

Egypt

Chinese Development Finance, 2000-2023



Country Profile

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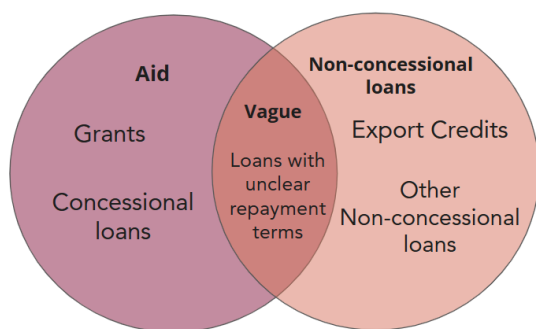
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Key concepts: aid, non-concessional loans, and vague flows

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

- Egypt is China's largest borrower in North Africa and one of the clearest examples of a country that depends on Beijing for emergency liquidity rather than long-term development finance. Between 2000 and 2023, official sector lenders and donors from China committed \$16.9 billion across 132 projects in Egypt, excluding rollover facilities used to refinance maturing debts. Egypt accounts for 83% of all Chinese financing to North Africa and ranks 37th among recipients worldwide.
- Emergency rescue lending is a defining characteristic of China's relationship with Egypt. Since 2016, Egypt's central bank has drawn annually on a currency swap line with the People's Bank of China and maintained a liquidity support facility with China Development Bank, together providing approximately \$3.5 billion annually to Egypt's central bank. In 2026, Cairo moved to double the ceiling on both instruments, signaling a deepening reliance on Chinese liquidity to maintain foreign reserves and macroeconomic stability.
- Outside of rescue lending, China's portfolio centers on a handful of large infrastructure and inter-bank transactions. Industry, mining, and construction projects account for \$3.6 billion, led by \$2.6 billion in syndicated buyer's credits for three phases of the New Administrative Capital. Transport received \$1.2 billion, anchored by a \$700 million concessional loan for the Cairo to 10th of Ramadan Light Rail Transit project. CDB also extended over \$4.5 billion in inter-bank loans to Egyptian financial institutions between 2015 and 2023. Grants represent just 3% of the total portfolio.
- Egypt's debt to China is almost entirely sovereign. Public and publicly-guaranteed debt accounts for 93% of total loan commitments, well above the 70% lower-middle income country average. No Chinese loans to Egypt show evidence of arrears, default, or renegotiation. The absence of distress at the loan level, however, masks a broader macroeconomic vulnerability: Egypt has simultaneously secured bailout financing from the IMF (\$8 billion) and the European Union (€1 billion) since March 2024.
- By the end of 2024, Egypt owed an estimated \$7.1 billion in outstanding PPG debt to Chinese creditors, equivalent to roughly 6.6% of its total external public debt and 1.8% of GDP. That stock is spread across 29 active loans, and Egypt is expected to continue servicing Chinese debt through 2043. If the PBOC currency swap is not renewed in 2026, Egypt would need to mobilize over \$2.6 billion in principal repayments within a single year.
- Recurring interest costs on Chinese debt are substantial and concentrated in rescue instruments. Annual interest payments remained above \$300 million between 2018 and 2026, peaking at \$378 million in 2021. More than half of those charges stem from emergency rescue facilities, generating an estimated \$175 million per year at a rate of 4.7%. Further drawdowns in 2026 will push those costs higher.



Egypt and China's Belt and Road

Egypt is located in North Africa, linking the region with the Middle East. In December 2014, during President el-Sisi's trip to Beijing, the two nations' leaders elevated their relationship to a comprehensive strategic partnership, with Egypt officially joining the BRI.

Historic relationship

The Arab Republic of Egypt and the People's Republic of China have maintained a diplomatic bilateral relationship since 1956, making it the first Arab and African country to recognize the PRC. Egypt underwent a revolution in 2011 and a military takeover in 2013. After Sisi's election in 2014, Egypt and China elevated their bilateral ties to a comprehensive strategic partnership, and signed a BRI Memorandum of Understanding during Xi's 2016 visit.

Present-day relationship

China's present-day relationship with Egypt is largely defined by China's provision of emergency rescue loans. Since 2014, Egyptian President Abdel Fattah el-Sisi has visited China multiple times, most commonly for the Forum on China-Africa Cooperation (FOCAC). In 2014, Egypt and China strengthened their relationship to a comprehensive strategic partnership. Following its shift to a floating exchange rate under IMF conditionality in 2016, the Egyptian pound experienced sharp devaluations. The currency slide triggered severe liquidity pressures, forcing Cairo to seek external support. Egypt has since then turned to multiple partners—China, the IMF, and its Gulf allies—to shore up its foreign exchange reserves. Today, it ranks as the seventh-largest recipient of Chinese emergency rescue lending, drawing down up to \$4.1 billion a year under its swap line with the People's Bank of China (PBOC). Egypt has consistently used these currency swap drawdowns and liquidity support facility to maintain the country's foreign exchange reserves during times of financial distress.

