

TRENDS IN CHINA'S LENDING TO DEVELOPING COUNTRIES

Presentation to the G24

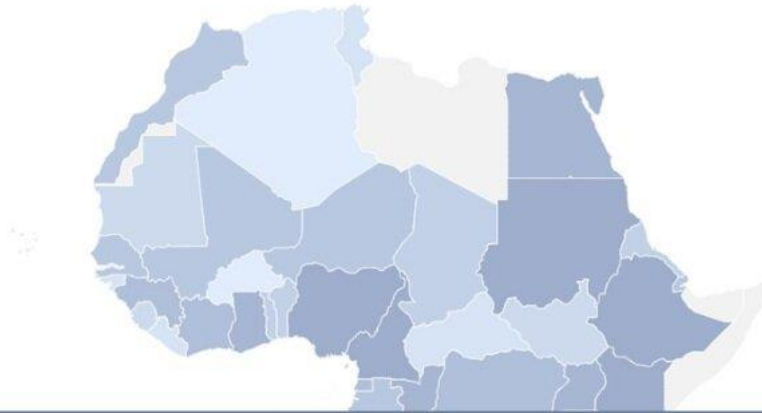
March 18, 2021

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JOHNS HOPKINS
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INTERNATIONAL STUDIES

All Loans for ...



AFRICA

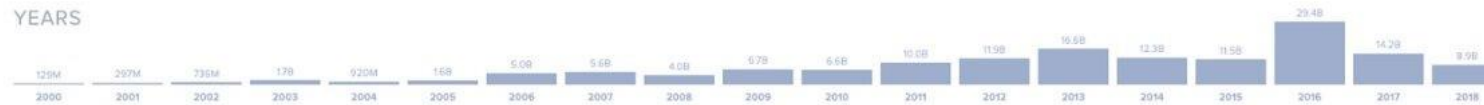
> Amount Loaned **\$148B** Number of Loans **1076**

SECTORS

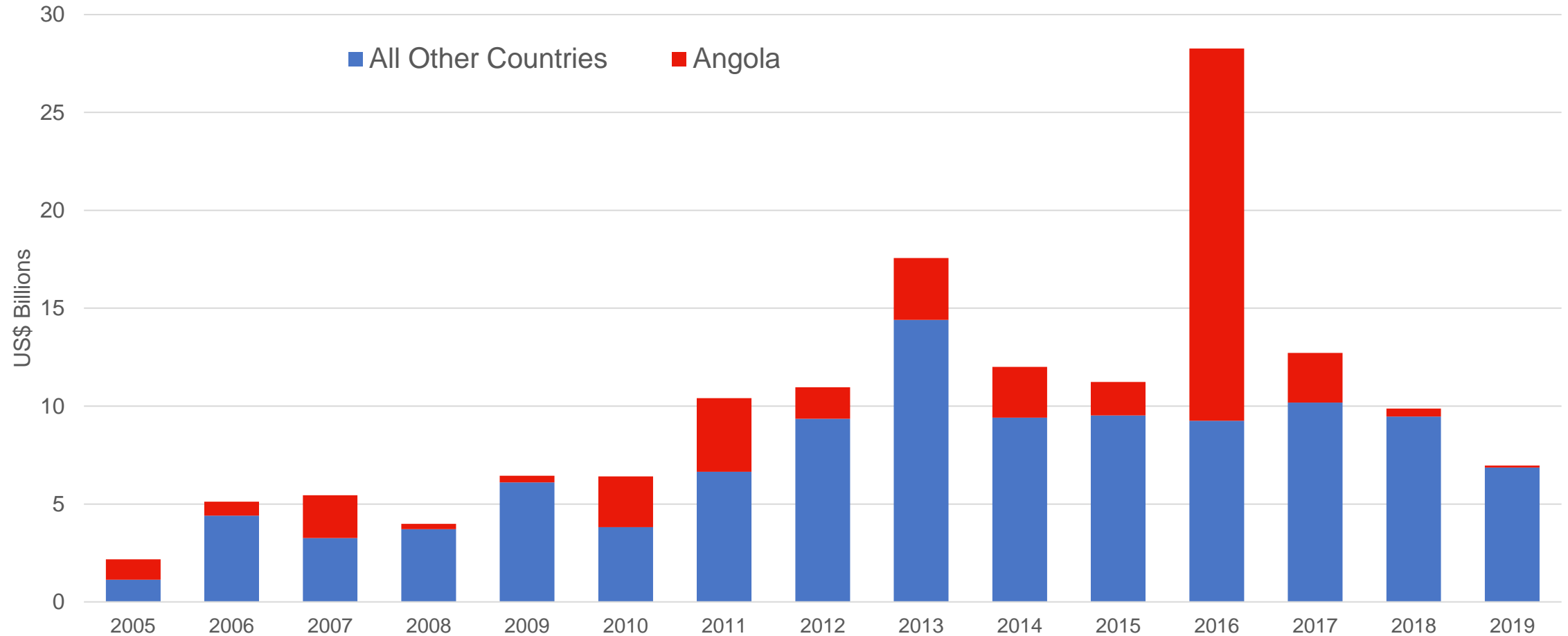
Transport	44.2B
Power	37.0B
Mining	18.6B
Communication	9.3B
Water	6.5B
Other social	5.5B
Government	5.2B
Unallocated	5.1B

