

# BRI Pulse

## Q4 2024 Landmark Projects

While students of Chinese outbound investment will be aware that once again announced amounts have been rising, we prepared this short BRI Pulse, over the holidays, to call attention to three landmark BRI projects, in different parts of the world, all launched within the final six weeks of 2024.

### ***Chancay Port – New Silk Road – Latin America***

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On 14<sup>th</sup> November, President Xi and Peruvian President Dina Boluarte participated by video link in the opening of the \$3.5 billion Chancay port, about 80 kms (48 miles) north of Lima on the Pacific Ocean, signing a deal to widen an existing free trade agreement.

Xi said that Chancay, a 15-berth, deep-water port, was the successful start of a "21st century maritime Silk Road" and part of the BRI. "China is willing to work with the Peruvian side to take the Chancay project as a starting point to forge a new maritime-land corridor between China and Latin America and connect the Great Inca Trail," Xi said, referring to a 15th century mountain network that joined the Inca empire.

Xi also said the Chancay project would generate \$4.5 billion in annual revenues, create more than 8,000 direct jobs and reduce the logistics costs of the Peru-China route by 20%.

The megaport was built by Cosco Shipping Ports and received \$1.3 billion in Chinese investment in its first phase. The first ship was due to set sail from Chancay the following week, transporting Peruvian fruit to China.

The megaport will also include an ocean to ocean railway, providing access to Brazil and its ports to carry Brazilian exports including soybeans and iron ore. The Brazilian ports actively trade with European and African ports, which can also share in increased logistics efficiencies.

As an observer of the BRI, this new silk road looks very similar to the 16th century Spanish silver silk road linking Iberia to China via Central America for several hundred years, except crossing much further south than Mexico or Panama.

### ***Brahmaputra Dam – World's Largest Hydropower Dam in Tibet***

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On 26<sup>th</sup> December, China approved the construction of what will be the world's largest hydropower dam which will be located in the lower reaches of the Yarlung Zangbo River (the Tibetan name for the Brahmaputra) in the Tibet autonomous region. This dam could produce 300 billion kWh of electricity annually, more than triple the 88.2 billion kWh designed capacity of the Three Gorges Dam, currently the world's largest, in central China (which cost circa \$35 billion). It could meet the annual needs of over 300 million people.

The project, which could cost an estimated \$137 billion, will play a major role in meeting China's carbon peaking and carbon neutrality goals, stimulate related industries such as engineering, and create jobs in Tibet, according to Chinese press.

The Brahmaputra dam was part of the 14<sup>th</sup> Five-Year Plan (2021-2025) and National Economic and Social Development and the Long-Range Objectives Through the Year 2035 adopted by Plenum, a key policy body of the ruling Communist Party of China (CPC) in 2020.

Thus clearly part of a long term plan and provided for in advance at the Chinese Government level.

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### **CKU Railway – Key Central Asia Rail Project – Strategic Bridge Between East and West**

On 28<sup>th</sup> December, President Xi sent a congratulatory message to the commencement ceremony of the China-Kyrgyzstan-Uzbekistan (CKU) railway. The ceremony was held in Jalalabad — the third-largest city in Kyrgyzstan — and attended by Kyrgyz President Sadyr Japarov. Uzbek President Shavkat Mirziyoyev also sent a congratulatory message to the event.

The new railway, stretching 454 kilometers, begins in Kashgar, in northwestern China's Xinjiang Uygur autonomous region, then crosses through Kyrgyzstan (Torugart, Makmal, Jalal-Abad) and before entering Uzbekistan (Andijan). The project includes the construction of 20 stations, 42 bridges, and 25 tunnels, along with the creation of logistics terminals and warehouses. Initial freight volumes are expected to reach approximately 15 million tons annually. In the future, passenger trains will also operate along this route.



The railway will integrate with the Trans-Afghan Corridor, providing access to the Middle East and, via Türkiye to European markets. In the future, it will reach West Asia and South Asia

The project's total cost is estimated at around \$5 billion, with \$1.34 billion allocated for the Kyrgyz segment alone. China has committed to fully financing the Kyrgyz portion of the railway. The project company will allocate 24.5% ownership to both Uzbekistan and Kyrgyzstan, while China will retain the remaining 51%.

The construction of the railway is a strategic decision made by the three governments to promote regional connectivity, prosperity and stability, which demonstrates the shared aspiration of the people of the three countries to open up this strategic corridor, Xi said in the message.

Xi noted that the commencement ceremony marked the transition of the railway from vision to implementation.

For readers of our other two websites: [www.asiainvestmentresearchglobal.com](http://www.asiainvestmentresearchglobal.com); and [www.aiyanaresearch.com](http://www.aiyanaresearch.com) you will note that while we wrote conceptually about CKU in our Q3 Uzbekistan Transportation corridor, we needed to wait until this launch to discuss it in more detail.