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# Mind the gap: Ambition versus delivery in China's BRI megaprojects in Southeast Asia

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**DATA SNAPSHOT**

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# LOWY INSTITUTE



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Cover image: Highway and cityscape in Jakarta, Indonesia  
(Airlangga Jati/Unsplash)

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This Lowy Institute Data Snapshot provides in-depth analysis of China's BRI megaprojects in Southeast Asia using data collected for the Southeast Asia Aid Map.

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## Key findings

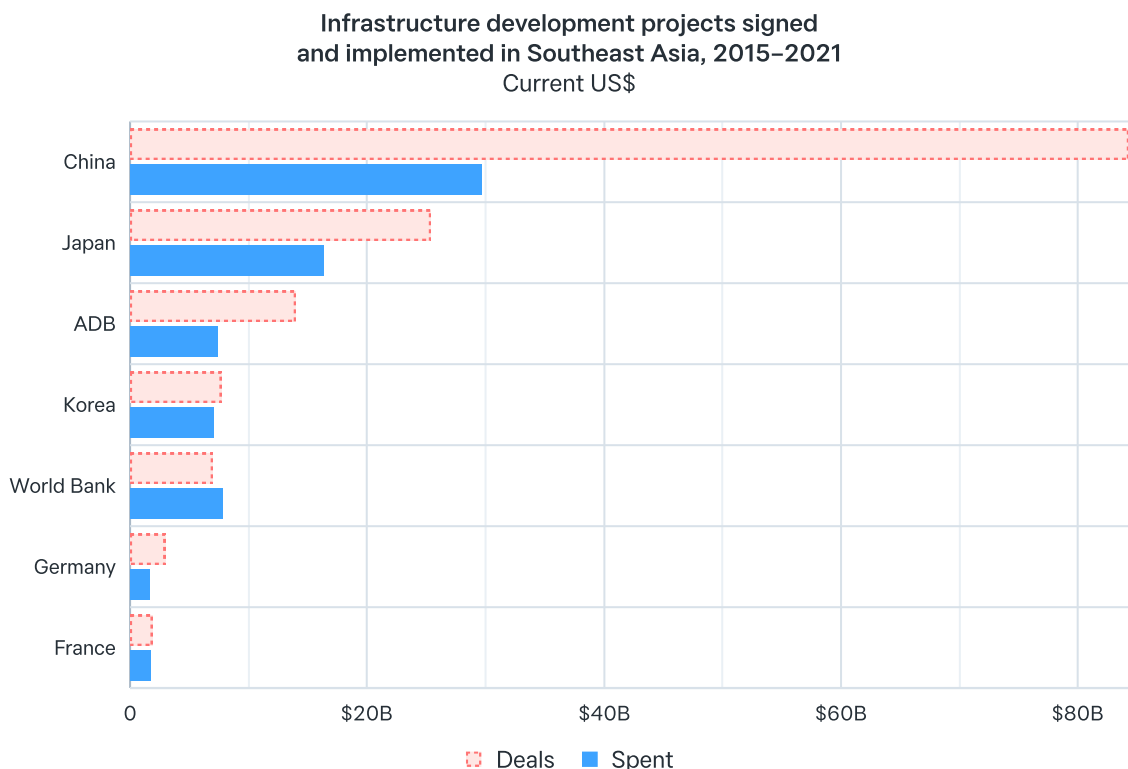
- China has become Southeast Asia's largest infrastructure financing partner. Yet there is an enormous gap between what Beijing promises and what it has delivered, amounting to more than \$50 billion in unfulfilled project financing with more than half of this reflecting projects that have either been cancelled, downsized, or otherwise seem unlikely to proceed.
- The reasons for this gap include China's almost exclusive focus on financing ambitious megaprojects especially prone to problems and delays but also political instability in partner countries, weak stakeholder consultation, and increasingly stranded fossil fuel projects.
- China is, however, learning from experience, shifting away from megaprojects towards smaller programs and lifting its focus on risk management, project preparation, financial due diligence, and higher environmental and social standards.

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# Introduction

The large-scale infrastructure projects launched under China’s ambitious Belt and Road Initiative (BRI) are now a prominent feature of Southeast Asia’s development landscape. China is involved in 24 out of the region’s 34 infrastructure megaprojects — those costing \$1 billion or more — and is easily the largest infrastructure financing partner.

