Eurasian Development Bank

China and the Eurasian Region: Analysis of Investment Flows

based on EDB Monitoring of Mutual Investments

Report 25/15

Almaty — 2025

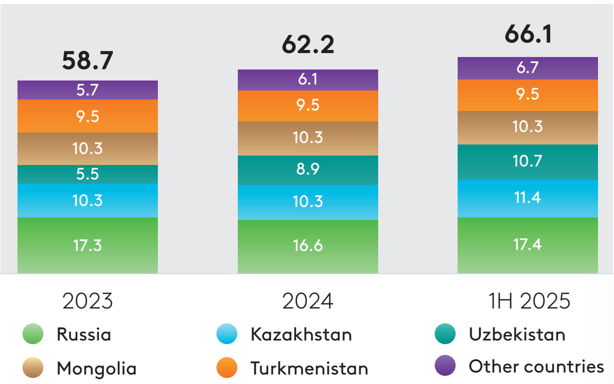
CHINA AND THE EURASIAN REGION

analysis of investment flows based on EDB Monitoring of Mutual Investments

FACTS AND FIGURES

ANALYTICAL REPORT`25/15

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



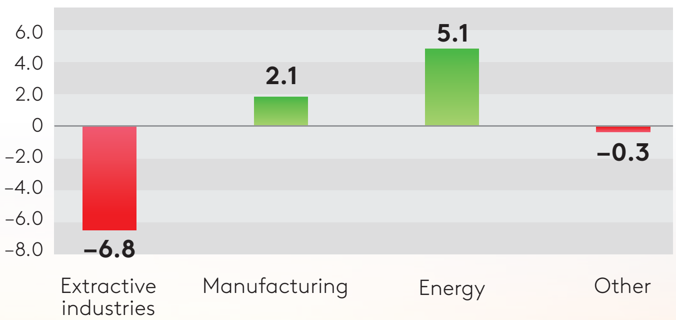
+13% vs 2023 — Growth of China's FDI stock in the Eurasian region to $66.1 bn (1H 2025)

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

Eurasian Development Bank

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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TERMINOLOGY

Foreign direct investments (FDI) refer to investments that give the investor the ability to participate in the management of a company in a foreign country through various forms of contribution, including the acquisition of an interest in a company or the injection of capital to create new or to upgrade/expand existing assets.

Portfolio investments refer to investments that usually involve the acquisition of an interest (up to 10%) in a company for the purpose of generating income without the intention of being involved in the management of the company.

FDI stock refers to the total amount of investment in the framework of a transaction or series of transactions. It is calculated based on various parameters depending on the type of entity involved in the transaction. For example, investments in non-financial corporations may be valued at non-current assets, while investments in banks and insurance companies may be valued at equity or charter capital. In some cases, valuations may be performed using similar transactions in the market (see the Methodology in the Annex).

Non-current assets refer to assets of an enterprise that generate income for more than one year or the normal operating cycle, if longer than one year. Fixed assets (buildings, equipment, land), intangible assets (exclusive rights, patents), income-generating investments in tangible assets (investment property), and financial investments (loans granted, investments in other companies) can be classified as noncurrent assets on the company's balance sheet.

"Initial investments," greenfield projects, refer to investments in projects that create new assets from the ground up, which can include, for example, the construction of infrastructure or a new industrial plant (see the Methodology in the Annex).

"Expansion investments," brownfield projects, refer to investments in projects that upgrade or expand existing assets. For example, field expansions in the petroleum and gas sector or warehouse upgrading projects (see the Methodology in the Annex).

The Eurasian region refers to the region comprising 13 countries for the purposes of this report: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

Conduit countries are countries used in international financial transactions to redistribute capital and income in order to reduce the tax burden or avoid taxes.

Controlling stake — a share of shares that gives the owner the ability to directly influence key management decisions in the company. As a rule, a stake of more than 50% of shares is considered a controlling stake.

Minority stake — a share of shares that is insufficient for direct participation in the management of the company. In this report, a minority stake is considered to be a share of shares ranging from 10% to 50% (inclusive).

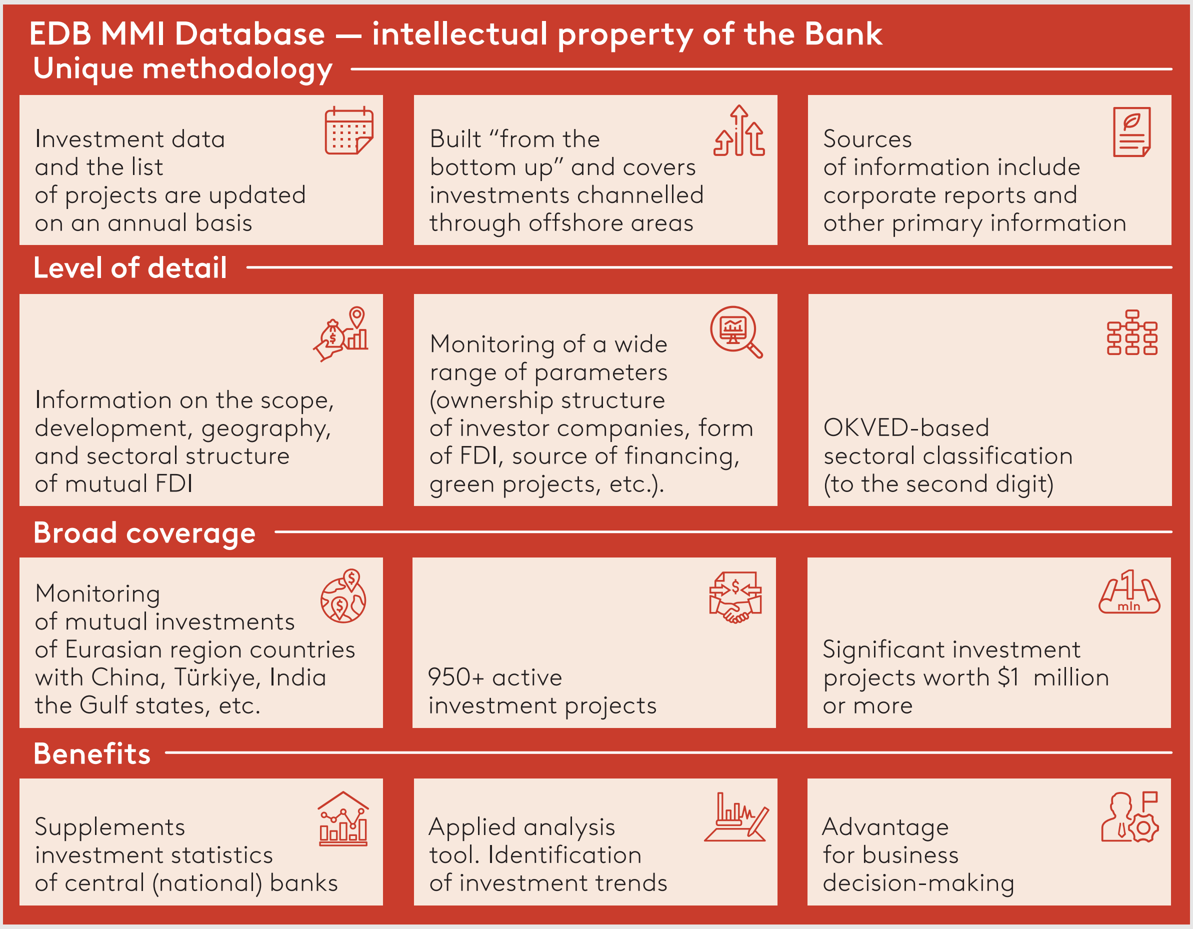
EXECUTIVE SUMMARY

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.

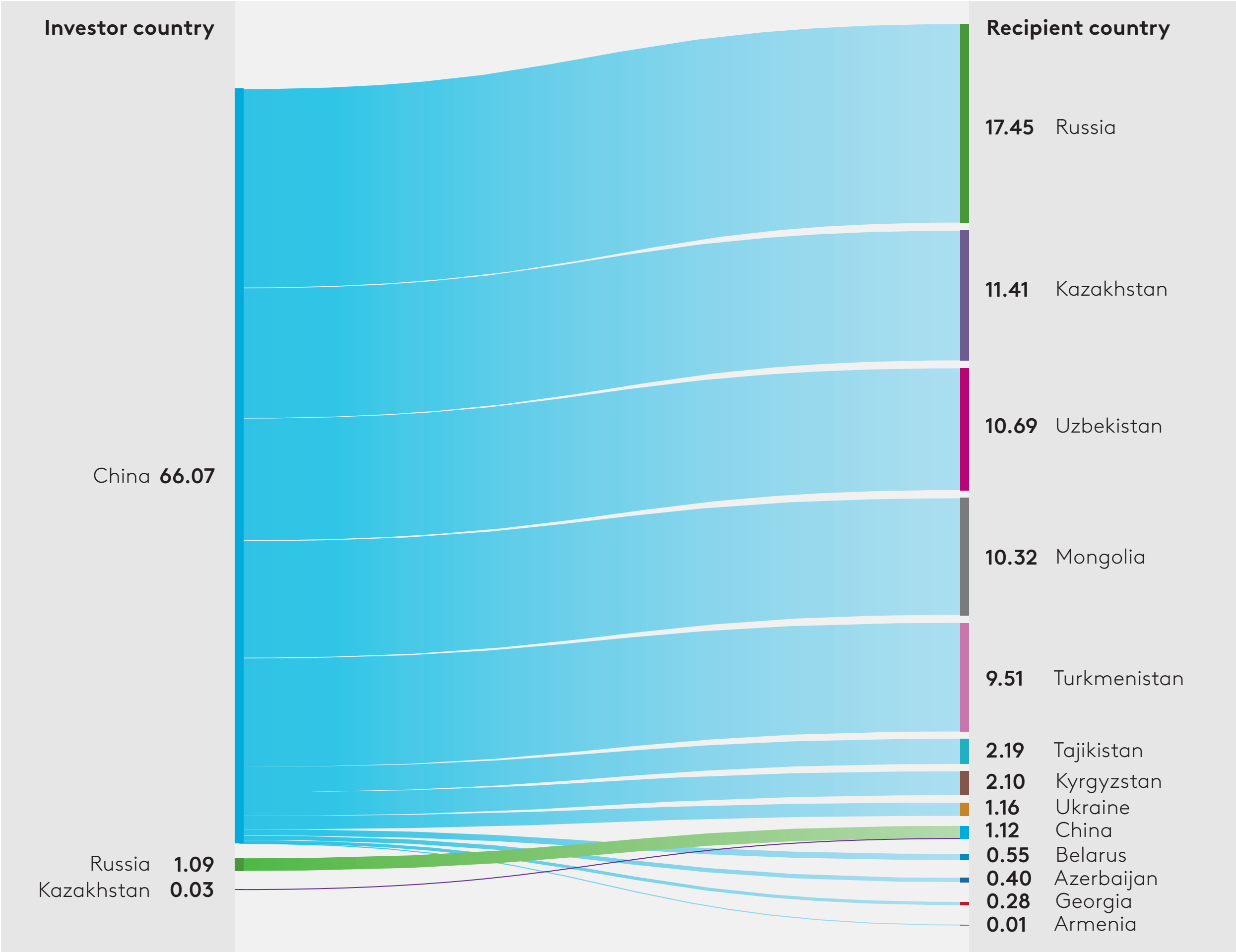
This result is not only due to the political agreements mentioned above. It is a direct consequence of the strengthening of economic ties, the growth of trade flows, and the expansion of cooperation between Chinese businesses and companies in the Eurasian region. The complementarity of economies, demand 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.

