Messy Breakup or Velvet Divorce? The impacts of leaving China's Belt and Road Initiative

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I. Introduction

The Belt and Road Initiative (BRI), also known in Chinese as One Belt One Road or OBOR (一帶一路), has dominated discussion and framing of China's overseas economic and trade policy for more than a decade. Originally launched in 2013 in Kazakhstan with a narrower focus on connectivity in Central Asia and countries neighboring China, the initiative soon became a flagship program of Chinese president Xi Jinping, with up to 150 countries signing Memorandums of Understanding (MoUs) acceding to the BRI.[1] The expansive growth of program beyond infrastructure to encompass almost all aspects of Chinese overseas economic and trade policy has engendered questions over the existence of BRI as a coherent economic program or statecraft agenda.[2] Hall and Krolikowski have invoked the term "Xi Show" to describe the degree to which the initiative has become associated with President Xi's policies and persona, such that the BRI is enshrined in China's constitution alongside

[1] Christoph NEDOPIL WANG, *Countries of the Belt and Road Initiative (BRI) – Green Finance & Development Center*, n.d., accessed July 29, 2025, https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/.

[2] Jacob Mardell, "Why We Should Stop Talking about China's Belt and Road Initiative," Articles, *Chinaobservers*, November 7, 2023, https://chinaobservers.eu/why-we-should-stop-talking-about-chinas-belt-and-road-initiative/.

other key developments of Xi Jinping Thought including "China Dream" and "Shared Destiny."[3]

The deep association with Xi Jinping and his political thought has accompanied a trend of opposition developing from skepticism to outright hostility by China's critics, chiefly the United States.[4] While early critiques focused on "debt-trap diplomacy," the allegation that China has been using unfavorable lending terms to trap debtor nations into economically dire situations, from which China then extracts favorable diplomatic or other concessions, American discourses have since evolved to address more complex geopolitical questions raised by the gargantuan overseas expansion of China's infrastructure and technology companies.[5] That China has in many cases utilized BRI projects ostensibly as carrots or sticks to achieve geopolitical goals, and in some cases has been accused of developing dual-use infrastructure facilities with military components, most notably the Port of Hambantota in Sri Lanka, which China took control of in 2017, have all raised awareness of potential downsides, economic and political, to continued membership in the initiative.[6]

The formal exit of Italy, the sole G7 member to formally join, from the BRI in December 2023 marked a turning point.[7] Coming on the heels of a high-profile exit by the Philippines in November, which included high-

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[3] Todd H Hall and Alanna Krolikowski, "Making Sense of China's Belt and Road Initiative: A Review Essay," *International Studies Review* 24, No. 3, 2022, viac023, https://doi.org/10.1093/isr/viac023.

[4] Robert Sutter, "Why America Opposes the Belt and Road Initiative (BRI)?—A Second Look," *Pacific Forum*, n.d., accessed July 29, 2025, https://pacforum.org/publications/pacnet-38-why-america-opposes-the-belt-and-road-initiative-bri-a-second-look/.

[5] Zenel Garcia and Phillip Guerreiro, "What American Policymakers Misunderstand about the Belt and Road Initiative," *US Army War College*, accessed July 29, 2025, https://publications.armywarcollege.edu/News/Display/Article/3789926/what-american-policymakers-misunderstand-about-the-belt-and-road-initiative/.

[6] *Ibid*.

[7] Carboni, "L'Italia è Uscita Dalla 'Via Della Seta' Cinese," *Il Post*, December 6, 2023, https://www.ilpost.it/2023/12/06/italia-uscita-via-della-seta-bri/.

profile cancellations of on-going projects, formal membership in BRI began to symbolize in some circles and indicator of geopolitical alignment in an increasingly multipolar world. In addition to these prominent cases, this paper examines the more muted case of Estonia's exit from the BRI in 2022, along with the highly publicized and contentious Panamanian exit in 2025. Each case study considers the geopolitical, economic, and domestic factors motivating an exit, along with the Chinese response to each country's exit. The case studies present diverse examples across three continents and different development levels, with lessons both positive and negative for other countries that may explore a formal exit from the initiative. Case studies examine both the political and economic indicators, including whether departing countries faced economic "punishment" or coercion by the Chinese side. Further examined is the question of whether the BRI continues to exist as a meaningful paradigm, given that all countries continue to maintain robust diplomatic and economic ties with the PRC. Additional consideration will be given to the Taiwan factor in each case study, how engagement with Taiwan influenced decisions to leave or increased in a notable factor following each country's formal exit.

II. Case Study: Italy

Italy officially signed its Memorandum of Understanding with China joining the BRI in 2019, marking the first G7 country to join the initiative. Italy was the fifth EU country to join, following the Central and Eastern European states of Hungary, Poland, and Romania in 2015 and marking the tail end of a southern European wave starting with Portugal in 2018 and Cyprus earlier in 2019.[8] For China the symbolism was immense, not only

[8] Matteo Villa and Fasulo, "Italia fuori dalla Via della Seta cinese: un bilancio in 5 grafici," *ISPI*, n.d.,

was Italy a G7 and EU member, lending Western legitimacy to China's first truly global framework, but linking Beijing and Rome gave ancient symbolism to the historic "Silk Road" that once linked the Chinese and Italian capitals millennia past.

