

ENDNOTES

Section 1: Overview and Analysis

1. See Shu Guang Zhang, *Beijing's Economic Statecraft during the Cold War, 1949–1991* (Baltimore: Johns Hopkins University Press, 2014).
2. We used the final version of the China Global Investment Tracker 2019 fall dataset (accessed in January 2020), the final version of the China Global Investment Tracker 2021 spring dataset (accessed in August 2021) and ASEAN Statistical Yearbooks to construct the dataset for this quantitative survey and analysis. We did not include data from 2020–21, primarily because this data was likely to have been impacted by the ongoing COVID-19 pandemic, and including this data might skew the analysis prematurely.
3. For a more detailed explanation, see section A3 of the Appendix.
4. For details about Chinese investment volumes, distribution, and projects in each country, see Section 2: Quantitative Report.
5. When agreed in 2018, the Jakarta-Bandung HSR—valued initially at US\$2.5 billion—was the third most valuable Chinese infrastructure investment recorded in SEA in a single year, after the China-Laos railway project and Thailand-China railway project (also agreed in 2018). By the time of its opening in mid-2023, the HSR project cost US\$7.2 billion. <https://www.rfa.org/english/news/china/indonesia-china-rail-06132023125521.html>
6. For example, Kuantan Port and its associated Malaysia-China Industrial Park—Kuantan is the planned southern terminal of the ECRL and these projects' (questionable) viability had been tied to two other connecting rail projects: a planned trans-peninsular rail that would connect Kuantan to the west coast via KL, and the KL-Singapore HSR.
7. See the Appendix for an explanation of the data constraints preventing us from systematically comparing foreign investments that include both ownership acquisition and service provision.
8. Between 2006 and 2018, over half of Cambodia's annual FDI came from sources outside of the top three investors, including other SEA countries.

9. Jikon Lai and Amalina Anuar, “Measures of Economic Vulnerability and Inter-Dependency in the Global Economy”, *RSIS Working Paper No. 333*, 20 January 2021. Based on trade and investment flows in 2015–17, Laos, Myanmar and Cambodia were ranked 13th, 15th and 22nd respectively among the 200 countries for vulnerability to China. Other SEA economies in the top 50 were Vietnam (33rd), Malaysia (39th), Thailand (46th) and Singapore (48th).
10. Note that the coding used in this report places investments in electric companies within the energy sector, and investments in telecommunications under the infrastructure sector.
11. The two larger companies were sold to a Japanese-led consortium Lion Power and Malaysian YTL Power respectively. <https://www.wsj.com/articles/SB122061029167803541>; <https://www.thestar.com.my/business/business-news/2008/12/03/ytl-power-acquires-powerseraya-from-temasek>
12. <https://www.reuters.com/article/us-temasek-huaneng-idUSSP10284220080314>
13. <https://www.rappler.com/nation/ph-chinese-experts-ngcp>
14. On this controversial move, which some see as a debt-for-equity swap intensifying Laos’ debt-trap danger, see Keith Barney and Kanya Souksakoun, “Credit Crunch: Chinese Infrastructure Lending and Lao Sovereign Debt”, *Asia-Pacific Policy Studies* 8, issue 1 (2021): 94–113, <https://doi-org.virtual.anu.edu.au/10.1002/app5.318>
15. <https://cnnphilippines.com/business/2019/4/29/Mislattel-China-Telecom.html>
16. <https://business.inquirer.net/260809/dennis-uy-china-telecom-venture-confirmed-as-third-telco#ixzz6nSUDJIUB>
17. Melinda Martinus, “The Intricacies of 5G Development in Southeast Asia”, *ISEAS Perspective*, no. 2020/130, 13 November 2020, https://www.iseas.edu.sg/wp-content/uploads/2020/11/ISEAS_Perspective_2020_130.pdf. As of October 2020, Huawei had 40 per cent share of the SEA 5G equipment market, compared to Ericsson’s 20 per cent and Nokia’s 15 per cent.
18. <https://www.reuters.com/article/us-keppel-petrochina-idUSTRE54N13F20090525>
19. http://www.xinhuanet.com/english/2020-09/17/c_139373645.htm
20. <https://asia.nikkei.com/Business/Chinese-company-to-build-oil>

