

Investing in the Belt and Road Initiative

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We found that the Belt and Road Initiative (BRI) had no impact on the promotion of Chinese outward direct investment before the RMB Exchange Rate Reform on 11 August 2015, about two years after the launching of the BRI, but that the impacts were strong after the reform. Privately-owned enterprises but not state-owned enterprises allocated more overseas direct investment to Belt and Road countries after the BRI. In response to the BRI, multinational firms from Hong Kong and Macau increased their investment in Belt and Road countries, particularly in infrastructure, more swiftly and more aggressively than firms from mainland China.