These projects respond to real and immediate needs in the region. But there is a significant gap between China’s promises and its implementation, between what Beijing commits to and what it delivers. This gap amounts to more than \$50 billion in unfulfilled project financing, with more than half allocated to projects that have been cancelled, downsized, or otherwise seem unlikely to proceed. In addition, new project deals signed by China in the region have declined significantly in recent years, in line with the global fall in China’s overseas infrastructure financing. Understanding the reasons behind these patterns is important in the context of both Southeast Asia’s development and geostrategic competition in the region.



Examining the factors that have hindered China’s ability to deliver is critical to judging the success or failure of the BRI’s ambition in the region and understanding what might happen next.

One obvious hypothesis is that the Covid-19 pandemic impacted Chinese project implementation, due to restrictions on travel and the flow of workers and goods across borders, as well as local measures to combat the spread of the virus. In 2020, the Chinese Ministry of Foreign Affairs stated that 20% of BRI projects were “seriously affected”<sup>1</sup> by Covid-19. Our analysis reveals a more nuanced picture.

In 2021, disbursement figures were indeed 18% lower compared to 2020. However, 2020 numbers were higher than 2019 due to the ongoing disbursement of funds for significant infrastructure projects in the initial phase of the pandemic. In fact, disbursements in the transport sector were higher during the pandemic compared to previous years. Meanwhile, disbursements in the energy sector, which is the second-largest sector for Chinese development investment in Southeast Asia, had been declining since 2017 — well before the pandemic and reflecting the completion of a number of large projects.

Pandemic disruptions therefore provide only a partial explanation. Other factors appear to have been far more instrumental in China’s low project implementation rate in Southeast Asia. These factors include the nature and scale of the projects, political instability, local stakeholder engagement, and the global energy transition.



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## Nature and scale

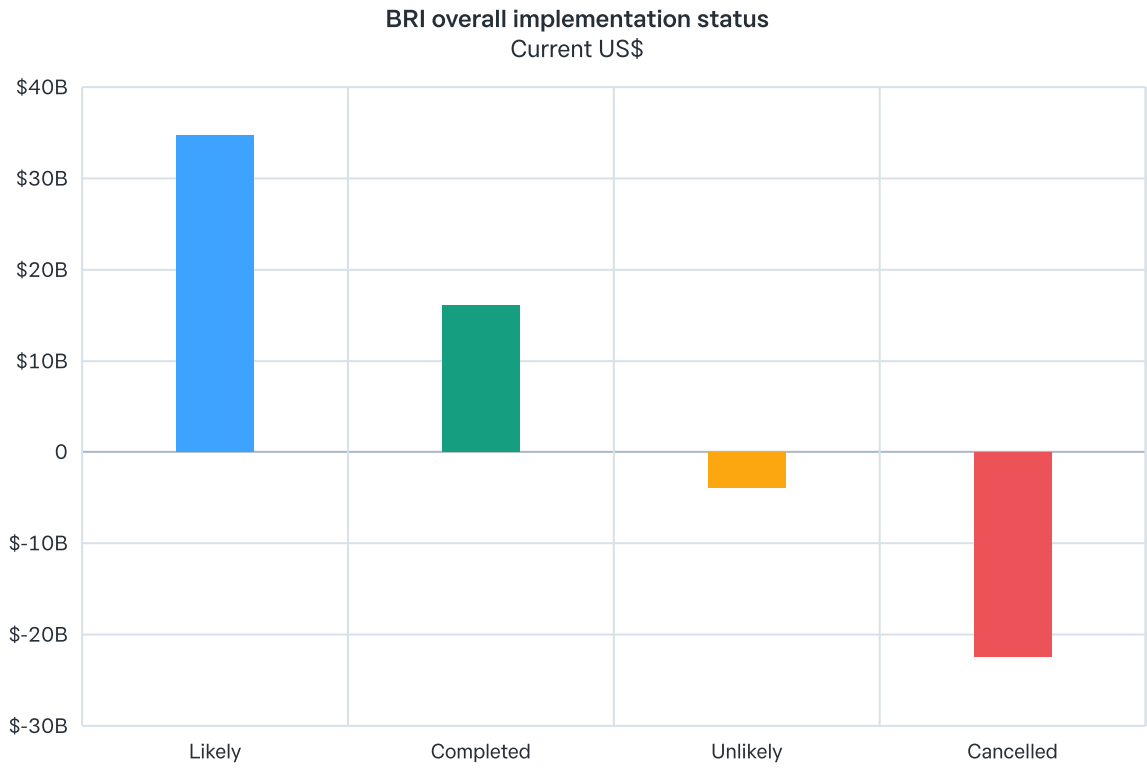
Chinese projects in the region are typically large and highly ambitious. Almost 90% of Chinese ODF projects are focused on infrastructure, which is particularly susceptible to delays and schedule slippage compared to other sectors, such as health and education. Issues<sup>2</sup> including permits, regulatory approvals, environmental assessments, land acquisition challenges,<sup>3</sup> bureaucratic procedures, and logistical obstacles<sup>4</sup> contribute to delays. On average, development partners experience an 11% lower project implementation rate in the infrastructure sector than in other sectors.

