

Argentina

Chinese Development Finance, 2000-2023



Country Profile

May 2026

JulieAnn Sickell, Oshin Pandey, and Brooke Escobar



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



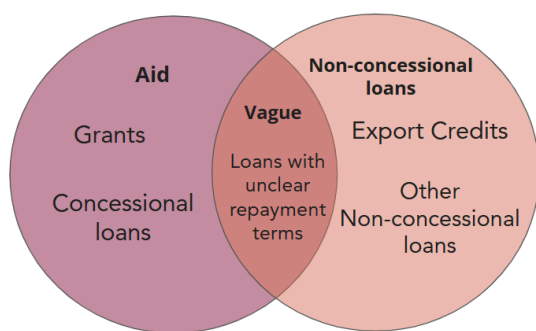
AIDDATA
A Research Lab at William & Mary

Table of Contents

Executive Summary	3
Overview	4
How much development finance has China provided to Argentina since 2000?	6
How does China compare to other development partners?	8
Which donors and lenders from China are active in Argentina?	9
What kinds of financial and in-kind support does China offer Argentina?	10
In which sectors is China most active?	12
What are the characteristics of Argentina's debt to China?	14
What does Argentina's current public debt exposure to China look like—and what payments are due?	16
What kind of project implementation challenges has China faced in Argentina?	18
How does Chinese financing to Argentina compare to other countries in South America?	20
Appendices	21

Key concepts: aid, non-concessional loans, and vague flows

In this profile, China's official development finance portfolio is represented across three main categories: aid, non-concessional loans, and vague. Loans from Chinese state-owned entities can either qualify as aid or non-concessional loans, based on how their borrowing terms compare to regular market terms (i.e., the level of financial concessionality) and whether or not they have development intent (i.e., if the primary purpose of the financed project/activity is to improve economic development and welfare in the recipient country). Aid from Chinese state-owned entities includes grants, in-kind donations, and concessional loans with development intent. The "non-concessional loans" category captures loans from Chinese state-owned entities that are provided at or near market rates and those that primarily seek to promote the commercial interests of the country from which the financial transfer originated. An export credit is a specific type of loan issued by a Chinese state-owned bank or company that requires an overseas borrower to use the proceeds of a loan to acquire goods or services from a Chinese supplier. Export credits are not considered aid since they have a commercial rather than a development purpose. See Appendix B for more details.



Key concept: What is concessionality?

Concessionality is a measure of the generosity of a loan or the extent to which it is priced below-market rates. It varies from 0% to 100%, with higher values representing more concessional loans.

Non-concessional loans are those provided at or near market rates. The Organisation for Economic Co-operation and Development (OECD) determines which official sector financial flows constitute "aid" based on a grant element threshold for concessionality. Given that China does not report its loans or lending terms to the OECD, some of its official sector financial flows cannot be classified as "aid" or "non-concessional." In this report, such loans are assigned to the "vague" category.

Executive Summary:

- Argentina is not just a major borrower from China—it is structurally dependent on Chinese liquidity. Between 2000-2023, Argentina has received \$36.5 billion in Chinese development finance, making China its largest bilateral creditor. But unlike most borrowers, Argentina relies on China less for long-term development financing and more for short-term financial survival.
- China’s role in Argentina is defined by emergency rescue lending, not infrastructure investment. Nearly 60% of Chinese lending to Argentina takes the form of emergency liquidity support, primarily via central bank currency swaps, far exceeding global patterns. These flows have enabled Argentina to stabilize reserves, service external debt, and avoid default during repeated economic crises.
- China’s use of high levels of rescue lending over a long time period creates a high-risk cycle of dependence. Argentina has drawn up to \$19.8 billion annually through its swap line with the People’s Bank of China, repeatedly refinancing short-term obligations. This has reduced immediate default risk but entrenched reliance on continued Chinese support to meet basic financing needs.
- If Chinese liquidity were withdrawn, Argentina would face a near-term financing shock. Without renewed swap financing, Argentina could be forced to mobilize more than \$18 billion in repayments in a single year, an adjustment that would likely require emergency support from alternative external partners. In 2025, the U.S. signalled it may be willing to extend its currency swap financing to Argentina.
- Argentina’s debt exposure is high and is already showing signs of stress. About 85% of Argentina’s borrowing from China represents public debt, and roughly 21% of loan commitments are in financial distress. Project-level disruptions, renegotiations, and delayed repayments underscore growing vulnerabilities in both liquidity management and debt sustainability.
- Argentina’s outstanding debt to Chinese official creditors remains substantial. By the end of 2024, Argentina owed approximately \$21.1 billion to Chinese official sector creditors—equivalent to 19% of its total external PPG debt and 3.3% of GDP.
- Some of the Chinese loan- and grant-financed infrastructure projects in Argentina have faced significant environmental, social, or governance (ESG) challenges during implementation. A key example is the Kirchner–Cepernic hydropower project. During implementation, environmental concerns, legal disputes, and political turnover contributed to prolonged delays and disruptions.

South American countries that have joined the BRI



Argentina and China's Belt and Road

Argentina is located along the 21st Century Maritime Silk Road component of the Belt and Road Initiative (BRI). After years of increasing cooperation, in February 2022, the two countries signed the "Memorandum of Understanding between the Government of the People's Republic of China and the Government of the Argentine Republic on Jointly Promoting the Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road," officially marking Argentina's entry into the BRI.

Historic relationship

The Argentine Republic and the People's Republic of China have maintained a diplomatic bilateral relationship since 1972. This relationship became markedly closer in the late 2000s when Argentina's Justicialist Party entered government. The Justicialist party—under Presidents Eduardo Duhalde, Néstor Kirchner, Cristina Fernández de Kirchner—initiated further cooperation with China on issues such as energy, agriculture, and transportation.

Present-day relationship

China has become an indispensable—if sometimes uneasy—partner for Argentina. Beijing bankrolls Buenos Aires through a mix of large-scale credit lines, central bank currency swaps, and project finance, giving Argentina a vital buffer during recurring balance of payments crises. China has also become a leading market for Argentina's agricultural, industrial, and mineral exports—anchored by soybeans, chemical products, and lithium. Chinese investment in Patagonia, Argentina's remote southern region bordering Antarctica, provides platforms for space and polar research, underscoring the strategic dimension of the partnership. These ties have helped Argentina negotiate with greater leverage at the IMF and sustain access to hard currency at moments when Western lenders turned away.

Yet the partnership is also politically charged. Beijing's expanding role has stirred governance concerns and sharpened domestic debates about sovereignty, transparency, and foreign influence. The controversy has become especially acute around Chinese-financed hydroelectric projects in the south and lithium mining ventures in the north, which raise both environmental and geopolitical sensitivities. Against this backdrop, President Javier Milei won office on a platform that lambasted ties with China, even as Argentina's dependence on Chinese credit and trade has only deepened. The result is a paradox that defines Argentina's current posture: locked into a relationship it cannot easily unwind, while struggling to reconcile the economic benefits of Chinese finance with the political costs of closer alignment.

Overview: Chinese development finance in Argentina from 2000-2023

\$36.5 billion

in grants and loans provided by official sector donors and lenders from China.

99.8%

of Chinese development finance is provided via loans.

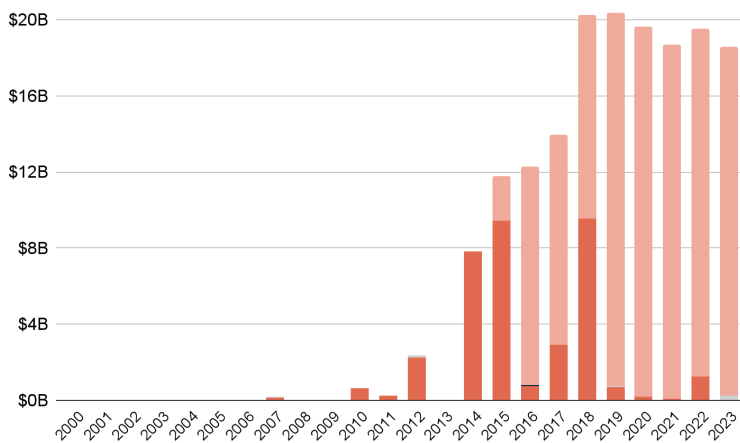
84

grants, technical assistance, and training activities offered.

3rd

largest recipient of Chinese aid and credit in the Americas.

Official sector financial commitments from China to Argentina, 2000-2023



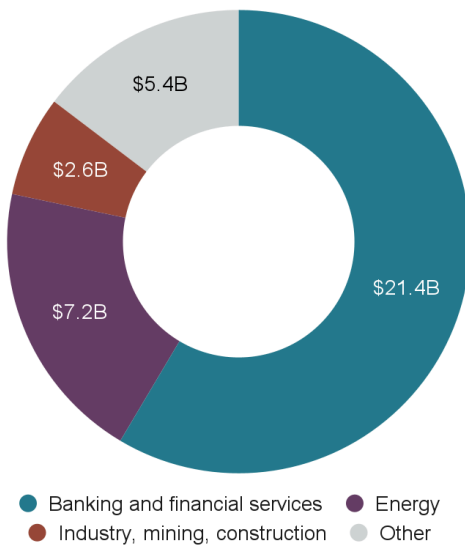
Aid: any grants, concessional loans, or in-kind donations.