Italy's entry to the BRI engendered immediate backlash from the United States, with a National Security Council spokesperson stating "Italy is a major global economy and great investment destination. No need for Italian government to lend legitimacy to China's infrastructure vanity project."[9] Still, the left-leaning government brushed over criticism from the first Trump administration and proceeded with the MoU.

The initial MoU covered 29 areas of cooperation, ranging from infrastructure and banking to port development, fruit exports, and even potential media and cultural collaboration.[10] Speaking in Shanghai, Luigi Di Maio, then Deputy Prime Minister of Italy, stated that the agreement would be a great opportunity for promoting "Made in Italy," and shifting the trade balance between the two nations.[11] Reality soon proved Di Maio's speculation to be fanciful, by 2022 the trade deficit between Italy and China exploded, soaring from 50 billion to 84 billion USD.[12] While Italian "Made in Italy" exports rose modestly from 14.5 billion to 18.6

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accessed July 30, 2025, https://www.ispionline.it/it/pubblicazione/italia-fuori-dalla-via-della-seta-cinese-un-bilancio-in-5-grafici-155935.

9 Jan Wolfe, "U.S. Official Suggests Italy Avoid China's Belt and Road Plan," *Reuters*, March 9, 2019, https://www.reuters.com/article/economy/us-official-suggests-italy-avoid-chinas-belt-and-road-plan-idUSKBN1QQ0IB/.

10 Charlotte Mitchell, "Italy Joins China's Belt and Road Initiative," *Al Jazeera*, accessed July 31, 2025, https://www.aljazeera.com/economy/2019/3/23/italy-joins-chinas-belt-and-road-initiative.

11 Guido Santevecchi, "Di Maio e la Via della Seta: «Faremo i conti nel 2020», siglato accordo su Trieste," *Corriere della Sera*, May 11, 2019, https://www.corriere.it/esteri/19_novembre_05/di-maio-via-setafaremo-conti-2020siglato-l-accordo-trieste-72ed974a-0009-11ea-86c6-d2f1a0d8af2e.shtml.

12 Villa and Fasulo, "Italia fuori dalla Via della Seta cinese."

billion USD, Chinese exports nearly doubled from 35 billion to 66 billion USD over the same period.[13]

The lopsided trade imbalance was not the only promise of BRI that failed to deliver for the Italians. Accompanying the MoU were a range of commercial agreements meant to develop aging Italian port infrastructure with Chinese state-owned enterprises (SOEs) taking a lead role. The two flagship proposals were joint agreements between the ports of Trieste (on Italy's eastern Adriatic coast) and Genova (on Italy's western Mediterranean coast) and China Communications Construction Company (CCCC [中國交通建設公司]).[14] These proposals immediately conjured parallels with the 2016 purchase by China Oceangoing Shipping Group (COSCO [中國遠洋運輸有限公司]) of the Greek port of Piraeus, handing a Chinese SOE control of a European Union and NATO port for the first time, prompting security concerns across Europe and North America. With rising scrutiny within Italy, the European Union, and the United States (which maintains permanent military bases in Italy), the port deals faced immediate difficulties getting off the ground. Interestingly, the ports of Genova and Trieste, along with several other Italian and European ports, already had a range of agreements with Chinese companies, but BRI's declining brand and the elevated view of security risks focused attention on Chinese investments in ports and other strategic infrastructure in a newly negative light.[15] In August 2020, the US Department of Commerce included CCCC among 24 Chinese companies sanctioned for their role in

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13 *Ibid.*

14 Francesca Ghiretti, "The Belt and Road Initiative in Italy: The Ports of Genoa and Trieste," Text*, IAI Istituto Affari Internazionali*, May 3, 2021, https://www.iai.it/en/pubblicazioni/c03/belt-and-road-initiative-italy-ports-genoa-and-trieste.

15 Ghiretti, "The Belt and Road Initiative in Italy," p. 10.

constructing illegal bases in the South China Sea, effectively killing any remaining prospects for their business in Europe.[16]

Political developments soon caught up with the underwhelming results of Italy's burgeoning BRI membership. Signed under a Left wing government which then gave way to a centrist coalition, the pact came under attack during the 2022 election from right wing Giorgia Meloni, leader of Fratelli d'Italia. In a notable interview with Taiwan's state news agency CNA, she called the MoU "a gigantic mistake" and pledged not to renew the pact when it expired in 2024, if elected.[17] In the same interview, Meloni outlined just how much had changed in how Italy and Europe viewed China since the original MoU was signed in 2019, highlighting China's crackdown in Hong Kong, its treatment of the Uyghurs, the Wuhan virus coverup, and escalating threats to Taiwan, in addition to China's support for Russia since its 2022 invasion of Ukraine.[18] Meloni, whose party previously viewed the EU skeptically, pledged to implement the EU's Global Gateway project, viewed as a democratic counter to China's BRI.