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YEARS



Chinese Loan Commitments, Africa



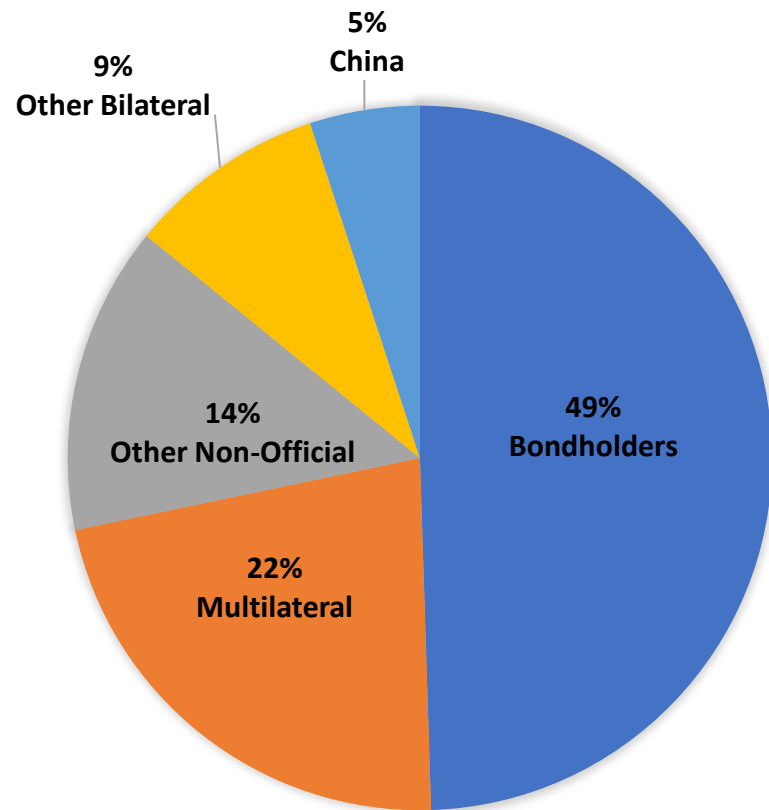
Not “China” but Multiple Chinese Lenders

- China International Development Cooperation Agency (CIDCA)**
- China Eximbank**
- China Development Bank**
- Industrial and Commercial Bank of China**
- Bank of China
- And 25 other banks and companies

