

# Cambodia

## Chinese Development Finance, 2000-2023



### Country Profile

May 2026

JulieAnn Sickell 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

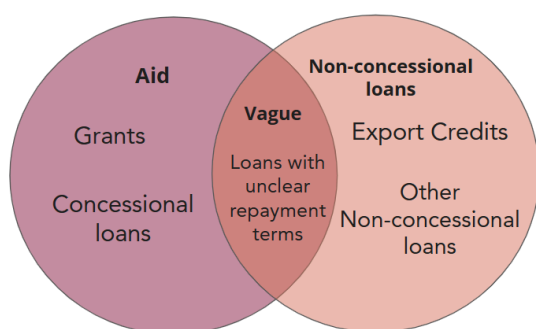
---

Executive Summary	3
Overview	4
How much development finance has China provided to Cambodia since 2000?	6
How does China compare to other development partners?	7
Which donors and lenders from China are active in Cambodia?	8
What kinds of financial and in-kind support does China offer Laos?	9
In which sectors is China most active?	11
What are the characteristics of Cambodia’s debt to China?	13
What does Cambodia’s current public debt exposure to China look like—and what payments are due?	15
What kind of project implementation challenges has China faced in Cambodia?	17
How does Chinese financing to Cambodia compare to other countries in Southeast Asia?	19
Appendices	20

## 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 \$17.8 billion across 459 projects—enough to make Cambodia the sixth-largest recipient of Chinese aid and credit in Southeast Asia and the 36th largest in the world.
- Loans dominate China’s portfolio in Cambodia. Of the \$17.8 billion committed, \$16.3 billion are loans (representing 92% of the full portfolio). The Export-Import Bank of China alone contributed \$9.4 billion, channeling its commitments primarily into hydropower, roads, and airports. Grants, numbering 293 between 2000 and 2023, are far more numerous by record count but far smaller in dollar value, covering medical teams, scholarships, and equipment donations.
- Infrastructure absorbs the overwhelming share of Chinese lending to Cambodia, at a rate significantly above China's global average. 86% of Chinese loans support infrastructure projects, compared with 64% across China's broader low- and middle-income country portfolio. Transport and storage alone accounts for 43% of the entire portfolio, with energy at 26% and communications at 10%.
- Cambodia's debt profile to China is structurally unusual, with a far larger share of private and opaque debt than comparator countries. Only 40% of Chinese lending to Cambodia qualifies as public debt, well below the 74% average for low-income countries. Private or opaque debt accounts for 43% of total exposure, against a low-income country average of 14%, driven largely by loans to Cambodian banks and joint ventures with unclear ownership structures.
- Cambodia's debt repayment burden to China is growing steadily and will not peak until 2029. By the end of 2024, Cambodia owed an estimated \$3.4 billion in outstanding public and publicly-guaranteed (PPG) debt to Chinese creditors—nearly one-third of Cambodia's total external public debt and 7% of GDP. Annual payments have climbed nearly 140% since 2018 and are projected to peak at around \$410 million in 2029 before tapering off through 2042.
- The bilateral relationship between China and Cambodia is close. Beijing has been Cambodia's largest development partner since at least 2010, when the two countries elevated their relationship to a comprehensive strategic partnership. Cambodia has consistently sided with China on sensitive regional issues, and Cambodian public approval of Chinese leadership has averaged 73% since 2006. In April 2025, Xi Jinping visited Phnom Penh and the two sides signed 37 cooperation agreements, including a landmark \$1.2 billion deal for the Funan Techo Canal.
- Chinese-financed infrastructure projects in Cambodia have generated real environmental and social costs. The Phnom Penh–Sihanoukville Expressway displaced communities without adequate compensation and caused measurable ecological damage along its corridor. At the same time, the Siem Reap Angkor International Airport was relocated specifically to protect Angkor Wat from aircraft vibration and shows that mitigation is possible when prioritized.

### South-east Asian countries that have joined the BRI



Cambodia is a key participant in the Belt and Road Initiative, China's flagship infrastructure program launched in 2013. It is located along the 21st-century Maritime Silk Road—the Road component of China's Belt and Road Initiative (BRI). In October 2016, during President Xi Jinping's state visit to Cambodia, the two nations' leaders signed the "Memorandum of Understanding on Jointly Formulating a Plan for Cooperation to Promote the Construction of the Belt and Road," officially marking Cambodia's entry into the BRI.

### Historic relationship

The Kingdom of Cambodia and the People's Republic of China have maintained a diplomatic bilateral relationship since 1958. The relationship is characterized by significant Chinese involvement in the Cambodian Civil War (1967-1975), the Cambodian-Vietnamese War (1978-1989), and the Third Indochina War (1978-1991). China's support of former Prime Minister and current President of the Senate of Cambodia, Hun Sen, during the late 1990s played a major role in the advancement of China-Cambodia relations.<sup>1</sup> While Hun Sen's consolidation of power and human rights abuses have led to the deterioration of Cambodia's bilateral relationships with Western states, Cambodia's relationship with China continues to grow stronger in key areas such as trade, health, and security.

### Present-day relationship

For China, Cambodia has proved to be a strategic ally and cooperation partner in the Asia-Pacific, increasingly in the 2010s and 2020s. In April 2025, Xi Jinping and Hun Manet, the current prime minister of Cambodia, declared the building of an "all-weather China-Cambodia community with a shared future in the new era."<sup>2</sup> During this visit to Cambodia, the two sides signed 37 cooperation agreements, including the building of the large-scale Funan Techo Canal.<sup>3</sup> Yet the relationship has not been without friction. Beijing reportedly froze new lending to Cambodia in 2024, with no fresh loans signed that year. Cambodia has also become a hub for transnational scam operations that have trafficked victims and fraud operators from across Asia, including from China—a problem serious enough that Beijing repatriated hundreds of fraud suspects and victims from Cambodia and Myanmar in 2024.

<sup>1</sup>Storey, I. (2006). China's Tightening Relationship with Cambodia. *China Brief Volume, 6*(9).

<https://jamestown.org/program/chinas-tightening-relationship-with-cambodia/>

<sup>2</sup>State Council of the PRC (2025). China, Cambodia agree to build all-weather community with shared future in new era. *Xinhua*.

[https://english.www.ov.cn/news/202504/18/content\\_WS68018acfc6d0868f4e8f1d74.html](https://english.www.ov.cn/news/202504/18/content_WS68018acfc6d0868f4e8f1d74.html)

<sup>3</sup>Khmer Times (2025). Cambodia and China sign 37 agreements to strengthen bilateral ties during President Xi Jinping's visit.

<https://www.khmertimeskh.com/501671228/cambodia-and-china-sign-37-agreements-to-strengthen-bilateral-ties-during-president-xi-jinpings-visit/>

# Chinese development finance in Cambodia from 2000-2023

**\$17.8 billion**

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

**92%**

of Chinese development finance is provided via loans.