The interview itself presaged Italy's relations with China under Meloni, the Chinese foreign ministry immediately objected not just to Meloni's comments, where she vowed to strengthen ties with Taiwan, but the fact that she gave the first interview in many years by an Italian political leader to a Taiwanese outlet.[19] Meloni's coalition took power in the 2022

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16 Nectar Gan, "US Sanctions 24 Chinese Companies over South China Sea Island Building," *CNN*, August 27, 2020, https://www.cnn.com/2020/08/27/asia/us-sanction-south-china-sea-intl-hnk.

17 中央通訊社，〈義大利總理熱門人選梅洛尼：當選後加強與台灣合作【專訪】｜國際〉，《中央社》，2022 年 9 月 23 日，https://www.cna.com.tw/news/aopl/202209230045.aspx。

18 *Ibid.*

19 ANSA, "Meloni: 'Non rinnoverei l'adesione alla via della seta cinese' - Notizie - Ansa.it," *Agenzia ANSA*, September 23, 2022, https://www.ansa.it/sito/notizie/politica/2022/09/23/meloni-non-

elections, and in December 2023 she made good on her promise to exit BRI by not renewing the MoU, giving the three month notice required to let the agreement lapse by March 2024.[20] By the end of 2023, it was clear BRI membership had not meant much for Italy, Chinese investment in Italy had flatlined over the previous three years, despite Chinese FDI soaring in France and especially Germany, which went from near parity to double Italy's levels of Chinese FDI over the period of Italy's membership in the initiative.[21] From an economic perspective, exiting a pact that brought little benefit to Italy certainly made sense, although the cited reasons tended to be geopolitical in nature. Yet confoundingly, there was a lack of similar aggressive agitation to cutoff economic ties between China and EU countries with much higher levels of Chinese investment, particularly Germany.

China expressed its displeasure with the withdrawal, but did not mount a serious campaign to keep Italy inside. Despite the clear lack of economic benefits for Italy, China's approach was to more or less ignore the political agitation and security concerns raised by Italian and Western interlocutors, and instead assert bold claims of long-term economic benefits of the program. Still, their appeals to renew the MoU mostly focused on economic benefits that lopsidedly benefited China: increases in trade that mostly stemmed from Chinese exports, symbolic and cultural praise of Italy in China, and increased Chinese tourism in Italy, none of which posed particularly appealing arguments to the Italians.[22] Chinese

rinnoverei-ladesione-alla-via-della-seta-cinese_c6c5a8b3-a9a7-4d82-91cc-41d669584cd5.html.

20 Ido Vock, "Belt and Road: Italy Pulls out of Flagship Chinese Project," *BBC*, December 6, 2023, https://www.bbc.com/news/world-europe-67634959.

21 Villa and Fasulo, "Italia fuori dalla Via della Seta cinese."

22 〈外交部发言人就媒体称意大利考虑不再延期共建'一带一路'合作文件答记者问〉《中华人民共和国外交部》，2023 年 8 月 4 日，

statements countering what it termed "malicious slander" of the BRI focused on its overwhelming development benefits globally in raising people out of poverty, and the massive scale and scope of the BRI, despite this being of little relevance to highly developed economies such as Italy and its bilateral trade interests.[23]

Despite Italy's prominent break with China on BRI, Prime Minister Giorgia Meloni visited China on a state visit in July 2024, followed by a visit by President Sergio Mattarella in October of the same year, both of which included the signing of numerous cooperation agreements between the two countries.[24] While 2024 saw bilateral trade decline by approximately 20%, quarter one of 2025 saw trade already rebounding between the two countries, indicating an upward swing in overall trade, although the trade imbalance continued to reflect increased Chinese exports to Italy compared to Italian exports to China.[25]

III. Case Study: Panama

The political dynamics surrounding Panama's entry and exit to the BRI both attracted significant global attention due to their implications reaching far beyond Panama's transoceanic shores. For starters, Panama had long-maintained formal diplomatic relations with Taiwan, recognizing the country as "Republic of China (Taiwan)," and not maintaining formal

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https://www.mfa.gov.cn/web/wjdt_674879/zcjd/202308/t20230804_11122253.shtml。

23 *Ibid.*

24 China Briefing, "China and Italy to 'Relaunch' Bilateral Ties: Trade and Investment Outlook," *China Briefing News*, November 11, 2024, https://www.china-briefing.com/news/china-and-italy-to-relaunch-bilateral-ties-trade-and-investment-outlook/.

25 "China (CHN) and Italy (ITA) Trade," The Observatory of Economic Complexity, accessed August 4, 2025, https://oec.world/en/profile/bilateral-country/chn/partner/ita; rsatax, "Italy-China Bilateral Relations and Trade 2024," *Rsa-Tax*, January 6, 2025, https://www.rsa-tax.com/single-post/italy-china-bilateral-relations-and-trade-2024; The Observatory of Economic Complexity, "China (CHN) and Italy (ITA) Trade."

diplomatic relations with the People's Republic of China under the One China Policy. In 2017, Panama was one of 20 remaining so-called "diplomatic allies" that maintained ties with the ROC, a shrinking number due to overwhelming pressure, as well as incentives, to formalize ties with the PRC government as the legitimate "China."

