

Bangladesh

Chinese Development Finance, 2000-2023



Country Profile

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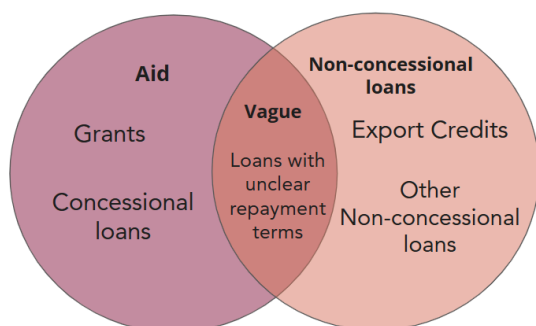
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Key concepts: aid, non-concessional loans, and vague flows

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

- Between 2000 and 2023, official sector lenders and donors from China committed \$20.6 billion across 167 projects, making Bangladesh the second largest recipient of Chinese aid and credit in South Asia. Loans account for 97% of the total portfolio. Infrastructure projects absorb 97% of all lending, and 98% of those projects involve at least one Chinese implementing entity. The breadth of that infrastructure spending spans power generation, railways, roads, expressways, tunnels, water treatment, and industrial logistics.
- Chinese financing surged in 2018 and remained elevated even as Beijing pulled back from BRI infrastructure lending globally. In 2018, China committed over \$6.4 billion to Bangladesh in a single year, directed primarily at energy and transport. Commitments remained between \$1 billion and \$3 billion annually through 2021, a period when Chinese infrastructure lending was declining elsewhere. Flagship projects during these years included a \$708 million power grid strengthening project in 2020 and participation in a syndicated loan for the 350MW Barishal coal-fired power plant in 2021.
- Energy and transport together absorb 80% of all Chinese financing to Bangladesh. Energy leads at \$10.7 billion (52% of commitments), anchored by a \$2 billion loan for the 1320MW Payra coal-fired power plant and a \$1.1 billion power grid expansion under DPDC. Transport follows at \$5.8 billion (28%), led by the \$2.7 billion Padma Bridge Rail Link. Industry, mining, and construction accounts for another \$1.5 billion (7%). China Eximbank alone provided 71% of all Chinese financing; Bank of China, ICBC, and MOFCOM account for the bulk of the remainder.
- Bangladesh's debt service to Chinese creditors has increased sixfold since 2018 and is now approaching levels at which Bangladesh has begun signaling that it needs debt relief. Annual principal and interest payments rose from \$224 million in 2018 to \$1.46 billion in 2024 as major loans exited their grace periods and entered repayment. Interest costs peaked at approximately \$475 million in 2024. Following the ousting of Prime Minister Hasina in August 2024, the new government requested that China restructure its loans. In January 2025, Beijing agreed in principle to extend maturities from 20 to 30 years on applicable loans, with interest rate reductions and fee waivers still under negotiation.
- By the end of 2024, Bangladesh owed an estimated \$10.2 billion in outstanding PPG debt to Chinese creditors, equivalent to roughly 13% of its total external public debt and 2.3% of GDP.
- The Banskhalī coal-fired power plant represents one of the most severe cases of social harm in China's South Asian infrastructure portfolio. Police opened fire on protesters opposing the project in April 2016, killing four people. Further clashes in 2017 and a 2021 worker protest over unpaid wages left seven more dead. Independent reviews found that the project's environmental impact assessment understated air quality risks and omitted mercury pollution concerns. In 2021, 129 activists and 79 organizations from 21 countries called on China's Ministry of Commerce to withdraw financing. The project proceeded regardless and is now operational.

Country overview: China's relationship with Bangladesh

South Asian countries that have joined the BRI



Bangladesh and China's Belt and Road

Bangladesh is a country located in South Asia. In March 2019, during President Xi's state visit to Bangladesh, the two countries signed a "Memorandum of Understanding on Jointly Formulating a Plan for Cooperation of the Belt and Road," officially marking Bangladesh's entry into the BRI. While many countries in the region have joined the BRI, Bangladesh's largest neighbor, India, has not participated in the BRI.

Historic relationship

The People's Republic of Bangladesh and the People's Republic of China have maintained a bilateral diplomatic relationship since 1975, four years after current-day Bangladesh's proclamation of independence from Pakistan in 1971.

Present-day relationship

China has become one of Bangladesh's most important external partners, anchoring the relationship in development finance for Bangladesh's energy and infrastructure needs. Bangladesh seeks to carefully balance its relationship with both Beijing and New Delhi, but Chinese development finance has nonetheless become a cornerstone of its own economic growth strategy. Even amid political upheaval, ties with Beijing have held steady. In 2016, Prime Minister Sheikh Hasina elevated ties with China to a "comprehensive strategic partnership."¹ Eight years later, on the eve of her political downfall, Hasina again traveled to Beijing to meet President Xi Jinping and upgraded relations to a "comprehensive strategic cooperative partnership." Months later, mass student-led protests swept Hasina from power, ushering in an interim government under Dr. Muhammad Yunus in 2024.² Yet Dhaka's alignment with Beijing has endured. In March 2025, Yunus paid his own visit to Beijing, after which Bangladeshi and Chinese authorities announced that Chinese companies had pledged investments, loans, and grants worth \$2.1 billion to Bangladesh, including financing for large-scale infrastructure projects such as the Mongla port, and encouraged Chinese investments for the Teesta River Comprehensive Management and Restoration Project.³ After Bangladesh's February 2026 election, China quickly engaged the new BNP-led government under Prime Minister Tarique Rahman, suggesting that Beijing intends to preserve close ties with Dhaka despite Bangladesh's change in political leadership.⁴

¹China's MFA (2025). "China and Bangladesh." https://www.fmprc.gov.cn/mfa_eng/qjhdaq_665435/2675_665437/2681_663366/.

²Bangladesh profile—Timeline. (2019, February 26). *BBC News*. <https://www.bbc.com/news/world-south-asia-12651483>

³BD secures \$2.1 billion in commitments from China. (2025, March 29). <https://observerbd.com/news/518957>

⁴China Premier greets Bangladesh PM Tarique Rahman. (2026, February 27). *BSS*. <https://www.bssnews.net/news-flash/361809>

Overview: Chinese development finance in Bangladesh from 2000-2023

\$20.6 billion

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

97%

Chinese development finance is provided via loans.