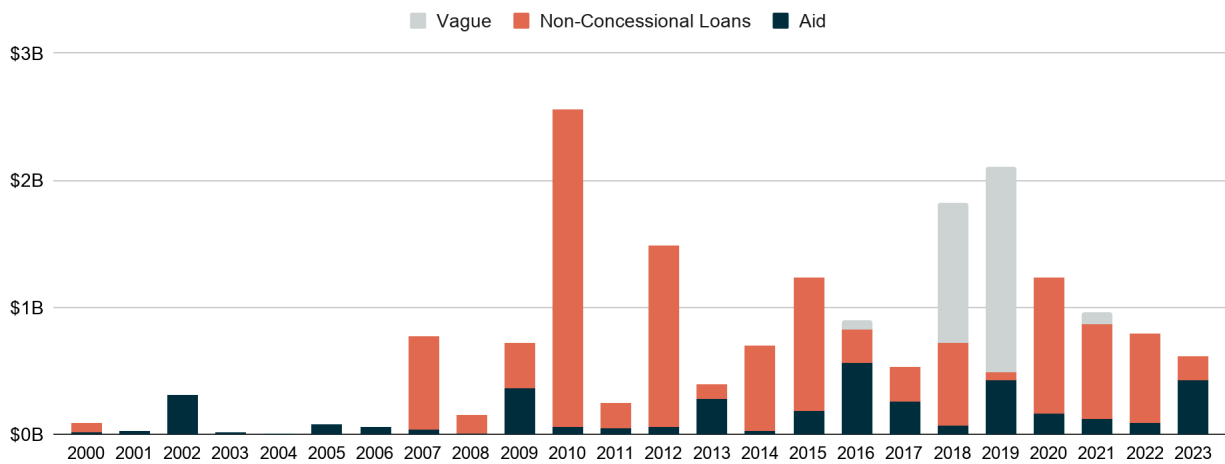
**293**

grants, technical assistance, and training activities provided.

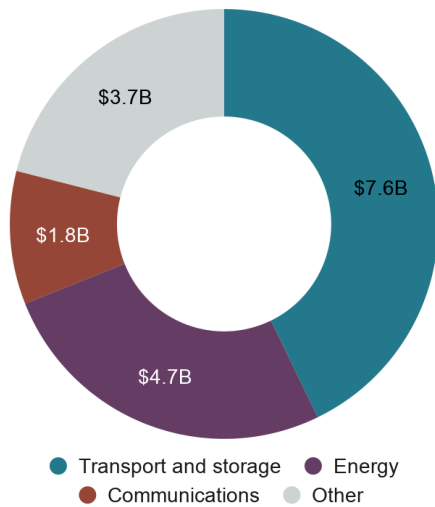
**6th**

largest recipient of Chinese aid and credit in Southeast Asia.

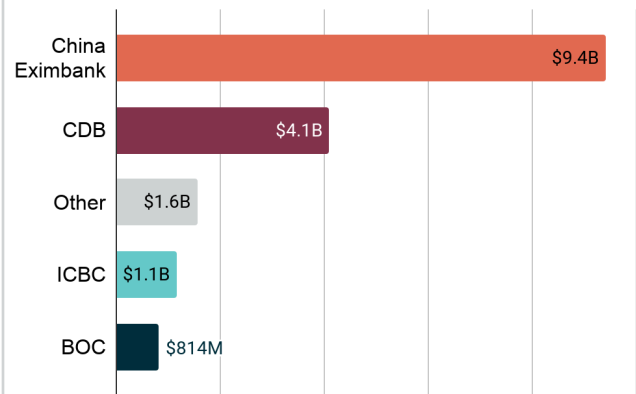
*Official sector financial commitments from China to Cambodia, 2000-2023<sup>4</sup>*



*Portfolio by sector*



*Portfolio by funder*



*China Eximbank: Export-Import Bank of China; CDB: China Development Bank; ICBC: Industrial and Commercial Bank of China; BOC: Bank of China*

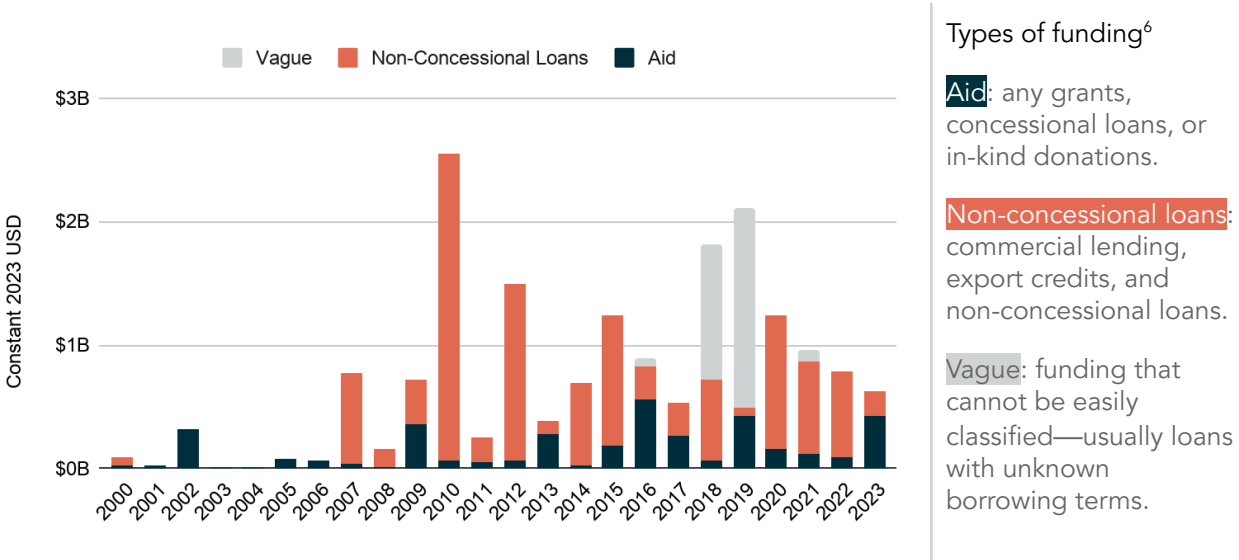
<sup>4</sup>For definitions of the categories of *aid*, *non-concessional loans*, and *vague*, please see the Key Concepts box on page 2 or Appendix B.

# How much development finance has China provided to Cambodia since 2000?

Cambodia joined China's Belt and Road Initiative in 2016, though Beijing had already established itself as a major lender well before the agreement was signed (see Figure 1.1). China is now Cambodia's largest trading partner and bilateral donor. For a list of bilateral diplomatic visits between the two countries in the BRI era, see Appendix A.

Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$17.8 billion for 459 projects and activities in Cambodia. That makes Cambodia—a country with a relatively small economy (GDP: \$42.3 billion) and population (17.4 million residents)—the sixth-largest recipient of Chinese aid and credit in Southeast Asia and the 36th-largest recipient in the world. In 2010, China and Cambodia established a comprehensive strategic partnership, marking a major turning point in China's relationship with the country, as demonstrated by the \$2.6 billion in aid and non-concessional loan commitments that year (see Figure 1.1).<sup>5</sup> China's heavy financing in Cambodia seems to be continuing, with a landmark \$1.2 billion deal financing the Funan Techo Canal finalized in April 2025 (though debt financing details are yet to be confirmed).

Figure 1.1: Official sector financial commitments from China to Cambodia



<sup>5</sup>A comprehensive strategic partnership (CSP) is the highest tier of foreign relations in Cambodian foreign relations. See Lim (2024) for more information at <https://eastasiaforum.org/2024/01/24/cambodia-strengthens-ties-with-japan-amid-us-china-tensions/>

<sup>6</sup>For more information on these categories, please see Appendix B.

## How does China compare to other development partners?

China is Cambodia’s largest development partner, providing over five times more aid and credit than any other bilateral or multilateral source. Japan is the country’s second-largest development partner and the only country—other than China—to establish a comprehensive strategic partnership with Cambodia.<sup>7</sup> Financial flows from all of Cambodia’s top donors focus heavily on the transport sector (including national road rehabilitation and bridge building) as well as the water supply and sanitation sector. The Asian Development Bank and the United States rank third and fourth, respectively, among Cambodia’s development partners.

- **United States:** In 2025, the Trump administration eliminated 83% of U.S. international aid funding, including programs covering health, human rights, child protection, independent media, and efforts to combat human trafficking. However, the U.S. Department of State has continued its assistance to Cambodia for landmine clearance with \$5 million provided in 2026.<sup>8</sup>

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

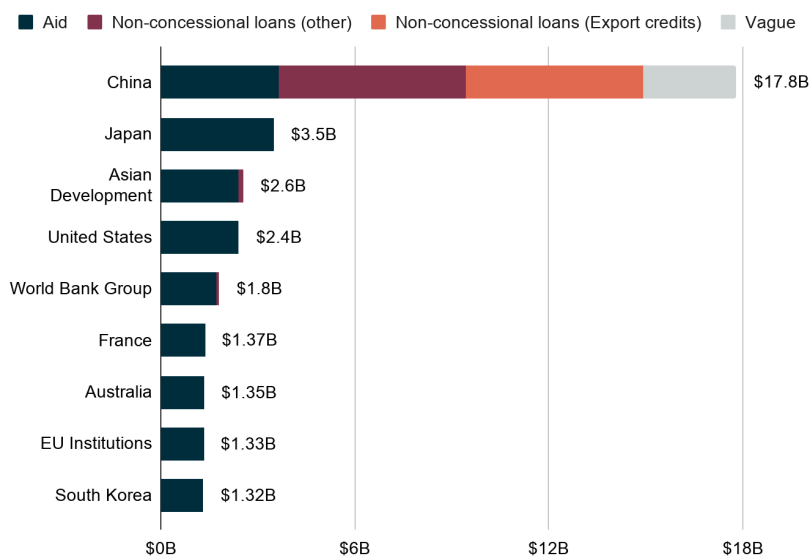


Figure 1.2 contains the top nine development partners providing aid and other financing to Cambodia. However, only China has detailed bilateral export credit flows to Cambodia. This level of granularity is not available for other development partners as the OECD does not provide export credit data for 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: -\$509 million.<sup>9</sup>  
Annual export credits from G7 between 2014-2023: \$83 million.

### 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.

<sup>7</sup>See Lim (2024) for more information at

<https://eastasiaforum.org/2024/01/24/cambodia-strengthens-ties-with-japan-amid-us-china-tensions/>

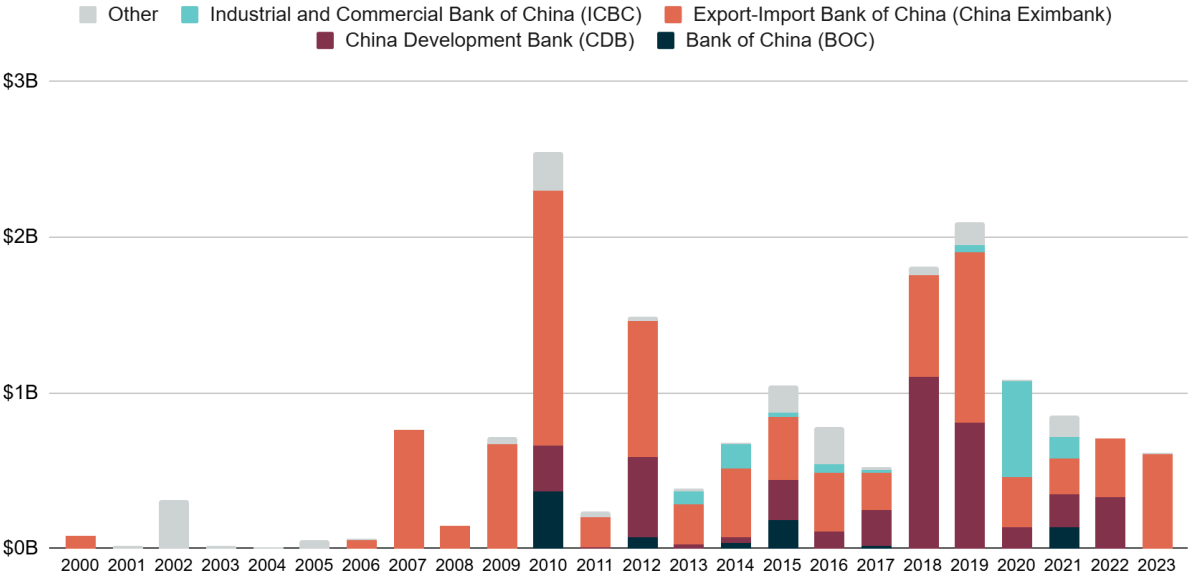
<sup>8</sup> See Gedeon (2025) at <https://www.theguardian.com/us-news/2025/mar/10/marco-rubio-usaid-funding> and Sreypich (2026) at <https://kiripost.com/stories/cambodia-receives-5m-us-aid-to-boost-mine-and-uxo-clearance-after-border-clash>

<sup>9</sup>Export credit totals from 2002-2004 were uncharacteristically negative, likely due to currency fluctuations, and weak domestic production. To provide a more relevant picture of recent export credits from G7 donors, we have provided an annual average of gross export credit flows during the BRI period to Cambodia during this time period as part of Figure 1.2.