Non-concessional loans: commercial lending, export credits, and non-rollover emergency loans.

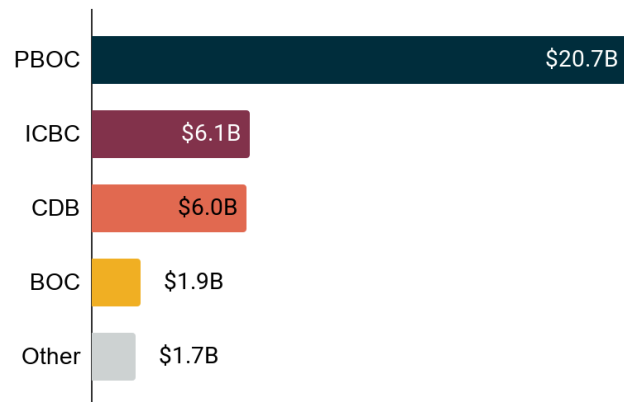
Non-concessional loans - rollover: emergency short-term rollover loans used to repay earlier debt.

Vague: funding that cannot be easily classified—usually loans with unknown borrowing terms.

Portfolio by sector



Portfolio by funder



PBOC: People's Bank of China; ICBC: Industrial and Commercial Bank of China; CDB: China Development Bank; BOC: Bank of China

How much development finance has China provided to Argentina since 2000?

Argentina joined China's Belt and Road Initiative (BRI) in 2022, though China had already become a major lender prior to Argentina's formal accession (see Figure 1.1). China is Argentina's second-largest trading partner and its largest bilateral creditor. In 2023, Javier Milei was elected President on a strong anti-China platform but has since adopted a more pragmatic stance to address Argentina's economic challenges.

Despite Milei's sharp anti-China rhetoric during the campaign, Argentina's economic stability remains deeply tied to China. Argentina is currently the second-largest recipient of China's emergency rescue lending, surpassed only by Pakistan. Emergency rescue loans are provided by Chinese state-owned entities to government borrowing institutions in low-income and middle-income countries for at least one of the following purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. There are different varieties of emergency rescue loans, including currency swap borrowings, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, and commodity prepayment facilities.¹ In Argentina, China provides emergency rescue loans exclusively through a PBOC currency swap borrowing mechanism.

What is the role of currency swap drawdowns in China and Argentina's relationship?

Under a bilateral currency swap agreement, the central banks of two countries agree to exchange cash in their national currencies at predetermined interest rates for a period of time. The bank that draws down on the swap line (Argentina's central bank) becomes the borrower and the other bank, PBOC, becomes the lender; thus, currency swap drawdowns are considered to be borrowings. Currency swap agreements are often used to facilitate trade and investment; however, in Argentina's case, the central bank has used PBOC swap drawdowns to increase (gross) foreign exchange reserves and ensure the government has enough cash on hand to service existing debts. Currency swap borrowings are often short-term facilities that are repeatedly rolled over in consecutive years to repay or refinance maturing debts. For more information on rollover emergency lending, see Appendix B.

Argentina has drawn down up to \$19.8 billion a year through its swap line with the People's Bank of China (PBOC) since 2014. It has used these drawdowns to maintain stability during times of financial distress, with the first drawdown coming several months after Argentina defaulted on its foreign bond repayment obligations. For a country that has been isolated from international capital markets since a sovereign default in 2001, this financial lifeline has kept the country afloat and reduced its dependence upon the IMF and Western creditors.²

Figure 1.1 decomposes China's portfolio of official sector financial flows to Argentina into aid and different types of credit. Argentina received very little aid—via grants, concessional lending, and in-kind donations—from China between 2000 and 2023. Figure 1.1 further disaggregates non-concessional lending into two categories: (a) net increases in rescue lending that inject new funds and raise overall debt levels, and (b) rollover emergency lending that

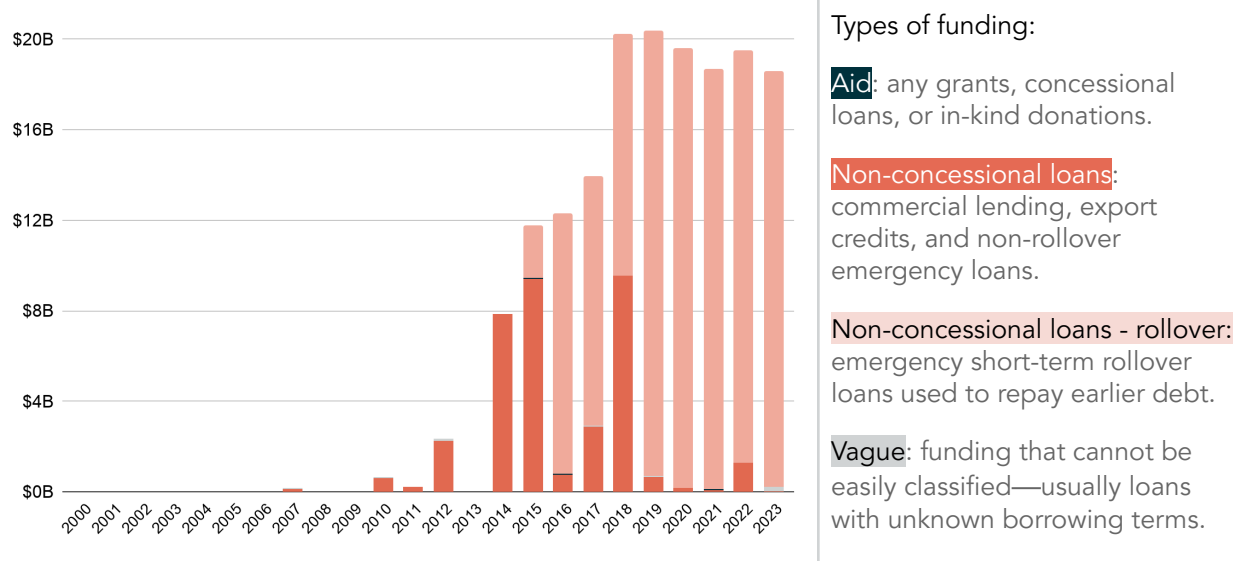
¹Parks, B. C., Malik, A. A., Escobar, B., Zhang, S., Fedorochko, R., Solomon, K., Wang, F., Vlasto, L., Walsh, K. & Goodman, S. 2023. Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative. Williamsburg, VA: AidData at William & Mary.

² For more information on the bilateral relationship between Argentina and China as well as a list of bilateral diplomatic visits between China and Argentina in the BRI era, see Appendix A.

refinances maturing debt but does not represent new debt. Between 2016 and 2023, the majority of China’s official sector financial flows to Argentina were currency swap borrowings.

Figure 1.1: Official sector financial commitments from China to Argentina

Includes emergency lending facilities that are repeatedly drawn down and repaid or refinanced to provide liquidity support to Argentina



Currency swap borrowings are central to China’s financial relationship with Argentina. In some cases, the full value of a currency swap drawdown from a previous year is repaid and reissued with a new maturity date. In other cases, the debt is rolled over through a maturity date extension. Borrowers can also increase their total drawdown amounts on a net basis over time, so long as they do not exceed the maximum drawing rights specified in their currency swap agreements with the PBOC. Doing so would increase the total amount of funding available to a borrower in a given year and increase the size of its debt stock. Rollovers themselves do not increase a borrower’s debt stock, but any additional drawdowns above those made in a previous year do. To avoid overstating China’s official sector financial commitments to Argentina, AidData excludes rollover amounts from its cumulative estimates of aid and credit over time, only tallying the net increases in currency swap borrowing that expand Argentina’s debt exposure to China.³

Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$36.5 billion for 219 projects and activities in Argentina. This makes Argentina—a country with a relatively large economy (GDP: \$649 billion) and sizable population (45.5 million residents)—the third largest recipient of Chinese aid and credit in South America and the 12th largest recipient in the world.⁴ In 2014, China and Argentina elevated their relationship to a comprehensive strategic partnership, which coincided with its first \$2.3 billion in currency swap drawdowns as well as \$5.4 billion in new non-concessional loan commitments for infrastructure projects. Between 2015 and 2019, China’s non-emergency loan commitments to Argentina averaged about \$1 billion annually, but lending dropped sharply after 2020. This slowdown was likely driven by Argentina’s mounting economic challenges, including a heavy debt burden, persistently high inflation, and rising poverty exacerbated by the COVID-19 pandemic.

³Figure 1.1 highlights the important distinction between gross currency swap drawdowns and net currency swap drawdowns.

⁴The global ranking includes high income countries.