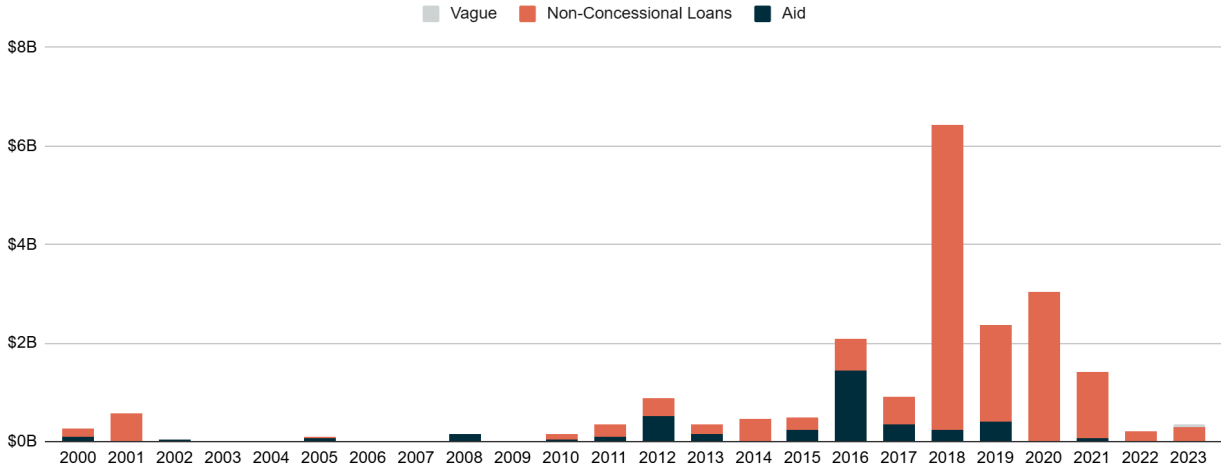
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grants, technical assistance, and training activities offered.

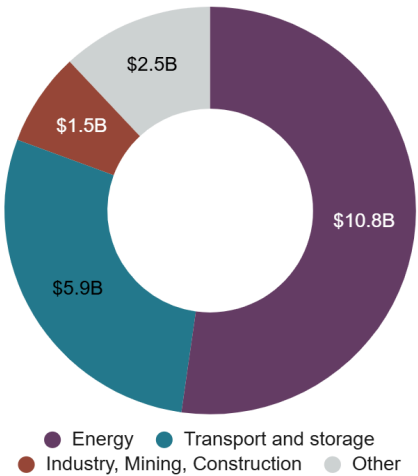
2nd

largest recipient of Chinese aid and credit in South Asia.

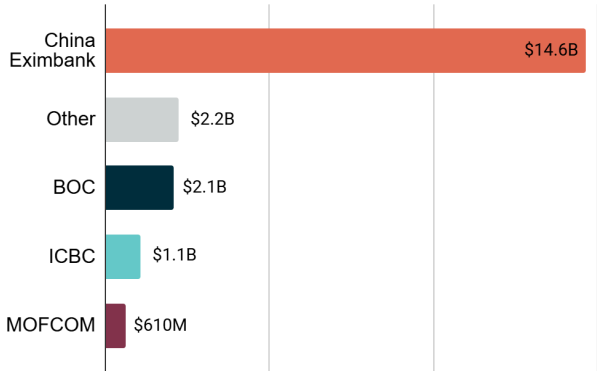
Official sector financial commitments from China to Bangladesh, 2000-2023⁵



Portfolio by sector



Portfolio by funder



China Eximbank: Export-Import Bank of China; BOC: Bank of China; ICBC: Industrial and Commercial Bank of China; MOFCOM: China Ministry of Commerce

⁵For definitions of the categories of *aid*, *non-concessional loans*, and *vague*, please see Key Concepts on page 2 or Appendix B.

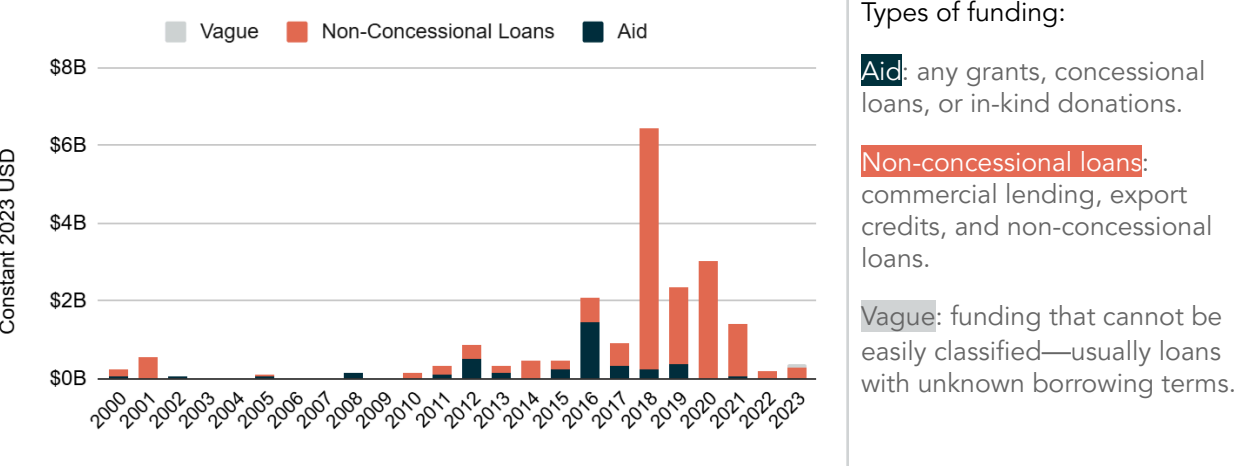
How much development finance has China provided Bangladesh since 2000?

Bangladesh joined China’s BRI in 2019. However, even before the agreement was signed, China had established itself as a major lender to Bangladesh. China is one of Bangladesh’s largest trading partners and bilateral donors.

Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$20.6 billion for 167 projects and activities in Bangladesh. That makes Bangladesh—a country with a relatively large economy (GDP: \$450.2 billion) and population (173.5 million residents)—the second largest recipient of Chinese aid and non-concessional lending in South Asia and the 32nd largest recipient in the world.⁶ In 2018, China dramatically scaled up its commitments to Bangladesh, with more than \$6.4 billion committed in that year alone. Most of this financing was directed toward the energy and transport sectors, including large-scale power generation projects and upgrades to Dhaka’s transport infrastructure. The 2018 surge reflected Beijing’s growing interest in cementing Bangladesh’s role as a Belt and Road hub in South Asia. It also underscored Dhaka’s willingness to absorb significant volumes of external financing at a time when its infrastructure gap was expanding and domestic fiscal resources were limited.

After this surge, China’s official sector financial commitments remained in the \$1-3 billion range for several years: \$2.3 billion in 2019, \$3 billion in 2020, and \$1.4 billion in 2021. These financial commitments were notable given that Beijing was reining in BRI financing worldwide during this period, particularly amid the COVID-19 pandemic. Flagship projects in Bangladesh during these years illustrate the breadth of Beijing’s role. In 2020, China Eximbank provided a \$708 million preferential buyer’s credit for the Power Grid Network Strengthening Project, which involved nearly 990 kilometers of new transmission lines and 41 new substations across Dhaka and Mymensingh. In 2021, Bank of China participated in a syndicated loan for the 350 MW Barishal Coal-Fired Power Plant (BEPCL) in Barguna district. Together, these projects highlight China’s continued willingness to bankroll Bangladesh’s power and infrastructure ambitions even as it reduced infrastructure lending elsewhere.