China's bias towards megaprojects amplifies the risk. Some estimates<sup>5</sup> suggest that, on average, nine out of ten megaprojects exceed their allocated timeline and budget. There are 34 infrastructure megaproject commitments recorded in the Southeast Asia Aid Map<sup>6</sup> — 24 from China, 6 from Japan, 3 from the ADB, and 1 from Korea. Each of China's competitors are boasting higher completion success rates for those megaprojects.

*Chinese ODF projects are focused on infrastructure, which is particularly susceptible to delays and schedule slippage.*

To assess the success of China's most ambitious projects, we investigated these 24 megaprojects. All were either active or committed between 2015 and 2021, representing a substantial majority (85%) of China's infrastructure commitments in the region. Some key facts:

- Fourteen of these megaprojects are in energy generation or transmission (10 fossil fuel, 4 hydropower) and the remaining 10, equivalent to 70% of the total commitment value, are in the transport sector (7 railways, 1 airport, 1 bridge, 1 port). That sectoral<sup>7</sup> distribution is typical of the BRI's focus on physical economic connectivity.
- The 24 projects were worth a combined \$77 billion in financing commitments but represent more than \$52 billion in implementation shortfalls. The average completion rate across those 24 projects is 33%.
- Eight projects worth about \$16 billion have been completed, while another eight, worth \$35 billion, are on track (although two of those have been substantially downsized). Five projects worth \$21 billion have been cancelled, while another three projects worth \$5 billion seem unlikely to proceed.



We attribute the low implementation rate of China’s megaprojects in Southeast Asia to a combination of several factors.

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## Political instability

Domestic political changes and, in some cases, instability<sup>8</sup> in Southeast Asian nations have posed challenges<sup>9</sup> for China's BRI projects. Frequent changes in governments and policy directions have led to fragmented decision-making, with different factions or parties having divergent views and priorities. Political instability has also often coincided with corruption and weak governance.

The East Coast Rail Link (ECRL) project in Malaysia is a notable example, where the financial arrangements with China became politically contentious, leading to suspensions or renegotiations with each change of government. The project was initially announced in 2016 by then Prime Minister Najib Razak, who was embroiled in a corruption scandal at the time. The project was suspended<sup>10</sup> in 2018 by Prime Minister Mahathir Mohamed, who then realigned and renegotiated it with reduced costs in 2019.<sup>11</sup> Later, under Prime Minister Ismail Sabri Yaakob, the project reverted<sup>12</sup> to its original plan. Anwar Ibrahim, Malaysia's current prime minister, has agreed to continue<sup>13</sup> the project, albeit with yet another substantial haircut.<sup>14</sup>

The 2018 suspension of the ECRL was accompanied by the simultaneous cancellation of two other megaprojects in Malaysia — the Multi-Product Pipeline (MPP) and Trans-Sabah Gas Pipeline

(TSGP). Loans were secured for both projects from the Export-Import Bank of China (China EXIM) in March 2017.<sup>15</sup> Revelations emerged in 2018 that almost 90%<sup>16</sup> of the contract value had been paid out to the contractor, China Petroleum Pipeline Bureau (CPPB), despite only a small fraction of the work having been completed. In the aftermath, at least \$330 million<sup>17</sup> was seized from CPPB — equivalent to approximately 14% of the total combined contract value. At least one of the two projects, the TSGP,<sup>18</sup> appears to have been initiated without any environmental impact assessment, feasibility study, or proper land acquisition process. The ECRL, MPP, and TSGP were all afflicted by corruption allegations, and the resulting political fallout led to severe implementation difficulties. To date, the MPP remains cancelled, while the future of the TSGP is uncertain, with negotiations ongoing that might see its revival.