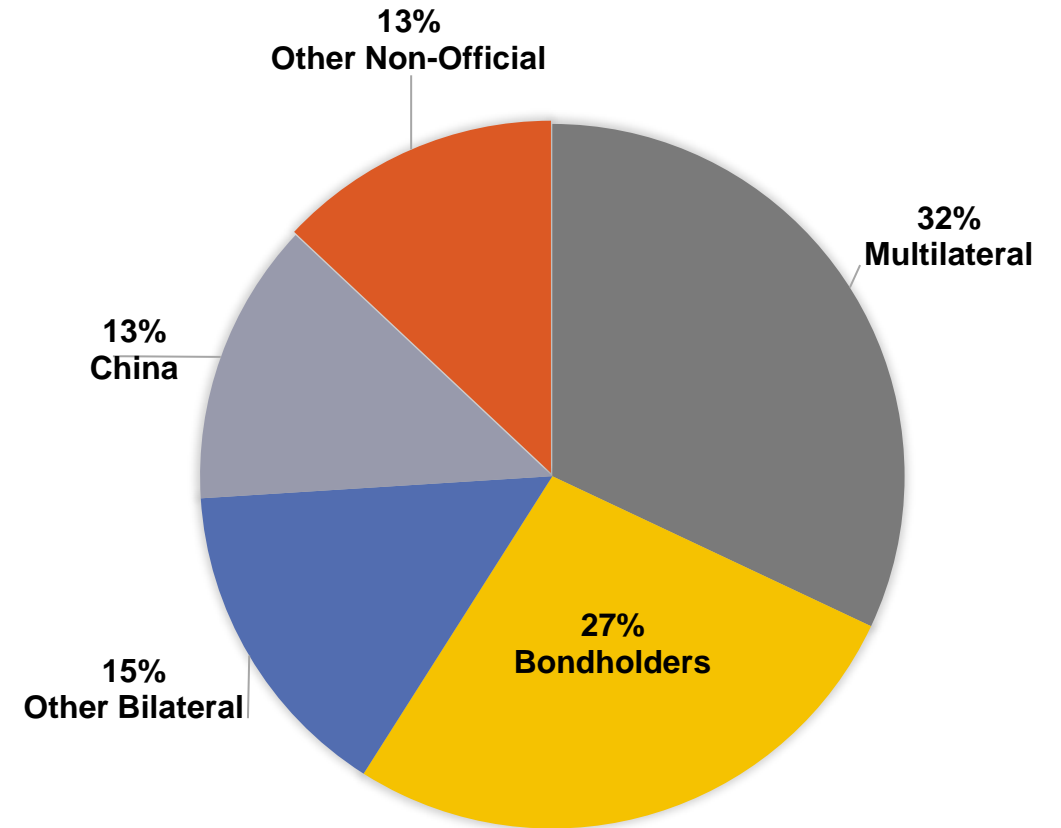
** Have participated in Covid-19 era debt relief

