Eurasian Development Bank

China and the Eurasian Region: Analysis of Investment Flows

based on EDB Monitoring of Mutual Investments

Report 25/15

Almaty — 2025

CHINA AND THE EURASIAN REGION

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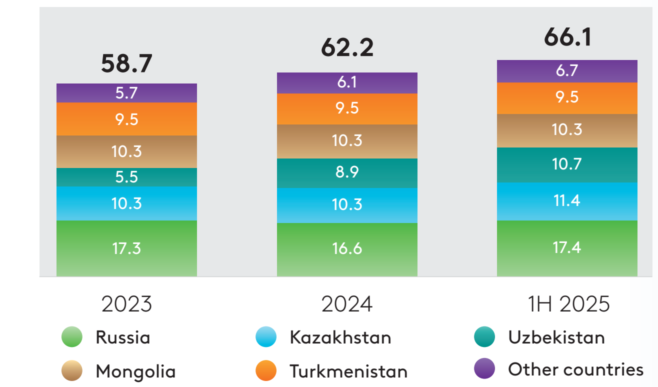
FACTS AND FIGURES

ANALYTICAL REPORT`25/15

China's investment stock in the Eurasian region, $bn



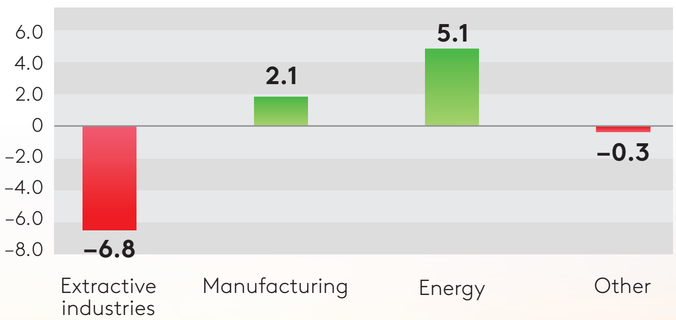
+13% vs 2023 — Growth of China's FDI stock in the Eurasian region to $66.1 bn (1H 2025)

90% — Share of the five largest recipients of FDI from China: Russia, Kazakhstan, Uzbekistan, Mongolia and Turkmenistan (1H 2025)

$1.1bn +40% vs 2023 — Eurasian region`s investment stock in China (1H 2025). Russia is the largest investor (98% of the total volume)

Energy and manufacturing sectors are key drivers of Chinese investment growth in the Eurasian region

Change of China`s FDI stock by sector (1H 2025 vs 2023), p.p.



89% +1.4 p.p. vs 2023 — Share of the largest sectors (extractive industries, energy, manufacturing) in Chinese investment

$6.7bn 1H 2025 vs 2023 — Growth in Chinese investment in the Eurasian region, driven by projects in the energy and manufacturing sectors

Central Asia — a key destination for Chinese investment

54.3% +5.4 p.p. vs 2023 — The share of Central Asia in the total volume of Chinese investment in the Eurasian region (1H 2025)

+$5.2 bn vs 2023 — Growth in Chinese investment in projects implemented in Uzbekistan (1H 2025), or 70% of their total growth in Central Asia

Promising areas for Chinese investors

Manufacturing	Introduction of advanced Chinese technologies in machinery manufacturing, metallurgy, chemical industry, oil and gas processing
Energy (renewables)	China's global leadership in the development of renewable energy, the needs of Eurasian countries for modernisation of energy infrastructure
Transport and logistics	The development of land transport and logistics infrastructure connecting China with the Eurasian region, Europe and the Middle East
Agro-industrial complex	The high agro-industrial potential of the Eurasian region, China's policy of diversifying food supplies and ensuring food security

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Full version of analytical report

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This report continues a series of publications within the framework of a long-term research project dedicated to Monitoring of Mutual Investments (MMI) in the Eurasian region. The analysis is based on the EDB database, which is built with a bottom-up approach and regularly updated with diverse information from open sources, including company reports and other primary data. The report provides detailed information on the scale, dynamics, geographical and sectoral structure of mutual FDI between China and the countries of the Eurasian region in 2024 and the first half of 2025. It assesses the trends affecting the nature and dynamics of mutual investment relations.

Keywords: China, investment, foreign direct investment, FDI, mutual investment, accumulated investment, investment projects, Eurasian Economic Union, Central Asia

JEL: E22, F15, F21, F23, F36, G31, G34.