When Panama established formal diplomatic ties with the PRC in June 2017, it was the end of a decades long battle for recognition in Panama that swayed in different directions depending on the regime in power at the time. As part of its treaty establishing diplomatic relations, Panama agreed to China's "One China Principle," recognizing that "there is only one China in the world, the government of the PRC is the only legitimate government representing all of China, and Taiwan is an inalienable part of China's territory."[26]

China had long dangled economic benefits as an incentive to not merely switch recognition, but to adopt an orthodox version of China's "One China Principle" claiming Taiwan, and in November of 2017 the two countries signed an MoU with Panama formally joining the BRI just a few months after formally recognizing the PRC. This was among 50 agreements signed between the two governments in a period from 2017-2019, centered on making good on Panama's break with Taiwan with extensive economic benefits, as well as a Chinese strategy of making

[26] "Comunicado Conjunto Entre La República de Panamá y La República Popular China Sobre El Establecimiento de Relaciones Diplomáticas," June 13, 2017, https://mire.gob.pa/images/PDF/documentos%20y%20formularios/Acuerdoschina/COMUNICADO%20CONJUNTO%20PANAMA%20CHINA.pdf.

Panama the gateway of BRI into Latin America, as the first country in the region, long-viewed as "America's backyard," to join the initiative.[27]

Despite initial enthusiasm, the flagship projects that defined Panama's participation in the initiative failed to deliver on their ambitious promises, repeating a pattern seen in Italy as well. The most prominent among these was the Panama-David high-speed railway, a proposed $4.1 billion infrastructure project intended to connect Panama City with the western city of David. Marketed as a significant boost to national logistics and connectivity, the project underwent Chinese funded feasibility studies, but was ultimately suspended in 2022 amid escalating concerns over debt sustainability and lack of concrete financial commitments from Beijing.[28] Another notable project, which would have constructed a fourth bridge over the Panama Canal, faced repeated delays and was eventually suspended due to technical and safety concerns, compounded by growing anxieties about foreign control over strategic infrastructure.[29]

The election of right wing José Raúl Mulino as president in 2024 presaged a shift in the country's relationship with China. Mulino's first year in office was marked by the election of Donald Trump as president of the United States in November 2024, who the following month broke with decades of US precedent to demand the return of the Panama Canal.[30]

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[27] Luis Carlos Herrera et al., *Implications of the Agreements between China and Panama*, April 2021, 3, https://eprints.lse.ac.uk/110977/1/GS_WorkingPaper04_FINAL.pdf.

[28] Carlos A. Gordón B, "The Panama-David Train: The Resurrection of a Story of Geopolitics and Global Capitalism," *Latinoamérica 21*, June 10, 2024, https://latinoamerica21.com/en/the-panama-david-train-the-resurrection-of-a-story-of-geopolitics-and-global/.

[29] Gregory Svirnovskiy, "Hegseth Tries Carrot, Not Stick, on Panama - POLITICO," *POLITICO*, n.d., accessed August 3, 2025, https://www.politico.com/news/2025/04/08/pete-hegseth-panama-canal-00007370.

[30] Edward Helmore, "Trump Threatens to Take Back Panama Canal over 'Ridiculous' Fees," *US News, The Guardian*, December 23, 2024, https://www.theguardian.com/us-news/2024/dec/22/trump-panama-canal.

Although the Panama Canal Zone had once been US territory, it had long since been returned to Panamanian sovereignty under the Torrijos-Carter Treaties, which guaranteed US military use of the canal at favorable rates. Trump's comments came alongside similar unprecedented assertions of America's need for sovereignty over Canada and Greenland for national security purposes, yet while those territories would be new and unlikely acquisitions for the United States, the canal zone had previously been US territory and Panama has had no military since a 1989 invasion by the United States.

US concerns in Panama began to crystalize over long-standing concessions granted to Hong Kong-based CK Hutchison Holdings, the conglomerate associated with Li Ka-shing, formerly Hong Kong's richest man, for port operations at Balboa and Cristóbal at either end of the Canal, becoming emblematic of broader concerns about Chinese infrastructural influence. These strategic concessions, combined with the stalled BRI infrastructure projects, heightened the perception that Panama's critical national asset was increasingly vulnerable to external interference.[31]

Ironically, the Hong Kong conglomerate's investments in Panamanian ports long pre-dated the BRI, dating back to 1997, when the Canal Zone was still sovereign US territory.[32] Still, Panama's continued membership in BRI became central to the US demands on Panama, following a visit from Secretary of State Marco Rubio in February 2025, President Mulino agreed to exit the BRI and to review the 25 year contract

[31] Simon Lewis and Elida Moreno, "Rubio Tells Panama to End China's Influence of Canal or Face US Action," Americas, *Reuters*, February 3, 2025, https://www.reuters.com/world/americas/rubio-panama-canal-migration-talks-he-begins-latin-america-trip-2025-02-02/.

