The Belt and Road and infrastructure finance

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The initiative and Singapore's position

President Xi Jinping presented the Silk Road Economic Belt at Nazarbayev University in Astana on 7 September 2013. In a speech in Indonesia the following month, he proposed the 21st-Century Maritime Silk Road. Since 2016 the combined programme has been called the Belt and Road Initiative in English. It now includes projects in more than 150 countries.[1] The financing came from the Chinese policy banks, the state commercial banks and new funds. The Silk Road Fund was established in December 2014 with capital of US$40 billion and 100 billion renminbi. Bank of China alone lent more than US$185 billion to Belt and Road projects between 2015 and 2020.[2]

Singapore's position in the initiative is unusual. It needs no outside financing for its own infrastructure, although it is a major investor in Belt and Road projects.[3] The China-Indochina Peninsula economic corridor of the initiative ends in Singapore. The opening of the railway between Boten and Vientiane in Laos closed the last gap in a continuous rail network between western Europe and Singapore. The Singapore government has supported the initiative in principle while presenting

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itself as a neutral financial, legal and professional services centre for projects in the region. Prime Minister Lee Hsien Loong attended the second Belt and Road Forum in Beijing in April 2019.[4]

Infrastructure Asia and project finance

The need for infrastructure finance in the region is large. Infrastructure Asia, a project facilitation office set up by the Singapore government through Enterprise Singapore and the Monetary Authority of Singapore, cites an estimate that developing Asia needs US$26 trillion of infrastructure investment between 2016 and 2030, or about US$1.7 trillion a year. Actual investment is estimated at US$881 billion a year, less than half of the requirement.[5] The office works with governments, developers and commercial and multilateral banks to turn projects into bankable propositions. Its mandate is regional and makes no reference to the Belt and Road. In practice, however, many projects in Southeast Asia involve Chinese contractors, Chinese lenders or both.

Singapore's contribution to such projects lies in the functions that a financial centre performs. Banks in Singapore arrange syndicated loans and project finance, often alongside Chinese banks. Insurers and reinsurers cover construction and political risks. Law firms draft the contracts, which are frequently governed by English or Singapore law. Disputes are referred to arbitration in Singapore. Chinese contractors and lenders also use Singapore entities as holding and financing vehicles for regional projects, which makes the city a booking centre for part of the Belt and Road. The volume of these activities is not published as a separate statistic, so claims about Singapore's share of Belt and Road finance should be treated with caution.

Dispute resolution for the Belt and Road

The legal services dimension is particularly important. In 2025 parties from mainland China formed the largest group of foreign users of the Singapore International Arbitration Centre, with 378 parties ahead of Vietnam, India and Thailand.[6] Part of that figure resulted from a series of related cases in which the

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Centre acted as appointing authority. Even so, Chinese companies and their counterparties evidently find value in a neutral seat outside the Chinese legal system, which the counterparties of Chinese state enterprises often prefer.

The courts have reinforced the offer. On 31 August 2018 the Supreme Court of Singapore and the Supreme People's Court of China signed a memorandum of guidance on the recognition and enforcement of money judgments. The memorandum has no binding legal effect. It nevertheless describes the conditions under which each side's courts may recognise the other's judgments.[7] The Singapore International Commercial Court, examined in Chapter III of Part F, includes a judge from the People's Republic of China, Zhang Yongjian, among its International Judges.[8] Together with arbitration, these arrangements have made the dispute resolution infrastructure of Singapore familiar to Chinese companies.

Debt, risk and reputation

The Belt and Road has also generated controversy. Critics have argued that its loans burden borrowing countries with unsustainable debt, although researchers widely dispute the charge of deliberate “debt-trap diplomacy”. A 2023 study by AidData found that some ports financed under the initiative could also serve future Chinese naval needs.[9] For Singapore institutions that participate in project finance, these debates translate into concrete risks: sovereign default, renegotiation of loans, political change in the borrowing state and reputational exposure if a project becomes associated with corruption or environmental damage. Singapore banks have also adopted their own policies on the financing of coal-fired power plants, which were a significant category of earlier Chinese overseas investment. Chapter II of Part K deals with sustainable finance.

Notes

1. Wikipedia, “Belt and Road Initiative” (accessed November 2026): Silk Road Economic Belt presented by Xi Jinping at Nazarbayev University, Astana, on 7 September 2013; 21st-Century Maritime Silk Road proposed in a speech in

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Indonesia “the following month”; English name “Belt and Road Initiative” since 2016; “projects in more than 150 countries”. ↩

2. Wikipedia, “Belt and Road Initiative” (accessed November 2026): Silk Road Fund established in December 2014 with US$40 billion and RMB 100 billion in capital; Bank of China lent more than US$185 billion for BRI projects from 2015 to 2020; ICBC more than US$100 billion by April 2019. ↩
3. Wikipedia, “Belt and Road Initiative” (accessed November 2026), section on support: “Singapore needs no outside infrastructure finance but is a major investor in BRI projects”; the China-Indochina Peninsula corridor runs from southern China to Singapore; the Boten–Vientiane line closed the last gap in a continuous rail network between western Europe and Singapore. ↩
4. Ministry of Foreign Affairs of Singapore, country page “People's Republic of China” (accessed November 2026): Prime Minister Lee Hsien Loong attended the 2nd Belt and Road Forum in Beijing from 25 to 29 April 2019; Minister for Foreign Affairs Vivian Balakrishnan joined the BRI videoconference on COVID-19 cooperation on 18 June 2020. ↩
5. Infrastructure Asia, “About us” (infrastructureasia.org, accessed November 2026): set up by the Singapore Government through Enterprise Singapore and the Monetary Authority of Singapore as a “project facilitation office”; homepage: developing Asia needs US$26 trillion from 2016 to 2030 (about US$1.7 trillion a year) but invests an estimated US$881 billion a year. ↩
6. SIAC, *Annual Report 2025*, Statistics 2025, “Geographical Origin of Parties”: Mainland China 378 parties, Vietnam 337, India 178, Thailand 100, United States 83; the figures for China and Vietnam were raised by a series of related cases in which SIAC acted as appointing authority. ↩
7. Supreme Court of Singapore and Supreme People's Court of the PRC, Memorandum of Guidance on Recognition and Enforcement of Money Judgments in Commercial Cases, 31 August 2018; signed by Zhou Qiang and Sundaresh Menon; Art. 2: “This memorandum has no binding legal effect”. ↩

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8. Singapore Courts, "Judges" (SICC), judiciary.gov.sg, last updated 20 October 2026: Zhang Yongjian among the 26 International Judges. ↩
9. Wikipedia, "Belt and Road Initiative" (accessed November 2026): accusations of "debt-trap diplomacy" are "widely disputed by researchers"; a 2023 AidData study found that some BRI-funded ports raise dual-use concerns. ↩

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