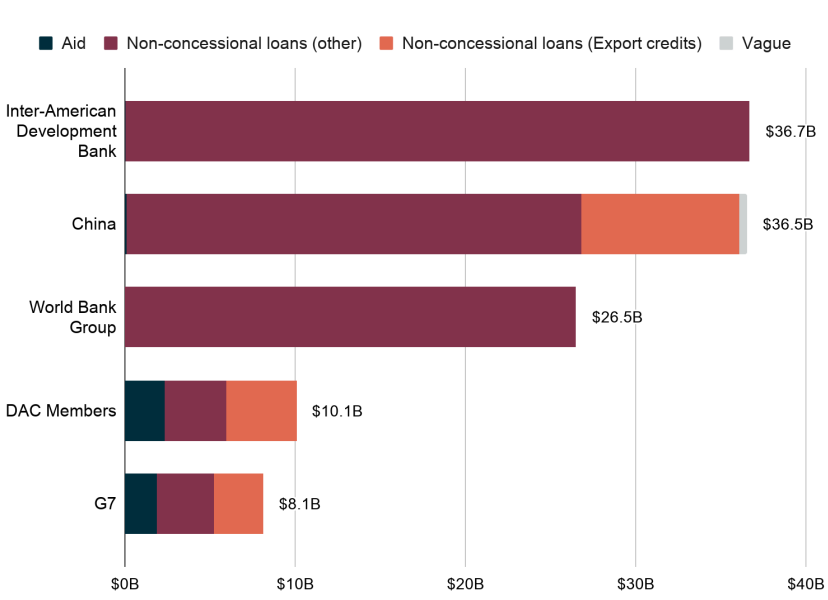
How does China compare to other development partners?

China is Argentina’s single largest bilateral development partner (see Figure 1.2), outranking both multilaterals and multiple bilateral partners. China’s development finance portfolio in Argentina is dominated by non-concessional lending, with export credits representing nearly \$10 billion (25%) in loan commitments between 2000 and 2023.

The Inter-American Development Bank (IDB) surpasses China as Argentina’s largest development partner by roughly \$200 million with \$36.7 billion in credit. The World Bank Group was the third-largest provider of credit with \$26.5 billion of credit. Both of these multilateral banks have provided lending heavily focused on the education, health and social services, and water supply sectors historically.

The scale of funding provided by bilateral development partners other than China is comparatively small. To highlight the magnitude of China’s lending to Argentina, Figure 1.2 compares China’s financing to the combined totals of all DAC member countries and the G7 instead of individual countries.

Figure 1.2: Top bilateral and multilateral development partners, 2000-2023



Note: This figure excludes emergency rollover facilities (a subset of emergency rescue lending).

Figure 1.2 contains the top five development partners providing aid and other financing to Argentina. However, only China has detailed bilateral export credit flows to Argentina. This level of granularity is not available for other development partners as the OECD does not provide export credit data for bilateral relationships, it only provides data on total export credit flows by two aggregate donor groupings, G7 and DAC member countries.

Total export credits from G7: \$2.8 billion.

Total export credits from DAC member countries (including G7): \$4.13 billion.

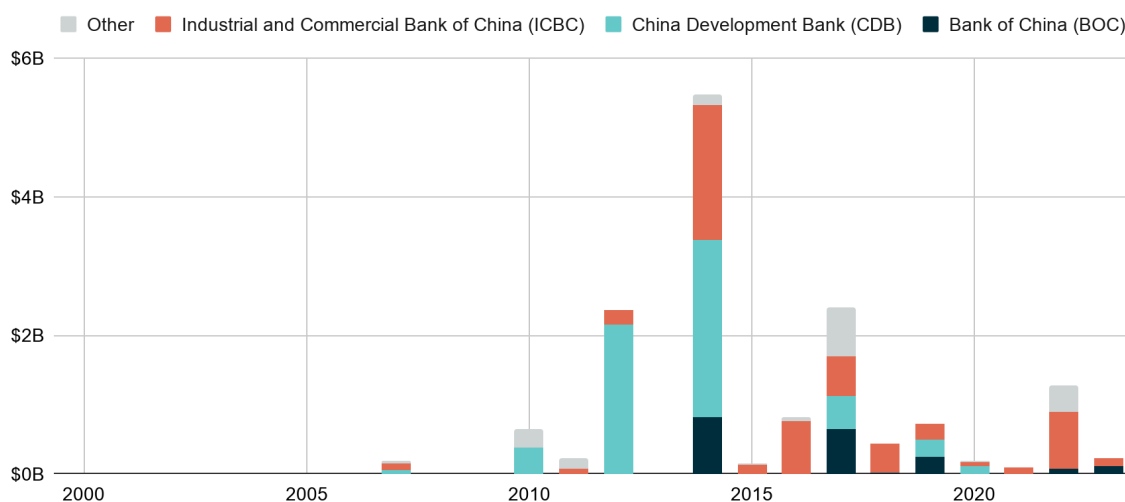
How does China use export credits?

The central role that export credits play in China’s overseas lending portfolio sets it apart from other official sector creditors: Under a so-called “Gentlemen’s Agreement” on Officially Supported Export Credits, OECD member countries agreed in 1978 to “tie their own hands” and voluntarily abide by a set of international rules that limit the provision of subsidized export credits to domestic companies with overseas operations. However, China never agreed to participate in the “Gentlemen’s Agreement” and it has consistently used concessional export credit to help its firms gain a competitive edge in overseas markets.

Which donors and lenders from China are active in Argentina?

Between 2000 and 2023, 54 official sector donors and lenders from China provided aid and non-concessional loans to Argentina. 88% of China’s non-emergency portfolio is provided through three main donors and lenders (see Figure 1.3). The other 12% is provided by a diverse array of government agencies (including central, regional, or municipal government agencies), state-owned commercial banks, and state-owned companies.

Figure 1.3: Top Chinese donors and lenders



Note: This figure excludes emergency rescue lending.

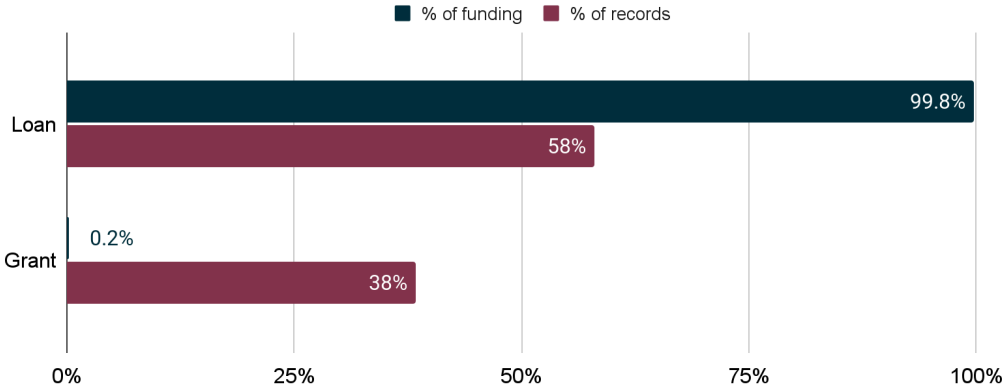
The Industrial and Commercial Bank of China (ICBC), China Development Bank (CDB), and the Agricultural Bank of China (ABC) were some of the first Chinese lenders to engage with Argentina in 2007. CDB provided a \$50 million loan to Banco de Inversion y Comercio Exterior (BICE) for on-lending to small- and medium-sized enterprises (SMEs). ICBC and ABC contributed \$143 million to a \$176 million syndicated buyer's credit for the General San Martín Railway Renovation Project. While ABC was a one-time lender to Argentina, ICBC and CDB consistently provided loans to the country after 2007. In fact, these two lenders financed the first major Chinese infrastructure project in Argentina by providing a \$2.2 billion buyer's credit for the Belgrano Cargas Railway Line Rehabilitation project. The purpose of the project was to replace 1,593 km of track along the Belgrano Freight Railway, which stretches from Retiro station in Buenos Aires through a total of 14 Argentine provinces. The project has faced significant delays and its loan agreement has gone through multiple rounds of amendments.

By 2014, Chinese lending commitments to Argentina skyrocketed to \$5.4 billion across 11 different loans. Most of this lending (\$4.8 billion) came from ICBC, CDB, and Bank of China's collaboration on the 1,310 MW Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant. The purpose of this project was to construct two hydroelectric power plants (with 11 turbines) — the Néstor Kirchner hydroelectric power plant and the Jorge Cepernic hydroelectric power plant — with a capacity of 1,310 MW. Upon completion, the project would result in average annual power generation of 4,950 gigawatt-hours, meaning that Argentina's installed power capacity would increase by approximately 6.5 percent and its installed hydroelectric power capacity would increase by approximately 15 percent. The project is also expected, upon completion, to meet the daily power consumption needs of 1.5 million households. It was additionally envisaged that the project would employ 5,000 people during construction.

What kinds of financial and in-kind support does China offer Argentina?

AidData captures each instance of a grant or in-kind donation as one record, so analyzing the record counts can help provide a better picture of China’s activities in Argentina. When looking at record counts, grants account for 38% of all activity records in Argentina (representing 84 records capturing activities taking place between 2000 and 2023).

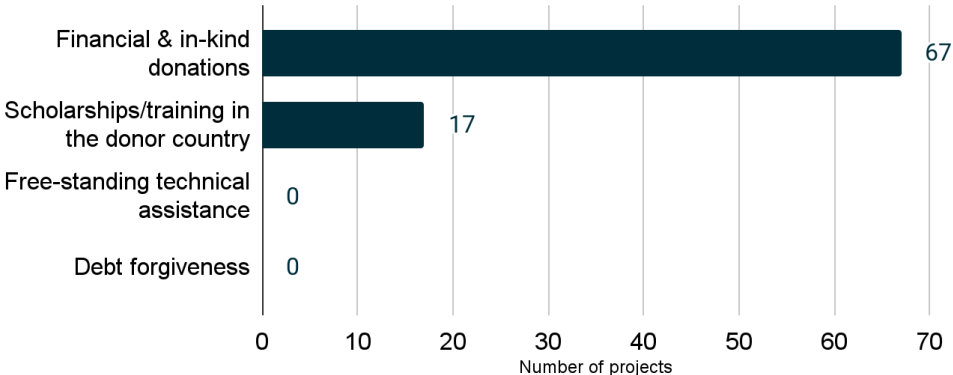
Figure 1.4: Top financial instruments used by China in Argentina



Note: Debt rescheduling and Vague records are excluded from this visual since they are neither loans or grants.