# Which donors and lenders from China are active in Cambodia?

Between 2000 and 2023, 66 official sector donors and lenders from China provided aid and non-concessional loans to Cambodia. 87% of China’s official development finance portfolio is provided via four main donors and lenders (see Figure 1.3). The other 13% 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 Cambodia



The Export-Import Bank of China (China Eximbank) was the first Chinese lender to engage with Cambodia in the 2000s. The most notable among the three loans the bank provided in 2000 was a \$36.7 million export seller's credit to rehabilitate the Kirirom I Hydropower Plant, Cambodia’s first modern hydropower plant. Overall, China Eximbank has provided \$9.4 billion in financing to Cambodia for hydropower dams, transmission lines, national roads, irrigation projects, and more. Its single largest contribution came in 2010 when China Eximbank provided a \$671 million loan for the 246MW Stung Tatay hydroelectric power plant.

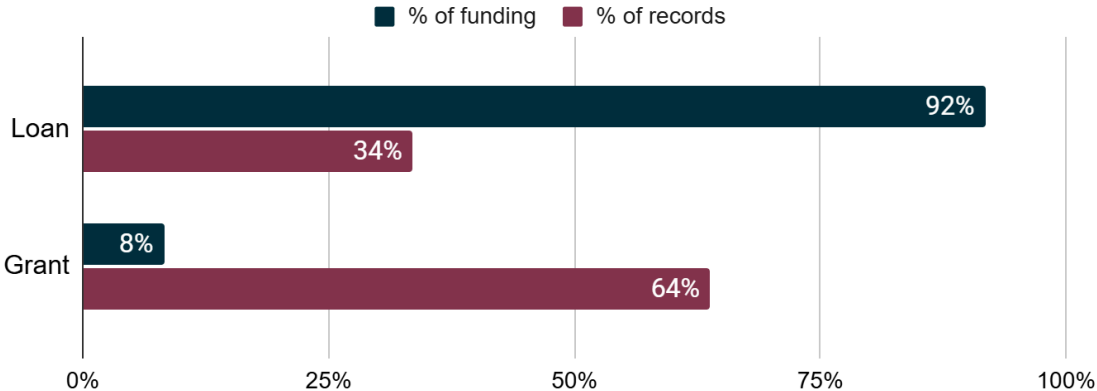
Unlike China Eximbank, most of CDB’s lending occurred in the late BRI era. The bank focused on major infrastructure projects like the Techo International Airport, the Siem Reap Angkor International Airport, and the Phnom Penh–Sihanoukville Expressway. CDB also lent \$888 million to private sector banks and companies in Cambodia such as Canadia Bank, ACLEDA Bank, and CamGSM (Mobitel). The loans vary in purpose from on-lending to small and medium enterprises (SMEs), agriculture projects, and unspecified loans.

Other major lenders include Bank of China (BOC) and the Industrial and Commercial Bank of China (ICBC). These banks function similarly to China Eximbank and CDB in that they finance massive infrastructure projects or lend to private sector banks and companies in Cambodia. They contributed to some of the same infrastructure projects as China Eximbank and CDB like the Siem Reap Angkor International Airport or the 400MW Lower Sesan II hydropower plant. However, ICBC and BOC also financed unique projects like the National Information Highway Fiber Optic Network project and the Cement Chakrey Ting Factory project, respectively.

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

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 Cambodia. When looking at record counts, grants account for 64% of all activity records in Cambodia (representing 293 records capturing activities taking place between 2000 and 2023).

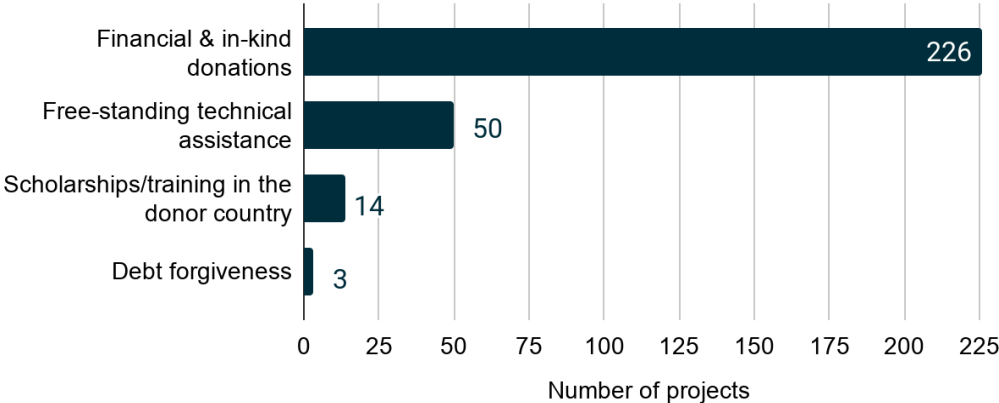
Figure 1.4: Top financial instruments used by China in Cambodia



Note: Debt rescheduling and Vague records (2%) are excluded from this visual.

92% of China’s official sector financing to Cambodia takes the form of loans (totaling \$16.3 billion), while 8% (\$1.5 billion) 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.

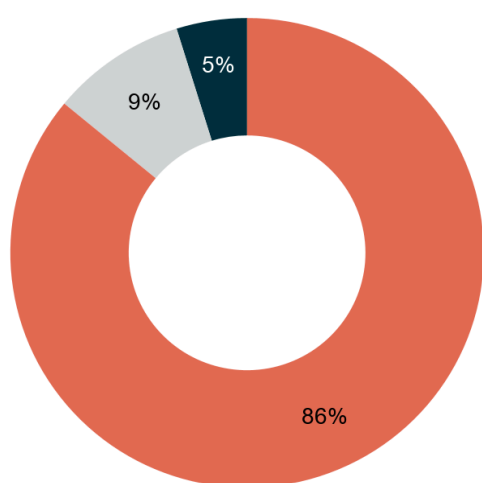
Figure 1.5: Breakdown of grants by project count



From 2000 to 2023, Cambodia has received \$1.5 billion across 293 grants from official sector Chinese entities. Around 14% (\$204 million or 36 records) of Chinese aid to Cambodia was provided during the COVID-19 pandemic. Donations during this time included personal protective equipment (PPE), medical devices, and over 11 million vaccines. Out of all recipients of China’s COVID-19 aid, Cambodia ranks fifth for most COVID-19 aid received by monetary amount. Other major grants support infrastructure projects like the Morodok Techo National Stadium and the Council of Ministers building.

Outside of traditional in-kind donations, China provides significant assistance to Cambodia through technical assistance and scholarships. Since 2012, provinces across China have sent teams of ophthalmology and Traditional Chinese Medicine (TCM) experts to provide cataract surgeries and teach about internal medicine. China also provided over 600 scholarships to Cambodian students for continuing their education. Cambodia also received a grand total of \$691 million in debt forgiveness from China in 2002, 2010, and 2016.

