil Resoures	Metals	Philippines
2007	370		CNOOC	Talisman Energy	Energy (Gas)	Indonesia
2010	360		CIC	Bumi Resources	Metals	Indonesia
2013	310	30%	Norinco		Metals (Copper)	Myanmar
2008	300		ZTE		Telecom	Philippines
2014	300		Great Wall Motors		Transport (Autos)	Thailand
2006	190		Southern Power Grid		Energy (Hydro)	Cambodia
2014	110		China Power Investment		Energy (Coal)	Indonesia

Source: China Global Investment Tracker, Maybank Kim Eng



Table 12: List of Projects and Memorandums China Signed Between China and ASEAN

Country	Projects signed	Project Value (USD bn)	Local player	Chinese player(s)
Malaysia	Robotic Future City in Johor	3.5	Johor Corporation	Siasun Robot Investment
	Methanol and methanol derivatives project in Sarawak	2	Yayasan Hartanah Bumiputera Sarawak	Consortium of Huanqiu Contracting and Engineering (HQC) and MacFeam
	Melaka Gateway project	6.9	KAJ Development	Powerchina International Group, Shenzhen Yantian Port Group and Rizhao Port Group
	The Shore, a mixed-use commercial hub project in Sabah	0.13	Titijaya Land Bhd	China Railway Engineering Corp Development (CRECD)
	Deal signed for Malaysia to export Cavendish bananas and tropical fruits	1.53	AgroFresh International	Dashang Group
	MoU to establish a low-cost carrier terminal in Zhengzhou, capital of Henan province		AirAsia	China Everbright Group and Henan Government Working Group
	MoU to develop the Malaysia Innovation Cluster within the China-Malaysia Qinzhou Industrial Park		Associated Chinese Chambers of Commerce and Industry Malaysia (ACCCIM)	Zhongrun Economic Development and Citic Construction
	MoU in the Field of Water Resources			
	Deal to establish sister port relationship		Northport in Port Klang	Weifang Sime Darby Port in Shandong province
	Financing cooperation agreements on chemical, metallurgical and petrochemical industries			China Development Bank
	Collaboration between stock markets to examine ways to improve market accessibility and products		·	Shanghai Stock Exchange
Indonesia	Signing of key financing documents on Indonesian Jakarta to Bandung High-Speed Railway Project Seaports in Bitung, North Sulawesi and Kuala Tanjung in North Sumatra	4.5	Kereta Cepat Indonesia China	China Development Bank
	Power plant and an indsutrial estate in North Kalimantan			
	Financing cooperation agreements on chemical, metallurgical and petrochemical industries			China Development Bank
Thailand	Thailand-China Railway Project phases:	14.2	Italian-Thai Development	China Railway Construction Corporation
	Railway project from Bangkok to Nakhon Ratchasima (expected to take 3 years)			
	 Rail link from Nakhon Ratchasima to Nong Khai, which will connect directly to the China-Laos railway (expected to take 2 years) 			
	Sink connecting Saraburi in central Thailand and Rayong on the east coast			
	Thai-Chinese Rayong Industrial Zone	0.8		35 Chinese enterprises
	MoU on railway cooperation and first phase of a HSR	5.2		
Laos	Financing cooperation agreements on port, electricity and industrial park Houay Lamphan Gnai Hydropower Project (completed in Nov-15)			China Carbauba Craus
	China-Laos railway construction	5.8		China Gezhouba Group
	Investment in the Stung Tatai Hydronower Project in Koh Kong	3.0		China National Heavy
Cambodia	province			Machinery Corporation
	Construction of expressway between Phnom Penh and Sihanoukville which is set to start by year end			China Communications Construction Co Ltd
	MoU on Strengthening Cooperation in the Field of Infrastructure		Ministry of Public Works and Transport	ministry of Commerce
	Protocol on Establishment of Joint Ocean Observation Station		Ministry of Environment	The State Oceanic Administration of China
	Signed loan agreements on road projects		Ministry of Economy and Finance	Export-Import Bank of China
	Signed the Implementation Plan for Memorandum of Understanding on Tourism Cooperation		Ministry of Tourism	National Tourism Administration of China
Vietnam	Signed loan agreements on urban railway line project		Ministry of Finance	Export-Import Bank of China
	MoU on Cooperation on Electronic Commerce		Ministry of Industry and Trade	Ministry of Commerce
	Quang Ninh 1, 2 Power plant	1.2		
	Thai Nguyen steel plant Nhan Co Aluminium plant	0.4		
	Nnan Co Aluminium plant Ninh Binh fertilizer plant (completed in 2013)	0.4		Export-Import Bank of China
	Cat Linh - Ha Dong metro line	0.87		China Railway Sixth Group Company
Myanmar	Signed loan agreements on airport development project		Yangon Aerodrome Company	Export-Import Bank of China
	MoU on the establishment of China-Myanmar Border Economic		Ministry of Commerce	Ministry of Commerce