99.8% of China’s official sector financing to Argentina takes the form of loans (totaling \$36.4 billion), while 0.2% (\$88 million) comes in the form of grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented.

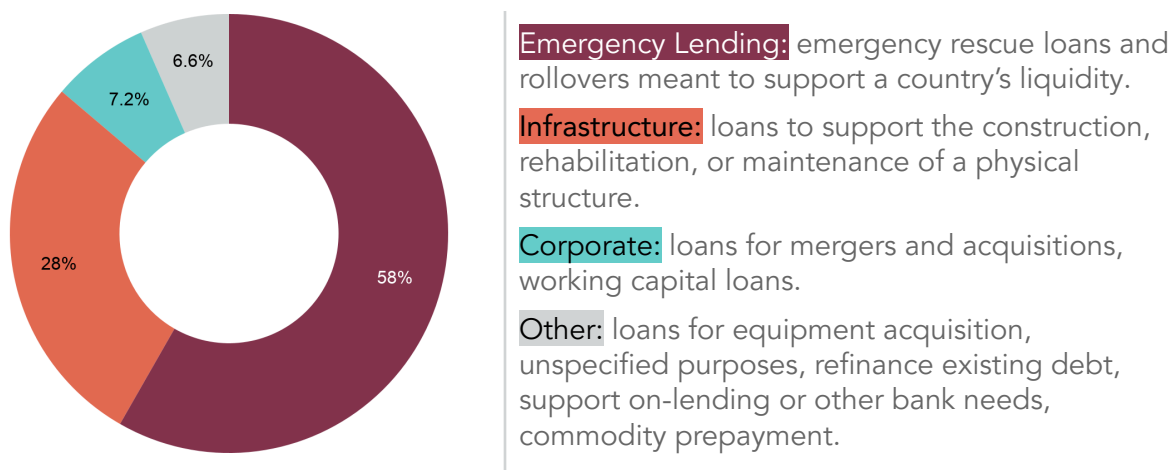
Figure 1.5: Breakdown of grants by project count



Many of Argentina’s financial and in-kind donations came from various Chinese city governments and companies during the height of the COVID-19 pandemic in 2020. Specifically, they provided masks, PPE, and other medical supplies during the COVID-19 pandemic (worth \$12.6 million). Besides COVID-19 aid, Argentina has received substantial grants from the China Satellite Launch and Tracking Control General (CLTC) and the Chinese Ministry of Science and Technology for space research activities, such as a \$54 million grant in 2016 for a space observation center. Argentina has also received some unique grants. For instance, ICBC Argentina has provided over \$92,000 to the Museum of Latin American Art of Buenos Aires since 2016 for the acquisition of new artworks. Another unusual grant to Argentina was provided by Zijin Mining Group, a Chinese state-owned mining company who

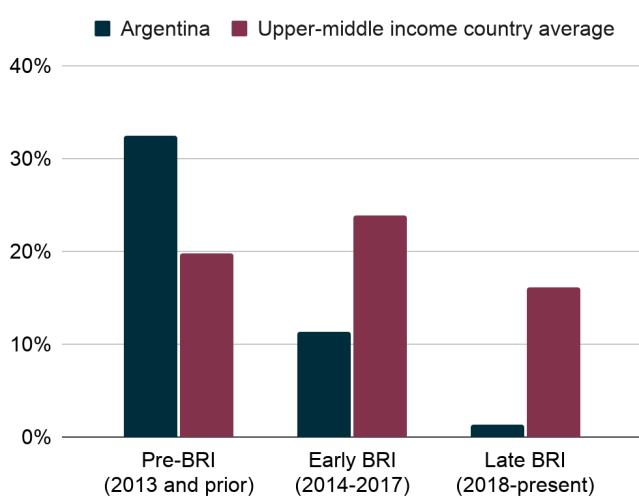
operates the Tres Quebradas (3Q) project in Catamarca, Argentina, for a \$648,214 grant for a winery in Fiambalá. Zijin Mining Group also provided a \$700,000 grant for a slaughterhouse in 2023, demonstrating their commitment to corporate social responsibility in the area.

Figure 1.6: Breakdown of lending by purpose



Emergency lending through currency swap borrowings accounts for 58% of total cumulative lending in Argentina. This is substantially higher than China's global lending to low- and middle-income countries where emergency lending accounts for only 10% of all lending. China's lending to Argentina also deviates from common lending patterns when examining infrastructure loans. Over half of China's lending (64%) to low- and middle-income countries supports infrastructure projects, but in Argentina, infrastructure lending makes up less than a third (28%) of China's official sector lending. The remaining 14% of China's official sector lending to Argentina is composed of loans for mergers and acquisitions, working capital loans, inter-bank loans, commodity prepayment facilities, and loans meant to refinance existing debt.

Figure 1.7: Grant element over time



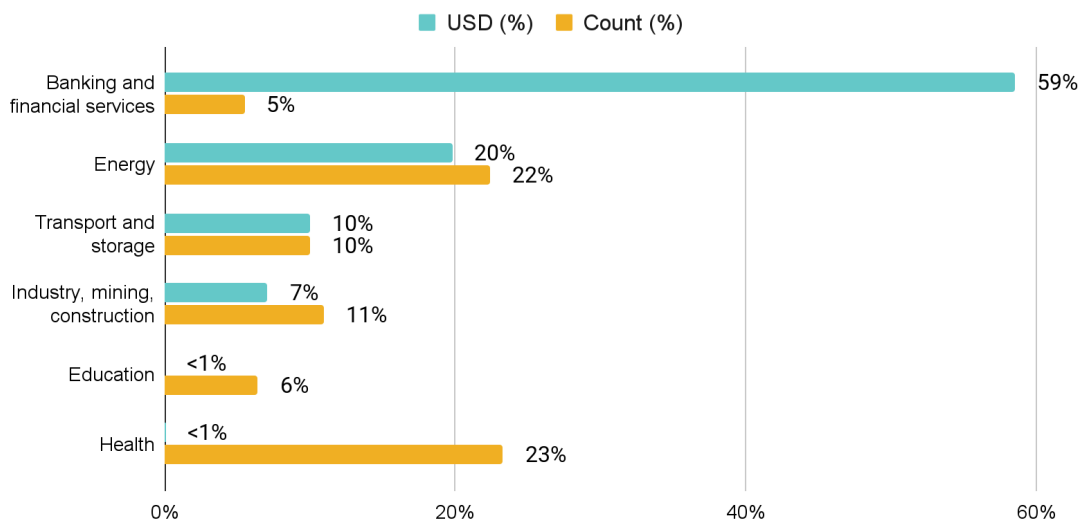
A loan's grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China's upper middle income lending portfolio fluctuated between 24% and 16% from 2000 to 2023. However, in Argentina, the concessionality of Chinese lending decreased over time. This shift reflects Argentina's growing reliance on Chinese creditors offering higher interest rates and shorter repayment periods.

In which sectors is China most active?

Top sectors for China's aid and credit in Argentina differ greatly when comparing monetary value and record count. Certain sectors, such as health and education, represent a large percentage of records but offer small or no transaction amounts. In Figure 1.8, AidData has provided the top sectors by both monetary value and record count to demonstrate this dichotomy.

Figure 1.8: Selected top sectors

Sectors by monetary value and record count



By monetary value, 59% of China's grant and loan commitments to Argentina are directed toward the banking and financial services sector. This sector primarily supports financial institutions, including Argentina's central bank. Altogether, banking sector activities account for \$21.4 billion in financing (excluding rollover emergency lending; see Appendix B) across 12 records, representing 5% of the total number of projects. Most of these records—and nearly all of the associated funding—stem from drawdowns on the People's Bank of China swap line by Argentina's central bank.

An additional 37% of China's grant and loan commitments to Argentina—\$13.5 billion—supported three core infrastructure sectors between 2000 and 2023: energy, transportation and storage, and industry, mining, and construction.

- **Energy:** This sector is the second largest sector by financial value with \$7.2 billion in funding (or 20% of China's entire portfolio). It encompasses the generation and distribution of renewable and non-renewable sources, as well as hybrid and nuclear power plants. ICBC and BOC lent over \$125 million to support Argentina's energy sector in 2023. Notably, ICBC and BOC participated in a \$300 million syndicated loan to the Argentina Branch of Pan American Energy for green energy and energy security capital expenditures.
- **Transportation and storage:** This sector refers to the construction and maintenance of road, rail, air, and water transit infrastructure and is characterized by high-value infrastructure projects. 10% of China's official finance portfolio in Argentina (in both proportion of lending and record count) is specifically dedicated to this hardware sector, representing \$3.7 billion in aid and non-concessional loans. Major projects in this sector include a \$2.2 billion syndicated loan from CDB and ICBC for the Belgrano Cargas Railway

Line Rehabilitation Project and multiple buyer's credit loans for the supply of passenger cars for Line A of the subway of the City of Buenos Aires. The latest support to this sector occurred in 2022 when ICBC provided a \$9.4 million loan to Aeropuertos Argentina 2000, the largest private airport operator in the world. This loan supported general operations and management of their 35 airports.