The electronic version of the report is available on the Eurasian Development Bank website: https://eabr.org/analytics/.

Comments and suggestions on this report can be sent to research@eabr.org.

Operational macro analytics, infrastructure monitoring, and other expert opinions of analysts are published weekly on the Eurasian Development Bank's Telegram channel: t.me/eabr_bank.

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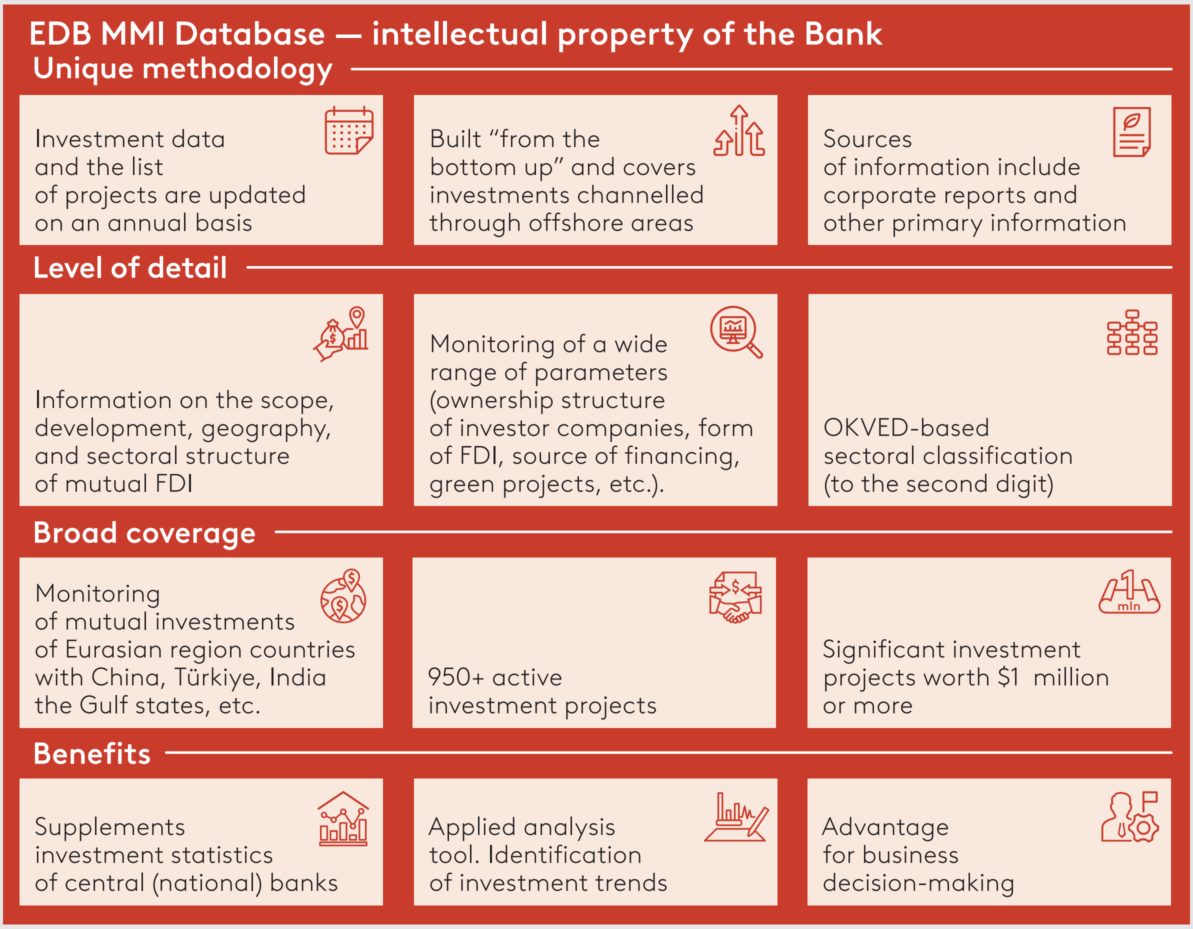
EXECUTIVE SUMMARY

Box 1. General information on the report's methodology

The Eurasian Development Bank's Monitoring of Mutual Investments (EDB MMI) is a long-term analytical project aimed at systematically tracking, verifying, and analyzing mutual direct investment stock in the countries of the Eurasian region. The project also covers the investment links of the Eurasian region with key external partners, including China, which allows for a comprehensive assessment of the dynamics, structure, and geography of cross-border investment flows (Figure A).