[32] "Panama Ports Company: Looking at the Future," *Seatrade Maritime NEW*, Saccessed August 2, 2025, https://www.seatrade-maritime.com/ports-logistics/panama-ports-company-looking-at-the-future.

with CK Hutchison for the ports, renewed in 2021.[33] With that, the only deliverable of the Trump administration's intense push on Panama to remove Chinese influence was its formal exit from BRI, which was the sole outcome Rubio highlighted on social media following his trip.[34] As of July 2025, the fate of the ports remains unclear; while a forced sale in March seemed likely to a consortium of American investors, Beijing moved to intervene to block the sale, with CK Hutchison announcing they may ultimately seek a Chinese investor to smooth the deal over with Beijing.[35]

China made its anger clear to both Panamanian and US interlocutors, stating: "Backpedaling and 'sailing against the wind' on Belt and Road cooperation runs counter to the expectations of the Chinese and Panamanian peoples and is not in Panama's vital interests."[36] The statement from the Chinese Foreign Ministry emphasized the Panamanian people, attempting to seek a groundswell of support among Panamanian people in support for the initiative, against their government's following of US coercive pressure. Further Chinese statements emphasized "US coercion," despite Panamanian statements denying it had responded to US coercion, hewing to a strategy attempting to seek solidarity among Latin American peoples by portraying the US as an imperial coercer, with China as a benign investor.[37]

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33 Helen Davidson and Reuters, "Rubio Welcomes Panama's Move to Exit Chinese Infrastructure Plan as 'Great Step Forward,'" *The Guardian*, February 4, 2025, https://www.theguardian.com/world/2025/feb/04/marco-rubio-panama-china-us-relationship-infrastructure-plan.

34 *Ibid.*

35 "Hong Kong's CK Hutchison Seeks Chinese Investor to Join Panama Ports Deal," *AP News*, July 28, 2025, https://apnews.com/article/ck-hutchison-li-panama-ports-deal-hong-579d50ed0ba3ab5f5018e4cd33db710a.

36 Saadet Gokce, *China Protests Panama over Its Exit from Belt and Road Initiative*, February 8, 2025, https://www.aa.com.tr/en/americas/china-protests-panama-over-its-exit-from-belt-and-road-initiative/3476066.

37 Alexandra Sharp, "China Condemns U.S. 'Coercion' Over Panama Canal," *Foreign Policy*, February

Despite the intense geopolitical barbs over Panama's BRI membership, the effects of its departure remain unclear. Of the official BRI flagship projects, including the Panama-David High Speed Rail and the fourth canal bridge (Puente Atlántico), all had been stalled or shelved already, while other various Chinese investments and commercial activities proceeded as usual. According to the hawkish Diálogo Americas, which is critical of Chinese investment in Latin America, nearly forty Chinese companies had a presence in Panama by 2024, including in critical sectors of mining, finance, logistics, and telecommunications, including controversial Chinese national champion Huawei.[38] An announcement by the US embassy in June 2025 that it would replace Huawei telecommunications equipment in Panama engendered backlash from President Mulino, who stated the US had no right to make such announcements.[39] Chinese state media responded with multilingual editorials questioning whether the US promise of $8 million to replace Huawei equipment would actually be in Panama's benefit, referring to it as "technological castration."[40]

As of the end of July 2025, the situation in Panama remains ongoing, with many unresolved questions regarding the continuation of BRI projects, Huawei's investments in telecommunications infrastructure, and most centrally, the concessions at the ports of Balboa and Cristobál to Hong Kong-owned CK Hutchison. Given the centrality of the ports question to

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7, 2025, https://foreignpolicy.com/2025/02/07/china-panama-canal-us-trump-bri-mulino/.

[38] Laura Solano, "Panama: China's Strategic Hub," *Diálogo Américas*, March 29, 2024, https://dialogo-americas.com/articles/panama-chinas-strategic-hub/.

[39] Matt Youkee, "U.S. Pressure on Huawei Reaches New Heights in Panama," *Americas Quarterly*, July 21, 2025, https://americasquarterly.org/article/u-s-pressure-on-huawei-reaches-new-heights-in-panama/.

[40] "Will Removing Huawei Telecommunication Towers Make Panama Safer?" *Global Times*, accessed August 4, 2025, https://www.globaltimes.cn/page/202506/1336111.shtml.

the Trump administration's concerns of Chinese influence in Panama, the lack of any clear path to resolving the standoff casts doubt over whether Panama's exit from BRI was substantive of symbolic. By announcing an exit from the BRI, which had not ultimately led to any major successes, despite the promises made by China to entice Panama to break with Taiwan, Panama appears to have made a symbolic stand with the United States against China while not actually resolving any substantive issues relating to Chinese influence or investments.