- **Industry, mining, and construction:** This sector includes manufacturing fossil fuels, mining for coal, gas, metals, minerals, and construction. There were 24 records in this sector (11% of the total), representing nearly \$2.6 billion of the portfolio by value (7% of financing). Major projects include a \$106 million loan from the Bank of China for a floating LNG plant in Bahía Blanca and ICBC's contribution to a \$518 million syndicated loan for the Campana Refinery Upgrading Project arranged by the International Finance Corporation (IFC). In 2023, BOC and ICBC contributed to a \$325 million syndicated loan for the La Plata Refinery and Lujan de Cuyo Refinery Expansion and Modernization Project. This loan will allow the borrower, YPF S.A., a state-owned Argentine energy company, to increase ultra-low sulfur fuel production at its industrial complexes (refineries) in La Plata in the Buenos Aires province and Lujan de Cuyo in the Mendoza province.

China is also heavily engaged in the “software” sectors in Argentina, such as health and education. China's footprint in these sectors is difficult to represent, however, because the activities in these sectors often represent some form of in-kind donation or technical assistance.

- **Health:** This sector includes medical care, infrastructure, equipment, and epidemic control activities. In total, activities in the health sector represent 51 records in China's portfolio in Argentina (or 23% of records) and \$17.2 million of financing. All support to this sector was provided during the height of the COVID-19 pandemic. Around \$12.6 million in COVID-19 related medical supplies was provided between 2019 and 2022. Other major activities in this sector include the donation of a \$4.6 million mobile field hospital to the Argentine Army.
- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. In Argentina, education activities all involve in-kind donations such as material donations and non-monetized activities like scholarships. As such, education activities represent 6% of China's total record count (14 records) but 0% of China's portfolio by reported financial value for this time period. Notable activities in the education sector include scholarships for Argentine students to study in China and establishing Confucius Institutes at 4 universities. In 2023, PowerChina donated 55 robotics kits and 55 sensors to the Misiones School of Robotics in Posadas, Argentina.

At a glance: last 5 years (2019-2023)

- There was an increase in lending to the energy sector (18% of total aid and credit in 2019 to 42% of aid and credit in 2023).
- The currency swapline between PBOC and BCRA continues to dominate China's development finance portfolio in Argentina.
- ICBC plays a major role across both hardware and software sectors in Argentina, representing nearly 53% of all non-emergency financing between 2019 and 2023.

What are the characteristics of Argentina’s debt to China?

127
loans
issued

\$36 billion
total loan
commitments

85%
of total loan
commitments
are public debt

21%
of total loan
commitments show
signs of financial distress

\$21 billion
total public debt
outstanding as of
2024

What is “public debt”?

Public debt (PPG debt)

Loans issued directly to public institutions, loans that have sovereign repayment guarantees, or loans extended to special purpose vehicles or joint ventures that are majority-owned by one or more public sector institutions. Often referred to as public and publicly-guaranteed (PPG) debt.

Potential public debt

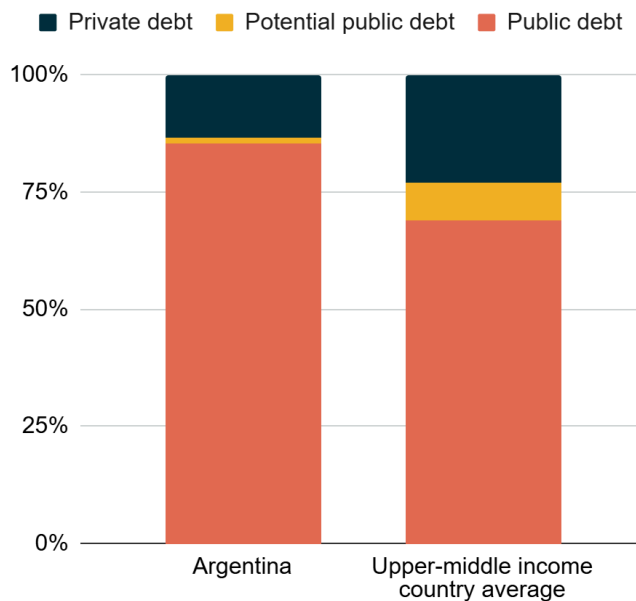
Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes.

Private or opaque debt

Loans to private sector borrowers and entities with opaque ownership structures.

Figure 1.9: Composition of debt from China by level of public liability

Total debt, 2000-2023—Argentina: \$36 billion. Upper-middle income country average: \$8.8 billion.



Most of Argentina’s cumulative loan commitments from Chinese official sector creditors is public debt (85%). This is a 16% difference from other upper-middle income countries, whose percentage of public debt is only 69%. Only 1% of Argentina’s loan commitments are classified as potential public sector debt and 15% is private debt.

Argentina's elevated public debt exposure stems largely from its use of a currency swap line with the PBOC. Each drawdown under that facility is executed by Argentina's central bank, making the resulting obligations a public sector liability.

Since these drawdowns constitute more than half of all official sector credit from China to Argentina (even after excluding rollover facilities), they have a major effect on the country’s overall level of public debt exposure to China. In 2023, the Argentine central bank drew down on the swap line for the tenth consecutive year, effectively rolling over its debts from 2022. The total (gross) drawdown amount in 2023 was \$18.3 billion with an estimated interest rate of

6.4%. Preliminary evidence indicates the 2024 and 2025 (gross) drawdown amount was largely consistent with the 2023 amount.

Apart from allowing the Argentine central bank to use swap drawdowns to boost the country's gross foreign exchange reserves, PBOC granted Argentina's central bank special permission to access a "freely usable" tranche under the swap line during the Alberto Fernández administration. This \$5 billion tranche could be used to service outstanding debts to external creditors and finance imports from China. This special arrangement came at a critical time when Argentina was urgently seeking bridge funding to make large debt service payments on existing loans to the IMF and make a payment to bondholders. It relied on this source of liquidity to avoid defaulting on its IMF obligations, making four large debt service payments to the IMF in 2023 and 2024.⁵

While Argentina's full repayment schedule for the swap line remains uncertain—pending China's ongoing approval for further rollovers—the \$5 billion freely usable tranche is now coming due. In 2024, China granted Argentina additional time, allowing repayment of this portion to be extended between mid-2025 and mid-2026. The current US administration is encouraging Argentina to pay off the full swap line balance to limit the influence China has in the country, even suggesting that Argentina could potentially borrow from the US Treasury's Exchange Stabilization Fund (ESF) in lieu of the PBOC swap line.⁶

Approximately 21% of China's cumulative loan commitments to Argentina are financially distressed. The 1.0 version of AidData's CLG dataset systematically identifies all official sector loans from China that showed signs of financial distress. Evidence of financial distress can include borrowers accumulating principal or interest arrears, defaulting on their repayment obligations, filing for bankruptcy, or renegotiating loan terms (including suspensions of principal or interest payments). Argentina's Chinese-financed projects in financial distress include the Belgrano Cargas Railway Line Rehabilitation Project and the 1,310 MW Néstor Kirchner and Jorge Cepernic Hydroelectric Power Plant Construction Project, which both include cross-default clauses that came close to being triggered when the Argentine government signaled its intention to cancel the hydropower project. This action would have constituted an event of default, thereby triggering the cross-default on the loan that was contracted for the railway project.

⁵ The loan repayments to the IMF had already been extended to relieve Argentina's economic crisis and stem the outflow of capital. In 2022, the IMF agreed to a new arrangement worth \$44 billion to help Argentina service its outstanding debts under a \$57 billion bailout loan that the government contracted in 2018. This action resulted in Argentina becoming the IMF's top debtor. See Elliott, L. (2025, April 12). Argentina and the IMF: A troubled history. *Reuters*. <https://www.reuters.com/world/americas/argentina-imf-troubled-history-2025-04-12/>

⁶ Tobias, M., Gillespie, P., & Hordern, A. (2025, April 14). *Bessent expects Argentina to be able to pay off China swap*. Buenos Aires Times. <https://www.batimes.com.ar/news/economy/bessent-expects-argentina-to-be-able-to-pay-off-china-swap.phtml>

What does Argentina’s current public debt exposure to China look like—and what payments are due?

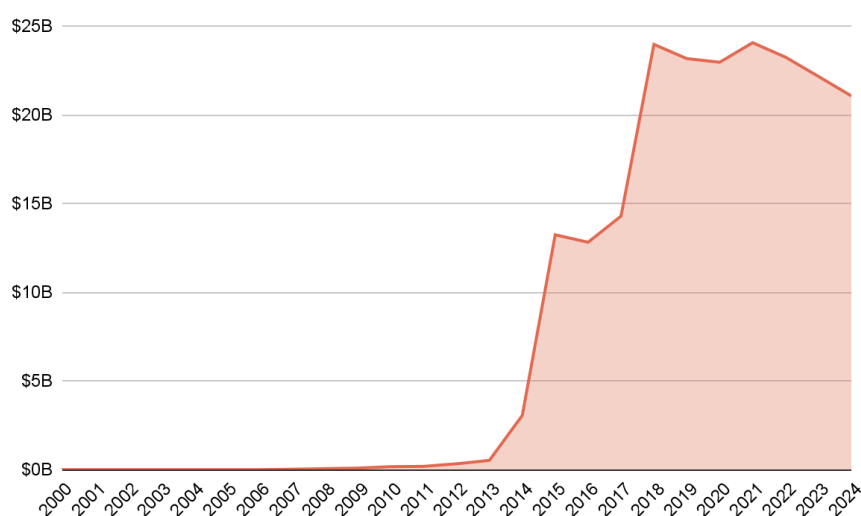
What is “public debt exposure”?