INTRODUCTION

The Eurasian Development Bank's Monitoring of Mutual Investments (EDB MMI) is a long-term research project analyzing mutual investments.

Mutual investment is an indicator used to denote direct investment stock between countries, calculated on the basis of the current value of investments in specific investment projects. The MMI allows for analysis of the scale, dynamics, geographical and sectoral structure of mutual investment.

The study is based on a database of investment projects, which is formed on a bottom-up basis using diverse information obtained from open sources, such as company reports and other primary information (see research methodology in the Annex 1). This allows for adequate consideration of investments through offshore companies and other "transshipment bases," as well as the reinvestment of profits earned abroad.

In December 2025, the EDB published a report on mutual investments in the Eurasian region (Vinokurov et al., 2025). The region includes 13 countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

This report contains information on mutual direct investments between China and the countries of the Eurasian region. China is actively developing trade, economic, and investment cooperation with countries in the region. This is facilitated by the China's Belt and Road Initiative, bilateral agreements reached at the highest level, and multilateral declarations signed, including within the framework of the Shanghai Cooperation Organization (SCO).

The timeliness of this study is due to the growing importance in recent years of mutual investments between China and the countries of the Eurasian region (especially Central Asia), as well as changes in the structure and dynamics of inflows from Chinese investor companies.

The report consists of three chapters. The first is devoted to a general description of the investment ties between China and the countries of the Eurasian region, as well as their sectoral structure. The second chapter examines in detail the geography of mutual investments between China and groups of countries — Central Asia, the South Caucasus, the Eurasian Economic Union (EAEU), and Mongolia. The third chapter provides information on the most attractive sectors for Chinese investment in the Eurasian region.

CHAPTER 1. ANALYSIS OF THE DYNAMICS AND STRUCTURE OF MUTUAL FDI BETWEEN CHINA AND THE EURASIAN REGION

China and the countries of the Eurasian region are important economic partners. Trade and investment between 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.

At the Second Central Asia-China Summit held on September 17, 2025, Astana, Republic of Kazakhstan, President of the People's Republic of China Mr. Xi Jinping said:

> *"...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..."*

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 the 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, 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.

Chinese FDI in the Eurasian region continues to grow steadily (Figure 1). The total volume of FDI increased from $37.3 billion in 2016 to $66.1 billion in the first half of 2025 (+77%). Growth since 2023 alone amounted to 13% (from $58.7 billion).

The sectoral structure of Chinese FDI in the Eurasian region shows a gradual shift from a dominance of extractive industries to a more diversified investment portfolio. Investment stock 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 structure decreased from 68% to 54%.

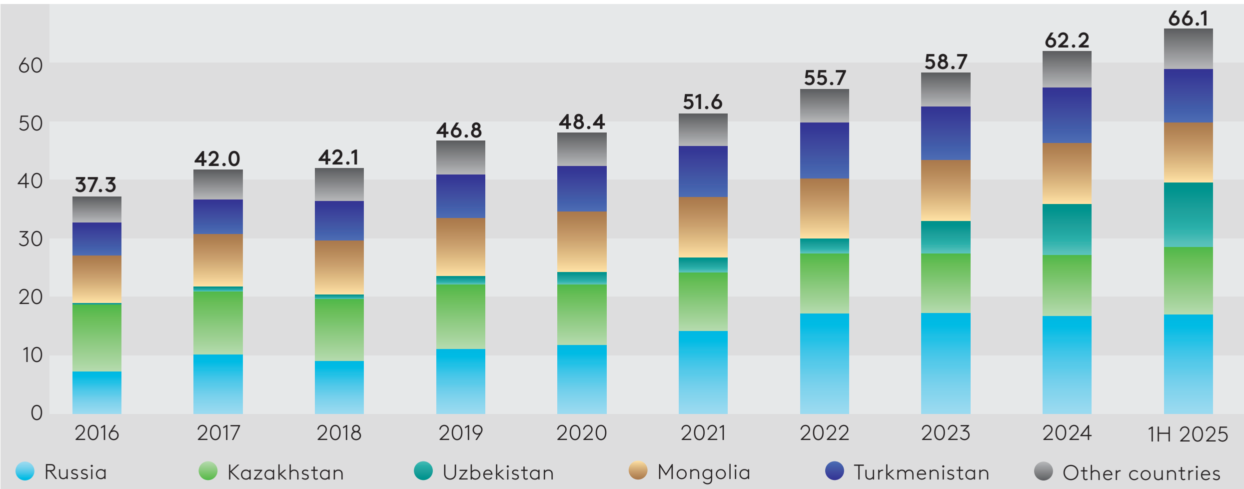
Manufacturing has become one of the key areas of growth. China's FDI stock in this sector increased from $5 billion to $14.5 billion, and its share from 13% to 22%. The main growth occurred after 2019, due to the implementation of large projects in metallurgy, chemistry, mechanical engineering, and extractive industries processing.

A significant acceleration is observed in the energy sector, where the volume of investment stock grew from $1.35 billion to more than $8.1 billion. This indicates increased attention from Chinese investors to energy infrastructure, generation, and long-term service contracts.

A structural shift has occurred in the transport and logistics segment. Investments in land and pipeline transport have declined from $3.5 billion to $2.5 billion for almost 10 years, while investments in warehouse infrastructure, logistics hubs, and ancillary services are showing steady growth, contributing to the formation of more comprehensive logistics chains.

The five largest countries in terms of Chinese investment attracted — Russia, Kazakhstan, Uzbekistan, Mongolia, and Turkmenistan — account for about 90% of the total investment in the region (Figure 2). The main increase in Chinese investment occurred in 2020–2022, due to energy and industrial infrastructure projects.

↓ **Figure 1. Dynamics and country structure of China's investment stock in the Eurasian region, $ billions**

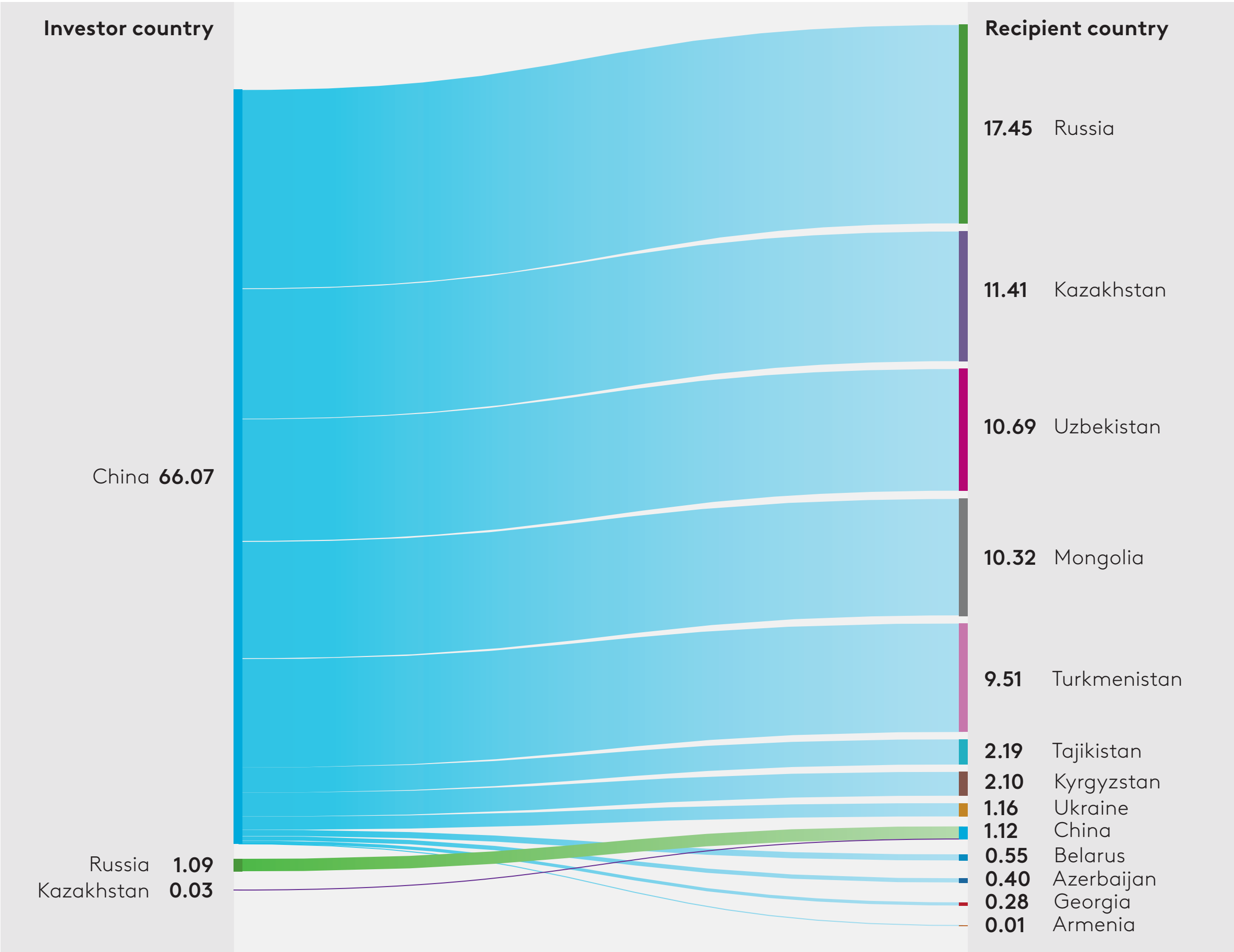


Source: EDB MMI database

In the first half of 2025, China launched 25 new projects with investment stock of $873 million, and their number increased from 171 projects in 2023 to 213 in the first half of 2025. It is noteworthy that all new projects in 2025 were in Central Asian countries (23) and Azerbaijan (2), which confirms China's increased focus on investments in the Central Asian region (Annex 2).