The Eurasian region covers 13 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

↓ **Figure A. EDB Monitoring of Mutual Investments Database**



Source: EDB

The EDB's MMI database has been compiled since 2016 using a bottom-up approach, which involves collecting data at the level of individual companies and investment projects. The sources are official corporate reports, press releases, and other publicly available data, which ensures high accuracy and transparency of information.

Every year, data on mutual investments for the previous period since 2016 is updated and reevaluated. Adjustments are made based on refined project information and new corporate reports, which, in accordance with the MMI methodology, take precedence over media publications.

China is a key investment partner for countries in the Eurasian region

China and the countries of the Eurasian region are important economic partners. Trade and investment among the countries are growing rapidly. There are plans to increase trade and investment cooperation, which are enshrined at the highest bilateral level and within multilateral formats, including China's Belt and Road Initiative.

Box 2. Support for investment cooperation at the highest level

"...We have decided to declare 2025–2026 as the Years of High-Quality Development of Cooperation between China and Central Asia. It is important to focus efforts on areas such as uninterrupted trade, industry and investment, transport connectivity, green subsoil use, agricultural modernisation and mutual visits by citizens, and to implement more specific projects with a view to achieving early results in the shortest possible time..."

From the speech by Mr. Xi Jinping, President of the People's Republic of China, at the Second Central Asia-China Summit, September 17, 2025, Astana, Republic of Kazakhstan.

Over the past two years, there has been a noticeable decline in foreign direct investment flows worldwide. According to UNCTAD, in 2024, global FDI (excluding transit financial flows) fell by 11%. Many major economies are reducing the scale of their international investments, which is also reflected in a decline in capital inflows to a number of countries in the Eurasian region. **Mutual investments between China and the countries of the Eurasian region stand out as an exception to this global trend**. Not only has the investment activity of Chinese companies in the region not declined, but it continues to show steady growth.

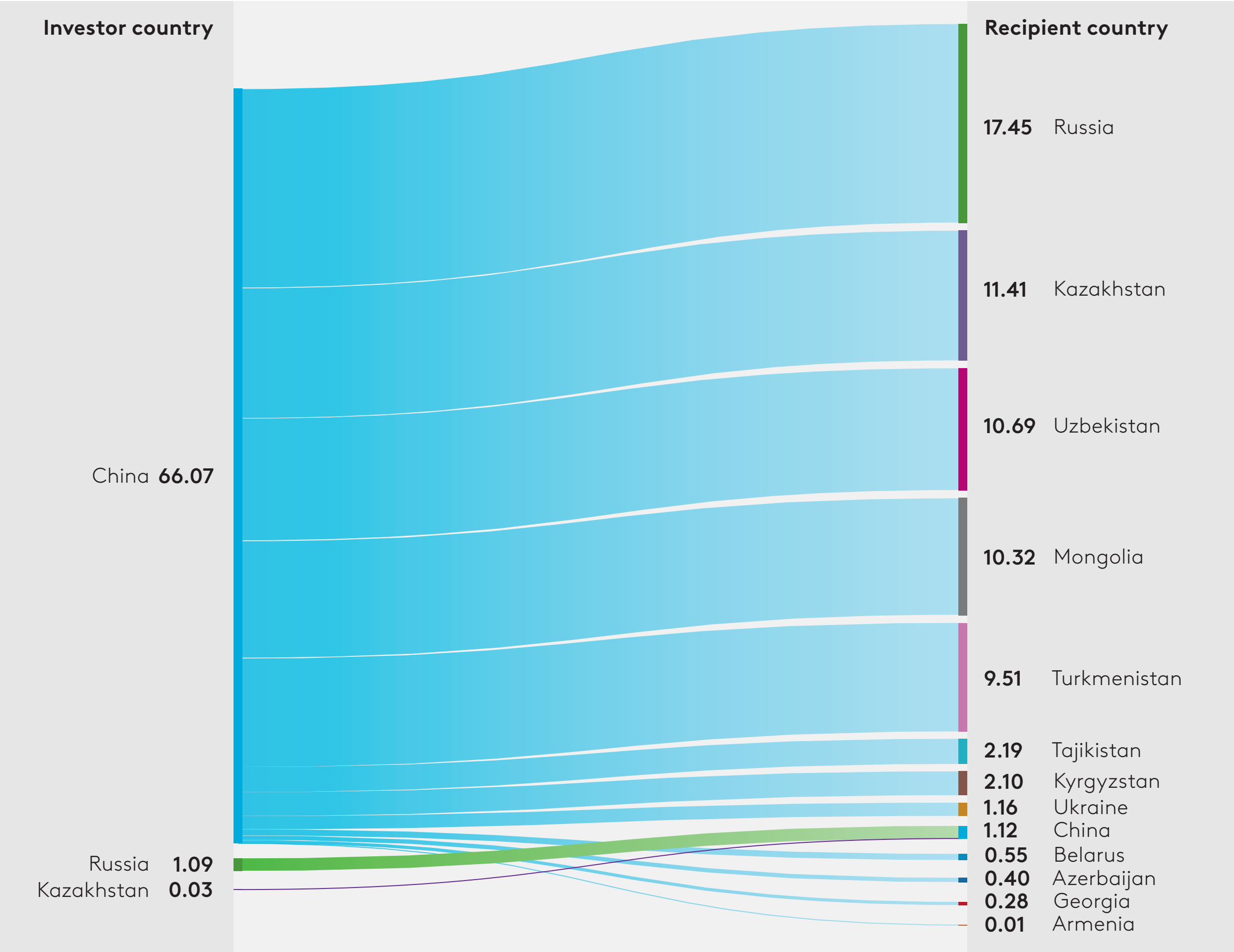
This result is not only due to the political agreements mentioned above. It is a direct consequence of the strengthening of economic ties, the growth of trade flows, and the expansion of cooperation between Chinese businesses and companies in the Eurasian region. The complementarity of economies, demand for infrastructure projects, and diversification of production chains create a solid foundation for further growth in mutual investment.