*Political instability has also often coincided with corruption and weak governance.*

The Thailand–China High-Speed Railway is another example of domestic politics wreaking havoc on China's infrastructure ambitions. Announced in 2010 by former Thai Prime Minister Abhisit Vejjajiva, the project envisioned a joint rail venture between Thailand and China with a proposed 51–49 financial split, but the proposal was abandoned following the dissolution of the Thai parliament in 2011. The railway will now be self-funded by the Thai government after a

particularly toxic domestic debate in which local media referred to the loan offered by China as a “debt trap”.<sup>19</sup> Chinese companies will still manage<sup>20</sup> the project.

In the Philippines, the government signalled a shift in its relationship with Beijing by dropping<sup>21</sup> Chinese funding for two major infrastructure megaprojects — the PNR Bicol line and the Mindanao Railway Project. The first involved a 380-kilometre railway, costing 142 billion pesos (\$2.5 billion), stretching from Calamba, located just south of Manila, to Bicol at the southern tip of Luzon. The second was a 100-kilometre commuter rail line in Mindanao, situated in the southern Philippines, with a budget of 83 billion pesos (\$1.45 billion). The exact reasons for the cancellation are unclear. The Philippines government has stated that China failed to disburse<sup>22</sup> the requested funds. The cancellation coincided with a change in administration in the Philippines and increased bilateral tensions in the South China Sea.

In Myanmar, a \$9 billion railway has been effectively stalled since the original Memorandum of Understanding was signed in 2011. The military junta, ostracised from traditional development partners since the February 2021 coup, appears to have resumed<sup>23</sup> negotiations with China despite ongoing internal armed conflict and political crisis. The Kyaukphyu Special Economic Zone Deep-Sea Port Project also appears to have been resuscitated, although it had already been scaled back<sup>24</sup> from more than \$7 billion to \$1.3 billion due to concerns around excessive debt.<sup>25</sup> This has reduced the originally planned design capacity for ten berths to two.<sup>26</sup> There is reportedly<sup>27</sup> pressure from China to begin construction after the completion of an environment and social impact assessment. The port and railway form part of a chain of projects in Myanmar, known as the China–Myanmar Economic Corridor or CMEC, that would allow strategically significant<sup>28</sup> direct overland access from China to the Indian Ocean. Myanmar’s continuing civil conflict and political chaos will undoubtedly present ongoing challenges for implementation of these projects.

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## Local stakeholder engagement

A history of poor engagement with local stakeholders has also limited the delivery of China's infrastructure projects. Successful projects require the active involvement and support of local partners, including various levels of government, affected communities, and civil society. However, China has often been criticised for its top-down approach,<sup>29</sup> limited transparency,<sup>30</sup> and inadequate consultation processes. Failure to engage effectively with local communities and address their concerns regarding environmental impacts, social displacement, and cultural preservation leads to resistance and project delays.

The Jakarta–Bandung High-Speed Railway — one of the BRI's flagship projects — provides an illustration<sup>31</sup> of how a lack of consultation with local authorities and poor project preparation can lead to a host of other issues,<sup>32</sup> including higher land acquisition costs, delays in construction, and increased material prices. In this case, the issues led to significant cost overruns, equal<sup>33</sup> to about \$1.2 billion.

The Phnom Penh Airport, expected to be completed in 2025, has also been beset by delays. Local landowners were not sufficiently consulted or informed, leading to a construction phase characterised by violent protests, arrests,<sup>34</sup> judicial disputes, roadblock confrontations,<sup>35</sup> and drawn-out compensation<sup>36</sup> claims.

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## Global energy transition

Many BRI projects also appear to have been caught out by the rising imperative to accelerate the clean energy transition. The Vinh Tan 3 Coal-Fired Power Plant in Vietnam, a \$2 billion commitment, appears unlikely to go ahead after co-investors HSBC<sup>37</sup> and Mitsubishi<sup>38</sup> withdrew, citing corporate climate change targets.

Plans for another coal-fired power plant in Vietnam, Nam Dinh 1, are also unlikely to be realised. Construction of the power plant faces multiple challenges,<sup>39</sup> but the decisive factor that may lead to cancellation, at least in the project's coal-based form, is Vietnam's new National Power Development Plan for the period 2021–2030 (PDP8).<sup>40</sup> The Plan emphasises renewable energy and liquefied natural gas (LNG) development in the country. As a result, Nam Dinh 1 investors are contemplating<sup>41</sup> pivoting to a gas-fired power station, aligning with Vietnam's long-term energy planning. In any case, under PDP8, the project must progress in the next 12 months or be terminated.<sup>42</sup>

Other proposed power plants are also in doubt after China's president vowed<sup>43</sup> in 2021 to stop financing coal-fired plants overseas.