A distinctive feature of the new investments in 2025 is that virtually all major projects are being implemented primarily with Chinese companies' own funds, without state support.

↓ **Figure 2. 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

In terms of FDI forms, **primary investments** dominate and remain the key driver of Chinese capital expansion. Their volume increased from $16.1 billion in 2016 to $39.9 billion in the first half of 2025, which accounts for more than half of the accumulated portfolio. The volume of FDI in the form of acquisitions during the period increased from $13.5 million to $18.6 million (3–4% per year), cementing China's status as an active participant in M&A transactions.

The structure of financing sources is dominated by **equity capital and mixed schemes**., 95% of accumulated Chinese FDI in the Eurasian region will be based in one way or another on investors' equity capital. At the same time, the volume of projects financed mainly by equity capital has grown from $4.4 billion to $17.1 billion (an average growth of 16% per year). Purely budgetary or purely borrowed financing accounts for a limited share, which indicates that Chinese FDI in the region is mainly implemented as commercially oriented projects with strong support from the capital of companies and quasi-state structures.

The share of **wholly state-owned** companies in the structure of Chinese investments decreased from 62% to 53% between 2016 and 2025. Meanwhile, the share of private companies grew from 22% to 27%, reflecting the gradual diversification of capital sources and changes in the models of Chinese businesses' entry into foreign markets.

The five largest projects account for 36% of China's investment stock in the Eurasian region (Box 3).

Box 3. China's largest investment projects in the Eurasian region

1. CNPC (China) investments in the Bagtyarlik gas cluster in Turkmenistan. The volume of FDI stock at the end of the first half of 2025 is $9.4 billion.
2. Zhongrun Resources' investment in the Bold Tumur Eruu Gol iron ore project (Mongolia). Volume: $5 billion.
3. CNPC investments in the Yamal LNG project (Russia). Volume — $4.2 billion.
4. CNPC's purchase of a stake in the Amur Gas Chemical Complex (Russia). Volume — $3.2 billion.
5. Sinopec's investments in Caspian Investment Resources oil fields (North Buzachi, etc.) in Kazakhstan. Volume — $2.1 billion.

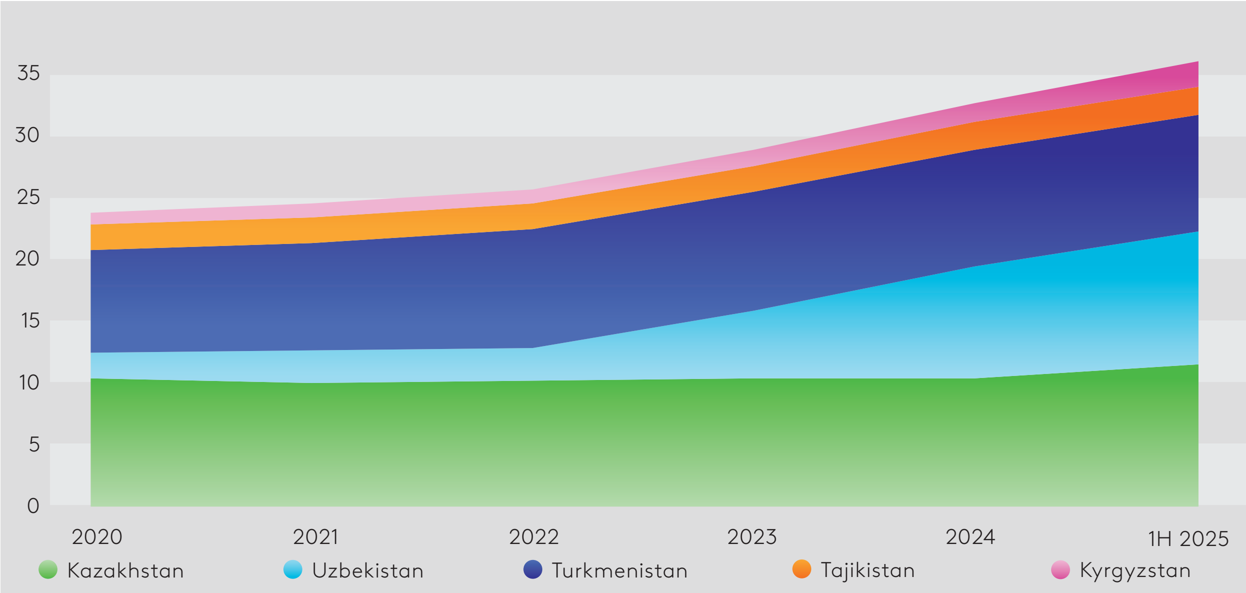
Investments by Eurasian countries in China. According to the EDB's MMI, the cumulative volume of investments by Eurasian countries in China increased from $60 million in 2016 to $1.12 billion in the first half of 2025. Investments by Russian companies account for 98% of the portfolio.

CHAPTER 2. GEOGRAPHICAL DISTRIBUTION OF MUTUAL INVESTMENTS

2.1. China — Central Asia

The volume of China's FDI stock in Central Asian countries from 2016 to the first half of 2025 grew from $19.6 billion to $35.9 billion (Figure 3). The investment portfolio remains highly concentrated geographically, with Kazakhstan, Uzbekistan, and Turkmenistan accounting for about 90% of investments.

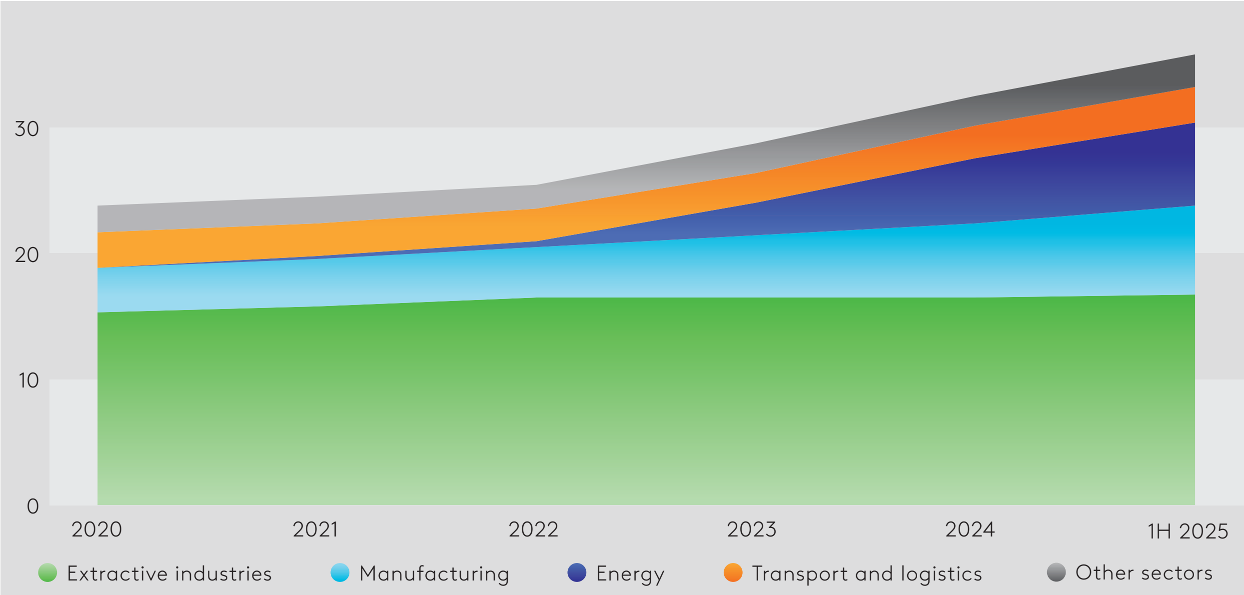
↓ **Figure 3. China's FDI stock in Central Asian countries, $ billions**



Source: EDB MMI database

Despite the dominance of the extractive industries segment (46% of the portfolio; $16.7 billion), the structure of investments is changing significantly (Figure 4). The share of manufacturing and energy projects is increasing significantly, together accounting for more than a third of Chinese FDI in the region. The energy sector is developing particularly dynamically: starting from virtually zero in 2016, the volume of investment reached $6.6 billion by mid-2025, which is associated with the active growth of projects in the field of alternative energy, primarily in Uzbekistan and Kazakhstan.

↓ **Figure 4. Sectoral structure of China's FDI stock in Central Asia, $ billions**



Source: EDB MMI database

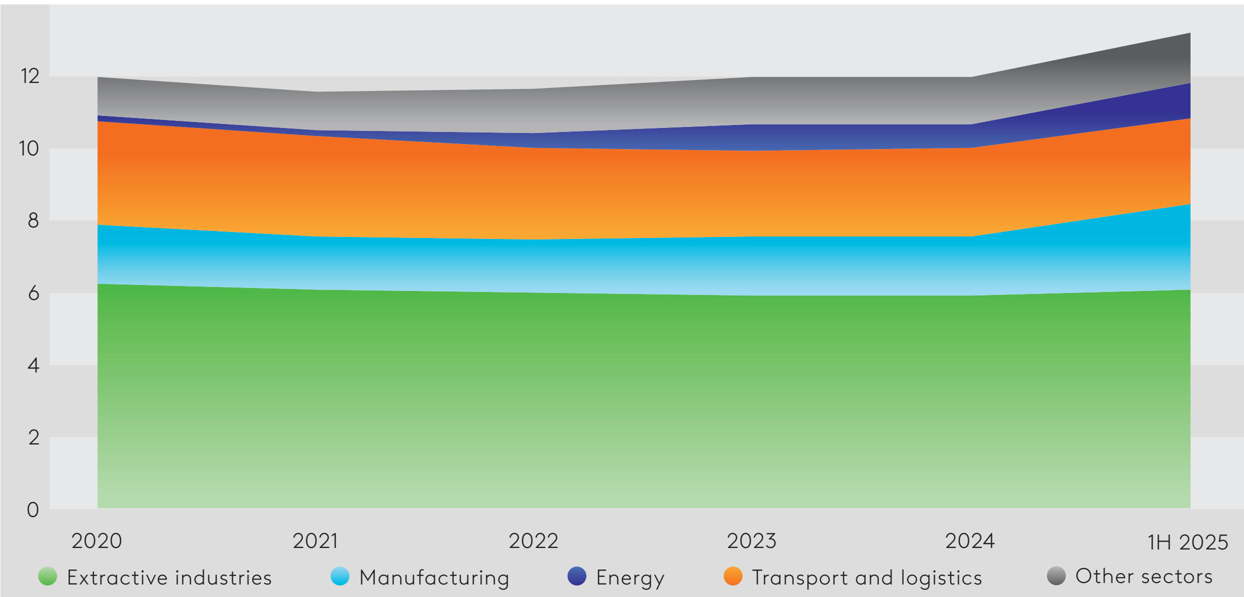
Kazakhstan remains the largest recipient of Chinese FDI, but Uzbekistan is the main driver of growth.