- refinery-near-Dawei-SEZ-in-Myanmar. Project implementation has been delayed, most recently due to the COVID-19 pandemic.
21. 22 million tons—<https://www.globaltimes.cn/content/1146125.shtml>
 22. Our calculations here are based on the stated design capacity of the gas pipeline (12 billion cubic metres per year) and the oil pipeline (22 million tons of crude oil per year); and the best data available publicly on China’s total annual natural gas and crude oil imports. Note that these figures are estimates only, and liable to year-on-year changes in actual imports and in projections of China’s national energy consumption. Data on China’s annual natural gas and crude oil import from the Kyaukphyu pipelines is patchy and not currently verifiable.
 23. Note that construction has not begun on the Dawei port, which is subject to a competing project funded by an international consortium in the SEZ; and that the Kyaukphyu port was downsized from ten to two berths after worries about a potential debt trap caused Naypyidaw to renegotiate with the Chinese-led consortium to reduce the project cost from US\$7.2 billion to US\$1.3 billion in 2017/8.
 24. <https://thediplomat.com/2020/09/sino-thai-railway-inches-toward-resumption/>; <https://www.railway-technology.com/news/thailand-thai-sino-high-speed/>; <https://www.geopoliticalmonitor.com/factsheet-kunming-singapore-high-speed-rail-network/>
 25. <https://www.bangkokpost.com/thailand/general/2432925/high-speed-rail-project-behind-schedule>
 26. See note 37 and section A6 of the Appendix for further explanations for the chosen period of coverage. Our estimate is that once we have data to add to our dataset up to 2025, we will have the minimum basis to analyse the impacts of COVID on short-to-medium-term Chinese investment patterns.
 27. One study suggests that China’s overseas bailouts correspond to more than 20 per cent of total IMF lending over the past decade, with 80 per cent of China’s bailouts occurring between 2016 and 2020—see S. Horn, B. Parks, C. Reinhart, and C. Trebesch, “China as an International Lender of Last Resort”, Working Paper #124. (Williamsburg, VA: AidData at William & Mary, 2023), <https://www.aiddata.org/publications/china-as-an-international-lender-of-last-resort>

28. Note that the data in the various studies cited in this section is preliminary and, due to their method of collation, not directly comparable with the two main datasets we have drawn upon for our dataset and analysis here. See Appendix for a detailed explanation of our methodology.
29. Alicia García Herrero, “Will the Belt and Road Initiative Be Another Casualty of the Pandemic?”, *Georgetown Journal of International Affairs*, 11 November 2022, <https://gjaia.georgetown.edu/2022/11/11/will-the-belt-and-road-initiative-be-another-casualty-of-the-pandemic/>
30. See Beatrice Tanjanco et al., “China Navigates its COVID-19 Recovery—Outward Investment Appetite and Implications for Developing Countries”, Overseas Development Institute Economic Pulse Series (February 2021), https://cdn.odi.org/media/documents/odi_economic_pulse_2_final12feb.pdf
31. Wang Zheng, “Assessing the Belt and Road Initiative in Southeast Asia amid the COVID-19 Pandemic”, *ISEAS Perspective*, no. 2022/57, 26 May 2022, <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2022-57-assessing-the-belt-and-road-initiative-in-southeast-asia-amid-the-covid-19-pandemic-2021-2022-by-wang-zheng/>
32. See, for example, Kaho Yu, “The Belt and Road Initiative in Southeast Asia after COVID-19: China’s Energy and Infrastructure Investments in Myanmar”, *ISEAS Perspective*, no. 2021/39, 6 April 2021, <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-39-the-belt-and-road-initiative-in-southeast-asia-after-covid-19-chinas-energy-and-infrastructure-investments-in-myanmar-by-kaho-yu/>
33. See ERIA, *The COVID-19 Pandemic: Impact on ASEAN Connectivity and Recovery Strategies* (2022), <https://www.oecd.org/southeast-asia/ERIA%20COVID19%20and%20ASEAN%20Connectivity.pdf>
34. This is an aim that is in line with some data suggesting that the Asian Development Bank and the World Bank overtook China as the leading sources of foreign investment in Southeast Asia in 2021. See “New Lowy South-East Asia Aid Map Finds China Overtaken as Largest Provider of Development Money in Region”, *ABC News*, 5 June 2023, https://www.abc.net.au/news/2023-06-05/lowy-south-east-asia-foreign-aid-map/102414992?utm_