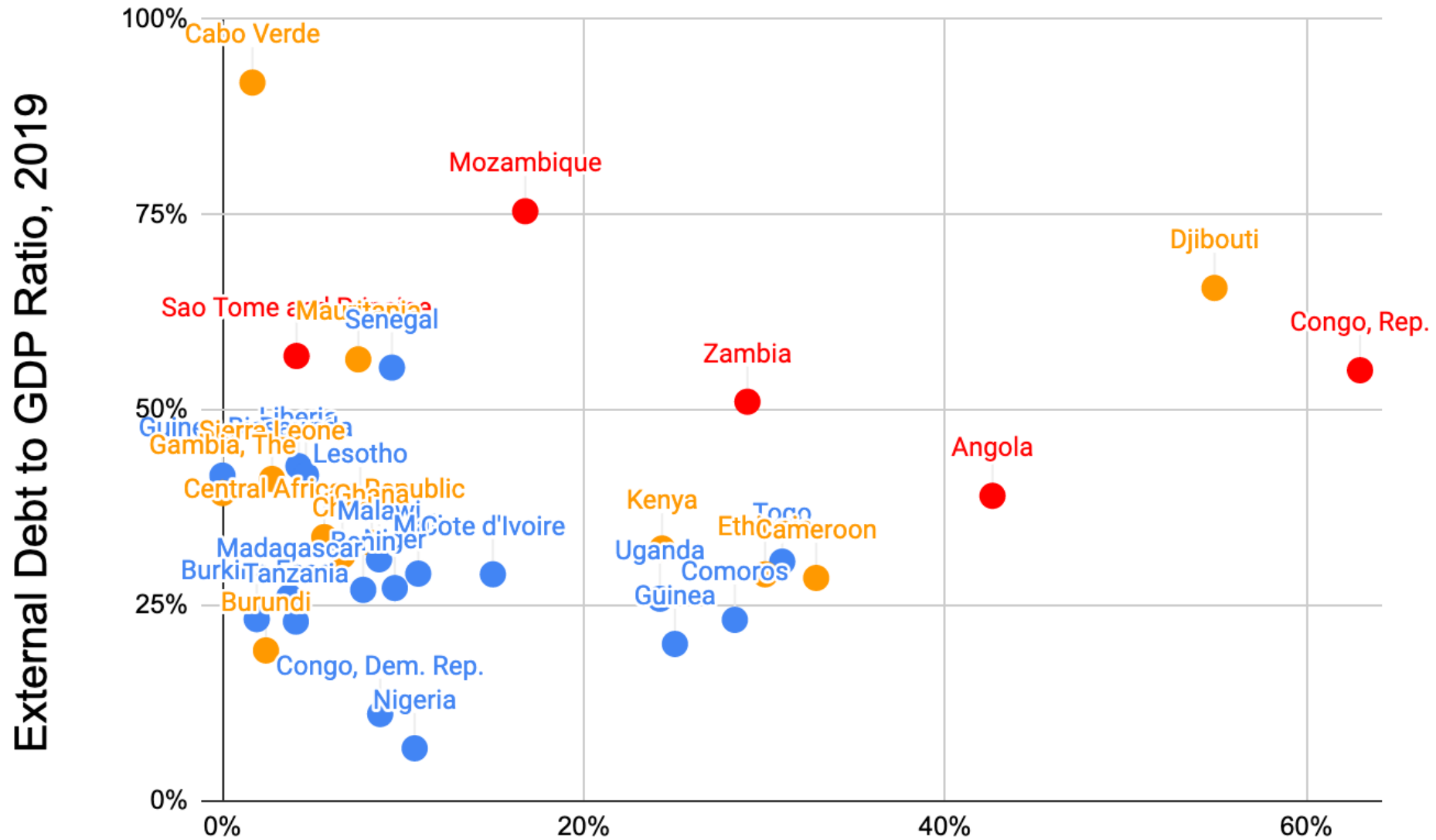
International Debt Statistics, 2019 World Bank