2.1.1. Kazakhstan

As of the first half of 2025, China's FDI stock in Kazakhstan reached $11.4 billion (Figure 5), with 71 active projects.

The portfolio for 2016 to the first half of 2025 remains stable overall, but since 2022, there has been steady growth of 4.4% per year.

↓ **Figure 5. China's FDI stock in Kazakhstan by sector, $ billions**



Source: EDB MMI database

Chinese capital is concentrated in capital-intensive projects with a high degree of state involvement and export orientation. During the period in question, investment in **the extractive industries** fell from $5.9 billion to $5.2 billion (46% of the portfolio At the same time, **manufacturing** is becoming a key driver of growth: investment volume grew to $2.1 billion (18% of the portfolio).

Investments in **the energy sector** grew from near zero in 2016 to $815 million by mid-2025 (7% of the portfolio). Chinese companies are actively involved in the modernization of generating capacities and network infrastructure.

The CNPC remains a key investor, with its FDI stock estimated at $5.1 billion by the end of the first half of 2025. Since 2016, the company's investments have been gradually declining due to the depreciation of existing assets and the lack of new large-scale projects. At present, the CNPC's activities in Kazakhstan are focused on operating infrastructure within existing oil and gas projects.

Between 2024 and the first half of 2025, 29 new investment projects were launched. Among China's new initiatives in Kazakhstan in 2025, Sinopec's participation in the Silleno gas chemical project in the Atyrau region stands out: the company, together with KazMunayGas and SIBUR Holding, has begun construction of an integrated polyethylene production complex, which is expected to form a major centre for deep processing of hydrocarbons.

In the industrial sector, Fujian Hengwang Investment is implementing a metallurgical plant project in Shymkent, focused on the production of steel products for the domestic and export markets.

Xinjiang Lihua Group has begun construction of a cotton and textile cluster in Turkestan. China Huadian Corporation has also acquired 215 MW of solar power plants, and Lygend Resources & Technology has acquired a stake in the Silk Road nickel deposit in East Kazakhstan.

Support from the Chinese government remains strong. For example, in September 2025, the Development Bank of Kazakhstan (DBK) and Eximbank of China signed an agreement on a $1 billion credit line for Chinese investment projects in Kazakhstan, and Chinese President Xi Jinping announced during the Central Asia–China summit a grant of 1.5 billion yuan ($205 million) for Central Asian countries. These agreements confirm that China continues to combine private investment with institutional support, strengthening its economic influence in the region.

2.1.2. Kyrgyzstan

The volume of FDI stock from China to Kyrgyzstan increased from $826 million in 2016 to $2.1 billion in the first half of 2025. Kyrgyzstan accounts for 5.8% of China's FDI portfolio in Central Asia (compared to 4.2% in 2016). The dynamics for the period from 2022 to the first half of 2025 indicate an acceleration in FDI growth: the total portfolio will grow almost 1.8-fold.

The sectoral structure of Chinese FDI in Kyrgyzstan is concentrated in the mining and manufacturing industries. The extractive industries account for 34% of investments ($722 million), with growth of 4.5% per year between 2016 and 2025.

Manufacturing accounts for 37% of the portfolio ($780 million) and is growing at a faster pace, indicating a shift from a purely resource-based model to the establishment of production facilities in the country.

Chinese projects in Kyrgyzstan in 2024–2025

The key "green" project is the construction of a solar power plant in Balykchy on the shores of the Issyk-Kul. Funding is provided from the Chinese investor's equity capital and borrowed resources, with institutional support from the Green Energy Fund under the Kyrgyz government.

The construction of the China-Kyrgyzstan-Uzbekistan railway is a strategic infrastructure project, a joint venture with the participation of China Railway International. China's share is 51%. The total investment by the Chinese side is estimated at $3.53 billion, part of which is financed from its own funds, and $2.35 billion in the form of a soft loan from Chinese financial institutions. Construction officially started in December 2024, and the launch of traffic is expected by 2030. The line, which is over 500 km long, more than half of which runs through Kyrgyzstan, will be a key element of the transit route between China and the Middle East/Europe and will increase the country's transit potential.

The logistics and extractive industries block is complemented by the planned Xinjiang Dacheng Yuanlong Technology coal logistics centre in the Osh region and the Hunan Junxin Environmental Protection solid waste disposal plant project in Bishkek.

2.1.3. Tajikistan

China's FDI stock in Tajikistan increased from $1.4 billion to $2.2 billion during the period under review. Tajikistan accounts for 6% of the total portfolio of Chinese FDI in Central Asia, which is comparable to Kyrgyzstan.

Chinese FDI in Tajikistan is focused on two areas: **extractive industries and manufacturing.** The extractive industries sector accounts for 45% of the portfolio

($978 million), with growth of 5% per year over a 10-year period. Manufacturing accounts for 42% ($911 million), with a more moderate CAGR of 2.3%.

Chinese FDI in Tajikistan is currently represented by one operating industrial project and a number of promising initiatives in the field of renewable energy.

The key project is the development of the Talco Gold mine in the Sughd region, with the participation of Tibet Huayu Mining. The investment is structured through a joint venture in which the Chinese investor owns 50%. The total budget is estimated at $136 million. The project is being implemented using the company's equity capital, which is being directed towards mining and capital works, mine infrastructure, and equipment procurement.

Between 2025 and 2028, Eging PV Technology plans to build a solar power plant with a capacity of up to 1.5 GW. At the same time, China Datang Overseas is working on two projects: a 500 MW solar power plant in the Sughd region and a solar module manufacturing plant in the Khatlon region. All initiatives are expected to be initial investments based on the Chinese companies' own funds, without any explicit direct budgetary support from the host country. Capital works are expected to begin in the second half of 2025–2026, after the completion of technical and economic studies and site approval.

2.1.4. Turkmenistan

The volume of China's FDI stock in Turkmenistan grew from $5.6 billion in 2016 to $9.5 billion at the end of the first half of 2025. The main increase occurred in 2016–2021, when energy projects were being actively implemented. Since then, no new major initiatives were launched. China's investment activity in Turkmenistan shifted towards supporting and operating existing projects.

Chinese FDI in Turkmenistan is concentrated around the long-term CNPC extractive industries cluster.

The first asset is the Bagtyarlik project on the right bank of the Amu Darya River, which has been under way by CNPC since 2008 under a production-sharing agreement. Investments are directed towards exploration, drilling, field development, and the construction of gas gathering and export infrastructure, and are financed by a combination of CNPC's own and borrowed funds, which is typical for large upstream projects with long payback periods.

In 2022, CNPC signed a $106 million agreement with Turkmengaz for the provision and maintenance of wells. The project is financed by CNPC's own funds, and the structure of returns through extractive industries brings the project closer to the "resource-as-collateral" model.

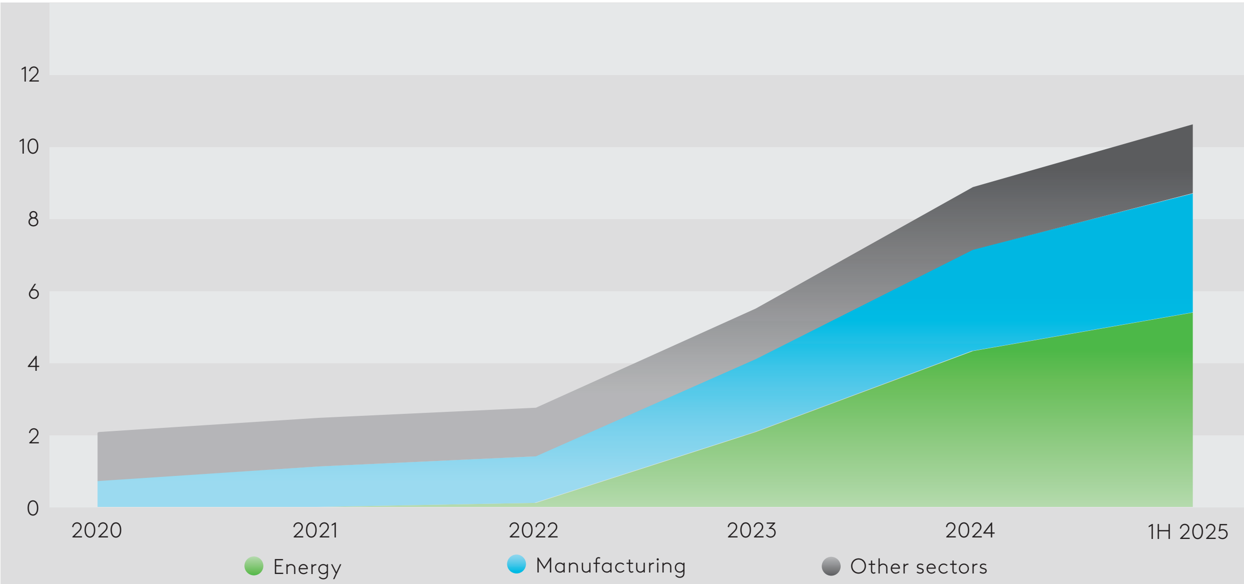
2.1.5. Uzbekistan

After 2022, Uzbekistan became the second largest recipient of FDI from China in Central Asia. FDI stock grew from $284 million in 2016 to $10.7 billion in the first half of 2025 (Figure 6). As a result, Uzbekistan's share in the portfolio of Chinese FDI in the five Central Asian countries increased from 2% to 30%.