In these instances, failed or cancelled fossil fuel projects perhaps reflect the accelerating global energy transition in response to climate change and falling renewable energy costs. The implementation gap in coal power generation can therefore be interpreted more as a shifting of priorities than an outright failure.

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# Assessment

When assessing the success or otherwise of the BRI in Southeast Asia, a point-in-time evaluation can be misleading. With an eye to the future, it becomes clear that by virtue of the scale of China's ambition, even a partially unfulfilled Chinese development program would provide more than that of any other international partner involved in Southeast Asia.

China's current implementation rate for infrastructure projects is 35%. Applying this rate to Beijing's outstanding infrastructure commitments of \$55 billion suggests China might disburse an additional \$19 billion in Southeast Asia in the coming years. Combined with China's \$30 billion already disbursed in the region, that is a total of \$49 billion, still more than twice the cumulative infrastructure disbursements from Japan (\$22 billion) and significantly surpassing the Asian Development Bank's \$11 billion (with Japan's implementation rate at 64% and the ADB's at 53%).

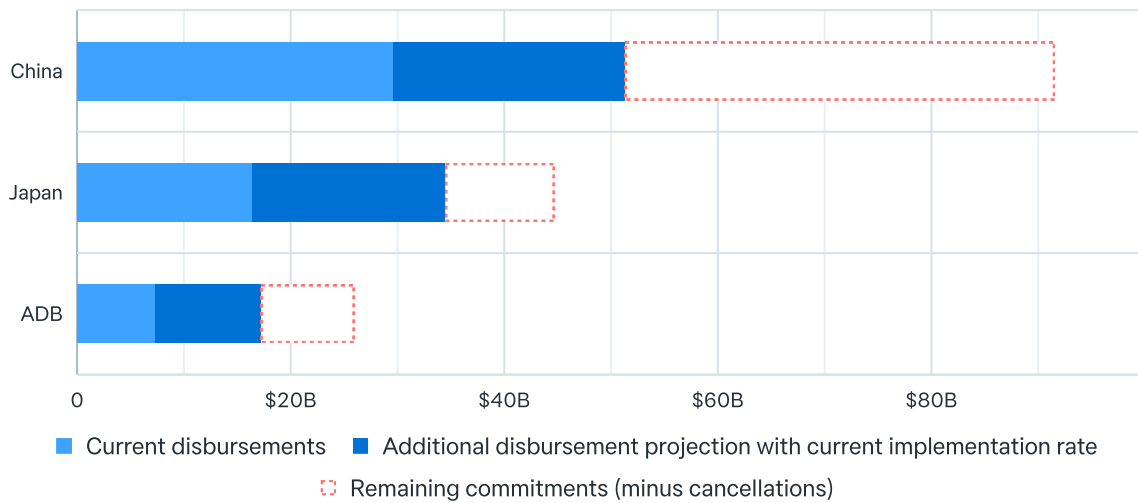
In a scenario where China learns from its mistakes and addresses technical challenges, political instabilities, and stakeholder engagement issues, Beijing could fulfill all its infrastructure commitments in Southeast Asia, excluding those already cancelled. Beijing's disbursements would then reach a staggering \$62 billion in coming years, surpassing by far that of any other development partner, under the same assumption of full implementation of existing project commitments.

*Even a partially unfulfilled Chinese development program would provide more than that of any other international partner involved in Southeast Asia.*

Even if Japan were to implement all its current commitments while China maintained its existing pace of delivery, Japan would still fall short of catching up with China's infrastructure disbursements in Southeast Asia.

The conservative assumption of a 35% implementation rate for Chinese projects clearly suggests that even in a scenario where the external environment for Chinese projects does not improve, Beijing would remain the largest provider of infrastructure development in Southeast Asia by a wide margin. Hence, the narrative suggesting a failure of the BRI seems misplaced. A change of economic environment in China, however, means that the Initiative is evolving to a more sustainable source of financing.