Figure 1.1: Official sector financial commitments from China to Bangladesh



⁶The global ranking includes high income countries.

How does China compare to other development partners?

China is Bangladesh's largest overall development partner, though the World Bank Group and Japan provide more aid flows specifically. Support from these bilateral and multilateral lenders largely benefits Bangladesh's health, trade, and commerce sectors. China's development finance portfolio in Bangladesh, on the other hand, is largely focused on infrastructure projects via the provision of non-concessional loans and export credits.

- **United States:** The U.S. has slashed its foreign assistance budget and drastically downsized its international aid organization, USAID, in February 2025. The impact on Bangladesh has been severe: USAID obligations to the country fell 31% between fiscal years 2024 and 2025, with deeper cuts expected in 2026.⁷
- **United Kingdom:** The UK announced plans to cut its international development budget to 0.3% of its gross national income starting in 2027, likely affecting Bangladesh.
- **Switzerland:** Switzerland's development agency plans to reduce its aid budget by \$487 million over the next four years, following a parliamentary directive.⁸ As part of this scale-back, it will end its partnership with Bangladesh by 2028. The agency will continue some work in Bangladesh, with a focus on climate, migration, and humanitarian aid.

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

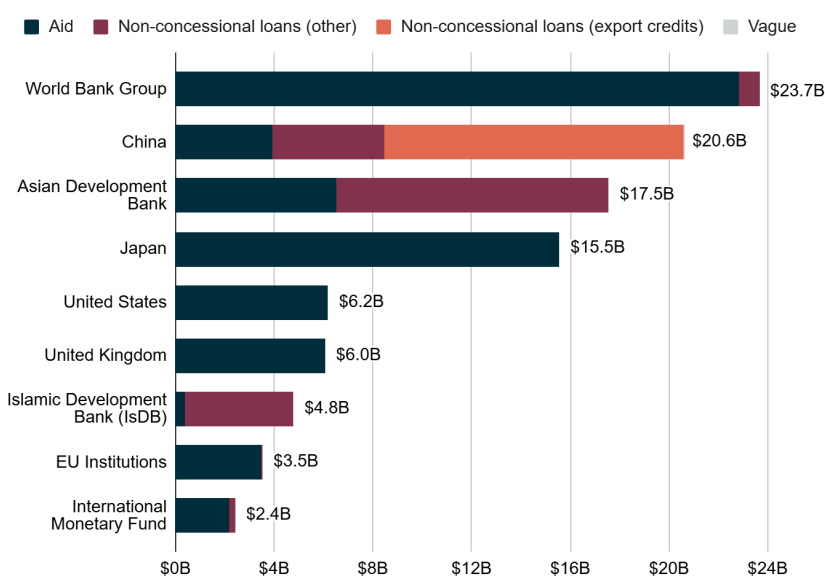


Figure 1.2 contains the top nine development partners providing aid and other financing to Bangladesh. However, only China has detailed bilateral export credit flows to Bangladesh. This level of granularity is not available for other development partners, as the OECD does not provide export credit data 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 Countries: \$7.4 billion.

Total export credits from DAC member countries (including G7): \$9.7 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.

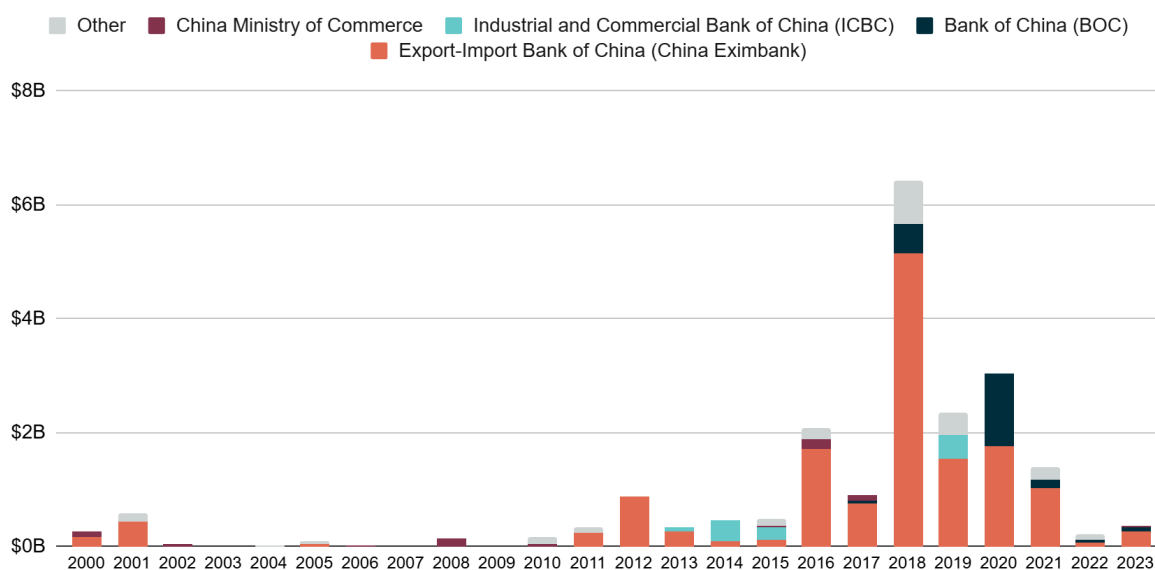
⁷ For more information on the United States' cuts in funding to Bangladesh, see <https://cpintl.org/type/impact-story/the-usaid-shutdown-implications-for-global-health-and-humanitarian-aid>

⁸ For more information on Switzerland's aid reductions, see <https://www.swissinfo.ch/eng/swiss-diplomacy/end-of-swiss-development-aid-in-bangladesh-sparks-concern/89005039>

Which donors and lenders from China are active in Bangladesh?

Between 2000 and 2023, 29 official sector donors and lenders from China provided aid and non-concessional loans to Bangladesh. 88% of China’s development finance portfolio is provided through four main donors and lenders. 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 to Bangladesh



China Eximbank is by far Bangladesh’s largest Chinese financier, with \$14.6 billion committed between 2000 and 2023, accounting for roughly 71% of Chinese official sector financial commitments. Its lending has been concentrated in large-scale transport, energy, power transmission, water, and communications infrastructure. China Eximbank’s largest commitment was the \$2.7 billion preferential buyer’s credit for the Padma Bridge Rail Link Project in 2018, followed by a nearly \$2 billion loan for the first phase of the 1320MW Payra Coal-Fired Thermal Power Plant. Since 2021, new China Eximbank lending has slowed, but not disappeared. In 2022, the bank provided financing for the 66MW Cox’s Bazar Wind Farm, and in 2023 it committed \$276 million for the Rajshahi Surface Water Treatment Plant.