source=abc_news_web&utm_medium=content_shared&utm_campaign=abc_news_web

Section 2: Quantitative Report

35. See Appendix for how “Chinese investments” are defined in the CGIT database and ASEAN Statistical Yearbooks. In this report, we use the phrase “Chinese investments” when the analysis draws on data from CGIT, and “Chinese FDI” when data from ASEAN Statistical Yearbooks is used.
36. The analysis started from 2005 primarily because we want to present a comprehensive analysis of the rapid development of China’s outward direct investments since the early 2000s, after the “Going Global” strategy was initiated by the Chinese government in 1999, and relevant datasets that would allow us to conduct this analysis have been generally available for the period since 2005.
37. The analysis did not include data from 2020, primarily because the 2020 data were likely to have been impacted by the ongoing COVID-19 pandemic and including this data might skew the analysis prematurely. UNCTAD noted that the impact of the pandemic on global foreign direct investment was strongest in the first half of 2020, and that in the second half of the year, “cross-border mergers and acquisitions and international project finance deals largely recovered”. However, greenfield investment—which UNCTAD notes is more important for developing countries—“continued its negative trend throughout 2020 and into the first quarter of 2021”. Looking ahead, UNCTAD expected that global foreign direct investment flows would bottom out in 2021 and recover some lost ground, with an increase of about 10 to 15 per cent. But this would still leave levels “some 25 per cent below the 2019 level”.
38. <https://www.oecd.org/daf/inv/investmentstatisticsandanalysis/40193734.pdf>
39. ASEAN Statistical Yearbooks were used when assessing the relative importance of Chinese investments in SEA countries. The Appendix provides more detailed explanations of why ASEAN Statistical Yearbooks were used alongside the CGIT dataset, and data discrepancies between ASEAN Statistical Yearbooks and the CGIT dataset.
40. See section A4 of the Appendix for detailed discussions about why

- the four sectors (i.e., infrastructure, energy, metals and others) were chosen and how these sectors were categorized.
41. Timor-Leste is not considered in the scope of this report.
 42. Based on CGIT data. Note that the top three destinations and their respective shares might be slightly different if other datasets were used.
 43. The CGIT database captures Chinese (a) investments, and (b) construction contracts, which are documented both separately and together in the database. Investments are considered cross-border transactions wherein Chinese entities acquire asset ownership in SEA countries (i.e., larger than 0 per cent ownership), whereas construction contracts are considered cross-border transactions wherein Chinese entities only provide services in SEA countries (i.e., no ownership). In this report, where the CGIT database is used, Chinese investments and construction contracts in SEA countries are collectively referred to as “Chinese investments”.
 44. In assessing the relative importance of Chinese investments in SEA countries, we drew on data from the ASEAN Statistical Yearbooks. Given ASEAN Statistical Yearbooks and the CGIT dataset adopt different methodologies for compiling Chinese investment data, discrepancies on the amounts of Chinese investments in SEA countries can be observed. The data discrepancy appears to be more significant for some SEA countries, especially Malaysia. The Appendix provides more detailed explanations of these data discrepancies, and why two different data sources were used for this report.
 45. This project was scrapped by the Melaka government in late November 2020, reportedly because the developer had failed to complete the reclamation works after three years as contracted. Because of the official cancellation of this project, this investment was not captured in the CGIT 2021 Spring dataset we used for this report and therefore not reflected in the figures/tables and other statistics we presented in this report. Source: <https://www.straitstimes.com/asia/se-asia/melaka-state-govt-scraps-14-billion-port-project>
 46. This project was cancelled in September 2012, about half a year after the investment agreement was reached. Source: <https://www.thestar.com.my/news/nation/2012/09/08/johor-sultan-says-mersing-laguna-project-cancelled>

47. This US\$1.58 billion investment did not appear to have been recorded in ASEAN Statistical Yearbooks (see the Appendix for possible reasons), which seemed to have affected the relative importance of Chinese FDI in the Philippines in 2008 (see Table 14).
48. This US\$3.44 billion investment did not appear to have been recorded in ASEAN Statistical Yearbooks (see the Appendix for possible reasons), which seemed to have affected the relative importance of Chinese FDI in Brunei in 2014 (see Table 17).