Infrastructure development projects signed  
and implemented in Southeast Asia, 2015–2021  
Current US\$



## The future of the BRI

There is much uncertainty about the future of the BRI. Debt crises in many borrowing countries and deteriorating economic conditions in China itself have fuelled predictions that the BRI will languish, with attention diverted<sup>44</sup> instead to more targeted efforts under Beijing’s new Global Development Initiative.<sup>45</sup> Efforts<sup>46</sup> to track the scale of China’s overseas infrastructure financing point<sup>47</sup> to a sharp decline in new financing in recent years, creating a prevalent view that the BRI is in retreat. However, in Southeast Asia, the picture appears more nuanced. The BRI seems likely to continue to play a significant role in infrastructure development in the region.

The latest BRI forum in October 2023<sup>48</sup> revealed an evolution of the Initiative. China is learning from experience, shifting away from megaprojects towards smaller ones, and lifting its focus on risk management, integrity and compliance,<sup>49</sup> worker safety, project preparation, financial due diligence, and higher environmental and social standards, as evidenced by a new Green Investment and Finance Partnership<sup>50</sup> project facility.



There is clear intent at the highest levels of the Chinese Communist Party to maintain a BRI that is long-lasting and responsive to changing circumstances and the demands of its partner countries. New funding injections and commitments to policy reforms are indications that the BRI is here to stay.

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# Appendix:

## Project summaries

### Cambodia

#### Phnom Penh Airport Project

This project is financed via a loan from the China Development Bank and being constructed by the China Construction Third Engineering Bureau Group. The project has been marred by injuries and arrests, and protests over a land dispute. Construction is ongoing and expected to be completed in 2024.

### Indonesia

#### Bangka Tengah Sumsel-8 Coal Fired Power Station

This 1.3GW coal-fired power plant in South Sumatra is financed through a China EXIM loan signed in May 2018. Construction was 98% complete in February 2023 and the plant was expected to begin commercial operations in September 2023, but serious challenges regarding absorption capacity and transmission problems are stalling operations. There have been claims that South Sumatra already has a surplus of electricity generation of around 40%.

#### Jakarta-Bandung High Speed Rail

This 142-kilometre high-speed rail line between Jakarta and Bandung entered commercial operations in October 2023 after several years of delays. China was awarded the contract in 2015 over Japan, reportedly because China was willing to accept higher financial risk after Indonesia insisted no government guarantee would be given for the loan. Complications and delays followed due to land acquisition troubles, environmental issues, and poor project management and preparation. The railway's ability to generate enough income to pay back the \$4.5 billion loan is in doubt, with an executive admitting it is unlikely to break even in the next twenty years. The completed project was \$1.2 billion over budget and four years behind schedule.

#### Java 7 Power Station

In 2015, state-run builder Wijaya Karya (WIKA) requested a credit facility from China Development Bank (CDB) to fund development of the Java 7 coal-fired power station, to be constructed in phases. Construction began in 2016 and Unit 1 was commissioned in December 2019. However, due to the COVID-19 pandemic, the project faced delays. Unit 2 was eventually commissioned in October 2020 after a four-year construction period.

## Laos

### **Nam Ngum 3 Hydropower Plant**

This plant is under construction, reportedly 84.3% complete at the end of 2023. Some sources indicate an original planned completion date of 2020 but others estimate it will be commissioned in 2026. Funded by China EXIM and built by Sinohydro, the plant will export power directly to the Electricity Generating Authority of Thailand under a power purchasing agreement.

### **Nam Ou Hydropower Project Phase I**

The hydropower complex has been operational since October 2016. It is owned and operated by PowerChina under a 29-year build-operate-transfer contract, and spans more than 350 kilometres. It imposed significant resettlement requirements on ethnically diverse local populations – 2,500 people from 8 villages were relocated for one plant alone. There are concerning indicators of adverse biodiversity impacts of the Nam Ou complex.

### **Nam Ou Hydropower Project Phase II**

The plants constructed under this project have been operational since September 2021. It was funded through a loan from China Development Bank, underwritten by Sinosure, and was reportedly the first overseas investment by a Chinese company on a build, operate, transfer basis. Although the original agreement predates the BRI, it has been retrospectively labelled as a key BRI project.

### **Pak Lay Hydropower Project**

In June 2018 the Laos government notified the Mekong River Commission of its intention to begin works on this project, funded through a loan from the China EXIM Bank, in the northern province of Xayaburi. In March 2023 a power purchase agreement was signed, paving the way for construction to begin. There are concerns about environmental impacts and the relocation of local populations, but the project seems likely to go ahead and is due to begin operations in 2029.