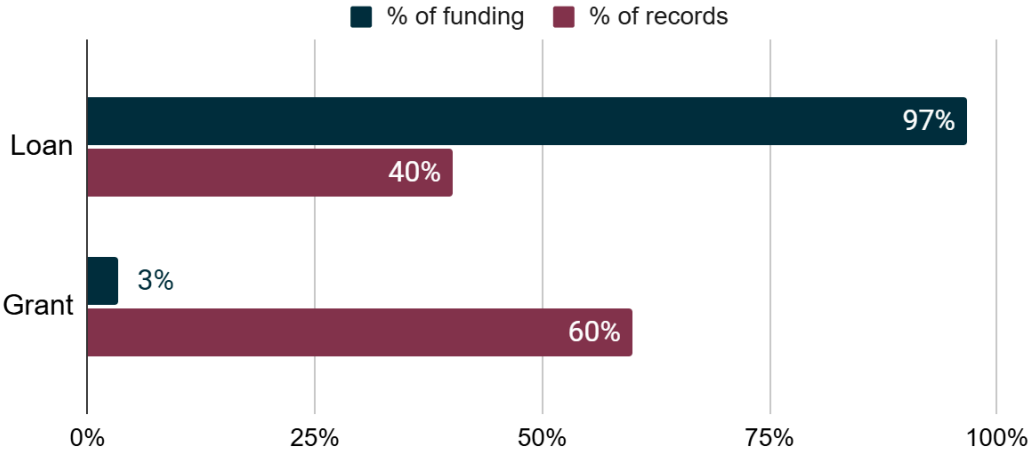
Bank of China (BOC) is Bangladesh’s second-largest Chinese financier, with \$2.1 billion in lending. Unlike China Eximbank, BOC’s portfolio is overwhelmingly concentrated in the energy sector. Its largest contribution was \$917 million to the syndicated loan for the 1320MW Patuakhali Coal-Fired Thermal Power Plant in 2020. BOC also contributed to syndicated financing for the Banskhal Power Plant, Barisal Power Plant, and the Mymensingh Dual Fuel Power Plant. In 2023, BOC’s lending moved beyond power generation when it contributed \$65 million to a syndicated loan for the Rampura-Amulia-Demra Expressway.

The Industrial and Commercial Bank of China (ICBC) has played a smaller role in supporting energy projects, including the Barapukuria Power Plant, Ghorasal Combined Cycle Power Plant, and Koddia Power Plant. Its largest single contribution, however, was \$415 million to the syndicated loan for the Dhaka Elevated Expressway Construction Project in 2019. The Chinese Ministry of Commerce (MOFCOM) is the fourth largest funder, providing about \$610 million in interest-free loans and grants for public infrastructure like Bangladesh-China Friendship Bridge projects and a 2023 grant for the Chittagong Medical College Hospital.

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

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 Bangladesh. When looking at record counts, grants account for 60% of all activity records in Bangladesh (representing 100 records capturing activities taking place between 2002 and 2023).

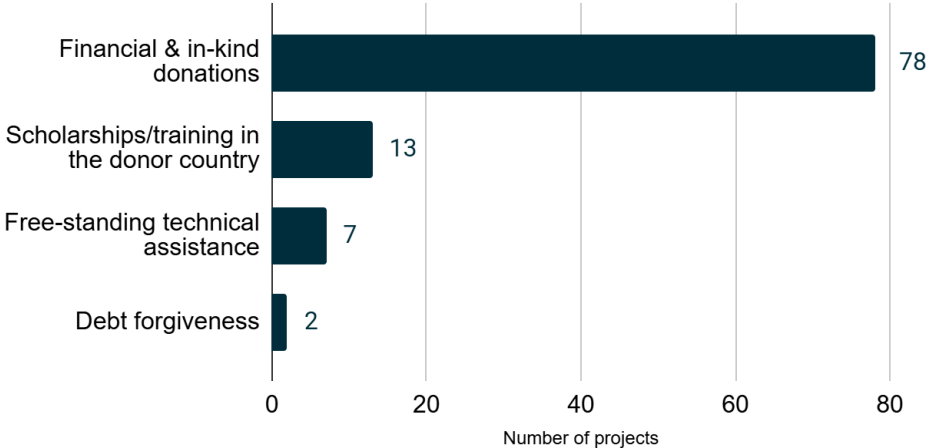
Figure 1.4: Top financial instruments used by China in Bangladesh



Note: Debt rescheduling and Vague records are excluded from this visual since they are neither loans nor grants.

97% of China’s official sector financing to Bangladesh takes the form of loans (totaling \$20.6 billion), while 3% (\$683 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.

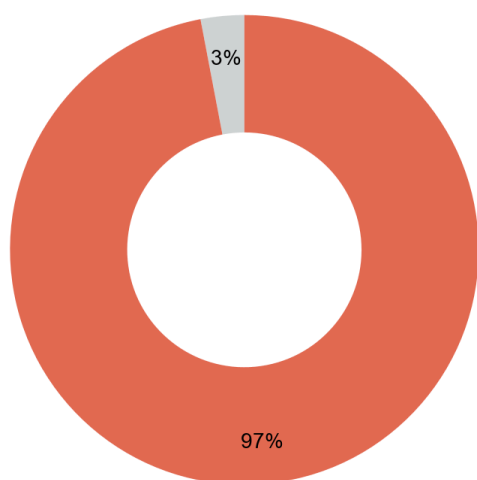
Figure 1.5: Breakdown of grants by project count



From 2002 to 2023, Bangladesh received \$683 million across 100 grants from official sector Chinese entities. Most Chinese grant activity in Bangladesh came through financial and in-kind donations: 78 grants supported COVID-19 response, humanitarian relief, medical assistance, and other small-scale donations. In 2023 alone, China provided ten new donations to

Bangladesh, including medical equipment, anti-dengue supplies, flood relief materials, and other supplies. Besides financial and in-kind donations, China has also provided free-standing technical assistance and scholarships, primarily in the health, education, and agriculture sectors. Technical assistance included medical support, education-related activities, and agricultural training for Bangladeshi technicians. China has also awarded roughly 640 scholarships and training opportunities to Bangladeshi students and agricultural technicians. Bangladesh has also received about \$105 million in debt forgiveness in 2010 and 2011.

Figure 1.6: Breakdown of lending by purpose

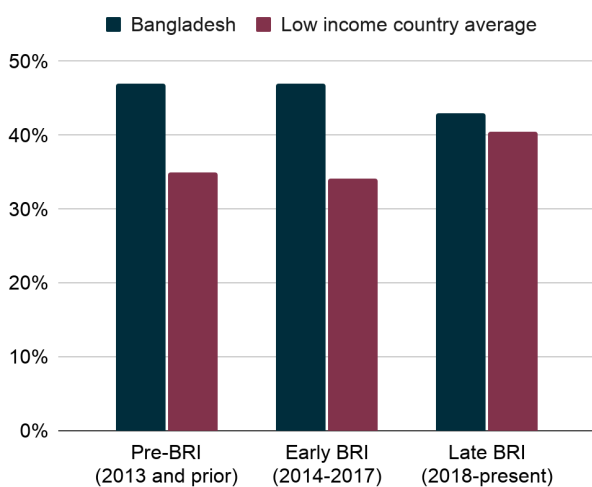


Infrastructure: loans to support the construction, rehabilitation, or maintenance of a physical structure.