PPG Debt Global



PPG Debt Africa



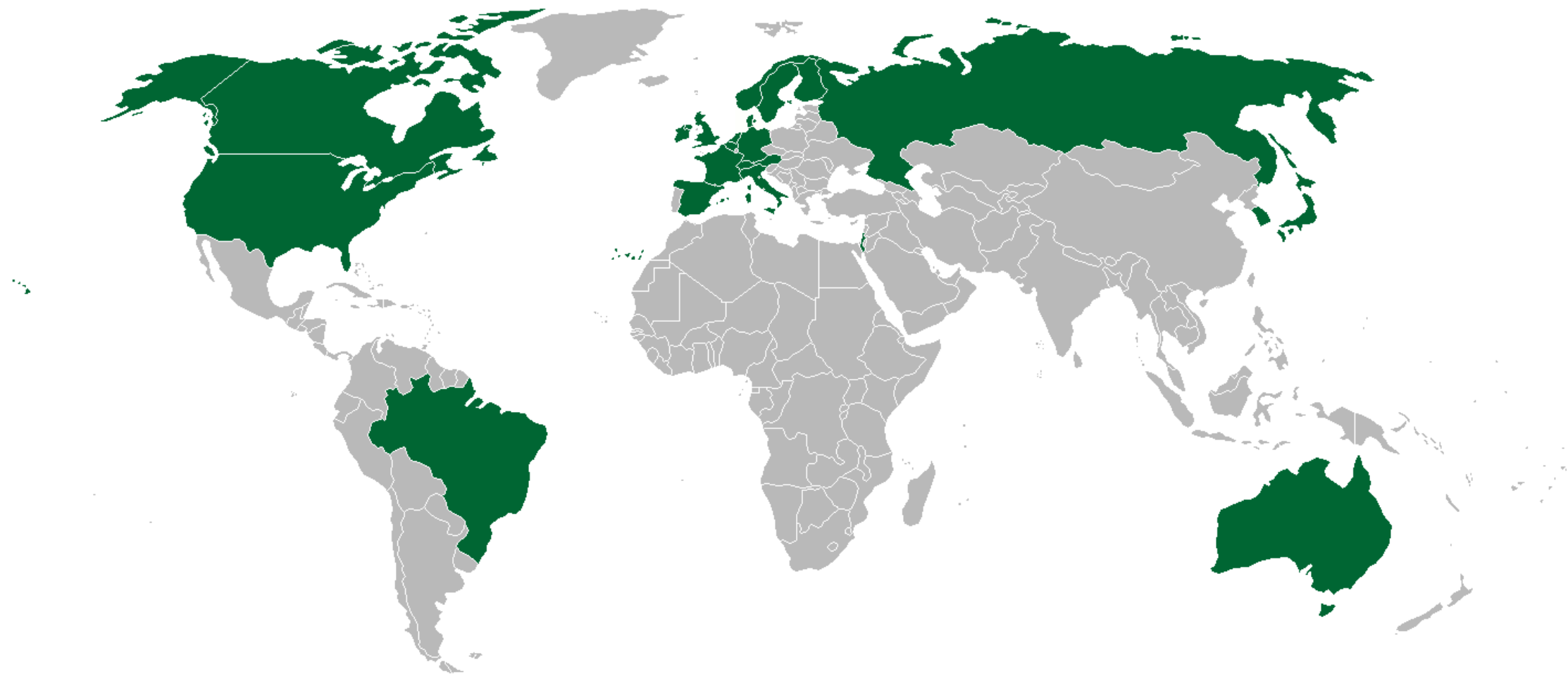


- Currently in debt distress
- Currently in high risk of debt distress

Debt to All China as % of Total External Debt, 2019

WHAT HAPPENS WHEN CHINA'S BORROWERS EXPERIENCE DEBT DISTRESS?