Figure 1.6: Breakdown of lending by purpose



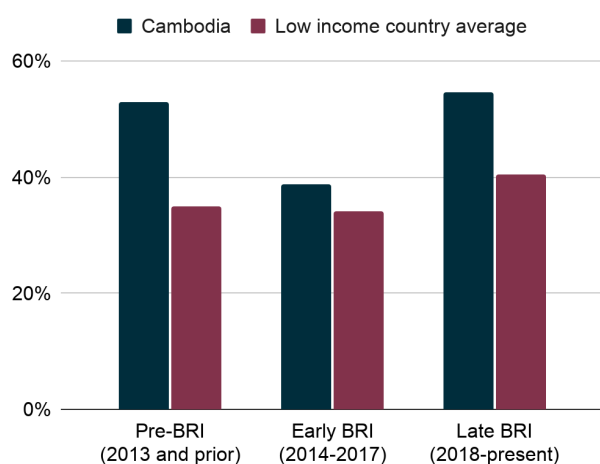
**Infrastructure:** loans to support the construction, rehabilitation, or maintenance of a physical structure.

**Other:** loans for equipment acquisition, unspecified purposes, inter-bank loans, and loans for mergers and acquisitions and working capital.

**Refinancing:** loans to refinance existing debt.

86% of China’s \$16.3 billion in official sector lending to Cambodia supports infrastructure projects. This is a third higher than China’s global lending to low- and middle-income countries where infrastructure accounts for only 64% of all lending. Around 9% of loans were inter-bank loans or supported corporate activities of private Cambodian banks and on-lending by these banks to local SMEs. For refinancing, almost all 5% came from Bank of China, China Development Bank, and China Merchants Bank’s participation in a \$760 million syndicated loan facility to help CamGSM Co. Ltd. to refinance a \$421 million loan that its parent company (Royal Group of Companies) used to buy an equity stake in CamGSM (Mobitel) in 2009.

Figure 1.7: Grant element over time



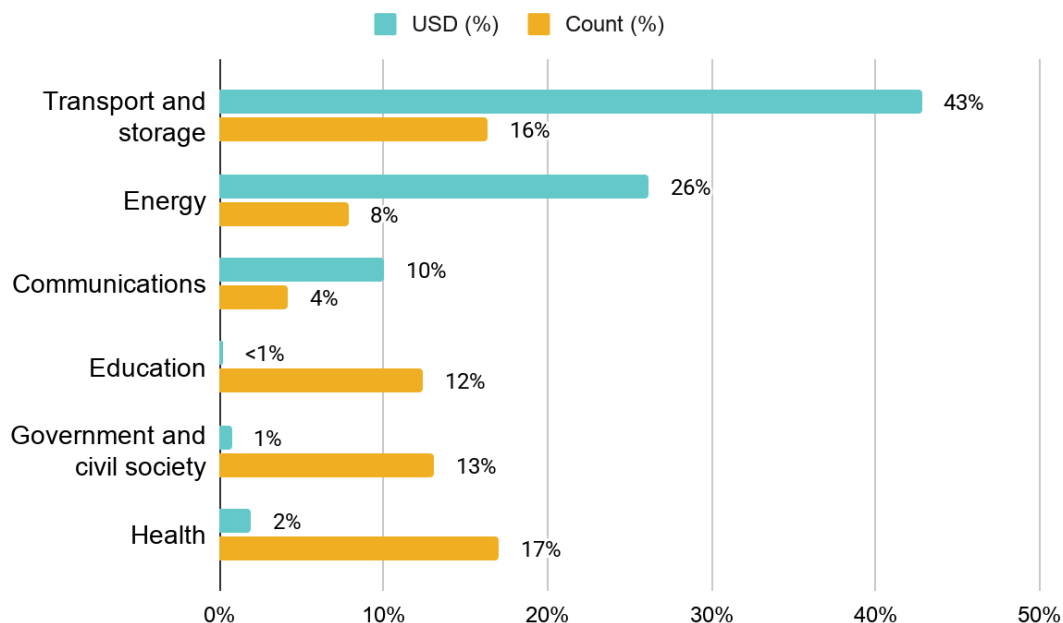
A loan’s grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China’s lending portfolio to low-income countries fluctuated between 34% and 41% from 2000 to 2023. In Cambodia, the concessional of Chinese lending was highest during the late BRI era (55%) due to preferential buyer’s credits from China Eximbank. These credits are instruments that are commercially oriented yet carry heavily discounted borrowing terms.

## In which sectors is China most active?

Top sectors for China's aid and credit in Cambodia differ greatly when comparing monetary values and record counts. Certain sectors, such as health and education, often make up 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, 79% of China's grant and loan commitments to Cambodia supported three core infrastructure ("hardware") sectors: transportation, energy, and communications between 2000 and 2023.

- **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. 43% of China's official development finance portfolio in Cambodia is specifically dedicated to this hardware sector, representing \$7.6 billion in aid and non-concessional loans. The largest financial commitment from a single source is a \$1.1 billion loan from China Development Bank (CDB) for the Techo International Airport project. There were two new projects committed in this sector in 2023: one \$84 million government concessional loan for Tonle Bassac bridge from China Eximbank and a grant of \$269,960 from the Lancang-Mekong Fund to create a Transportation and Logistics System for Lancang-Mekong countries.
- **Energy:** This sector is the second largest by financial value, with \$4.7 billion in funding (or 26% 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. China Eximbank funded two new projects in this sector in 2023: the Dang Kambit Reservoir Development project and Phase 8 of Rural Grid Extension project. The Dang

Kambit Reservoir Development project received a \$160 million government concessional loan to construct several dams in Kampong Thom province and build roads that connect to the dams. The \$86 million preferential buyer's credit for Phase 8 of Rural Grid Extension project will fund the commercial contract with China National Heavy Machinery Corporation (CHMC) to build 3,085 kilometers of medium-voltage lines and install 635 pole-mounted transformer switchgear across Cambodia.

- **Communications:** This sector encompasses the provision and access of telecommunications and information services, such as telephone, radio, and TV networks. Projects in the communications sector account for \$1.8 billion in funding (or 10% of China's official development finance portfolio). Activities in the communications sector include over \$228 million in loans from ICBC, BOC, CDB, and China Eximbank for the National Information Highway Fiber Optic Network project. In 2023, China Eximbank provided a \$164 million government concessional loan for the Sihanoukville-Hong Kong Submarine Cable project. The new submarine cable will replace an old one, making Cambodia's internet faster and cheaper.

China is also heavily engaged in the "software" sectors, such as health, education, and governance. China's footprint in these sectors is difficult to gauge, 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.

- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent 12% of total record count (57 records). Notable activities in the education sector include Chinese Ministry of Commerce (MOFCOM) grants to construct school buildings and vocational training centers, as well as the Chinese embassy's donations of language books and money for language courses. There were three new projects in this sector in 2023, including a grant for Phase 2 of Kratie University Project, a new Luban workshop, and an anti-drug library in Phnom Penh.
- **Government and Civil Society:** This sector encompasses activities that address public procurement, subnational government support, conflict and security, and human rights. This sector had 60 records between 2000 and 2023. China's activities in this sector include grants from MOFCOM for a Council of Ministers building project and a new Senate office building. In 2023, MOFCOM provided a \$13.2 million grant for the Cambodia Landmines Elimination Project.
- **Health:** This sector includes medical care, infrastructure, equipment, and control activities. In total, activities in the health sector represent 78 records in China's portfolio in Cambodia (or 17% of records). There were four new health grants in 2023: training for medical personnel, two new medical teams, and a donation of 16 ambulances and other equipment.