Other: loans for equipment acquisition, unspecified purposes, refinancing existing debt, mergers and acquisitions, working capital loans.

97% of China’s \$19.9 billion in official sector lending to Bangladesh supports infrastructure projects. 98% of all infrastructure projects in Bangladesh are implemented by at least one Chinese entity, such as a Chinese state-owned or private sector company. For example, China National Import and Export Corporation has served as an implementing agency for multiple projects, including the Expansion and Strengthening of Power System Network under DPDC Area Project and the Dhaka Elevated Expressway Construction Project. Around 3% of China’s official sector lending to Bangladesh is provided for equipment acquisitions, unspecified purposes, debt refinancing, or corporate purposes.

Figure 1.7: Grant element over time



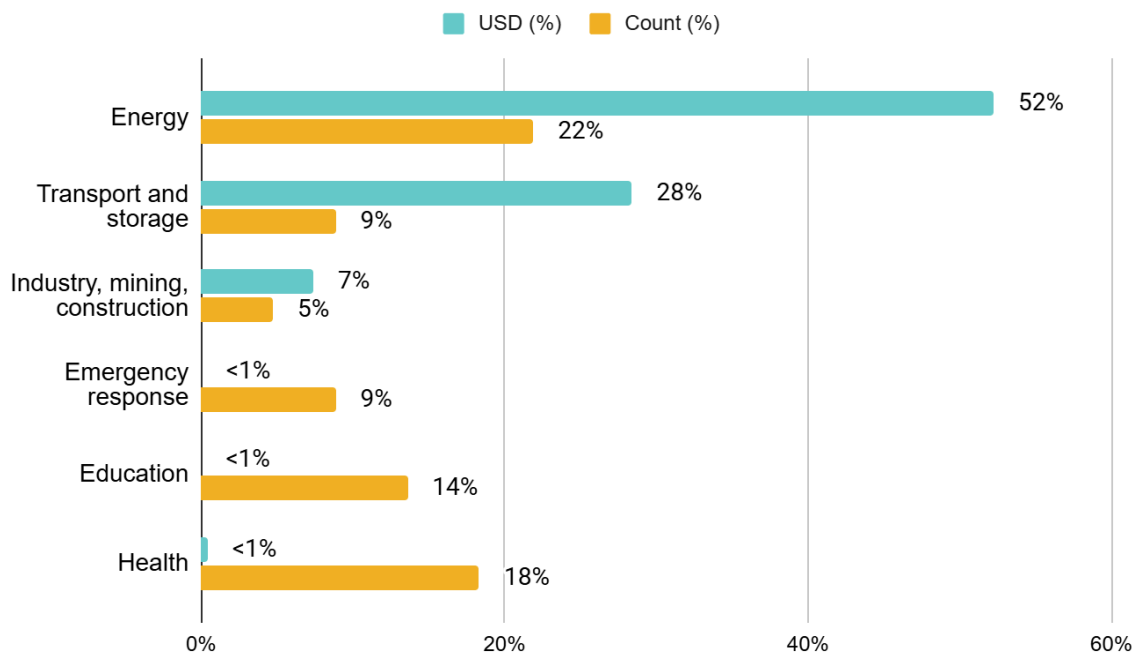
A loan’s grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China’s low income lending portfolio fluctuated between 34% and 41% from 2000 to 2023. In Bangladesh, pre-BRI lending was more concessional due to the higher volume of China Eximbank and MOFCOM interest free loans and grants. The grant element remained high in the late BRI period due to most large loans to the country using low fixed interest rates (2-3%) and long maturities.

In which sectors is China most active?

Top sectors for China’s aid and credit in Bangladesh differ greatly when comparing monetary value and record count. Certain sectors, such as emergency response and education and storage, often 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



In terms of monetary value, 87% of China’s grant and loan commitments to Bangladesh supported three core infrastructure (“hardware”) sectors: energy, transport and storage, and industry, mining, and construction between 2000 and 2023.

- **Energy:** The energy sector is defined by the generation and distribution of renewable and non-renewable resources, as well as hybrid and nuclear power plants. Projects in this sector represent 22% of activity counts in Bangladesh, but it is the largest sector in terms of monetary value—standing at 52% or \$10.7 billion of China’s entire funding portfolio in Bangladesh. Noteworthy activities in the energy sector include a \$2 billion loan from China Eximbank for the first phase of 1320 MW Payra Coal-Fired Thermal Power Plant Project and a \$1.1 billion preferential buyer’s credit for Expansion and Strengthening of Power System Network under the Dhaka Power Distribution Company (DPDC) Area Project.⁹
- **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. 28% of China’s development finance portfolio in Bangladesh is specifically dedicated to this hardware sector, representing \$5.8 billion in aid and

⁹Preferential Buyer’s Credit (PBC) is a lending instrument unique to China Eximbank. PBCs are USD-denominated loans that are granted to foreign government institutions. The recipient government then uses the loan to purchase goods and services from a Chinese supplier.

non-concessional loans. The largest financial commitment from a single source is a \$2.7 billion preferential buyer's credit from China Eximbank for the Padma Bridge Rail Link Project. In 2023, Bank of China provided a \$65 million syndicated loan for the Rampura-Amulia-Demra (RAD) Expressway Project.

- **Industry, mining, construction:** This sector includes manufacturing, fossil fuels, mining for coal, gas, metals, minerals, and construction. Projects in this sector represent only 6% of activity counts in Bangladesh, with a monetary value of 7% or \$1.5 billion. The largest financial commitment from a single source in this sector is a \$586 million preferential buyer's credit provided by China Eximbank for the installation of Single Point Mooring (SPM) with the Double Pipe Line Project. The purpose of this project is to construct an oil tanker mooring platform and an underwater and onshore pipeline in Chittagong, Bangladesh. The project has been extended multiple times, from 2018 through 2022 and into 2023, with eventual completion in 2023. It is also over budget, with an estimated cost increase of 44%.

China is also heavily engaged in the “software” sectors, such as health, education, and emergency response. China's footprint in these sectors is difficult to represent, however, because the activities in these sectors usually attract smaller grant and loan commitments, or represent some form of in-kind donation, technical assistance, etc.

- **Emergency response:** This sector consists of material relief and assistance services for the benefit of crisis-affected individuals, including refugees and internally displaced people. Emergency response activities account for 9% of China's total record count. Most of China's activities in the emergency response sector include COVID-19 aid, support for victims impacted by flooding, and relief materials for Rohingya refugees in Bangladesh. Rohingya Muslims have faced internal and external displacement due to Myanmar's civil war and genocide, with Bangladesh welcoming over 1 million Rohingya refugees. In response to this, China provided aid with the latest award in 2023 via UNHCR.
- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent \$1.64 million in funding and 14% of China's total record count, with 23 records. Notable activities in the education sector include scholarships for Bangladeshi students to study in China, as well as the Chinese embassy's donations to establish a China Research Center and sports equipment for the Shanto Mariam Confucius Classroom.
- **Health:** This sector includes medical care, infrastructure, equipment, and control activities. In total, activities in the health sector represent 31 records in China's portfolio in Bangladesh (or 18% of records). Notable activities include the donation of 1.6 million Sinopharm Covid-19 vaccine doses to Bangladesh, valued at \$9 million.