After a loan agreement is signed, financial outflows and reflows take place over many years through a sequence of disbursements (from the creditor to the borrower) and repayments (from the borrower to the creditor).

To understand the timing and magnitude of these financial flows, the 2.0 version of AidData’s Chinese PPG Loan Performance Dataset (LP 2.0) tracks PPG loan disbursements, repayments, arrears, and restructuring events—and how much debt is owed—over time.

Unlike loan commitment totals—that measure what was initially promised—LP 2.0 measures what is still owed at specific points in time and how repayment pressures evolve over time. In this sense, a country’s level of “public debt exposure” refers to its outstanding PPG repayment obligations. All financial amounts in this section are reported in nominal USD.

Figure 1.10: Outstanding Chinese PPG Debt Stock (nominal USD)



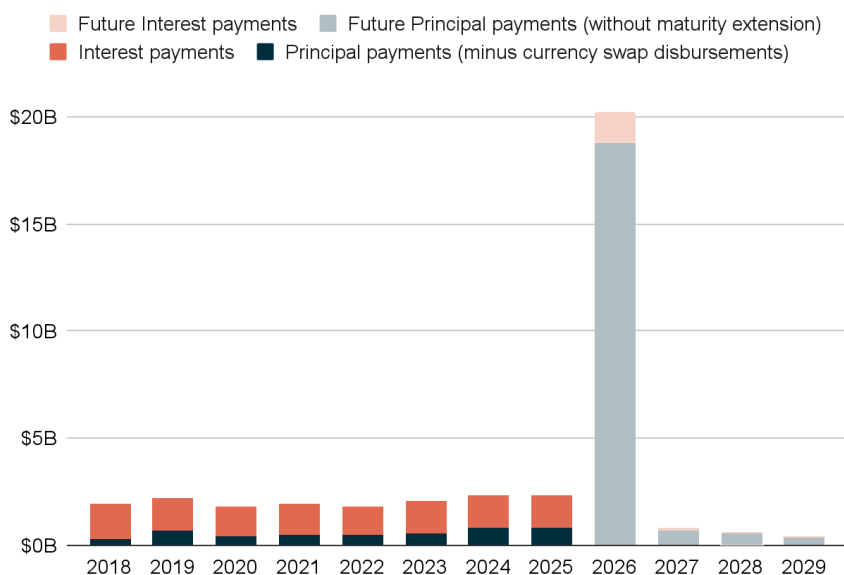
Note: This data is drawn from AidData’s Chinese PPG Loan Performance Dataset, Version 2.0. For more information, please see the methodology.

Figure 1.10 shows Argentina’s outstanding Chinese PPG debt stock, which is the total amount of principal that has been disbursed and remains unpaid at the end of each year as well as any unpaid interest or fees. These estimates are based on loan-level data on disbursements and repayments, which are used to track how outstanding balances evolve over time.

By the end of 2024, Argentina owed an estimated \$21.1 billion in outstanding PPG debt to official sector creditors in China. This is equivalent to about 19% of Argentina’s total PPG debt stock to all external creditors and about 3.3% of its annual GDP.⁷ As of 2024, 14 loans are currently in repayment, representing approximately \$3 billion in outstanding debt. No loans are in their grace period. Furthermore, 19 loans have already been fully repaid, with total disbursements of \$1.8 billion across the projects. Based on existing loan commitments through 2023 and currency swap drawdowns through 2025, Argentina is expected to continue paying down its public debt to Chinese creditors until 2037.

⁷World Bank, International Debt Statistics.

Figure 1.11: Argentina’s principal and interest payments to Chinese creditors under PPG loans (if the PBOC currency swap is not renewed in 2026)



Note: This figure shows (i) interest payments between 2018-2025, (ii) estimated future interest payments in 2026-2029, (iii) principal payments minus currency swap disbursements between 2018-2025, and (iv) estimated future principal payments for 2026-2029.

Figure 1.11 shows Argentina's principal and interest payments due to Chinese creditors. The estimated principal payments are calculated by adding all principal payments due each year, then subtracting currency swap drawdowns each year. Future interest and principal payments are projected from loan terms and assume the currency swap drawdowns do not continue, though this is unlikely in the short term given the scale of Argentina's reliance on currency swaps to maintain liquidity.

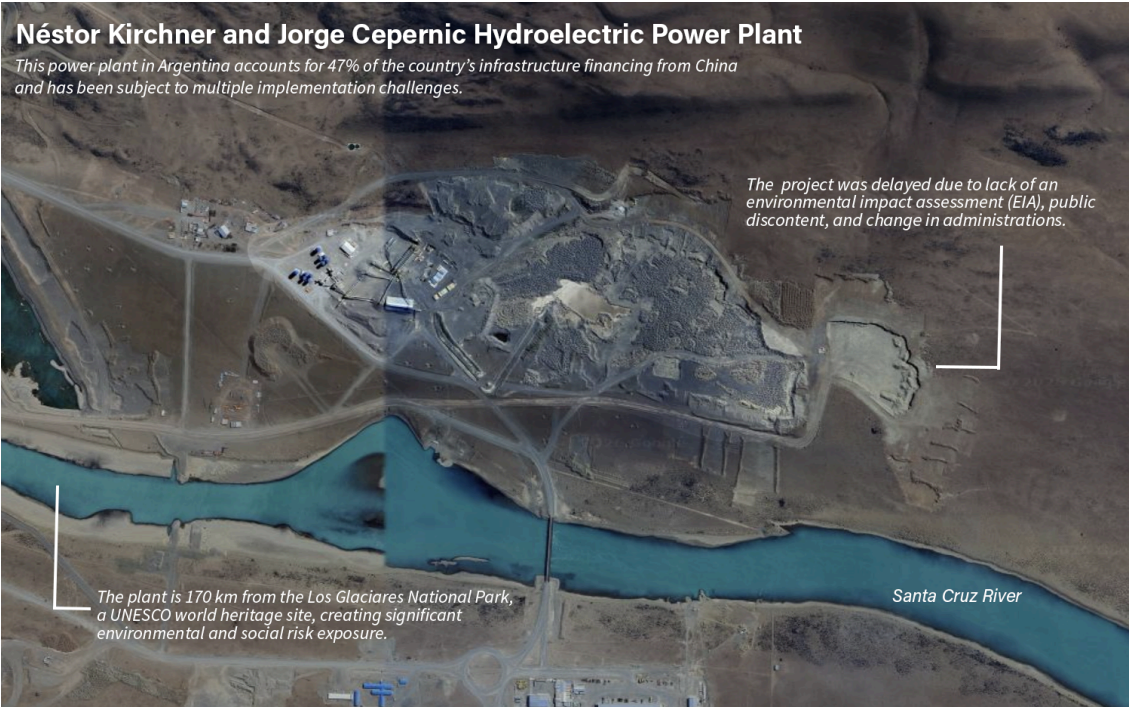
Figure 1.11 underscores Argentina’s heavy reliance on PBOC currency swap borrowings to sustain liquidity. If the swap is not renewed in 2026, Argentina would face a fiscal cliff. It would need to mobilize more than \$18.7 billion in principal repayments within a single year to fully unwind its dependence on the PBOC swap line. If this continued support is not available from China, meeting this obligation would likely require alternative external financing, from the United States or other official sources, given the scale of the repayment obligation.

Argentina also faces substantial recurring interest costs tied to its outstanding debts. The swap drawdowns carry particularly high interest rates (with an all-in interest rate estimated ranging from 6.4% to 8.9% annually) and therefore generate significant annual interest obligations. In 2023 and 2024, Argentina’s total interest payments on its PPG debt to Chinese official-sector creditors averaged \$1.5 billion per year, with approximately \$1.15 billion incurred through the PBOC currency swap facility.

What kind of project implementation challenges has China faced in Argentina?

<p>Chinese-financed infrastructure projects in Argentina:</p>	<p>Examples of infrastructure implementation risks:</p> <p>Environmental: increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.</p> <p>Social: poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.</p> <p>Governance: corruption, money laundering, lack of transparency, and non-competitive bidding processes.</p>
<p>46 infrastructure projects supported by grants and loans from China</p>	
<p>\$10.1 billion in loan and grant commitments supporting infrastructure projects</p>	

From 2000 to 2023, infrastructure projects accounted for 64.5% of China’s development finance portfolio in low- and middle-income countries. These infrastructure projects often face project implementation delays caused by environmental, social, and governance (ESG) risks, episodes of debt distress, or political instability in the recipient country. Compared to other low- and middle-income countries, most of Argentina’s project implementation delays come from political turnover or arbitration of ESG issues. The Néstor Kirchner and Jorge Cepernic Hydroelectric power plant is a case in point.