In terms of sectoral structure, the energy sector accounts for 51% of FDI stock ($5.5 billion), which has shown the highest growth since the beginning of 2022.

Manufacturing accounts for another 31% ($3.3 billion) with a CAGR of about 58% for the period from 2022 to the first half of 2025. Investments in raw material projects remain relatively small — about 3% of the portfolio. -.

↓ **Figure 6. China's FDI stock in Uzbekistan by sector, $ billions**



Source: EDB MMI database

In 2024–1H 2025, China strengthened its position in Uzbekistan's investment portfolio through several strategic projects in petrochemicals, energy, and gas transportation infrastructure.

The largest project in recent years is a joint venture between Sinopec and Saneg to build **an olefin complex** in the Bukhara region. The investment is estimated at $3.3 billion, with the Chinese side holding a 50% stake. Construction began in the second quarter of 2024 and is expected to be completed in 2026.

China is promoting several initiatives in the field of renewable energy. Sany Renewable Energy has begun construction of a $1.2 billion **wind farm in Karakalpakstan**, with investments totalling $720 million in the first half of 2025. The project is financed by the Chinese company's capital equity.

China Southern Power Grid acquired a stake in two major **wind projects of ACWA Power**—Bash Wind and Dzhankeldy in the Bukhara region. The Chinese side acquired a 35% stake in each project ($240–230 million in investments in the first phase). The construction of wind farms with a capacity of 500 MW each is being carried out under the Build-Own-Operate-Transfer (BOOT) model, with a 25-year power purchase agreement with the National Electric Grid of Uzbekistan. The deal was finalized in July 2024, with ACWA Power retaining control (65%) and the Chinese side gaining strategic participation in the management and subsequent expansion of the facilities.

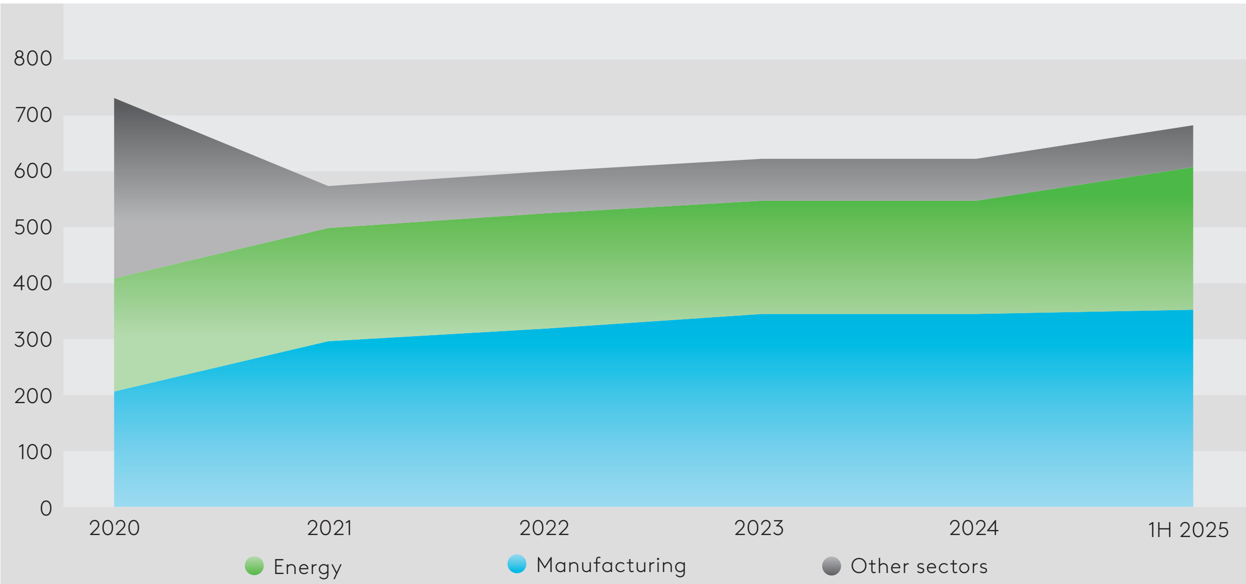
In gas infrastructure, Daxon Holdings stands out, having acquired a 60% stake in the Gazli Gas Storage project in the Tashkent region in February 2024. The total investment until the end of 2025 is $50–55 million, financed from the company's capital equity.

2.2. China — South Caucasus

China's cumulative direct investment in the South Caucasus countries shows steady growth and a qualitative transformation of the sectoral structure. Between 2016 and the first half of 2025, FDI increased from $284 million to $690 million (Figure 7). The investment portfolio is concentrated in Azerbaijan and Georgia (99% of investments).

The sectoral structure shows a transition from an extractive industries-based model to a more diversified one. While in 2016–2020 the portfolio was based on a single extractive industries project ($250 million, over 80% at the beginning of the period), as of the first half of 2025 the basis of investments will be formed by the manufacturing industry ($355 million, 51% of the portfolio) and electricity supply projects ($255 million, 37%).

↓ **Figure 7. China's FDI stock in the South Caucasus countries by sector, $ millions**



Source: EDB MMI database

2.2.1. Azerbaijan

As of the first half of 2025, China's FDI stock in Azerbaijan is estimated at $405 million, compared to $259 million in 2016. The average annual growth of FDI was 4.8% per year since 2016 and almost 9.7% per year since 2022.

The key driver of the portfolio is **the manufacturing industry**, which accounts for 88% of China's FDI stock in Azerbaijan ($355 million in the first half of 2025). The volume of investment in the sector has grown almost 40-fold to 2016.

Projects in the field of electricity and gas supply have also appeared, totalling $50 million (12.3% of the portfolio).

In the electricity sector, Universal Energy is building a 100 MW solar power plant in the Gobustan district through the Universal Solar Azerbaijan joint venture. The investment volume is estimated at $100 million. The project was awarded following an auction in November 2024, construction began in 2025.

Meanwhile, China Datang Overseas is preparing a 100 MW solar power plant project with a 30 MW storage system in the Bayukshor Lake area. The investment agreement was signed in April 2025, and construction is expected to start in the second half of 2025 or in 2026. The capital expenditure will be determined based on capacity and technology parameters. Both projects are in line with Azerbaijan's strategy to increase green electricity exports and consolidate the position of Chinese companies as key technology partners in the renewable energy sector.

Manufacturing projects. BYD is establishing Electrify Azerbaijan in the Sumgait chemical industry to assemble electric buses. The initial investment is $17 million, with a subsequent increase to $60–94 million in the event of production expansion. The project aims to renew the city's bus fleet through local production and the gradual electrification of public transport.

In the Agdam Industrial Park, a private Chinese investor is launching the Fujiai Azerbaijan plant for the production of elevators and escalators, with a planned investment of $2 million. All projects are financed mainly from the investors' own funds, without direct budget support from China.

2.2.2. Armenia

The EDB's MMI database shows one Chinese direct investment project in Armenia. This is the construction of a mineral and drinking water bottling plant by New Yida in the Gegharkunik region. The declared investment volume is estimated at $5 million.

The project is being implemented as a greenfield investment, financed by the investor's own funds and aimed primarily at the construction of production and storage facilities, as well as the purchase of technological equipment and transport.

2.2.3. Georgia

China's FDI stock in Georgia grew from $25 million in 2016 to $280 million in the first half of 2025. The growth was primarily driven by a series of infrastructure projects in the electricity and gas sectors, as well as investments in transport and logistics infrastructure. Chinese investment grew at a rapid pace in the early stages (29% per year from 2016 to 2020) and then stabilized after 2020.

Electricity and gas account for 73% of China's FDI stock in Georgia ($205 million), with the main increase occurring in 2018–2019.

Transport and logistics make up the remaining 27% of the portfolio ($75 million) and are linked to the development of transit corridors and logistics capacities. It should be noted that this level of $75 million was reached in 2020, after which the trend became more stable.

From 2024 to the first half of 2025, no new major Chinese investment projects were launched in Georgia. In fact, the portfolio is limited to the previously implemented deal on the Poti Free Industrial Zone. In 2017–2020, China International Group LLC acquired 75% of the shares in the Poti Free Industrial Zone, committing to invest $150 million over three years. Currently, the volume of investment stock is estimated at $75 million since 2020, financed by a combination of the company's equity capital and borrowed funds.

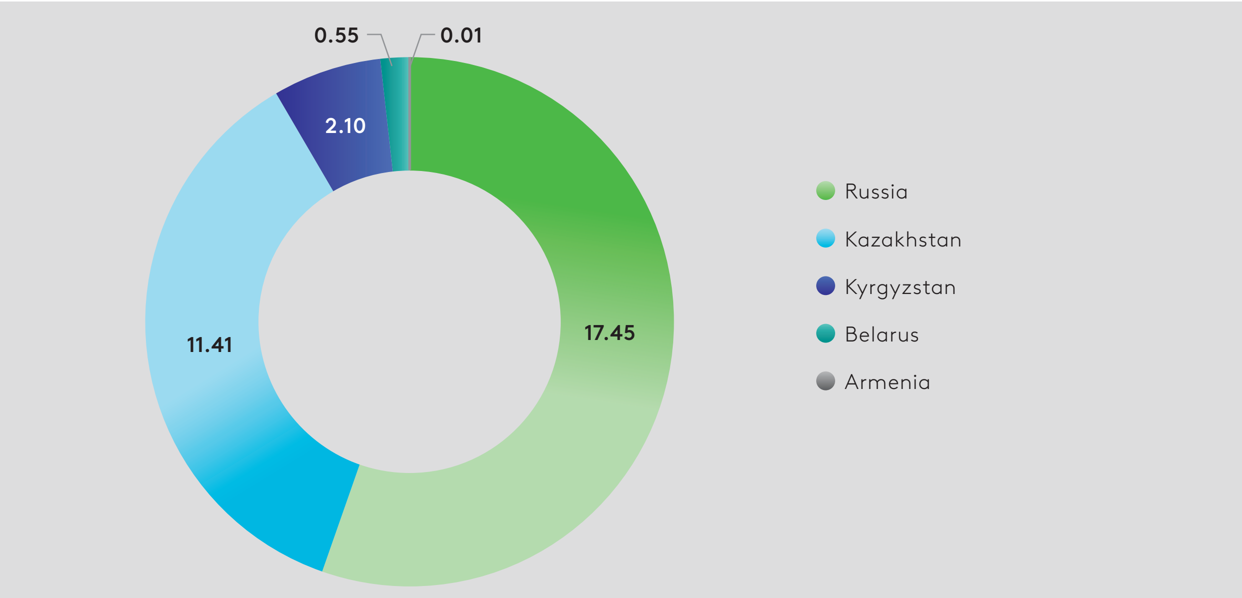
In 2020, the investor faced financial problems: a Shanghai court declared the company bankrupt, and asset management was transferred to the Euro-Asian Management Group, where shares are divided equally between Georgian and Chinese participants.