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

- Financing remained concentrated in hard infrastructure. Energy received about \$4.8 billion, or roughly 66% of recorded monetary commitments, while transport and storage received about \$2.2 billion, or 29%.
- The largest recent commitments were for the DPDC Area project in 2019, PGCB Power Grid Network Strengthening project in 2020, and the Dhaka-Ashulia Expressway in 2021.

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

67
loans
issued

\$19.9 billion
total loan
commitments

86%
of total loan
commitments
are public debt

17.6%
of total loan
commitments show signs
of financial distress

\$10.2 billion
total public debt
outstanding as of
2024

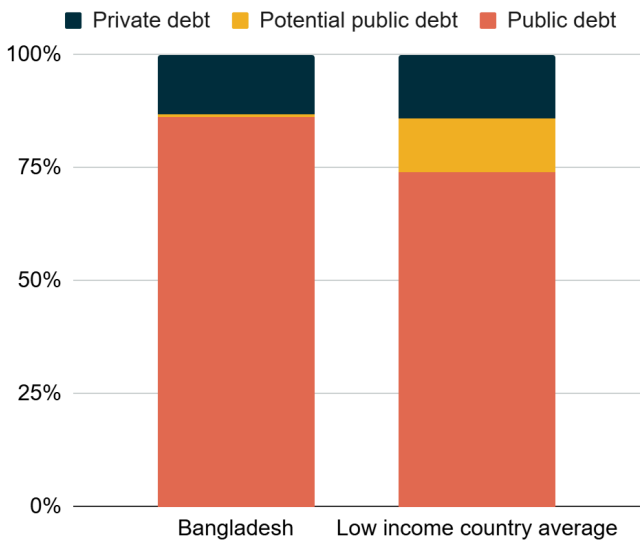
What is “public debt”?

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—Bangladesh: \$19.9 billion. Low income country average: \$5.5 billion.



Bangladesh’s debt is largely public (86%). This is 12 percentage points higher than the average (74%) for all low income countries. Bangladesh’s private or other debt stood at 13%, and less than 1% of Bangladesh’s debt represents potential public debt. China’s largest private debt is an \$893 million loan from China Eximbank and ICBC to First Dhaka Elevated Expressway Company, Ltd., an SPV majority owned by the Italian-Thai Public Development Company Ltd. (ITDPCL), for the Dhaka Elevated Expressway Construction Project.

17.6% of China’s cumulative loan commitments to Bangladesh show evidence 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). The primary source of financial distress in the portfolio is the \$2 billion China Eximbank loan for the first phase of the 1320 MW Payra Coal-Fired Thermal Power Plant. The borrowing institution—a special purpose vehicle called Bangladesh-China Power Company (Pvt.) Ltd. (BCPCL)—struggled to meet its repayment

obligations in 2022 and required assistance from the central bank of Bangladesh to pay the loan installment.¹⁰ That being said, in a joint report, the World Bank and IMF recently assessed Bangladesh's internal and external debt distress as low risk.¹¹

China did not participate in the Debt Service Suspension Initiative (DSSI) with Bangladesh. However, China provided other forms of support during and after the COVID-19 period, including medical supplies, vaccine donations, and expanded duty-free access for Bangladeshi exports. Additionally, following the Hasina government's ousting in August 2024, Bangladesh requested that China restructure some of its loans by seeking lower interest rates, longer grace periods, a ten year maturity extension, and a waiver of commitment and management fees. In January 2025, during bilateral talks in Beijing, China agreed in principle to the ten year extension, which would extend the repayment periods from 20 years to 30 years for applicable loans. China also indicated it would consider interest rate reductions and fee waivers, though these issues were still under negotiation as of mid-2026.

¹⁰Bangladesh-China Power Company (Pvt.) Ltd. (BCPCL) is a joint venture between the Northwest Power Generation Company Ltd. (NWPGL), a state-owned power company in Bangladesh, and China National Machinery Import & Export Corporation (CMC), a Chinese state-owned international engineering contractor.

¹¹For more information on the World Bank-IMF's analysis of Bangladesh's external debt, please see <http://documents.worldbank.org/curated/en/099081324132541099/BOSIB1d5a3079d0611b74816e8b74f7be74>.

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

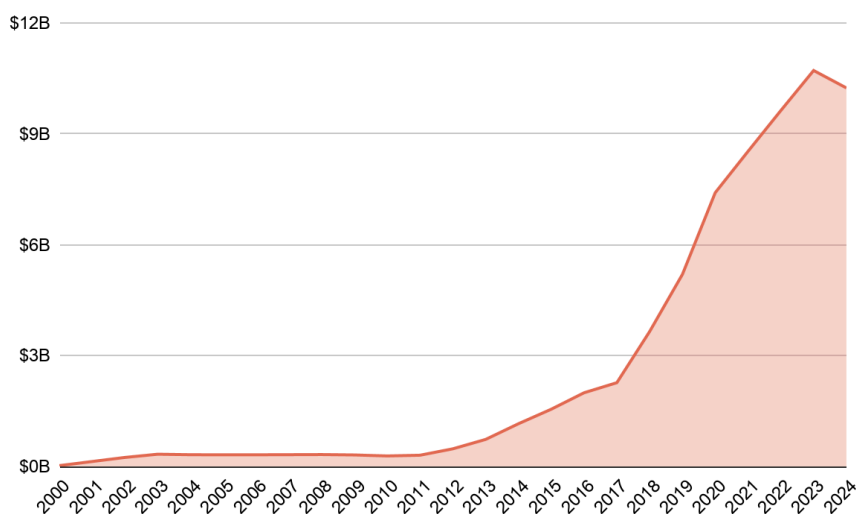
What is “public debt exposure”?

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. 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 Bangladesh’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.

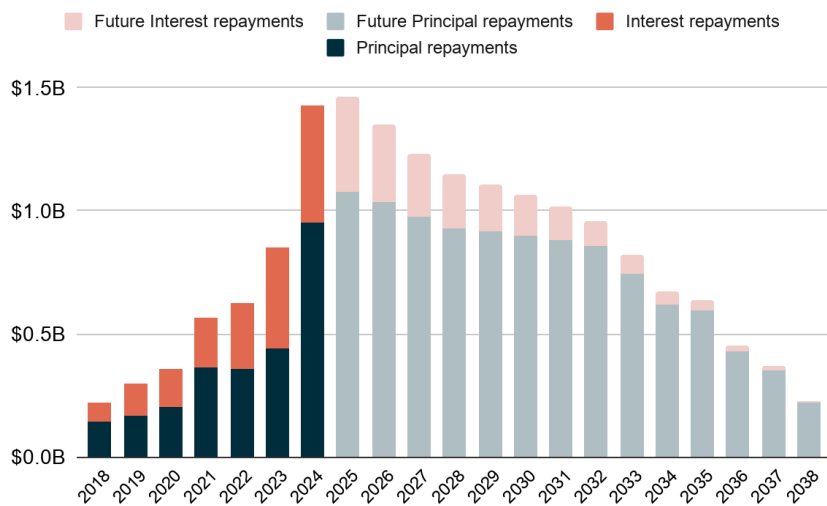
By the end of 2024, Bangladesh owed an estimated \$10.2 billion in outstanding PPG debt to official sector creditors in China. This was equivalent to about 13.2% of Bangladesh’s total PPG external debt stock to all external creditors.¹² This indicates that China is a major bilateral creditor in Bangladesh’s sovereign debt liabilities. The total PPG debt stock owed to China represented 2.3% of GDP in 2024.