Country	Projects signed	Project Value (USD bn)	Local player	Chinese player(s)
Other MoUs/ Agreements signed with ASEAN	Signed the Strategic Cooperation Framework Agreement regarding Lines of Credit	, ,	Philippine Metropolitan Bank and Trust Company	Export-Import Bank of China
	Investment projects signed during President Duterte's visit to China in Oct-16:	15		
	Cabling manufacturing facilities	3	Group	Suli Grp Ltd
	Railway project (study)	2.5	MVP Global Infrastructure group	China Railway Engineering Corp.
	300MW Pulangi-5 Hydro Project	1	Greenergy Co.	Power China Guizhou Engineering Corp.
	Nationwide island provinces link bridges	0.8	Zonar Systems	PowerChina Sino Hydro
	Davao coastline and port development project	0.78	Mega Harbor Port and Development	China Harbour Engineering
	Pasig River, Marikina River and Manggahan Floodway bridges construction project	0.6	Zonar Construction	SinoHydro
	Joint venture on steel plants	0.5-0.7	Global Ferronickel	Baiyin International
	Cebu International and Bulk Terminal project	0.33	Mega Harbor Port and Development	CCCC Dredging Company
	Ambal Simuay sub-river basin flood control project	0.33	Development	SinoHydro
	Letter of investment for a manufacturing facility	0.3	Zhuhai Granton Bus	Coach Company
	New Generation Steel Manufacturing Plant	0.2	Manage Resources	SIIC Shanghai International Trade HK
	Hybrid rice production	0.16	SL Agritech	Jiangsu Hongqi Seed Inc.
	Manila Harbour Center reclamation	0.15	R-II Builders Inc.	China Harbour Engineering
	Joint development project on renewable energy	0.1	Columbus Capitana	China CAMC Engineering
	Manila EDSA Bus Transportation program	0.1	Phil State Group	Yangtse Motor group and Minmetals International
	Banana plantation project	0.1	AVLB Asia Pacific	Shanghai Xinwo Agriculture Development Co.
	Subic-Clark railway project		Bases Conversion and Development Authority (BCDA)	China Harbour Engineering Co
	Bonifacio Global City-Ninoy Aquino International Airport Segment of Metro Manila Bus Rapid Transit-EDSA project		BCDA	China Road and Bridge Corp
	Safe and smart city projects		BCDA	Huawei Technologies
	Transportation and logistics infrastructure at Sangley Point		Terminal Services Inc.	China Harbour Engineering
	Joint venture agreement for infrastructure projects		Expedition Construction Corp.	
	North Negros biomass and South Negros biomass project		North Negros Biopower	Wuxi Huaguang Electric Power Engineering
	Jin Jiang hotel room capacity expansion from 1,000 to 2,000		Double Dragon Properties	Hotel of Asia Inc.
	Financing facilities from China banks	9		China State Bank (\$6bn) and Bank of China (\$3bn)
	MoU on transport cooperation		Cambodia, Myanmar	Ministry of Transport
	Signed economic and trade cooperation agreements		Vietnam, Cambodia, Laos, Myanmar, Philippines, Indonesia	Chinese government
	Signed Joint Initiative on Strengthening Standards Cooperation and Building the Belt and Road		Cambodia, Malaysia	Chinese government
	MoU on conducts financing and bond underwriting cooperation		Maybank of Malaysia	China Development Bank
	Signed framework agreements with the relevant government departments			China Export and Credit Insurance Corporation

Source: Various news sources, List of Deliverables for the Belt and Road Forum for International Cooperation, Maybank Kim Eng

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