Paris Club



How China Got Sri Lanka to Cough Up a Port

f w t e r b 137

GLOBAL

The Chinese 'Debt Trap' Is a Myth

The narrative wrongfully portrays both Beijing and the developing countries

DEBORAH BRAUTIGAM AND MEG RITHMIRE FEBRUARY 6, 2021

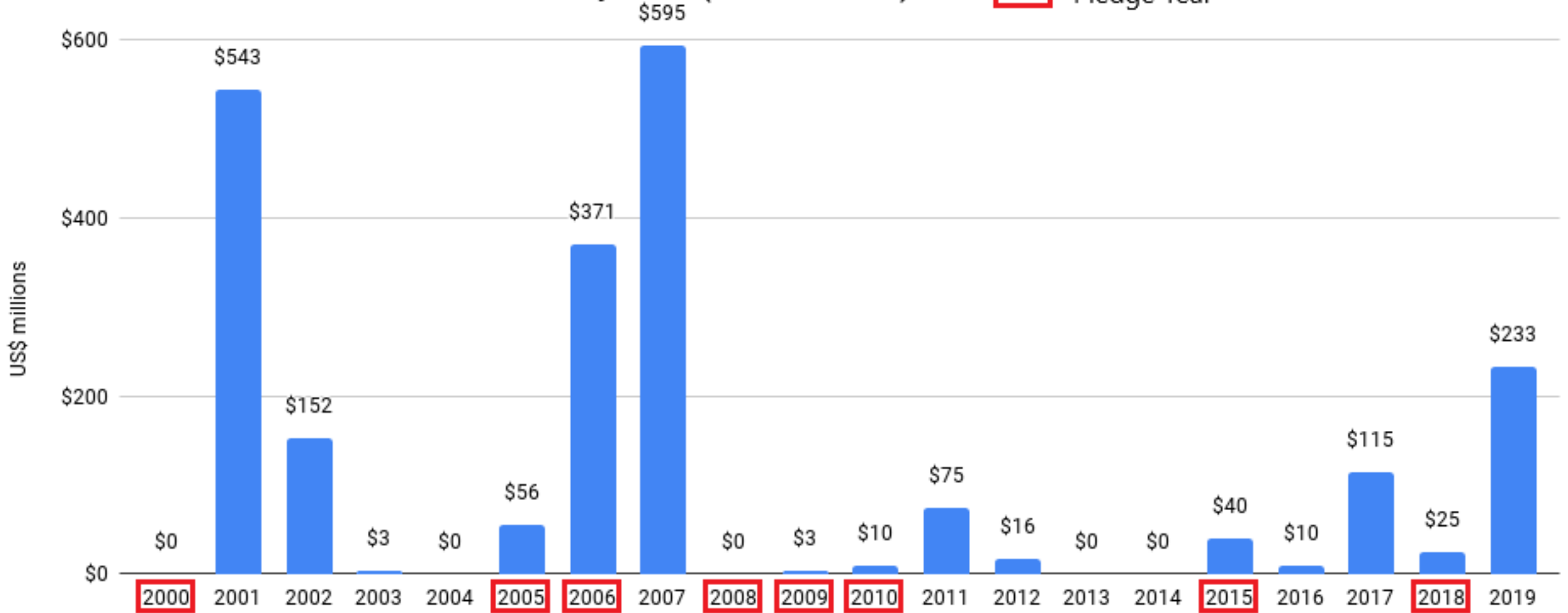


Chinese Debt Relief 2000 - 2019

- Multiple lenders, relief negotiated separately
- Tailored solutions, frequently project by project
- Extending maturity common
- Write-offs only for interest-free loans (except Cuba, Iraq)
- Refinancing is rare
- No asset seizures

Chinese Debt Cancellations for Africa by Year (US\$ millions)

 Pledge Year



Ad hoc: China Eximbank 17 Africa Debt Restructuring cases 2000-2019

Treatment	<i>Reprofiling of debt service payments within original maturity</i>	<i>Short Maturity Extensions (e.g. 3-7 years)</i>	<i>Longer Maturity Extensions (e.g. 10-20 Years)</i>	<i>Maturity Extension and Interest Rate Reduction</i>	<i>Specific Details Unknown</i>
Cases	Mozambique (2017), Cameroon (2019)	Cameroon (2002), Zimbabwe (2007, 2010, 2012), Niger (2018)	Ethiopia (2018)	Zimbabwe (2003, 2004), Seychelles (2011), Republic of Congo (2019), Djibouti (negotiations ongoing)	Benin (2004), Sudan (2012), Chad (2017), ROC (2018)

Source: SAIS-CARI Data

Chinese Covid-19 Era Debt Relief: \$7.6 billion

1. G-20 DSSI (Eximbank) – 23 countries
2. Forum on China Africa Cooperation/FOCAC (CIDCA) debt write-offs for interest-free loans – 15 countries
3. Ad Hoc (China Development Bank and ICBC)
 - Ecuador: \$891 million in relief.
 - Angola: \$6.2 billion
 - Venezuela: \$3 billion (unconfirmed)