Bangladesh’s outstanding debt to China is tied to 40 active loans. Of these, six loans remain in their original grace period, 33 loans are in their original repayment period, and one loan has been affected by a debt restructuring agreement with China. By contrast, eight loans have been fully repaid or otherwise closed out by 2024. Based on existing loan commitments

¹²World Bank, International Debt Statistics.

through 2023, Bangladesh is expected to continue paying down its debt to Chinese creditors until 2041.

Figure 1.11: Bangladesh’s principal and interest payments to Chinese creditors under PPG loans (2018-2038)



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

Figure 1.11 shows Bangladesh’s principal and interest payments due to Chinese creditors. Specifically, it displays principal and interest payments 2018-2023 and future principal and interest payments from 2024-2038.

The estimated principal payments are calculated by adding all principal payments due each year. Future interest and principal payments are projected from loan terms.

Between 2018 and 2025, Bangladesh’s annual principal and interest payments increased sharply, from about \$224 million in 2018 to \$1.46 billion in 2024. The largest observed payment years are 2024 when principal repayments rose substantially, reaching about \$952 million in 2024. The payments starting in 2025 and beyond do not yet include Beijing’s agreement in principle to a ten year maturity extension on relevant loans in Bangladesh’s PPG portfolio. As such, the required repayments will likely be lower than what is initially shown in Figure 1.11. The significant maturity extensions will likely affect 4 loans representing \$3.5 billion in Bangladesh’s outstanding PPG debt to China as of the end of 2025.

Bangladesh also faces substantial recurring interest costs tied to its outstanding Chinese debt. Interest payments rose from about \$82 million in 2018 to a peak of about \$475 million in 2024, before declining after 2025 as the loan stock is gradually repaid. These interest costs appear substantial primarily because Bangladesh has a large outstanding debt stock to Chinese creditors and several major loans entering repayment.

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

Chinese-financed infrastructure projects in Bangladesh:

67

infrastructure projects supported by grants and loans from China

\$19.7 billion

in loan and grant commitments supporting infrastructure projects

Examples of infrastructure implementation risks:

Environmental: increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.

Social: poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.

Governance: corruption, money laundering, lack of transparency, and non-competitive bidding processes.

From 2000 to 2023, infrastructure projects accounted for 64.5% of China's development finance portfolio in low- and middle-income countries. These 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. In Bangladesh, the Banskhal power plant illustrates these implementation challenges as significant ESG risks translated into adverse environmental, social, and governance impacts after the project reached completion.



The Banskhal project is an independent power project in Chittagong Division. It was implemented by SS Power I Limited, a special purpose vehicle owned by S. Alam Group,

Shandong Electric Power Corporation III (SEPCO III), and HTG Development Group. In 2018, a syndicate of Chinese banks signed a \$1.8 billion buyer's credit agreement for the project. The Chinese lender contributions include Bank of China, China Construction Bank, China Development Bank, and Agricultural Bank of China.

The project faced implementation challenges from the earliest stages. Although President Xi Jinping and Prime Minister Sheikh Hasina participated in a formal project unveiling ceremony in October 2016, project implementation did not begin until December 2018 as the project had not reached financial close.¹³ The project was initially expected to be completed around March or April 2022, but it faced repeated delays. In July 2020, project sponsors were reportedly fined for construction delays and received a two-year extension.

Similarly, the project has faced severe social and labor-related implementation challenges. Local opposition emerged during land acquisition, with residents objecting to displacement and alleging that land had been acquired under misleading premises. In April 2016, protests against the project turned violent when police opened fire, killing four people and injuring dozens more.¹⁴ Further clashes occurred in 2017 between pro- and anti-plant groups. In 2021, workers protesting unpaid wages clashed with police; five workers were killed initially, and two more later died from their injuries.¹⁵

This power plant also raised environmental and governance concerns. The Centre for Research on Energy and Clean Air, together with the Bangladesh Environmental Lawyers Association and the Bangladesh Working Group on External Debt, found major flaws in the project's environmental impact assessment (EIA). Their review argued that the EIA understated air-quality risks, omitted discussion of several health and pollution impacts, including mercury pollution and contained inaccurate baseline claims.¹⁶ These concerns fed into broader criticism that the project lacked adequate transparency and accountability. In 2021, 129 activists and 79 organizations from 21 countries called on China's Ministry of Commerce to withdraw financing and technical support, citing lack of transparency, human rights concerns, and environmental damage.

¹³Rahman, M. A. (2018, November 25). *Power Div warns of scrapping S Alam Gr's coal power plant*. The Financial Express. <https://today.thefinancialexpress.com.bd/last-page/power-div-warns-of-scrapping-s-alam-grs-coal-power-plant-1543082377>

¹⁴ Mustafa, K. (2016, April 12). *Banshkhali Coal Power Plant Propaganda and Reality*. The Daily Star. <https://www.thedailystar.net/op-ed/politics/banshkhali-coal-power-plant-propaganda-and-reality-1208137>

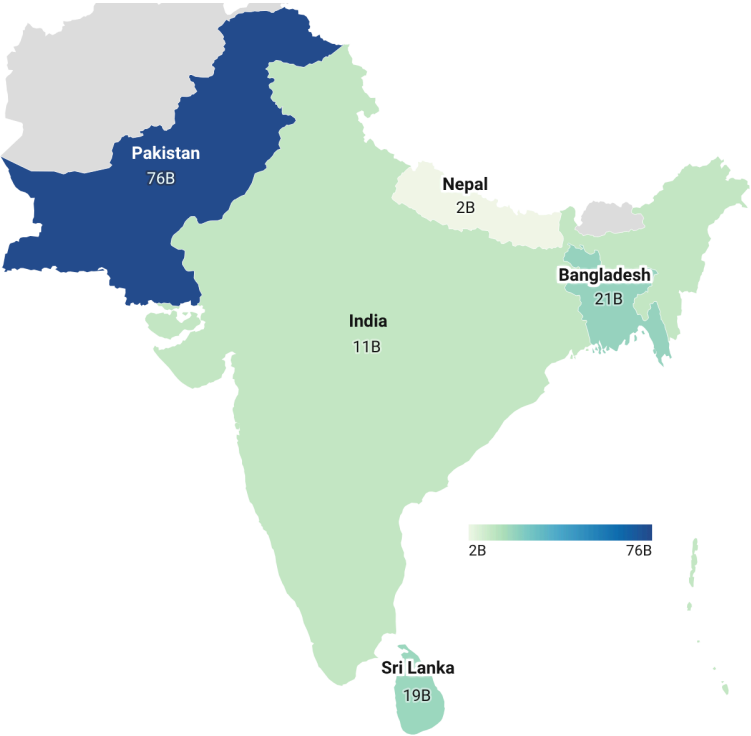
¹⁵Rahman, S. A. (2021, April 19). *5 Killed During Protest at China-backed Bangladesh Power Plant*. Voice of America. <https://www.voanews.com/a/south-central-asia-5-killed-during-protest-china-backed-bangladesh-power-plant/6204762.html>