The Néstor Kirchner and Jorge Cepernic Hydroelectric power plant (47% of Argentina’s infrastructure financing) is being built on the Santa Cruz River in the town of Puerto Santa Cruz,

a town in the south central part of Santa Cruz Province about 2,000 km from Buenos Aires, the country's capital city. The plant is 170 km from the Los Glaciares National Park, a UNESCO world heritage site, creating significant environmental and social risk exposure. Initial plans for the plant began in the 1950s and later resurfaced in 2007 under President of Argentina Cristina Fernández de Kirchner who planned to name the two dams Kirchner and Cepernic as a tribute to former president Néstor Kirchner (also her late husband) and Jorge Cepernic, a former governor of Santa Cruz Province.

In August 2014, a \$4.8 billion loan agreement was signed between Argentina's Ministry of Economy and Public Finance and Bank of China, China Development Bank, and ICBC. The contractor was authorized by the Government of Argentina to commence construction on February 15, 2015 and the project was originally expected to reach completion within five years (February 15, 2020). However, the project was fraught with delays in 2015. First, the equipment necessary for the construction of the hydroelectric power plants did not arrive at the project site until July 29, 2015. Then, in October 2015, the Argentine Association of Environmental Lawyers of Patagonia and the Forest Bank Foundation initiated legal action, denouncing the project's lack of a proper environmental impact assessment (EIA) and public consultation process. A month later, newly elected Argentine President Mauricio Macri announced his intention to suspend construction of the Kirchner-Cepernic dams. By December 28, 2015, Argentina's Ministry of Energy had issued a stop-work order to the EPC contractor.

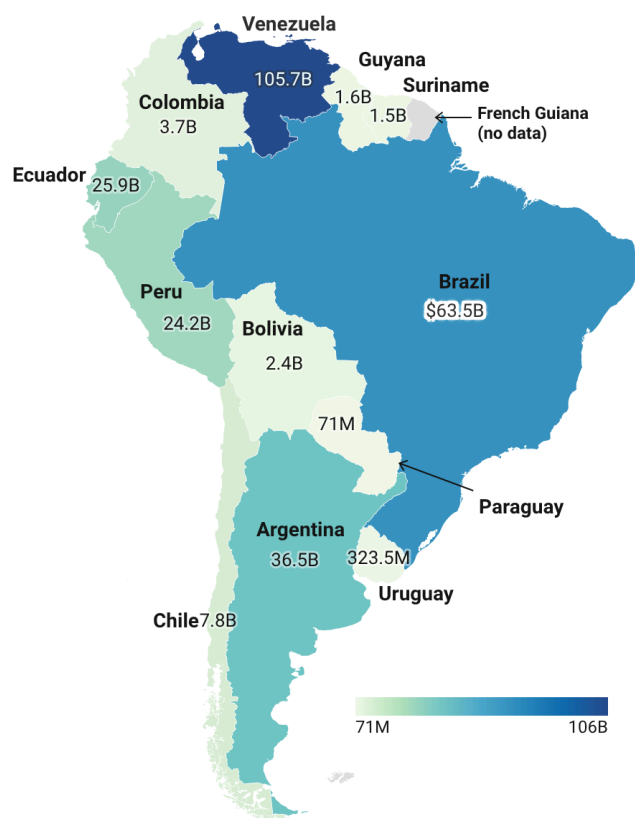
The loan agreement for this project contained default clauses which stated should the project owner, in this case the Argentine Ministry of Energy, unilaterally suspend this project then the lenders (CDB, ICBC, and BOC) could request immediate repayment for this loan. Before the project could begin implementation and avoid this financial risk, the Supreme Court of Argentina suspended construction of the dams on December 21, 2016 until the EIA process and a public hearing required under Argentina's Environmental Impact Law of Hydraulic Works (Law 23,879, which sets out a detailed EIA procedure) was conducted.

Ultimately, turnover from the Kirchner to Macri administration along with suspension issued by the Supreme Court of Argentina over environmental concerns caused five years of delays and running on this project. A Memorandum of Understanding (MOU) was signed in July 2025 between Unión Transitoria de Empresas (UTE)—the project implementor—and Energía Argentina (Enarsa) to restart work before the end of 2025.

How does Chinese financing to Argentina compare to other countries in South America?

Between 2000 and 2023, Chinese official sector financiers directed 1,730 loans and grants to South America worth \$273 billion. In Figure 1.12, AidData provides a cumulative view of China's aid and credit portfolio in the region. Nearly 54% (\$146 billion) of China's financing to the region took place between 2014 and 2023, the early and late BRI periods. The average annual financing committed during these years was \$14.6 billion with notable dips during 2020 and 2021 as a result of the COVID-19 pandemic.

Figure 1.12: Cumulative financial commitments from China to South America, 2000-2023⁸



Argentina received 13% of all Chinese financing to South America, making it the third largest recipient in the region. Paraguay, which does not have diplomatic relations with the People's Republic of China, has received the least amount of financing at only \$71 million.

Out of all countries in the region, Argentina has received the most rescue lending (\$21.3 billion) followed by Ecuador (\$12.2 billion), Venezuela (\$10.4 billion), and Suriname (\$167 million). While rescue lending to Argentina is provided through currency swaps, countries like Ecuador have received rescue loans directly from CDB for budget support. Venezuela has a similar relationship with Chinese rescue lending. In March 2015, the Chinese government provided a \$10 billion loan to the government of Venezuela for balance of payment support. Venezuela was authorized to repay the loan via deliveries of oil and fuel by their state-owned oil company, *Petróleos de Venezuela S.A.*

The unique relationship China and Argentina have surrounding currency swaps is further highlighted when examining sectors where China is active in the region. Almost 34% of all official Chinese financing in South America goes to the industry, mining, and construction sector. In Argentina, support to this sector only makes up 7% of its entire Chinese development finance portfolio; however, this sector makes up 79% of Peru's Chinese development finance portfolio and 71% of Brazil's. The single largest loan in this sector was a \$13.8 billion loan provided by China Development Bank in 2009 to explore the Santos Basin pre-salt oil fields in Brazil. Outside of oil, Chinese lending in this sector to Peru is dominated by support for critical minerals like copper at the Las Bambas and Toromocho mines.

⁸Chile and Uruguay are high income countries.

Appendix A: Public opinion and bilateral diplomatic visits between China and Argentina in the BRI era

Since 2006, Argentina has maintained an unfavorable view towards China. Data captured by Gallup between 2006 and 2024 shows that Argentine citizens held an average approval rate of 38% toward China.⁹ For comparison, the global approval rating was roughly 59.5% in the same time span. Argentina’s approval rating stayed in the 30-40% range until increasing to nearly 55% in 2019. However, it dropped to 32% in 2020 likely due to the COVID-19 pandemic. While steady at 32% through 2021, China’s approval rate dropped further in 2022 to 27%, perhaps due to Milei’s initial anti-China agenda.

Figure A.1: Argentinian approval of Chinese leadership, 2006-2024¹⁰

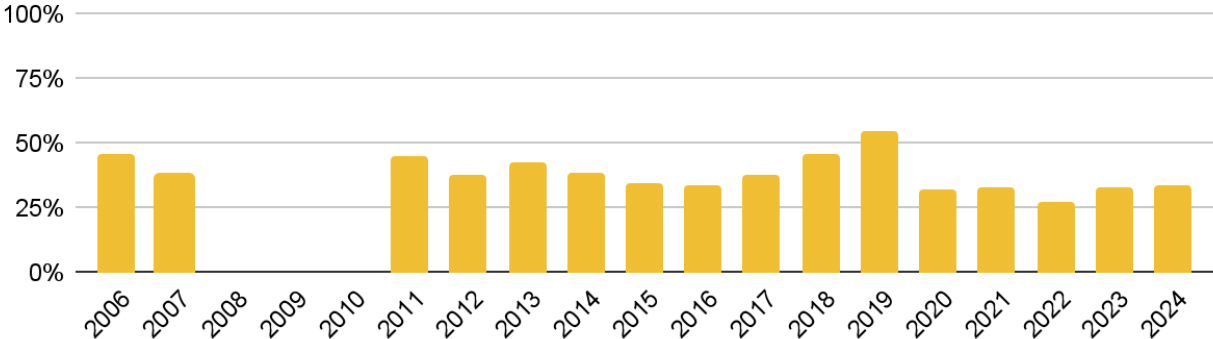


Figure A.2: Bilateral diplomatic visits between China and Argentina

2014 JUL	President Xi Jinping visited Argentina for the first time with President Cristina Fernández de Kirchner, where a comprehensive strategic partnership was established.
2016 SEP	President Mauricio Macri met with Xi Jinping ahead of the G20 summit in China to discuss deepening cooperation in trade, investment, and finance.
2019 SEP	President Macri met with Chinese State Councilor and Minister of National Defense, Wei Fenghe, pledging to work together to promote bilateral ties.
2022 FEB	Argentine President Alberto Fernández met with Xi Jinping in Beijing, signing a memorandum of understanding to officially join the Belt and Road Initiative.
2022 NOV	President Xi met with President Fernández in Bali, celebrating the 50th year of diplomatic ties between the two countries.
2024 NOV	President Xi meets Argentine President Javier Milei for the first time on the sidelines of the G20 summit in Rio de Janeiro.