2.3. China — EAEU

China's cumulative portfolio of FDI in the EAEU countries as of the first half of 2025 is estimated at $31.5 billion (Figure 8) and includes 160 projects. From 2016 to the first half of 2025, China's total portfolio in the EAEU grew 1.5 times.

The bulk of the investment is in Russia and Kazakhstan, which together account for about 92% of the total. Kyrgyzstan is showing the highest growth rates.

↓ Figure 8. Distribution of Chinese FDI in EAEU countries (first half of 2025), $ billions



Source: EDB MMI database

The extractive industries sector is key, with a total FDI stock of $14.7 billion (47%), providing the resource base for joint projects. The volume of FDI stock in the manufacturing industry grew to $9.8 billion (31% of the portfolio) and is becoming a key driver of investment diversification.

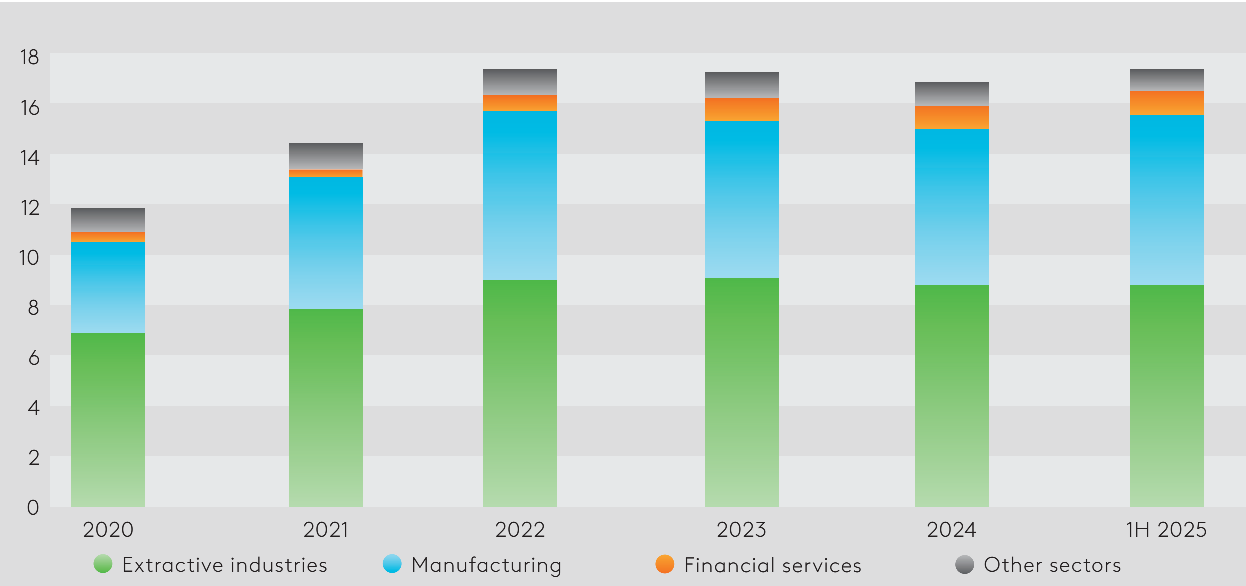
Investments in the energy sector ($1.4 billion) and financial services ($1.5 billion) are growing fastest.

2.3.1. China — Russia

The volume of China's investment stock in Russia increased from $7.3 billion in 2016 to $17.4 billion in the first half of 2025 (Figure 9). Russia accounts for 55% of all China's investment stock in the EAEU countries ($31.5 billion).

The sectoral structure of investments reflects a concentration on the extractive industries and industrial sectors. The extractive industries account for 50.5% of the portfolio ($8.8 billion). Between 2016 and the first half of 2025, the volume of FDI in the sector grew by an average of 8.2% per year. Manufacturing accounts for another 39%, making it the second key area of investment from China.

↓ **Figure 9. China`s FDI stock in Russia by sector, $billions**



Source: EDB MMI database

The largest investment project in the manufacturing industry is Sinopec's participation in the Amur Gas Chemical Complex. The Chinese state-owned company acquired a 40% stake in the project and is gradually financing investments jointly with Russian partners and state institutions. By mid-2025, investment stock will amount to $3.2 billion.

Construction began in 2020 and is expected to be completed in 2027. The project is intended to become a key link in the deep processing of Russian gas and the supply of polyolefins to Asian markets.

Several projects are under way in the machine-building and power equipment sectors. Harbin Electric is implementing a project in the Kaluga Region to build a high-tech energy equipment manufacturing plant, (50% share held by the Chinese side), with the main investment cycle falling in 2020–2023.

Henan Si&C is building a silicon carbide production plant in the Voronezh Region, and IGBR International is launching the production of oilfield services equipment in the Kaluga Special Economic Zone. All the projects are financed mainly from the Chinese investors' own funds and are aimed at localizing industrial chains, which increases the stability of equipment and material supplies for Russia's fuel and energy sector.

In 2023, Joyvio Beidahuang Agricultural Holdings (part of a large Chinese agricultural holding company) invested in a deep soybean-processing plant in Primorsky Krai. The project was announced in June 2020, and construction was expected to begin in the second half of 2024. Construction is scheduled for completion in 2027.

2.4. China — Mongolia

China's investment in Mongolia grew from $8.2 billion in 2016 to $10.3 billion in the first half of 2025 (+25%).

The structure of the Chinese portfolio shows an almost complete concentration in Mongolia's extractive industries, with minimal expansion into geological exploration. The extractive industries account for 99.6% of FDI stock ($10.3 billion), with moderate growth over the decade, but almost zero growth from 2022 through the first half of 2025, indicating the end of a phase of large-scale investment growth and a transition to a phase of exploitation.

The portfolio is based on projects by Zhongrun Resources and CNPC, which account for the bulk of investments in the country's mining sector.

The largest mining asset is the Bold Tumur Eruu Gol iron ore project (Zhongrun Resources). The total investment is estimated at $5 billion. At the same time, Zhongrun purchased a package of iron ore assets (Iron Ore, Mongoli New La Le GAO Te Iron Mining, etc.), which consolidated a significant part of Mongolia's export-oriented iron ore base under the control of the Chinese investor. The financing model combines the company's own funds and borrowed capital, with projects being implemented on a long-term ownership and development basis.

CNPC projects play a key role in the oil segment. The Toson-Uul XIX and Tamsag XXI fields have been developed under subsoil use contracts since the early 1990s. The cumulative investment in these projects amounted to $2.7 billion.

Along with existing production assets, a new contour is being formed in the copper ore and exploration segment. In 2022–2023, Zijin International acquired a stake in Xanadu Mines (Kharmaitai, Oyu Ulaan, and Sharchitul deposits), bringing its stake to almost 20% and simultaneously undertaking to finance geological exploration.

2.5. Investments by Eurasian countries in China

The cumulative volume of FDI from Eurasian countries to China increased from $61 million in 2016 to $1.1 billion in the first half of 2025. Almost all the growth was provided by Russian investors, who account for 98% of the portfolio.

The sectoral structure shows the dominance of manufacturing, which accounts for 93% of investment stock, with a negligible presence of projects in trade, transport, and financial services.

Russia's accumulated direct investments in China remain niche in terms of volume, but show dynamic growth and high investment interdependence in certain segments.

The total portfolio increased from $30 million in 2016 to $1 billion in the first half of 2025.

After a period of stagnation at $777 million in 2020–2023, there was a noticeable increase in investment in 2024 and the first half of 2025 due to a large deal in the industrial sector.

Manufacturing accounts for 95% of FDI stock ($1 billion), with most of the growth coming from a series of M&A deals and expansions since 2018, which have seen investment in the sector grow by 23% per year.

Trade accounts for 3.7% ($40 million), with moderate growth and stabilization after 2022. Financial services account for less than 1% of the portfolio ($10 million), with no significant dynamics.

Russia's key industrial asset in China is the VI Holding aluminium cluster in Sichuan province. Investments aimed at acquiring a stake and gradually expanding the aluminium products plant, the first phase of which was commissioned in 2019.

In 2024, RUSAL consolidated its presence in the Chinese extractive industries base by purchasing a 30% stake in the Hebei Wenfeng New Materials alumina plant, ensuring vertical integration and diversification of aluminium raw material supplies.

Russian capital is also represented by the Sportmaster chain in China, and by VTB's Shanghai branch, which has been operating since 2008.

Kazakhstan is represented through the Kazakhstan Temir Zholy logistics project in the port of Lianyungang. Established in 2013, the Chinese-Kazakh international logistics company (with Kazakhstan holding a 49% stake) is a key link in the transit of Kazakh cargo to sea routes.

CHAPTER 3.
PROMISING AREAS FOR INVESTMENT

Four sectors may become the most attractive for Chinese investors in the Eurasian region: manufacturing, energy (including renewable energy), 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.

Manufacturing (engineering, metallurgy, chemical industry, oil and gas processing) is becoming the core of Eurasia's new industrial model. For China, this is an opportunity to simultaneously localize part of its production chains closer to its raw material base and sales markets, as well as to use industrial cooperation as a tool for deepening economic cooperation with the Eurasian countries. For the countries of the Eurasian region, the manufacturing sector offers significant potential for export growth, import substitution, and increased production, estimated at hundreds of billions of dollars in annual effect (Akhunbaev, 2025). The dynamically developing manufacturing sector is creating new niches for both new companies created by Chinese businesses and joint ventures with Chinese participation.

Energy (renewable energy sources) is a sector in which China has achieved undisputed global leadership, ranking first in terms of installed solar- and wind-generation capacity, construction rates, equipment production, and innovation. China's experience in this area is very important for many countries in the Eurasian region, given the high energy intensity of their economies and the ageing of energy facilities built during the Soviet period. For Central Asia, the need to modernize and expand energy infrastructure is also linked to high economic growth rates and population growth. Since 2016, Chinese investment in energy projects in the region has been growing rapidly. This "point of attraction" for Chinese capital is expected to remain in the foreseeable future.