IV. Soft exit: Estonia and the Philippines

In contrast to the high-level geopolitical struggles central to the Italian and Panamanian cases, the two formal "hard exits" from the BRI, there are an additional two cases of "soft exits" whereby countries with lower-profile membership in the initiative exited quietly by either allowing the MoU to elapse, as happened in Estonia, or by cancelling individual projects, as in the case of the Philippines.

Estonia initially signed its MoU joining the BRI in November of 2017, on the same date as neighboring Lithuania.[41] Estonia also joined the so-called "17+1" framework (formally the Cooperation between China and Central and Eastern European Countries) which was meant to serve as a platform for cooperation between the region and China on business and investment. As a relatively underdeveloped region of Europe, there was enthusiasm for Chinese infrastructure development, yet no major deals precipitated from either the 17+1 or BRI initiatives in Estonia. Cracks began to bleed open in 2021 when Chinese-Lithuanian ties ruptured over

[41] WANG, *Countries of the Belt and Road Initiative (BRI) – Green Finance & Development Center*.

Lithuania's growing ties with Taiwan, which Estonia followed closely, given longstanding unity between the three Baltic nations (Estonia, Latvia, and Lithuania). September saw Estonia's president, Alar Karis, calling on the West to consolidate its various structures and cooperative efforts to offer a cohesive alternative to the BRI.[42]

In August of 2022, Estonia and Latvia followed Lithuania to formally exit the 17+1 cooperation (by then 16+1), citing not just Lithuania's treatment by Beijing, but Beijing's "no-limits" partnership with Russia in its war against Ukraine, whose cause resonated strongly with Baltic nations, formerly under Soviet rule.[43] Estonia's MoU with China on participating in the BRI quietly expired on November 27, 2022, with no formal announcement.[44] The following year Estonia's exports to China actually grew by nearly 50 million euros, from 209 million to 252 million euros.[45] Although Estonia's move away from China was viewed by observers as presaging closer ties with Taiwan, following Lithuania's move, the two countries have still not agreed on the framework for governing relations between the two countries, likely indicating Estonian fears of a Lithuania-style backlash from China are still potent.[46]

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[42] "Estonia's Shift from Beijing to Taipei," *Taipei Times*, November 30, 2023, https://www.taipeitimes.com/News/editorials/archives/2023/11/30/2003809904.

[43] Stuart Lau, "Down to 14 + 1: Estonia and Latvia Quit China's Club in Eastern Europe – POLITICO," *POLITICO*, August 11, 2022, https://www.politico.eu/article/down-to-14-1-estonia-and-latvia-quit-chinas-club-in-eastern-europe/.

[44] "China | Välisministeerium," *Internet Archive*, accessed August 2, 2025, https://web.archive.org/web/20240420144525/https://vm.ee/en/china#economic-cooperation.

[45] "China | Statistics Estonia," accessed August 4, 2025, https://data.stat.ee/profile/partner/cn/?locale=en#trade.

[46] "MOFA Response to Estonian Media Report on Taiwan Setting up Representative Office in Estonia," *Ministry of Foreign Affairs, Republic of China (Taiwan),* November 4, 2023, https://en.mofa.gov.tw/https%3a%2f%2fen.mofa.gov.tw%2fNews_Content.aspx%3fn%3d1328%26sms%3d273%26s%3d115849%26Create%3d1.

The Philippines, under China-friendly president Rodrigo Duterte, signed a MoU formally joining the BRI in November 2018.[47] The lengthy 10-page memo was signed alongside 29 deals heralding increased cooperation during a state visit by Chinese president Xi Jinping, and was set to last for four years, with the option to renew.[48] Flagship projects included $5 billion USD for rail projects, including two rail lines in Luzon and one in Mindanao, and the Davao-Samal Island Bridge, which broke ground in late 2022.[49] Despite the election of relatively anti-China Ferdinando Marcos Jr in 2022, the Philippines continued its cooperation with BRI through 2023, including attending the Third Belt and Road Forum in Beijing in October 2023, following a state visit by Marcos to Beijing in January, where an additional MoU expanding areas of policy dialogue relevant to the BRI was signed.[50]

Over the course of 2023, tensions grew between the Philippines and China over clashing territorial claims in the South China Sea. With China attempting to seize control of additional features within the Philippines' EEZ, Filipino attempts to assert sovereignty were met with force by the Chinese, resulting in multiple incidents where Chinese troops injured Philippines military and coast guard personnel.[51] By late October, only a

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47 Virgil Lopez, "PHL-China MOU on Belt and Road Initiative," *GMA News Online*, November 17, 2018, https://www.gmanetwork.com/news/money/economy/676220/phl-china-mou-on-belt-and-road-initiative/story/.

48 *Ibid.*

49 Global Times, "China, Philippines Ink Updated MoU on BRI to Boost Cooperation in Infrastructure, Other Areas," *Global Times*, accessed August 5, 2025, https://www.globaltimes.cn/page/202301/1283278.shtml?; "Philippines Drops China's Belt and Road as Tensions Flare," *Dw.Com*, November 8, 2023, https://www.dw.com/en/philippines-drops-chinas-belt-and-road-as-tensions-flare/a-67344929.