¹⁶ Myllyvirta, L. (2021). *Assessment of the Banshkhali S. Alam coal power (SS Power I) project EIA*. Centre for Research on Energy and Clean Air (CREA), Bangladesh Environmental Lawyers Association (BELA) and Bangladesh Working Group on External Debt (BWGED). <https://energyandcleanair.org/wp/wp-content/uploads/2021/06/Assessment-of-the-Banshkhali-SS-Power-I-coal-power-project-EIA.pdf>

How does Chinese financing to Bangladesh compare to other countries in South Asia?

Between 2000 and 2023, Chinese official sector financiers directed 1,411 loans and grants to five South Asian countries worth \$128 billion. In Figure 1.12, AidData provides a cumulative view of China’s development finance portfolio in the region. Nearly 73% (\$94 billion) of China’s development financing to the region took place between 2014 and 2023, the BRI 1.0 and BRI 2.0 periods. The average annual financing committed during these years was \$9.4 billion. Bangladesh received 16% (roughly \$21 billion) of all Chinese financing to the region, making it the second largest recipient in South Asia.

Figure 1.12: Cumulative financial commitments from China to South Asia, 2000-2023



Pakistan is the top recipient of loans and grants in South Asia with \$76 billion provided between 2000 and 2023. Pakistan’s position as the top recipient of Chinese financing in South Asia is driven by the China Pakistan Economic Corridor (CPEC), a flagship BRI corridor centered on energy, transport, port, and industrial projects.

Major CPEC-linked commitments include China Eximbank’s \$1.8 billion preferential buyer’s credit loan for the Sukkur-Multan Section of the Karachi-Lahore Highway Project, one of the corridor’s flagship transport projects.

Bangladesh stands out among its neighbors for the large amount of Chinese-financed infrastructure the country has received. Infrastructure projects accounted for \$19.7 billion, or 96% of China’s total financing to Bangladesh. This share is higher than Pakistan (54%), Sri Lanka (72%), India (19%), and Nepal (74%). In Bangladesh, these commitments were not limited to a single corridor or sector: they supported power generation, power transmission, railways, roads, expressways, tunnels, water treatment, and industrial logistics. Major examples include the Padma Bridge Rail Link, Payra and Patuakhali coal-fired power plants, DPDC and PGCB power grid projects, the Dhaka-Ashulia Expressway, the Karnaphuli River Tunnel, and the Banskhali coal-fired power plant. This breadth makes Bangladesh one of the region’s most important recipients of Chinese infrastructure finance, even though Pakistan remains China’s largest South Asian borrower overall.

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

China's approval rate among Bangladesh citizens has fluctuated over time. Data captured by Gallup between 2006 and 2024 shows that Bangladeshi citizens held an average approval rate of 56.5% toward China.¹⁷ This is slightly lower than the global average of 59.5%. Since 2012, when approval was lowest at 38.9%, approval has increased and fluctuated again, most likely attributed to the COVID-19 pandemic. By 2024, the approval rate jumped to 76% in Bangladesh.

Figure A.1: Bangladesh's approval of Chinese leadership, 2006-2024¹⁸

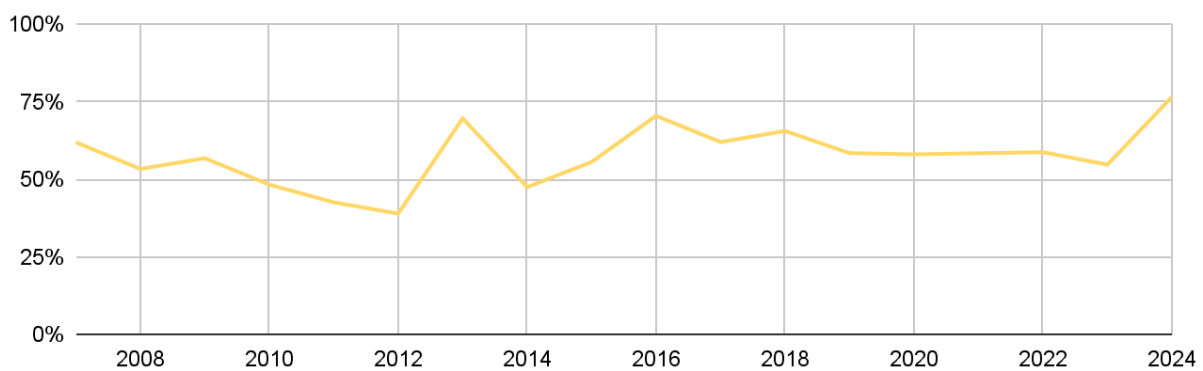


Figure A.2: Bilateral diplomatic visits between China and Bangladesh

2014 SEP	Bangladesh's Prime Minister Sheikh Hasina met with President Xi Jinping in China to discuss deepening their comprehensive partnership of cooperation.
2018 NOV	Chinese Foreign Minister Wang Yi met with Bangladeshi Foreign Secretary Shahidul Haque to exchange views on the crisis in Myanmar.
2019 JUL	Prime Minister Hasina met with President Xi in China ahead of the Summer Davos Forum and discussed furthering bilateral ties.
2021 APR	Chinese Minister of National Defense Wei Fenghe met with Bangladeshi President Abdul Hamid to sign an agreement on advancing bilateral military cooperation.
2024 JUL	Prime Minister Hasina met with President Xi to elevate their bilateral relations to a comprehensive strategic cooperative partnership.
2025 MAR	President Xi meets with Chief Adviser of Bangladeshi Interim Government Muhammad Yunus.

¹⁷This 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 we have data for vary and there are gaps pre-2006 and, in some cases, between 2006-2021. For Bangladesh, data is not available for pre-2006 and 2021. For more information on the Gallup methodology see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

¹⁸The 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.

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).
- 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 Bangladesh 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 Sheng Zhang for providing data analysis support; John Custer for supporting the formatting and data visualization design. Cover design by Sarina Patterson; cover image shows power lines in Dhaka, where China funded the Power Grid Network Strengthening Project. Photo by Artyponds via Adobe Stock, used under the Standard license.

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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.



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