Transport and logistics is the third priority sector, closely linked to improving China's transport connectivity with its neighbours, as well as with Europe and the Middle East, using land and multimodal routes. For China, this is a strategic direction in the context of the Belt and Road Initiative and diversifying international logistics routes. For the Eurasian region, improving transport connectivity with China means better conditions for doing business and trade. According to EDB estimates, Central Asian countries alone plan to invest more than $50 billion in the development of the Eurasian transport infrastructure by 2035. Many large-scale projects with Chinese participation, such as the construction of the China-Kyrgyzstan-Uzbekistan railway corridor, will be carried out using the extensive experience of Chinese companies in road and railway construction, tunnel and bridge construction, the construction of modern robotic warehouse complexes, and large logistics hubs at the borders (Vinokurov, 2025).

The agro-industrial complex and food processing form the fourth block of priorities for investment cooperation between China and the countries of the Eurasian region. Improving the quality of life in China and the countries of the Eurasian region contributes to an increase in demand for food. The Eurasian region has significant agricultural potential, from land and water resources to climatic conditions suitable for a wide range of crops. For China, ensuring food security is a complex task that can be solved by diversifying food suppliers, primarily for grain. Chinese investment in the agricultural sector of Eurasian countries means access to a reliable food supply. Domestic demand in Central Asia, rising incomes, and government programmes to support the agricultural sector also make this sector attractive to investors.

Although the extractive industries sector in the Eurasian region will remain important for Chinese investors, its share in the total volume of accumulated Chinese investment will continue to decline, giving way to industries with high added value and long-term sustainable demand. Over the next 5–10 years, it is the combination of manufacturing, energy (including renewable energy), transport and logistics, and agricultural processing that will set the "investment growth frontier" for mutually beneficial cooperation between China and the countries of the Eurasian region.

ANNEX 1. RESEARCH METHODOLOGY

The Monitoring of Mutual Investments database is an ongoing analytical project of the EDB and contains **detailed information** on mutual FDI stock in investor projects in the Eurasian region, including Russia, Azerbaijan, Kazakhstan, Armenia, Belarus, Georgia, Uzbekistan, Ukraine, Tajikistan, Turkmenistan, Kyrgyzstan, Moldova, and Mongolia.

The database has been compiled **on the basis of diverse information obtained from open sources** since 2016 using a bottom-up approach based on company reports and other primary information (company press releases and other sources).

FDI stock is calculated **in dollar terms** at the exchange rates of central (national) banks at the end of the reporting period (Table 1).

The database includes projects in which FDI stock at the end of one of the reporting periods **exceeds $1 million**. No rounding is performed, and projects worth less than $1 million are not included in the database. No exceptions are made for individual industries or countries.

The FDI stock of non-financial companies **is estimated based on non-current assets** (if available). This estimation method, recommended by the OECD and the IMF, is particularly important for countries with underdeveloped stock markets in order to estimate the reinvestment of profits (or, conversely, the depreciation of previous capital investments).

For banks and insurance companies, the main indicator for estimating FDI is **equity capital**. In the absence of data, information on **charter capital** is used, which may lead to an underestimation of FDI (this does not have a significant impact on overall indicators).

In certain cases, where possible, in accordance with OECD and IMF recommendations, the authors of the Monitoring assess the value of transactions **for similar acquisitions** made in the country/industry recently.

If a company discloses the actual value, **the estimates are revised**. Information on announced FDI is often used by external analysts for a long time and is not relevant. Unlike the Financial Times database and some other authoritative sources, the EDB verifies old information on announced FDI on an annual basis.

The OKVED classification is used to characterize **the sectoral structure** of FDI in the EDB's MMI database. The Russian sectoral classifier is almost fully consistent with international standards for assessing the sectoral affiliation of projects. The EDB's MMI uses a two-digit sector classification.

The information presented in the database allows **sorting by various parameters.** In addition to the FDI stock for each year (starting from 2016) and the sectoral affiliation of the project, the years of the start of investment (and exit from the project, if any) are indicated, the country's regions (for small projects, the presence of FDI in the capital or autonomous entities is noted), the role of state capital, the classification of FDI forms, the source of financing, the areas of use, and other information about the projects.

The following characteristics are used in the database to describe the role of the state and third-country TNCs in **the ownership structure of investor companies**:

- Companies with a single owner in the form of a private investor — national private investors account for 100% of the ownership structure of the investor company.
- Companies with a single owner in the form of the state — the state's share is 100%.
- Companies with a controlling stake held by the state — the state has control, i.e., more than 50% of the company's capital. On the one hand, this allows large companies that seek to distance themselves from the state by emphasizing their status as open (public) joint-stock companies to be accounted for separately, and on the other, it allows the presence of private co-investors in the company to be shown.
- Companies with a minority stake held by the state — the state has a direct investor stake, but does not have an absolute majority (i.e., 10.0–49.9% of shares or equity interests).
- Companies with a controlling stake held by a foreign investor — the company has a controlling investor from among third-country TNCs, and we are talking only about real foreign investors, not formal owners from offshore companies.
- Companies with a minority stake held by a foreign investor — a foreign TNC has a direct investor stake, but does not have an absolute majority (i.e., 10.0–49.9% of shares or equity interests).
- Combinations of state participation and foreign direct investors in the ownership structure. In particular, the state has control, but there are foreign companies among the direct investors.

The classification of FDI forms is as follows:

- "Purchase" — no significant reinvestment has been made, although assets may be revalued (due to equipment depreciation, changes in real estate values, currency fluctuations, etc.).
- "Brownfield" — means that the initial asset acquisition transaction was supplemented by significant reinvestments in modernization or territorial expansion, or by additional transactions to acquire new shares or other enterprises (consolidated into the company).

- “Greenfield“ means investment in projects that create new assets from scratch. These include, for example, infrastructure development and the construction of new industrial enterprises. An option is possible when a project “from scratch” is not subsequently expanded, but significant additional investments in subsequent years are not uncommon.
- “Other” — this includes all complex cases, for example, if transactions are related to the peculiarities of privatization after the collapse of the USSR, when the asset was originally managed by structures of another Union republic.

Since 2023, the EDB’s MMI database has included information on the source of financing and the direction of use for project descriptions.

The source of funding allows the nature of the investments made in the project to be determined and is classified as follows:

- “Equity” — the company financed the project from available free cash flow.
- “Borrowed funds” — the investment project uses funds raised through a loan or credit line from a bank/organization.
- “Budget funds” — the project is financed from the state budget (projects of ministries and state bodies).
- “Other” — the source of the invested funds is a type of financing not included in the previous categories (interest-free loan, grant, debt collection, etc.).
- “Unknown” — details about the source of funding are not disclosed by the investing company, and it is not possible to guess the source based on the available information.

Direction of use — a characteristic describing the function of the invested funds, the vector of application of funds for the project. The direction of use can take the following values:

- “Costs of construction and major repairs of buildings and structures” — the invested funds are used for the construction/repair of structures (industrial/residential/office, etc.).
- “Costs of purchasing machinery, equipment, and vehicles and their major repairs” — investments are used to provide the facility with new equipment and machinery or to modernize existing technical means.
- “Costs of purchasing a share” — financing is directed towards the acquisition of a share (100% or less) in the investment object (deposit, joint-stock company, company, etc.).
- “Costs of investment in charter capital” — financing is directed towards reinvestment/recapitalization/modernization of an asset owned by the company (in whole or in part).
- “Other” — funds are used in areas not covered by the previous categories.

Some projects indicated several areas of use, for example, if a company is purchased and its profits are subsequently reinvested in the modernization of production.

Data processing is based on an analysis of FDI, excluding portfolio investments and investments by international financial organizations (IFIs). **IFIs' investments** are made at the intergovernmental level, which makes it impossible to track the volume of investments from one country to another and, in most cases, do not involve ownership of shares in the project due to the debt form of financing.

FDI is a direct investment of large amounts of money, technology, and intellectual property, which usually enabling the start of production from scratch or significantly expanding existing production. It implies **the investor's direct participation** in the management of the investment object. To be included in the database, a minimum 10% stake in the project is required.

Portfolio investments are usually made at later stages of the project, when the main investments have already been made and the recipient company's shares are freely traded on the stock exchange. Since portfolio investments do not require large capital investments, the buyers of shares are often investors who do not claim participation in management.

Foreign direct investment is usually of great importance to the economies of developing countries, as it involves the opening and expansion of large-scale production facilities, technology transfer, and human capital development.

↓ Table 1. Exchange rates for the evaluation of investment projects at the end of the period *)

Exchange rate	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
USD/KZT	333.48	332.65	383.33	382.03	421.44	435.0	462.15	454.56	524.65	519.6
USD/RUB	61.27	57.61	69.83	61.99	74.41	74.65	69.9	90.36	113.5	78.26
USD/AZN	1.79	1.7	1.7	1.71	1.71	1.71	1.7	1.7	1.7	1.7
USD/AMD	483.92	484.08	485.25	478.0	519.5	479.0	392.0	403.79	396.56	385.5
USD/BYN	1.96	1.97	2.17	2.11	2.6	2.55	2.5	3.3	3.27	3.27
USD/KGS	69.56	69.0	69.85	69.51	83.5	84.8	85.68	89.09	87.03	87.32
USD/CNY	6.95	6.51	6.88	6.96	6.53	6.35	6.9	7.1	7.3	7.16
USD/TRY	3.53	3.79	5.29	5.94	7.43	13.32	18.69	29.48	35.31	39.81
USD/SAR					3.75	3.75	3.76	3.75	3.76	3.75
USD/UAH	27.1	27.93	27.53	23.68	28.3	27.25	36.9	38.05	42.01	41.77
USD/SOM	7.88	8.82	9.43	9.69	11.4	11.29	10.19	10.94	10.93	9.87
USD/MDL	19.92	17.1	17.04	17.15	17.11	17.75	19.13	17.3	18.33	16.73
USD/UZS	3215.85	8108.25	8,350.0	9507.56	10,476.9	10,820.67	11,246.81	12,362.17	12,957.1	12,591.6
USD/EUR	0.92	0.95	0.87	0.89	0.82	0.88	0.93	0.91	0.97	0.85
USD/GEL	2.66	2.59	2.68	2.86	3.28	3.09	2.68	2.68	2.82	2.72

Note: * as of the end of June 31, 2025.