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

- The transport and storage sector as well as the energy sector still dominate China's lending portfolio in Cambodia between 2019 and 2023.
- Over \$349 million went to multisector activities such as a CDB loan for the Koh Rong Eco-Tourism Complex project. The project would create a resort on Koh Rong Island, where the Royal Group Company, a company owned by Cambodia's wealthiest tycoon Kith Meng, holds a 99-year lease.

# What are the characteristics of Cambodia’s debt to China?

154 loans issued	\$16.3 billion total loan commitments	40% of total loan commitments are public debt	4% of total loan commitments shows signs of financial distress	\$3.4 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

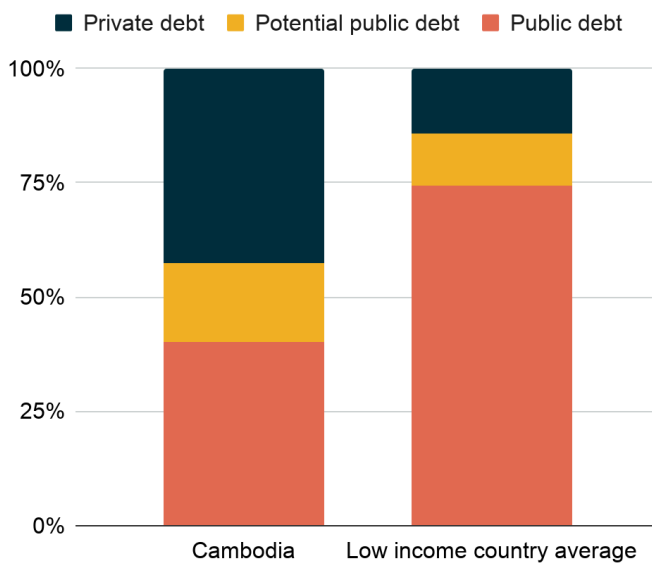
Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes.

### 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— Cambodia: \$16.3 billion. Low-income country average: \$5.5 billion.



Cambodia’s percentage of public debt from China (40%) is well under average (74%) for other low-income countries. Private or opaque debt takes up almost half of Cambodia’s level of liability, with 43% of debt compared to the low-income country average of 14%.

Private or opaque debt is significantly higher due to \$6.9 billion in loans to private banking institutions such as Canadia Bank and ACLEDA Bank, as well as special purpose vehicles or joint ventures with opaque ownership structures.

\$2.8 billion (17%) of China’s official sector lending to Cambodia qualifies as “potential public sector debt.”<sup>10</sup> These are loans that Chinese state-owned creditors have extended to SPVs and JVs in which the Cambodian government has minority ownership stakes. Potential public sector

<sup>10</sup>For more on this issue, see AidData’s 2021 *Banking on the Belt and Road* report. <https://www.aiddata.org/publications/banking-on-the-belt-and-road>

debt is not a formal liability of the host government, but it may benefit from an implicit public sector repayment guarantee and could become a host government liability in the event of default by the original borrowing SPV or JV entity. Cambodia's Ministry of Economy and Finance does not, at present, acknowledge that these sources of debt exposure to China represent potential repayment obligations of the Cambodian Government.

The provision of credit to SPVs and JVs is provided through limited-recourse project finance transactions. In this type of transaction, the loan for a project (e.g. a toll road, seaport, or power plant) is exclusively repaid with the cash flow generated by the project (e.g. toll revenue, container fees, or electricity sales), and the creditor either has no claim ("recourse") or a limited claim to any other assets as a basis for recovering the debt. Bankrolling big-ticket infrastructure projects through this type of instrument has become an increasingly important feature of China's overseas development program in Cambodia.

During the early BRI era (2014-2017), only 37% of China's loan commitments to Cambodia were structured as limited-recourse project finance transactions. However, this figure soared to 64% during the late BRI era (2018-2023). Limited-recourse project finance transactions are not inherently riskier than full-recourse sovereign debt transactions (i.e. a loan directly to a government agency or public debt). However, if the financial viability of a project depends upon cash flow assumptions that prove overoptimistic due to factors either exogenous or endogenous to the project, the loan that supports the project may be at a higher risk of default.

This issue merits continued attention, as China and Cambodia signed a \$1.2 billion deal for the Funan Techo Canal Project in April 2025. It is unclear what level of public liability will emerge from the project and any linked debt financing, but local news reports imply that the joint venture for this project will be majority-owned by a consortium of Cambodian state-owned companies and minority-owned by China Road and Bridge Corporation (CRBC).

To date, there is one instance of financial distress in China's cumulative loan commitments to Cambodia. Evidence of financial distress can include borrowers accruing principal or interest arrears, defaulting on their repayment obligations, filing for bankruptcy, or renegotiating loan terms (including suspensions of principal or interest payments). For the 400MW Lower Sesan II Hydropower Plant Project, the \$700 million syndicated loan was rescheduled by amending the interest rate. In a joint report from the World Bank and IMF on Debt Sustainability Analysis, Cambodia is also classified as low risk for external debt distress.<sup>11</sup>

---

<sup>11</sup> More information on Cambodia's external debt is provided by the World Bank and IMF at <http://documents.worldbank.org/curated/en/099022024175053011/BOSIB17e24784600c1baf2161d165847507>

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

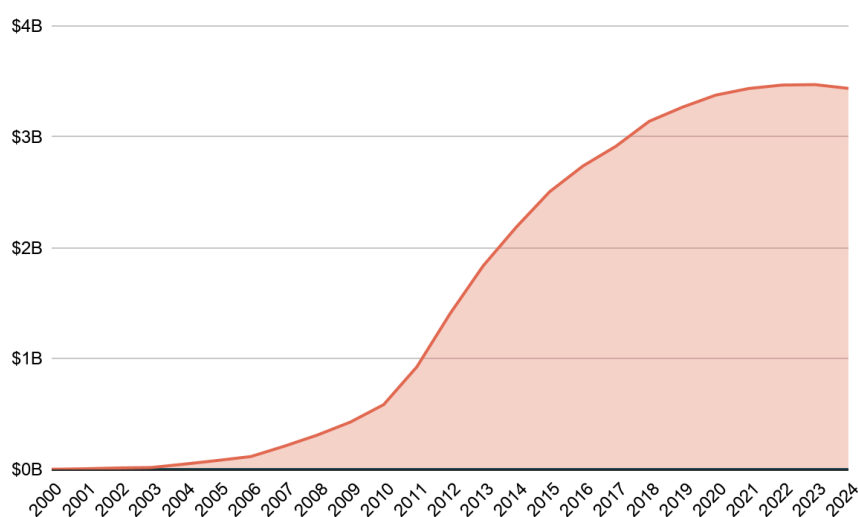
### What is “public debt exposure”?

