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CHINA

Trade impact of the Belt and Road Initiative

The major global trade boost which could come from significant cost reductions, and what might get in the way

Source: Shutterstock

Executive summary

The Belt and Road Initiative is increasing transport connections between Asia and Europe with potential consequences for international trade. Trade between the countries involved accounts for more than a quarter of world trade, so better connections and the lower trade costs that come with them could have a significant global impact.

A halving in trade costs between countries involved in the BRI could increase world trade by 12%, with countries in Eastern Europe and Central Asia set to benefit most, but the benefits will depend on where trade costs fall.

China's Belt and Road: Bigger than the Marshall Plan