

Chinese Investments in European Non-Maritime Transport Infrastructure


[See the full study](#)

Rising Chinese investment in Europe's non-maritime transport infrastructure has brought both opportunities and challenges for the recipient countries. Having control over parts of critical infrastructure might allow China to have significant economic and geopolitical influence on the EU and EU Neighbourhood. Risks of China's investment remain insufficiently understood despite their high likelihood and/or impact.

Main observations

The study

analyses trends and related risks in Chinese investments in the European non-maritime transport infrastructure.

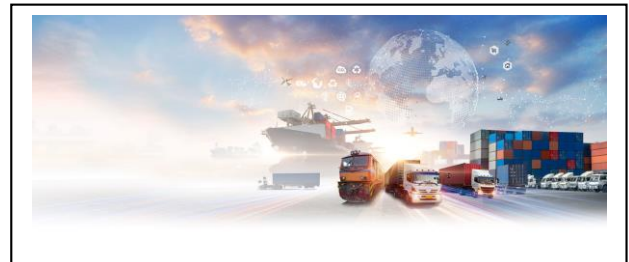
Although Chinese investment in European non-maritime transport infrastructure dwarfs in comparison to the maritime one, financing infrastructure projects by loans as a part of the Belt and Road Initiative (BRI) or even just providing services along the transport lines without investing in the EU's TEN-T core network can still allow China to have significant influence.

Arguably, the benefits have been high in the case of Chinese investment in several countries, contributing meaningfully to local development, employment, tax revenue, etc. Yet, at the EU level, the benefits are often less clear, while potential challenges are likely if new traffic induced by BRI investments results in bottlenecks and capacity constraints.

Moreover, China's BRI can be used as an instrument to gain geopolitical influence in the EU and EU Neighbourhood. The country is found to be pursuing strategic and political interests via its infrastructure investments and gaining soft influence in the EU and EU Neighbourhood region, especially in the Western Balkans.

Risks of China's investment remain insufficiently understood despite their high likelihood and/or impact. Among the five types of risk identified in the study – EU-level dependency risk; individual dependency risk of each

case; coercion and/or influence risk; cyber/data risk; and hard security risk – economic coercion and cyber/data security risks are assessed as the highest.



Conclusions and policy recommendations

In light of the identified risks, the study proposes a number of recommendations for more robust action at the national and EU levels, such as:

- In order to increase understanding of the Chinese investment in the transport infrastructure, the EU should carry out an in-depth study on Chinese companies' involvement in management software and other software along the TEN-T core network. The study should include a risk assessment of cyber/data risk in the use of Chinese software.
- EU Member States are advised to officially recognise the infrastructure along the TEN-T core network as critical and conduct studies to assess the presence of Chinese companies in the TEN-T core network within their border and risks emanating from such presence.
- An EU framework to safeguard the security of the EU transport infrastructure needs to be created. It should take into consideration not only the risks that emerge from investments into the infrastructure network, but also from the service providers. Guidelines need to be developed to ensure that no cargo can travel unchecked within the EU if the shipping company and the intermodal operators all



Policy Department for Structural and Cohesion Policies
Directorate-General for Internal Policies of the Union

Authors: Francesca GHIRETTI, Jacob GUNTER, Gregor SEBASTIAN, Meryem GÖKTEN,
Olga PINDYUK, Bernd Christoph STRÖHM, Zuzana ZAVARSKÁ, Plamen TONCHEV