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.

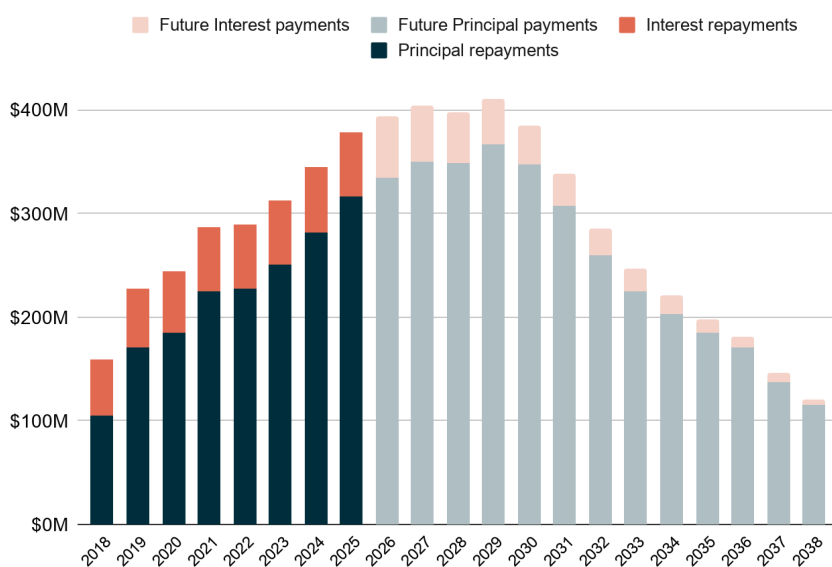
Figure 1.10 shows Cambodia’s outstanding Chinese PPG debt stock, which is the total amount of principal that has been disbursed and remains unpaid at the end of each year as well as any unpaid interest or fees. These estimates are based on loan-level data on disbursements and repayments, which are used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

By the end of 2024, Cambodia owed an estimated \$3.4 billion in outstanding PPG debt to official sector creditors in China. This was equivalent to about 29% of Cambodia’s total PPG external debt stock to all external creditors.<sup>12</sup> This indicates that China is a dominant bilateral creditor in Cambodia’s sovereign debt liabilities, accounting for nearly one-third of Cambodia’s external public debt. The total PPG debt stock owed to China represented 7% of GDP in 2024.

Cambodia’s outstanding PPG debt to China is tied to 77 loans: 60 of these loans are in their original repayment periods and 17 are in their original grace period. By contrast, only six PPG loans have been fully repaid or otherwise closed out. Based on existing loan commitments through 2023, Cambodia is expected to continue paying down its public debt to Chinese creditors until 2042.

<sup>12</sup>World Bank, International Debt Statistics.

Figure 1.11: Cambodia’s principal and interest payments to Chinese creditors under PPG loans



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 Cambodia’s principal and interest payments due to Chinese creditors. Specifically, it displays principal and interest payments between 2018-2025 and future principal and interest payments from 2026-2038.

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

Since 2018, payments have increased by roughly 130%, moving from \$160 million due that year to over \$370 million due in 2025. This increase is driven by higher repayments due on major loans committed in 2019 and 2020, like the National Road from Samlot-Veal Veng-Koh Kong (NR. 1551) project and the 500 KV Backbone & Sub-Region Transmission Line project. However, many of these loans are financed through China Eximbank’s two preferential facilities: government concessional loans and preferential buyer’s credits. Government concessional loans and preferential buyer’s credits typically carry long maturities (20 years), extended grace periods (about 7 years), and low fixed interest rates (2% or below). Given that 82% of Cambodia’s PPG debt is held in these instruments, repayment obligations are spread across many years instead of being concentrated in a short period. This results in a relatively gradual repayment profile, with annual payments projected to peak at about \$410 million in 2029 before tapering off over the following decade.

# What kind of project implementation challenges has China faced in Cambodia?

<p><b>Chinese-financed infrastructure projects in Cambodia:</b></p>	<p><b>Examples of infrastructure implementation risks:</b></p> <p><b>Environmental:</b> increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.</p> <p><b>Social:</b> poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.</p> <p><b>Governance:</b> corruption, money laundering, lack of transparency, and non-competitive bidding processes.</p>
<p><b>164</b> infrastructure projects supported by grants and loans from China</p>	
<p><b>\$14.8 billion</b> 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. In Cambodia, the Phnom Penh-Sihanoukville Expressway presents a typical case of project implementation problems as Chinese creditors and implementers failed to properly compensate communities impacted by construction and caused ecological decline in the area.



China Road and Bridge Corporation (CRBC) first undertook a feasibility assessment for the expressway in 2007, but construction did not begin until 2019. The expressway was built through the capital city of Phnom Penh, Kandal province, Kampong Speu province, Koh Kong

province, and Sihanoukville city. Thousands of people lived in the areas impacted by this project and it is unclear if CRBC and the government of Cambodia established a resettlement plan or if any environmental and social impact assessment took place to protect these citizens. As a result, residents of those areas received below market compensation for their land and some had their homes demolished before receiving adequate compensation. The land itself was also negatively affected by the construction of the expressway. In a study released in 2023, the expressway led to a decrease in grassland and cultivated land, ecological loss, and higher ecological risk levels.<sup>13</sup>

At the same time, other Chinese funded infrastructure projects center on mitigation. In 2021, ICBC, CDB, BOC, China Eximbank, and China Construction Bank provided a \$660 million syndicated loan for the Siem Reap Angkor International Airport project. The purpose of this project was to build a new airport that would replace the original Siem Reap Angkor airport which was only 5 kilometers away from Angkor Wat, the largest religious complex in the world and a UNESCO World Heritage Site. The vibrations from take off and landing at the old airport as well as pollution were damaging the temple. The new airport, located 40 kilometers from Angkor Wat, would prevent damage to the site and allow for additional runways to accommodate increased tourism in the region.