Appendix

49. For example, the World Bank does not provide country-to-country FDI data; China's Bureau of Statistics outward FDI data does not cover every SEA country; and the China Global Energy Finance database only covers various energy-related investments.
50. We first accessed the CGIT database in January 2020 and initially only used the final version of the 2019 fall database for our data analysis. While we were working on our data analysis, the CGIT database was periodically updated to reflect new information available. To ensure that our final analysis could also reflect the new information available, we incorporated the final version of the CGIT 2021 spring database (which was the most recent CGIT database available to us before we finalized our analysis in December 2021) into our preliminary analysis, which was based on the final version of the CGIT 2019 fall database. Section A6 of this Appendix provides more details on how we updated our preliminary analysis using the most recent CGIT database available to us.
51. Further information about the CGIT database is available on its website: <https://www.aei.org/china-global-investment-tracker/>
52. Further information about ASEAN Statistical Yearbooks is available on its website: <https://www.aseanstats.org/category/yearbook/>
53. Given that the ASEAN Statistical Yearbooks do not capture cross-border transactions that only involve service provision (i.e. no acquisition of ownership) by investing countries, the relative importance of Chinese investments in a SEA country, when measured by the data from the ASEAN Statistical Yearbooks, might be underestimated in circumstances where (1) Chinese investments in the form of service provision were concentrated in a few years rather than being spread across the whole period of 2005–18; and

- (2) Chinese investments in the form of service provision were quite large. Vietnam is a case in point: More than 60 per cent of Chinese service provision in Vietnam during 2005–18 was concentrated in 2009–12, and the annual amount of Chinese service provision in Vietnam during 2009–12 was also quite large (at approximately US\$2.5 billion to US\$4 billion per year). In this case, the relative importance of Chinese investments in Vietnam during 2009–12, as measured by the data from the ASEAN Statistical Yearbooks, might be underestimated.
54. We accessed ASEAN Statistical Yearbooks in February to April 2020 and used *ASEAN Statistical Yearbook 2008* for relevant FDI data from 2005 to 2008 and *ASEAN Statistical Yearbook 2019* for relevant FDI data from 2009 to 2018. While *ASEAN Statistical Yearbook 2020*, which contains data on FDI inflows into SEA countries in 2019, was published in December 2020—before we finalized our data analysis, we noted that *ASEAN Statistical Yearbook 2020* does not include the 2019 data on FDI inflows into SEA countries by major source country, and were advised by ASEAN Secretariat that these data were not produced for *ASEAN Statistical Yearbook 2020*—nor would these data be provided separately—due to confidential issues in some ASEAN member states. As a result, we were unable to extend our analysis that was based on ASEAN Statistical Yearbooks to the year 2019, to align with the timeframe that we used for our analysis based on the CGIT database (i.e., 2005 to 2019).
 55. United National Conference on Trade and Development, *World Investment Report 2020: International Production Beyond the Pandemic* (New York: United Nations, 2020), p. 18.
 56. R. Gonzalez-Vicente, “Make Development Great Again? Accumulation Regimes, Spaces of Sovereign Exception and the Elite Development Paradigm of China’s Belt and Road Initiative”, *Business and Politics* 21, no. 4 (2019): 487–513.
 57. For example, G.T. Chin and K.P. Gallagher, “Coordinated Credit Spaces: The Globalization of Chinese Development Finance”, *Development and Change* 50, issue 1 (2019): 245–74.
 58. For the CGIT database, the industrial subsector to which a Chinese investment belongs is self-reported by the investor, indicating that there appears to be no specific rule for matching a Chinese investment with an industrial subsector.