Key trends

China's investment stock in the Eurasian region reached **$66.1 billion** by the end of the first half of 2025, an increase of **almost 80%** compared to 2016. Over the past 10 years, an additional $29 billion in Chinese investment has flowed into the region's economies. Over the past year and a half (2024–1st half of 2025), China's investment in the region has grown by 13% or $7.4 billion.

The volume of China's FDI stock in the countries of the Eurasian region is **significantly (60 times) higher** than the flow of reciprocal FDI from the countries of the Eurasian region to China, which amounted to **$1.12 billion** at the end of the first half of 2025 (Figure B). The bulk of the investment is accounted for by Russia (98%), while Kazakhstan's share remains insignificant. Despite the relatively small volume of FDI, the dynamics show marked growth: compared to 2016, the volume of investment by Russia and Kazakhstan in China increased 18-fold, and compared to 2023, by 40%.

↓ Figure B. Directions of mutual FDI stock between China and the countries of the Eurasian region in the first half of 2025, $ billions



Source: EDB MMI database

Four key trends can be identified in the dynamics of Chinese FDI in the Eurasian region:

- **Trend 1 — Accelerating growth of Chinese investment in manufacturing and energy.** Against this backdrop, the extractive industries are becoming less dominant in terms of investment: their share fell by 14 p.p. from 68% to 54% between 2016 and the first half of 2025. At the same time, the importance of manufacturing (+9 p.p. to 22%) and energy (+8 p.p. to 12%) has grown.

- **Trend 2 — Uzbekistan has become the leader in the volume and pace of attracting Chinese investment in the region.** Uzbekistan's share in the structure of Chinese investment attracted to the Eurasian region has grown from 1% to 16% between 2016 and the first half of 2025. The increase in investment amounted to **$10.4** billion, or about **one-third of the total increase** in Chinese investment in the entire Eurasian region. Thanks to Uzbekistan, Central Asia's share of Chinese investment in the Eurasian region reached 54% ($35.9 billion) at the end of the first half of 2025.

- **Trend 3 — Growth in investment activity by private companies — investors from China against the backdrop of a decline in the role of state-owned companies.** The share of purely state-owned companies in the structure of Chinese investments decreased from 62% to 53% from 2016 to the first half of 2025. At the same time, the share of private companies grew from 22% to 27%, reflecting the gradual diversification of capital sources and the entry of Chinese private businesses into foreign markets.