ANNEX 2.
MAJOR CHINESE INVESTMENT PROJECTS IN THE EURASIAN REGION IN THE FIRST HALF OF 2025

No	Investing company	Recipient country	Investment object	Form of FDI	Total FDI stock by the first half of 2025, $ millions	Estimation of the total project cost, $ millions
1	Universal Energy	Uzbekistan, Samarkand Region	Wind power plant	Initial investment	83	250
2	Universal Energy	Uzbekistan, Jizzakh Region	Wind power plant	Initial investment	83	250
3	Universal Energy	Azerbaijan, Gobustan District	Solar power plant	Initial investment	50	100
4	Fujian Hengwang Investment	Shymkent, Kazakhstan	Metallurgical production	Initial investment	75.6	756
5	Fufeng Group	Kazakhstan, Zhambyl Region	Corn processing	Initial investment	40	800
6	Xinjiang Lihua (Group) Co.	Kazakhstan, Turkestan Region	Cotton and textile cluster	Initial investment	58	350
7	Xinjiang Dacheng Yuanlong Technology	Kyrgyzstan, Osh Region	Coal logistics centre	Initial investment	72	430
8	China Huadian Corporation	Kazakhstan	Solar power plant	Purchase	119	no data

9	Lygend Resources & Technology Co., Ltd.	Kazakhstan, East Kazakhstan Region	Deposit	Purchase with expansion	64	125
10	Holley Group	Uzbekistan, Tashkent Region	Technopark	Initial investment	50	200
11	CAMC Engineering	Uzbekistan, Tashkent Region	Waste incineration plant	Initial investment	40	240

Source: EDB MMI database

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ABBREVIATIONS

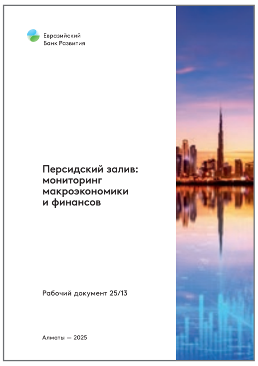
CAGR	compound annual growth rate
EAEU	Eurasian Economic Union
FDI	foreign direct investment
GDP	gross domestic product
HPP	hydroelectric power plant
IFIs	International Financial Institutions
IT	information technology
IMF	International Monetary Fund
MMI EDB	Eurasian Development Bank research project on monitoring of mutual direct investments in the Eurasian region
OECD	Organization for Economic Cooperation and Development
OKVED	All-Russian Classifier of Economic Activities
TNC	transnational corporation
UNCTAD	United Nations Conference on Trade and Development
$	US dollar
MW	megawatt

Research at the EDB website

Macroeconomic Outlook
(RU/EN)

Macroeconomic Outlook 2025–2027

The analysis examines economic developments in early 2025 andoutlines key macroeconomic projections for late 2025, as well as forecasts for 2026 and 2027.



Working Paper 25/13
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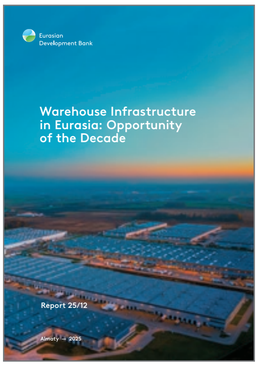
Arab Gulf: Macroeconomic and Financial Monitoring

The EDB's monitoring provides an analysis of the economies of six Gulf countries and assesses medium-term trends, including GDP growth, inflation, debt sustainability, and fiscal and monetary policies.



Report 25/12
(RU/EN)

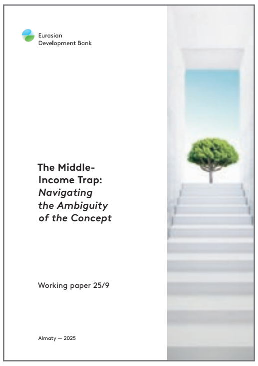
Warehouse Infrastructure in Eurasia: Opportunity of the Decade

The report presents an analysis of the current state of the warehouse logistics and storage sector in the Eurasian region, examines the main factors influencing its development, and provides a detailed forecast of demand for warehouse infrastructure in the region up to 2040.

Report 25/11
(RU/EN)

Advanced Manufacturing Potential in Eurasia: Sectoral Niches for Growth

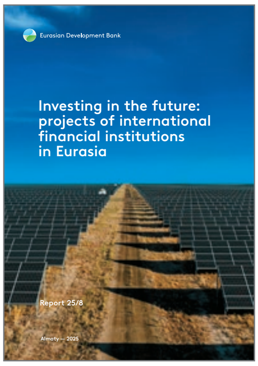
The transition to high value-added production could become a powerful driver of economic growth in the region. The study identifies priority industries and niche markets for each country, and provides estimates of export potential and import substitution potential.



Working Paper 25/9
(RU/EN)

The Middle-Income Trap: Navigating the Ambiguity of the Concept

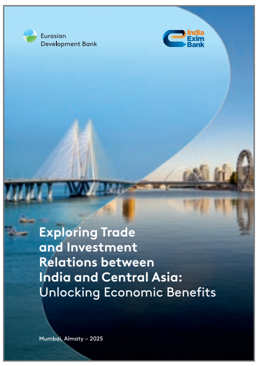
The study shows that diversity of interpretations of the "middle-income trap" makes it difficult to understand whether an economy is in it. The paper also identifies the factors of transition to a higher income: stable macroeconomics, ability to innovate, strong institutions and demographics.



Report 25/8
(RU/EN)

Investing in the future: projects of international financial organizations in Eurasia

The report analyzes 10 fundamental trends in non-sovereign financing by international financial institutions in the Eurasian region and formulates a number of proposals for more active and diversified IFI investments in development projects.



Report
(RU/EN)

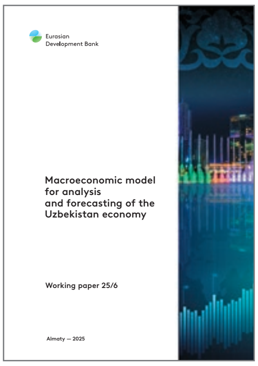
Exploring Trade and Investment Relations between India and Central Asia: Unlocking Economic Benefits

This joint report focuses on a comprehensive analysis of the current state and potential for improving bilateral trade and investment relations between India and Central Asia, and provides policy recommendations for closer cooperation.

Report
(RU/EN)

The Future of Islamic Finance in Central Asia

Joint report of the Eurasian Development Bank (EDB), the Islamic Development Bank Institute (IsDBI) and the London Stock Exchange Group (LSEG).



Working Paper 25/6
(RU/EN)

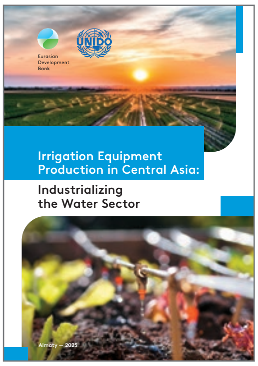
Macroeconomic model for analysis and forecasting of the Uzbekistan economy

The working paper presents the developed model of macroeconomic analysis and forecasting of the Uzbekistan economy. The integration of the new model into the EDB's model complex makes it possible to more accurately and comprehensively forecast the economic development of the Bank's region of operations, while taking into account close cross-country relationships.

Working Paper 25/5
(RU/EN)

Eurasian Transport Network: Projects Observatory and Interactive Map

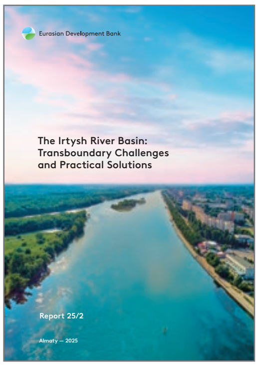
This working paper aims to facilitate the monitoring and coordination of infrastructure development along the corridors and routes of the Eurasian Transport Network



Report
(RU/EN)

Irrigation Equipment Production in Central Asia: Industrializing the Water Sector

Irrigation equipment production in Central Asia is becoming a strategic area for ensuring food security and efficient water resource management. A new report by EDB and UNIDO provides a detailed analysis of the current state of the market, a forecast of its development and recommendations for creating conditions for local production.



Report 25/2
(RU/EN)

The Irtysh River Basin: Transboundary Challenges and Practical Solutions

A recent study by the Eurasian Development Bank, titled "The Irtysh River Basin: Transboundary Challenges and Practical Solutions", presents the findings of a diagnostic analysis and a forecasting model of the basin's water resources. The study identifies the positions of the three countries involved and puts forward a series of practical solutions, including investment recommendations.

Report 25/1
(RU/EN)

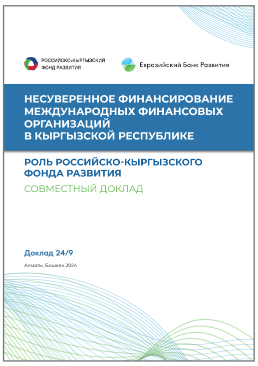
Mutual Investments on the Eurasian Continent: New and Traditional Partners

The report contains detailed information on the scale, dynamics, geographical and sectoral structure of mutual direct investment stock between the countries of the Eurasian region, on the one hand, and China, Türkiye, Iran, and the Gulf states, on the other hand, for the period from 2016 to the first half of 2024.

Report 24/10
(RU/EN)

EDB Monitoring of Mutual Investments — 2024. Eurasian Region

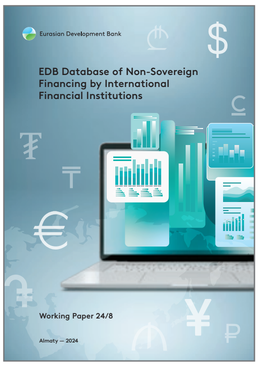
The report contains detailed information on the scale, dynamics, geographical and sectoral structure of mutual direct investments of the Eurasian region from 2016 to 1H of 2024.



Report 24/9
(RU)

Non-sovereign financing of international financial organizations in the Kyrgyz Republic

The report contains a comprehensive analysis of non-sovereign financing operations by international financial institutions in the Kyrgyz Republic over the last decade.



Working Paper 24/8
(RU/EN)

EDB Database of Non-Sovereign Financing by International Financial Institutions

Non-Sovereign Financing (NSF) Database is EDB's new analytical project. The EDB Database is a dynamic tool for timely monitoring and analysis of non-sovereign operations of IFIs in the Eurasian region.

Eurasian Development Bank

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