50 "Philippines Participates in the Third Belt and Road Forum for International Cooperation in Beijing," accessed July 25, 2025, https://dfa.gov.ph/dfa-news/news-from-our-foreign-service-postsupdate/33618-philippines-participates-in-the-third-belt-and-road-forum-for-international-cooperation-in-beijing.

51 Dw.Com, "Philippines Drops China's Belt and Road as Tensions Flare," *DW*, November 8, 2023.

few weeks after the Philippines participated in the Belt and Road Forum, the Philippines announced that it would cancel the BRI projects after Beijing had failed to respond to funding requests amid heightened tensions.[52] With all projects frozen and no intent to continue cooperation, the Philippines thus de facto exited the BRI.

Although bilateral trade remains high between the Philippines and China, Chinese investment in the country was quite low even under the period of BRI membership, making the break more a symbolic reflection political tension rather than a major economic decision. Political tensions continued to grow between the two countries, and by July of 2025, reports indicated that the Philippines and Taiwan had deepened defense ties loosened restrictions on government to government ties.

Ⅴ. Conclusion

The departures of Italy, Panama, Estonia, and the Philippines from the BRI provide critical insights into the complexities of both the motivating factors and resulting impacts surrounding exiting from China's BRI. Although each departure varied in visibility, motivation, and immediate consequences, several broader patterns emerge, illuminating the BRI's geopolitical, economic, and symbolic dimensions and highlighting crucial lessons learned.

Firstly, despite the initial promises and high-profile nature of joining the BRI, the actual economic benefits derived by each country were modest at best and often disappointing. This is not at all to generalize participation in the BRI, but it is undeniably true for those countries which exited. Italy's

[52] Ibid.

participation, initially heralded as a milestone for the global initiative, quickly soured as trade imbalances ballooned and flagship infrastructure projects failed to materialize. Panama's experience underscores a similar pattern of under-delivery: ambitious infrastructure projects such as the Panama-David Railway and the fourth Canal bridge encountered chronic delays and eventual suspension due to financial and logistical hurdles. The Philippines similarly faced disappointment as anticipated Chinese financing stalled, leaving projects abandoned or indefinitely postponed, although this was primarily due military tensions, rather than economic or logistical challenges. Estonia meanwhile was minimally engaged with the BRI, and superficial promises of cooperation never translated into substantive infrastructure or economic benefit.

These economic disappointments provided little counterbalance when escalating geopolitical concerns pushed each country to reconsider its relationship with China. For Italy, anxieties about Chinese state-owned enterprises controlling strategic ports catalyzed scrutiny from EU and NATO allies, significantly contributing to its eventual withdrawal, which also reflected domestic political transition in the country. Panama's departure was decisively driven by geopolitical pressure, notably from the United States, exacerbating existing anxieties over sovereignty. The strategic significance of the Panama Canal intensified these concerns, highlighting the potential risks of deeper engagement with China. For the Philippines, mounting maritime disputes in the South China Sea triggered a decisive realignment toward traditional allies such as the United States, and even new partnerships with Taiwan, effectively freezing its participation in the BRI.

Notably, despite geopolitical rhetoric often accompanying exits from the initiative, substantive economic retaliation from China has been minimal. Italy's subsequent trade relationship with China rebounded relatively quickly after an initial decline post-exit and Panama continues to host significant Chinese economic presence despite formal withdrawal, with ongoing uncertainties surrounding strategically significant port concessions reflecting a cautious rather than aggressive Chinese response. Notably, the majority of economic engagement in both cases never fell under the BRI framework, and particularly in the case of Italy, neighboring countries outside of the BRI hosted much more intense economic cooperation with Bejing. Estonia experienced modest growth in exports to China post-exit, undermining expectations of economic reprisal. The Philippines faced limited repercussions due to the paucity of Chinese investment in the country, reflecting limits to China's ability to extend its military coercion to the economic arena.

This absence of substantial economic fallout points toward a critical insight: the BRI appears increasingly symbolic and narrative-driven rather than a concrete, cohesive economic or geopolitical arrangement. In many cases, BRI membership seems to have existed more on paper than in reality, with a country's economic engagement with China running on an altogether different track than the more symbolic BRI flagship projects. In both Italy and Panama, Chinese investments in strategic infrastructure outside of the BRI framework highlight the limitations of withdrawing from the BRI specifically as a method to safeguard critical infrastructure.

The "Taiwan factor" also appears to have taken a more symbolic role rather than a driving factor behind any of these decisions. Taiwan and relations with Taiwan have presented a factor in all of these cases. As a candidate for Italy's Prime Minister, Giorgia Meloni openly linked Italy's BRI exit to broader geopolitical considerations, including Taiwan's security, however the ultimate exit from BRI did not result in significantly increased engagement with Taiwan. Estonia's soft withdrawal from the BRI, coupled with incremental steps toward engagement with Taiwan, reflects a still cautious recalibration away from Beijing. Although in many respects it was influenced by Lithuania's break with China over relations with Taiwan, other factors, including China's backing of Russia's invasion of Ukraine, proved more motivating to Estonia and Lativa.