### **Xekong Coal Electricity Integration Project**

Negotiations for this coal mine and power station in the south of Laos began in 2014 and the contract was signed in 2016. While construction is ongoing, details are scarce. It is anticipated to commence operations in 2025.

## Malaysia

### **East Coast Rail Link**

A flagship BRI project beset by controversy and complications. As of December 2023, it is estimated to be 56% complete and is scheduled to be operational in early 2027. The track extends across peninsular Malaysia from Kelantan to Selangor through 20 stations. The project was first announced in 2016 at a cost

of RM55 billion, via a soft loan from the Export-Import Bank of China, but then embroiled in a corruption scandal. Suspended in 2018, ECRL was renegotiated with a reduced cost in 2019 by Prime Minister Mahathir Mohamad. Prime Minister Ismail Sabri Yaakob then reverted to the original plan. Current Prime Minister Anwar Ibrahim will continue the project, albeit with a substantial haircut. It was reported in 2022 to be costing the Malaysian government RM74.96 billion (about US\$16 billion).

### **Multi-Product Pipeline**

In May 2016, Malaysia established Suria Strategic Energy Resources to complete the MPP, a 600-kilometre petroleum pipeline connecting Melaka and Port Dickson to Jitra, Kedah. Contracts were awarded to China Petroleum Pipeline Bureau (CPPB) and loans from China EXIM were secured in March 2017. Construction commenced in 2017.

In May 2018, the new national government cancelled the MPP and its sister project the TSGP, along with the East Coast Rail Link, another Chinese-financed mega-project. It emerged.pdf) that 88% of the MPP and TSGP contract values had been paid out to CPPB despite only 13% of the work having been done. An attempt to reclaim costs led to a seizure of \$330 million from CPPB. Subsequent reviews have suggested that no feasibility study, environmental impact assessment or legal land acquisition process were carried out. After another change in government, the finance minister in 2021 suggested that the MPP would be reviewed. No new plans have been confirmed but there have been calls for transparency around the possible revival.

### **Trans-Sabah Gas Pipeline**

In May 2016, Malaysia established Suria Strategic Energy Resources to complete the TSGP, a 662-kilometre gas pipeline from Kimanis Gas Terminal to Sandakan and Tawau. Contracts were awarded to China Petroleum Pipeline Bureau (CPPB) and loans from China EXIM were secured in March 2017. Construction commenced in 2017.

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## Myanmar

### **Kyaukphyu Special Economic Zone Deep-Sea Port Project**

Situated on the coast of Myanmar's western Rakhine state and forming part of the China-Myanmar Economic Corridor, this project would allow strategically significant direct overland access from China to the Indian Ocean. Though badged as a Belt and Road project, the proposal long pre-dates BRI and has been retrospectively branded. An agreement was signed in 2009 but the contract was finally awarded in 2016. In 2018, under Aung San Suu Kyi's administration, the contract was dramatically scaled back, from over \$7 billion to \$1.3 billion, due to concerns about the excessive debt burden. There were also serious concerns over the impact on the local economy, with livelihoods threatened by the special economic zone changes. The military regime has now approved resumption of construction at the site. No new timeline has been made public.

### **Mandalay-Kyaukphyu Railway Project**

Forms part of the China-Myanmar Economic Corridor (CMEC) under the BRI, which will include rail links from Kunming in China through Muse and Mandalay to Kyaukphyu, a coastal city which is the site of a proposed Chinese-financed deep-sea port, and an adjoining line to Yangon. A Memorandum of Understanding was signed in 2011 but lapsed in 2014 after two feasibility studies. The National League of Democracy government signed another MoU in September 2018, and the most recent was signed in January 2021 – just days before the coup. In the ensuing violence, the project stalled, but appears to have been taken up again by the military regime as of 2023. Its construction could be jeopardised by uprisings across the north of the country.

### **Myanmar-China Oil Pipeline Construction Project**

Retrospectively classified as a BRI project, this pipeline forms part of the China-Myanmar Economic Corridor or CMEC. Funded by a China Development Bank loan, construction commenced in 2010 and was completed in 2014, but operations did not commence until 2017. The delay was reportedly due to a dispute over a tax Myanmar sought to impose on PetroChina, the Chinese state-owned oil and gas producer which relies heavily on crude oil supplied through the pipeline.