⁹This data comes from Gallup’s World Poll which started in 2005. Gallup conducts the survey in various frequencies on a country-by-country basis; therefore, the years AidData has data for vary and there are gaps pre-2006 and, in some cases, between 2006-2024. For Argentina, data is not available for pre-2006 and 2008-2010. For more information on the Gallup methodology see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

¹⁰The data for the graph and approval rate is based upon Gallup’s Rating World Leaders’ report and dataset.

Appendix B: Methodology & definitions

Capturing Chinese development finance methodology:

The insights in this profile are derived from AidData's China Global Loans and Grants 1.0 dataset. For more details regarding the methodology used to assemble the data, please refer to the Tracking Loans and Grants from China to Low-, Middle-, and High-Income Countries: An Application of AidData's TUFF 4.0 Methodology. All financial values reported in this profile represent USD Constant 2023 prices, unless otherwise stated.

Definitions of finance types:

- Aid: Includes any grant, in-kind donation, or concessional loan (i.e., loans provided at below-market rates and categorized as ODA in CLG 1.0).
- Non-concessional loans: Captures export credits and loans that are priced at or near market rates (i.e., non-concessional and semi-concessional debt categorized as OOF in CLG 1.0).
- Vague: Any official financial flows that could not be reliably categorized as "aid" or "non-concessional loans" because of insufficient information in the underlying source material.

Emergency rescue lending & rollover facilities:

Emergency rescue loans are loans from Chinese state-owned entities to government borrowing institutions in low-income and middle-income countries that are used for at least one of three purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. Such loans include borrowings via currency swap agreements, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, commodity prepayment facilities, and so-called "sovereign loans"¹¹.

Short-term emergency rescue loans represent an increasingly important part of China's overseas portfolio of loans to LICs and MICs. Nearly all of these borrowings, which are typically used to refinance maturing debts, carry de jure maturities of one year or less (i.e., they are initially scheduled for repayment in 12 months or less). However, it is not unusual for financially-distressed LICs and MICs to receive short-term emergency rescue loans from the same Chinese creditor in a series of consecutive years. This relatively new feature of China's overseas lending program raises an important question about how to accurately estimate the cumulative stock of official financial flows—or lending commitments—from China to the developing world. In countries that receive roll-over emergency rescue loans, this profile reports the full transaction amount (including short-term roll-over facilities) for Figure 1.1. All other visuals exclude these short-term rollover facilities.

Definitions of instrument types:

- Grant: The donation of money or an in-kind donation of goods from an official sector institution in China (e.g. donations of supplies or equipment, humanitarian aid or disaster relief, or financing for the construction of a government building, school, hospital, or sports stadium).

¹¹Parks et al. (2023)

- Free-standing technical assistance: Skills training, instruction, consulting services, and information sharing by official sector entities and experts from China. Training provided by Chinese entities outside of China is classified as technical assistance.
- Scholarships/training in the donor country: Funding from an official sector institution in China that allows a citizen from the host country to study at a Chinese university or other educational institution. This includes training programs and activities that are sponsored by an official sector institution in China and held for host country citizens in China.
- Debt forgiveness: The total or partial cancellation of debt owed by a borrowing institution in the host country to a Chinese government or state-owned entity.

Development finance to Argentina from other donors:

All data on development finance from other donors came from the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) Creditor Reporting System (CRS). The CRS is the OECD's aid activity database, which compiles activity-level statistics from all providers who report to the OECD. For the analysis in Figure 1.2, 'Aid' represents Official Development Assistance (ODA) grants and loans. Non-concessional loans represent the Other Official Flows (OOF) measure. However, the flows captured in CRS (which are project-level records) specifically exclude export credit flows (due to their potentially sensitive nature). Data on export credits is available in OECD's DAC2B database in aggregate form. DAC2B provides data on OOF loans and grants and gross export credits. However, consistent and comprehensive data on export credits from one development partner to a specific country are not available. Gross export credits to a specific country are available at an aggregate level, such as G7 or all DAC Members.

Financial Distress:

This profile includes a measure of "financial distress," defined as loans that show evidence of principal or interest arrears, default on repayment obligations, borrower bankruptcy, or the renegotiation of loan terms (including suspensions of principal or interest payments). The inclusion of restructured loans in this definition represents a methodological change; as a result, the share of cumulative loan commitments classified as distressed in this version of the profile may be higher than in previous versions.

Project implementation challenges methodology:

To better understand the implementation challenges within China's overseas infrastructure portfolio, AidData developed a new coding framework to systematically identify and categorize environmental, social, and governance (ESG) problems associated with Chinese-financed infrastructure projects in low- and middle-income countries. Under this framework, AidData flags projects when there is credible evidence of a significant environmental, social, or governance issue arising before, during, or after the implementation of a Chinese-financed infrastructure project.

Common ESG challenges in infrastructure projects:

- Environmental: Negative effects on the environment due to building, rehabilitating, or maintaining a physical structure. These include an increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.

- Social: Negative effects on different groups of people due to the infrastructure project, such as employees, nearby residents, Indigenous populations, or community members. Such negative effects include poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.
- Governance: Negative effects related to the infrastructure project's financial, legal, and ethical management during the design and implementation of the project. These can include corruption, money laundering, lack of transparency, and non-competitive bidding processes that lead to higher project costs and/or poor project quality.

Loan Performance Methodology

AidData's Chinese PPG Loan Performance Dataset 2.0 is a loan-level dataset that tracks the disbursement, repayment, arrears, restructuring, and outstanding debt trajectories of public and publicly guaranteed (PPG) loans issued by Chinese state-owned creditors to low- and middle-income countries. Building off the detailed loan commitment records captured in the 3.1 version of AidData's Global Chinese Development Finance dataset, the 2.0 version of the Loan Performance dataset tracks 3,100 Chinese PPG loans issued to 124 borrowing countries between 2000-2022. The dataset synthesizes over 11,000 independently-sourced, loan-level performance observations drawn from public debt reports and repositories, stock exchange filings, bond prospectuses, and audited financial statements. These pieces of information are leveraged in conjunction with amortization schedule modeling techniques to create the best approximation of each loan's financial performance over time.

Each loan is represented through three complementary amortization models. The "planned model" constructs an amortization schedule based only on original commitment terms and assumes full and timely repayment without deviations. The "perfect compliance" model incorporates observed disbursements and time-varying interest rate benchmarks (for floating-rate instruments) while still assuming payments occur as scheduled. The "actual performance" model integrates observed disbursement and repayment behavior, time-stamped debt stock values, and credit events including arrears, missed payments, and restructuring agreements (e.g., DSSI-related deferrals) to reconstruct each loan's realized trajectory. Together, these models enable comparisons between the repayment burdens implied at signing and the repayment burdens realized over time, and they support consistent aggregation of debt service and debt stock across loans and countries.

The debt stock statistics in this profile are calculated from "actual performance" model outputs and are aggregated across all PPG loans for a given borrower country and calendar year. Figure 1.10 displays the country's outstanding Chinese PPG debt stock by year. This measure captures the estimated balance of loan amounts outstanding at the end of each calendar year across all Chinese PPG loans to the borrower. The measure combines observed debt stock data with modeled amortization schedules and includes both remaining principal and any unpaid interest charges. Figure 1.11 shows the country's annual debt service payments on Chinese PPG loans, including both principal and interest payments. These variables include normal debt service as well as altered payments associated with debt service suspensions and restructuring agreements.

We thank Dr. Bradley C. Parks for his detailed comments and suggestions for this profile; Sheng Zhang for providing data analysis support; and John Custer for supporting the formatting and data visualization design. The cover design is by Sarina Patterson; the cover image shows a train traveling on the Belgrano Cargas Railway Line in Argentina, which was rehabilitated by China. Photo by Jose Carrizo via Flickr, licensed under CC BY 2.0.

AidData gratefully acknowledges financial support from the Swiss Agency for Development and Cooperation (SDC), the United States Agency for International Development (USAID), and the Ford Foundation. The findings and interpretations in this profile are entirely those of the authors. AidData's research is guided by the principles of independence, integrity, transparency, and rigor. A diverse group of funders support AidData's work, but they do not determine its research findings or recommendations.

The insights in this profile are primarily derived from the 1.0 version of AidData's China's Global Loans and Grants dataset and the 2.0 version of AidData's Chinese PPG Loan Performance Dataset, although it also draws upon ancillary data from other sources. CLG-Global 1.0 is a uniquely comprehensive and granular dataset that captures 33,580 projects across 217 low-, middle-, and high-income countries supported by loans and grants from official sector institutions in China worth \$2.2 trillion. It tracks projects over 24 commitment years (2000-2023) and provides details on the timing of project implementation over a 26-year period (2000-2025). An accompanying report, [Chasing China: Learning to Play by Beijing's Global Lending Rules](#), analyzes the dataset and provides myth-busting evidence about the changing nature, scale, and scope of China's overseas finance program.

For the subset of grant- and loan-financed projects and activities in the dataset that have physical footprints or involve specific locations, AidData has extracted point, polygon, and line vector data via OpenStreetMap URLs and produced a corresponding set of GeoJSON files and geographic precision codes. The GCDF 3.0 geospatial data and precision codes are provided in [AidData's Geospatial Global Chinese Development Finance Dataset, Version 3.0](#) (Goodman et al, 2024).

For any questions or feedback on this profile, please email china@aiddata.org.



AidData & William & Mary,
PO Box 8795, Williamsburg, VA 23185.
www.aiddata.org | @AidData