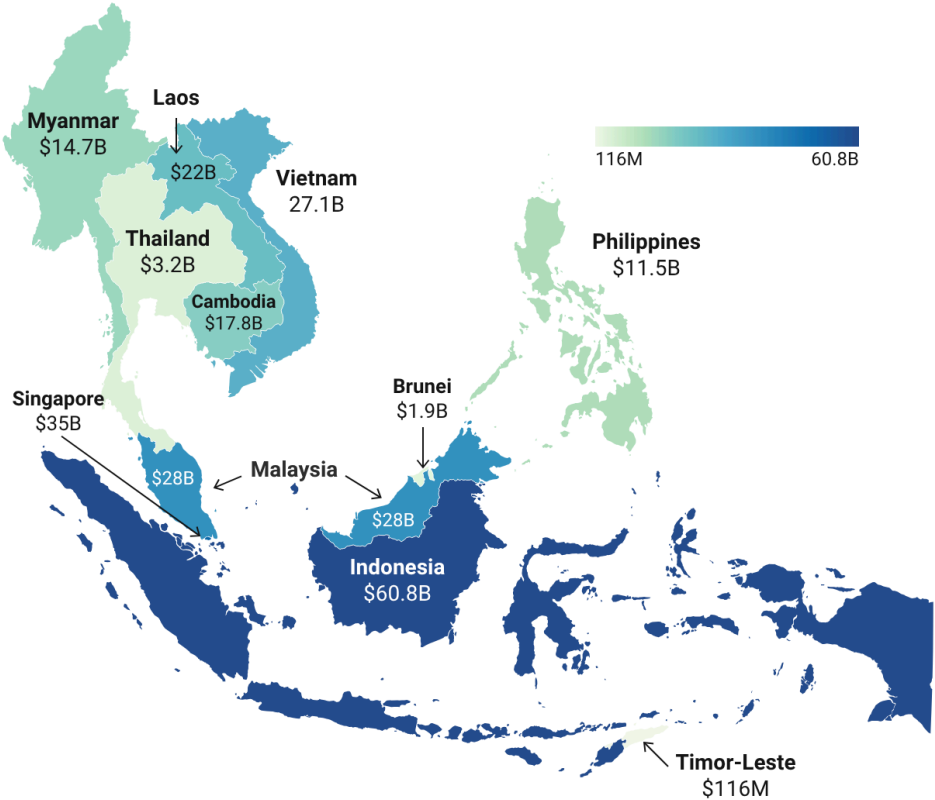


<sup>13</sup> Zhang, J., Hu, R., Cheng, X., Christos, V., Philbin, S. P., Zhao, R., & Zhao, X. (2023). Assessing the landscape ecological risk of road construction: The case of the Phnom Penh-Sihanoukville Expressway in Cambodia. *Ecological Indicators*, 154, 110582. <https://doi.org/10.1016/j.ecolind.2023.110582>

# How does Chinese financing to Cambodia compare to other countries in Southeast Asia?

Between 2000 and 2023, Chinese official sector financiers directed 3,377 loans and grants to Southeast Asia worth \$222 billion. Figure 1.12 provides a cumulative view of China’s aid and credit portfolio in the region. Nearly 62% (\$138 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 \$13.8 billion with notable dips during 2020 and 2021 as a result of the COVID-19 pandemic. Cambodia received 8% of all Chinese financing to Southeast Asia, making it the sixth largest recipient in the region.

Figure 1.12: Cumulative financial commitments from China to Southeast Asia, 2000-2023<sup>14</sup>



Cambodia is a part of an important multilateral cooperation mechanism within Southeast Asia called the Lancang-Mekong Cooperation (LMC). It derives its name from the river that runs from Qinghai Province in China down through Cambodia, Laos, Thailand, Myanmar, and Vietnam. The goal of LMC is sustainable economic and social development of the sub-region through concrete projects, high-level exchanges, and joint working groups. During the official launch of the LMC mechanism in March 2016, Li Keqiang, the then-Premier of China, proposed a special fund be set up by China to support small and medium cooperation projects between the countries. The Lancang-Mekong Special Fund would provide \$300 million in concessional loans over 5 years. The specific lending details surrounding the fund are opaque, but since 2016, China has provided over \$16 million to Cambodia for projects related to agriculture, transportation and logistics, and food security.

<sup>14</sup>Brunei and Singapore are high income countries.

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

Cambodia’s approval rate of Chinese leadership has remained generally high, with fluctuations over time. Data captured by Gallup between 2006 and 2024 shows that Cambodian citizens held an average approval rating of 73.4%, almost 14 percentage points higher than the global average of 59.5%. Approval peaked at 91% in 2009, aligning with the largest recorded influx of financing from China. Approval rates significantly declined in 2019 (57%).

Figure A.1: Cambodian approval of Chinese leadership, 2006-2024<sup>15</sup>

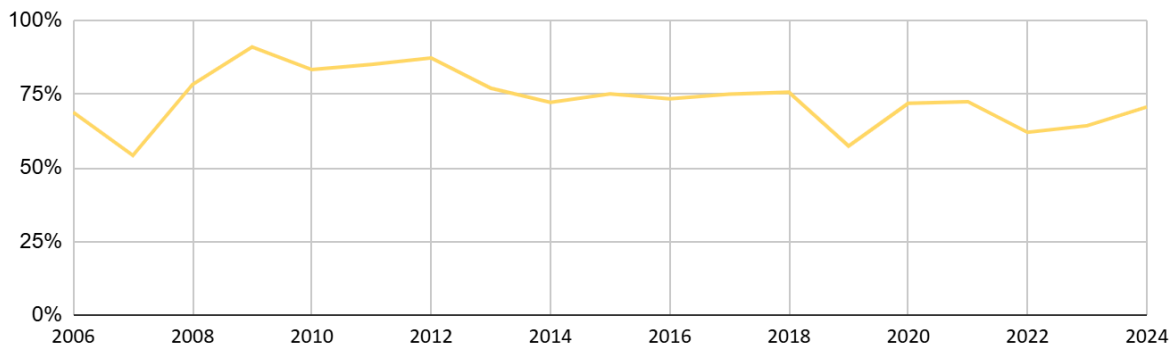


Figure A.2: Bilateral diplomatic visits between China and Cambodia

2015 OCT	Prime Minister Hun Sen visited Beijing for the Asia Political Parties Silk Road Special Conference.
2016 OCT	President Xi Jinping visited Cambodia and signed 31 cooperation agreements.
2018 JAN	Li Keqiang, Premier of the State Council of PRC, paid an official visit to Cambodia.
2020 FEB	Prime Minister Hun Sen visited China, the first foreign leader to visit China since the COVID-19 pandemic started.
2023 FEB	Prime Minister Hun Sen visited China as 2023 marks the 65th anniversary of the establishment of diplomatic relations between China and Cambodia.
2023 SEP	Cambodia’s new Prime Minister, Hun Manet, Hun Sen’s son, made his first bilateral visit abroad, traveling to Beijing, where he met with President Xi.
2025 APR	During Xi Jinping’s visit to Cambodia, the Deputy Prime Minister, Sun Chanthol, signed a deal for the Funan Techo Canal Project with President of China Communications Construction Company (CCCC), Wang Tong Zhou.

<sup>15</sup>The 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 Cambodia 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. It 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 Fei Wang for providing input on an early version of this profile; Sheng Zhang for providing data analysis support; and Katherine Walsh for supporting the formatting and data visualization design of the profile. Cover design by Sarina Patterson; cover image shows Siem Reap Angkor International Airport in Cambodia. Photo by Patrick Cristiano, licensed under CC BY 4.0.

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](mailto:china@aiddata.org).

---



AidData & William & Mary,  
PO Box 8795, Williamsburg, VA 23185.  
[www.aiddata.org](http://www.aiddata.org) | @AidData