- **Trend 4: Growth in the importance of greenfield investments.** The share of greenfield projects in the investment structure increased from 43% to 60%, while the share of deals involving the acquisition of existing assets (including purchases with expansion) decreased from 54% to 37%. This indicates a long-term trend of Chinese companies creating new capacities in industry, energy, and transport in the countries of the Eurasian region.

Sectoral structure

There is a gradual shift from investments in extractive industries projects to the manufacturing sector, energy, and other industries with higher added value. The FDI stock of Chinese companies in the extractive industries grew from $25.5 billion in 2016 to $35.8 billion in the first half of 2025, but their share in the overall investment structure decreased from 68% to 54%.

At the same time, China's FDI stock in the manufacturing sector increased from $5 billion to $14.5 billion, and its share rose from 13% to 22%. The main growth occurred after 2019, due to the implementation of large projects in metallurgy, chemistry, mechanical engineering, and raw materials processing.

Significant acceleration has been observed in the energy sector, where investment stock has grown from $1.35 billion to more than $8.1 billion. This indicates China's increased focus on energy infrastructure, renewable energy generation, and long-term service contracts.

China's investment stock in Central Asia

The volume of China's FDI stock in Central Asia grew from $19.6 billion in 2016 to $35.9 billion by the first half of 2025. About 90% of investments are concentrated in three countries: Kazakhstan (32%), Uzbekistan (30%), and Turkmenistan (27%).

The sectoral structure is gradually diversifying: so far, investments have been concentrated mainly in the extractive industries (46%). However, the share of manufacturing and energy is growing, already accounting for more than a third of Chinese investments in Central Asia.

Kazakhstan remains the largest recipient of Chinese FDI ($11.4 billion), but **Uzbekistan is growing much faster.** The volume of Chinese FDI in Uzbekistan's economy increased from less than $300 million in 2016 to $10.7 billion by mid-2025. This represents a more than 35-fold increase during the period under review.

China's investment stock in the South Caucasus countries

The volume of China's FDI stock in the South Caucasus countries has grown 2.5 times over the past 10 years, from $0.28 billion to $0.69 billion, but the subregion's share is still small, accounting for about 1% of China's total investment in the Eurasian region. The investment portfolio is distributed between Azerbaijan (about 60%) and Georgia (about 40%). The priority areas are manufacturing and energy.

China's investment stock in the EAEU

The total portfolio of China's FDI stock in the EAEU countries as of H1 2025 is estimated at $31.5 billion and includes 160 projects. For almost 10 years, the volume of Chinese investment in the EAEU countries has grown 1.5 times. Russia and Kazakhstan account for 91% of all investments. Kyrgyzstan shows the highest growth rates ($2.1 billion as of H1 2025, with a CAGR of 11%).

The extractive industries remain key, accounting for $14.7 billion (47% of the portfolio), but investors are paying increasing attention to the manufacturing sector, with FDI stock reaching $9.8 billion (31%). In the foreseeable future, it will become the main driver of further development of investment cooperation.

Russia is the largest recipient of FDI from China in the EAEU: as of the first half of 2025, the volume of investment stock reached $17.5 billion (55% within the Union). Russia remains the largest recipient of investments from China in the entire Eurasian region. Chinese investments in Russia are growing faster than the EAEU average, with an average annual growth rate of about 10% since 2016, compared to 5%, respectively. The largest investment projects are CNPC's (40%) participation in the Yamal LNG project and Sinopec's (20%) participation in the Amur Gas Chemical Complex.

China's investment stock in Mongolia

China's investments in Mongolia remain high and continue to grow, rising from $8.2 billion in 2016 to $10.3 billion by mid-2025. **The portfolio structure is concentrated in the extractive industries** (99.6% of investments). These are mainly projects for the development of iron ore and oil deposits. Zhongrun Resources and CNPC projects form the basis of Chinese investments.

Promising sectors for investment

Four sectors may become the most attractive for Chinese investors in the Eurasian region: manufacturing, energy (including renewables), transport and logistics, and agribusiness. This is due to a combination of structural shifts in the countries of the Eurasian region and China's strategic priorities to ensure leadership in high-tech industries, diversify value chains, develop green energy, low-carbon transport, and ensure food security.