Panama's diplomatic switch from Taiwan to China marked a notable geopolitical realignment, given the use of BRI as a potential economic incentive behind the switch. Yet despite BRI underdelivering and Panama formally exiting, Panama has made no indications of intending to restore relations with Taipei. The Philippines' deepening defense cooperation with Taiwan after quitting BRI may highlight renewed flexibility without the prospect of potential economic coercion, but the lack of major BRI projects to begin with coupled with the fundamental sovereignty concerns driving Filipino foreign policy are more likely drivers of enhanced Taiwan-Philippines security cooperation.

The lessons learned from these withdrawals are clear. Firstly, BRI commitments, despite their initial allure, often fail to deliver tangible, sustained economic benefits. Secondly, the flexibility and ambiguity inherent in BRI agreements allow countries to disengage relatively smoothly, especially when economic outcomes or strategic interests shift. Thirdly, while geopolitical considerations increasingly dictate decisions to withdraw, China's responses have been notably restrained, which may suggest a preference for long-term pragmatism over short-term retaliation, or simply reflect that BRI membership has little correlation with China’s ability to wield economic and political influence in a given country.

Regionally, the European cases seem to have followed trans-Atlantic trends towards skepticism of China, particularly following China’s “no-limits” partnership with Russia. The Philippines case has shown BRI mostly play a side-show to a direct military competition contesting sovereignty in China’s own region, a factor that is not present in other regions. In Latin America, China appears to rely more on rhetorical opportunities to make inroads in America’s backyard, attempting to influence public opinion more directly.

Ultimately, these cases illustrate that BRI departures reflect a complex interplay of economic expectations, geopolitical anxieties, domestic political pressures, and symbolic considerations. Whether loud and public messy breakups or more muted velvet divorces, these departures highlight a fundamental reality: BRI 2.0 no longer reflects a meaningful synecdochic framework for capturing a member country’s economic engagement with China. Rather, it increasingly functions as a rhetoric metonym for geopolitical alignment in an increasingly polarized world. Of concern to those loudly protesting vulnerabilities to Chinese cooption of strategic infrastructure should be the clear trend that simply exiting the BRI (or not having joined in the first place) does not indicate one way or another whether China has extensive economic involvement in ports, telecommunications, or other strategic infrastructure.

Future research should continue monitoring the post-BRI trajectories of these countries, examining whether their disengagement leads to tangible long-term economic or geopolitical benefits. Moreover, researchers addressing the security of critical infrastructure should refine methods for understanding Chinese investments and identifying such investments outside of a simple BRI framework. As geopolitical polarization and realignment intensifies, it can only be expected that more countries will formally or quietly exit the BRI due to domestic political shifts, Western pressure, economic disappointment, and in Asia, military factors. These regional examples provide pathways forward for BRI members around the globe to consider whether or how to withdraw from the increasingly nebulous BRI.

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混亂斷裂還是溫柔收場？退出中國「一帶一路倡議」的影響

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摘要

冷戰結束後，世界秩序呈現單極體系特徵——隨著蘇聯解體，美國及其西方盟友得以在經濟、政治與社會層面主導並決定全球事務。但是過去數十年，中國透過將市場化經濟改革融入中央集權的政治體系，已崛起為重要的經濟競爭者與強權。這種政經模式使中國開始挑戰西方霸權，重塑全球權力格局。作為全球擴張戰略的體現，中國日益聚焦於發展中地區——尤其是非洲——倡導「互利共贏」的合作模式與互惠經濟典範。問題是：中國與非洲的經濟關係究竟是利是弊？儘管中國在公路、鐵路、港口、機場、能源及礦業等關鍵領域投入巨資，卻導致相對低水平的發展。中國透過「一帶一路倡議」向非洲注入數十億美元資金，旨在促進非洲大陸貿易與互聯互通。支持者認為，此類投資為非洲注入亟需的資本、技術與就業機會，有助加速工業化進程並推動經濟多元化。然而，這種夥伴關係並非毫無挑戰。反對者提出批評，包括擔憂非洲國家因押注可能無力償還的中國項目貸款而陷入債務依賴。另有指控稱中國存在資源剝削、環境破壞及技術轉移不足等問題，這些都可能削弱真正具有長期可持續性的在地發展。從地緣政治角度，中國在非洲日益擴張引發西方國家憂慮，視此舉為戰略滲透他們的傳統勢力範圍。本文剖析中國經濟崛起及其與非洲日益緊密的聯繫，既探討此互動帶來的轉型契機，亦檢視潛在風險。透過權衡利弊得失，旨在提供平衡視角，審視中國參與終將賦能非洲，抑或加劇既有脆弱性。

Keywords: Belt and Road Initiative, BRI, One Belt One Road, economic coercion, Chinese foreign policy