PE 752.442 - December 2023

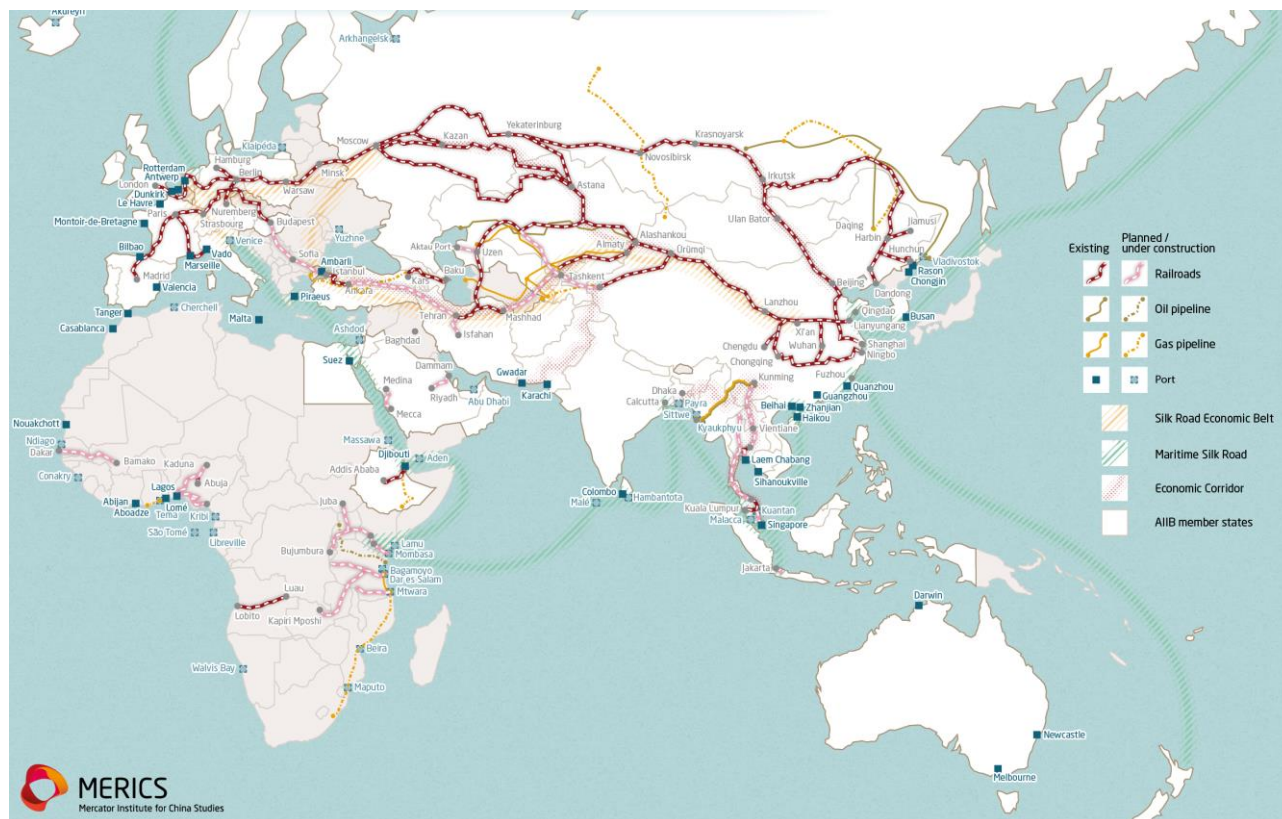
[Access this note](#)

belong to the same non-EU country and/or the same non-EU company.

- The EU would be able to better protect its interests in its neighbourhood if it funds more investment in the transport infrastructure there. This offer of

expanded support can be combined with tougher conditionality regarding FDI screening, greater transparency of investment agreements, as well as labour protection, environmental and other standards

Map of the Belt and Road Initiative projects



Source: MERICS

Disclaimer. The content of this At a glance note is the sole responsibility of its authors and any opinions expressed therein do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2023.

The present note is based on the study *Chinese Investments in European Non-Maritime Transport Infrastructure.*, authored by Francesca GHIRETTI, Jacob GUNTER, Gregor SEBASTIAN, Meryem GÖKTEN, Olga PINDYUK, Bernd Christoph STRÖHM, Zuzana ZAVARSKÁ, Plamen TONCHEV. Published in: December 2023

© Image on page 1 used under the licence from Adobe Stock

Responsible for this At a Glance Note: Kinga OSTANSKA & Davide PERNICE

Contact: Poldep-cohesion@ep.europa.eu; Further information: www.research4committees.blog/tran. Follow us: [@PolicyTRAN](https://twitter.com/PolicyTRAN)

This document is available at: www.europarl.europa.eu/supporting-analyses