## Philippines

### **Construction of the Panay-Guimaras-Negros Inter-Island Bridge**

This project is intended to improve connectivity among the Visayas islands. In late 2019, the Philippines government approved construction funded by a concessional loan from China. However, by midway through 2020, financing was cancelled, with a Philippines senator claiming China had "lost interest" in funding the project. The Export-Import Bank of Korea stepped in, initially funding a feasibility study. Construction is expected to begin in 2025.

### **Mindanao Railway**

This project has been subject to the same turmoil as the PNR Long Haul and the Subic-Clark Railway projects. All three were set to be constructed using Chinese-provided concessional loans, with deals signed during the presidency of former President Duterte. The failure of the Chinese government to act on the request for disbursements led the Philippines government to withdraw its loan application, and attempts to renegotiate failed. The Philippines Transportation Secretary said Japan, South Korea and India have offered to finance the three projects, worth almost \$5 billion combined, and that discussions were also underway with the Asian Development Bank. Even without funding secured, the Philippines Department of Transportation is continuing with pre-construction work.

### **South Long-Haul Railway (Bicol Line)**

A contract was awarded in 2021 to three Chinese railway contractors with the expectation of a concessional loan from China. Construction on the first phase of the line, reaching from Calamba to Albay, was expected to begin in the first quarter of 2022. However, in July of that year it was revealed that the Bicol line, along with the Subic-Clark railway and the Mindanao railway, was stalled due to a failure by the Chinese state bank to disburse committed funds. The Philippines government subsequently withdrew its loan applications. Negotiations recommenced in January 2023, but without success. Other sources of finance are now being investigated, including blended financing or approaching Japan or India.

## **Thailand**

### **Thai-China Railway**

Part of the Indochina Economic Corridor under the BRI, this project was announced in 2010 and designed to connect to the recently completed China-Laos railway. It has been plagued by long and tense negotiations. After the 2014 coup, the project was rejected by the new military regime, but that decision was reversed in 2015 before another cancellation in 2016. Despite Chinese financing offers, the Thai government ultimately decided to pay project costs themselves while China provides technical advice and participates in construction. In 2017, Prime Minister Prayut exercised Article 44 of the Constitution to bypass public procurement laws and speed up the project, but construction still did not begin until 2021. The Thai government has pledged to complete the line by 2028.

### **Three Airports High Speed Rail Project**

This project connects Don Mueang International Airport, Suvarnabhumi Airport and U-Tapao International Airport. It will be constructed by a consortium led by China Railway Construction Corporation and supported by a loan from China Development Bank. With an agreement first signed in 2019, the completion date was scheduled for 2023, but after delays the first phase of excavation is

now underway and the 220-kilometre line is expected to be operational in 2029.

## **Vietnam**

### **Duyen Hai 3 Coal-Fired Power Plant**

This 1245MW plant has been operational since 2017. It forms part of a complex with several other plants, which have been the target of complaints related to coal dust and environmental impacts.

### **Nam Dinh 1**

This project has been delayed for over ten years and in 2023 was listed in Vietnam's Power Development Plan as "behind schedule, facing difficulties". Originally financed with a loan backed by Sinosure and managed by China Gezhouba Group International Engineering, it must progress by June 2024 or be terminated by the Ministry of Industry and Trade. China's pledge to pivot away from funding coal projects puts this project further at risk and it seems unlikely to eventuate.

### **Vinh Tan 1 Power Plant**

In December 2012, a consortium comprising Vinacomin and China Southern Power Grid Company signed an agreement with the Vietnamese government for the construction of the Vinh Tan 1 Power Plant, set to be operational by 2018. China Power Investment Corporation later joined the consortium. Construction started in 2015 and the plant began operation in 2018. As of August 2023, Vinh Tan 1 reportedly supplied 3% of Vietnam's electricity needs.

### **Vinh Tan 3 Power Plant**

A memorandum for this coal power plant project with a planned 1,980MW capacity was signed in 2015 with China Development Bank, but co-investors HSBC and Mitsubishi withdrew in 2020 and 2021 respectively because of sensitivities around financing fossil fuel generation. Very little information is available regarding the progress of the project, and we assess that the likelihood of it moving forward is low.

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# Notes

- 1 <https://www.reuters.com/article/us-health-coronavirus-china-silkroad-idUSKBN23Q011>
- 2 <https://hrcak.srce.hr/file/154726>
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