More recently, Egypt has diversified its use of Chinese financing by issuing 3-year, \$479 million panda bonds denominated in Chinese yuan to finance government projects and priorities.¹ At the same time, it has deepened security cooperation, culminating in their first joint air exercises on Egyptian soil in 2025. Similarly, China is also working towards localizing battery production in the country. Together, these moves reflect a relationship that has matured into one of China's most multidimensional partnerships in the region.

¹For more information on Egypt's panda bonds, see AP News (2023) at <https://www.reuters.com/article/markets/egypt-sells-35-blk-yuan-in-3-year-panda-bonds-in-debut-issue-idUSL1N3BM100/>.

Overview: Chinese development finance in Egypt from 2000-2023

\$16.9 billion

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

96.7%

of Chinese development finance is provided via loans.

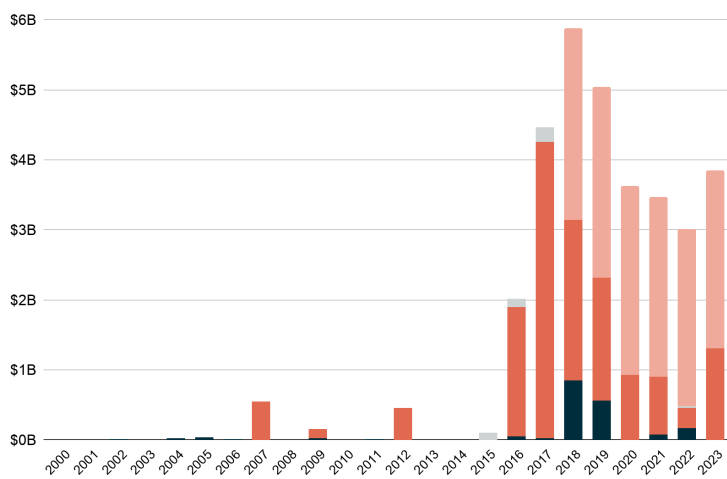
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grants, technical assistance, and training activities offered.

1st

largest recipient of Chinese aid and credit in North Africa.

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



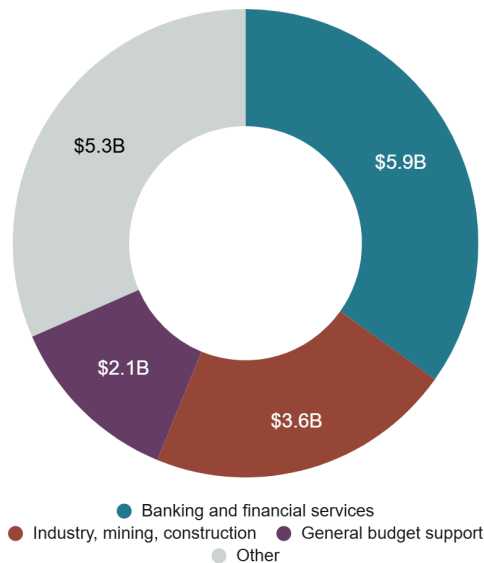
Aid: any grants, concessional loans, or in-kind donations.

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

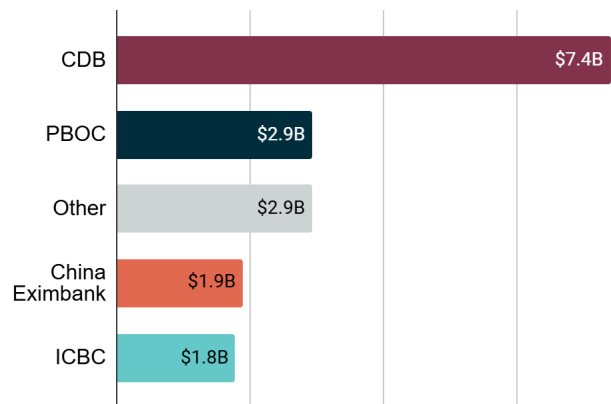
Non-concessional loans - rollover: emergency short-term rollover loans used to repay earlier debt.

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

Portfolio by sector



Portfolio by funder



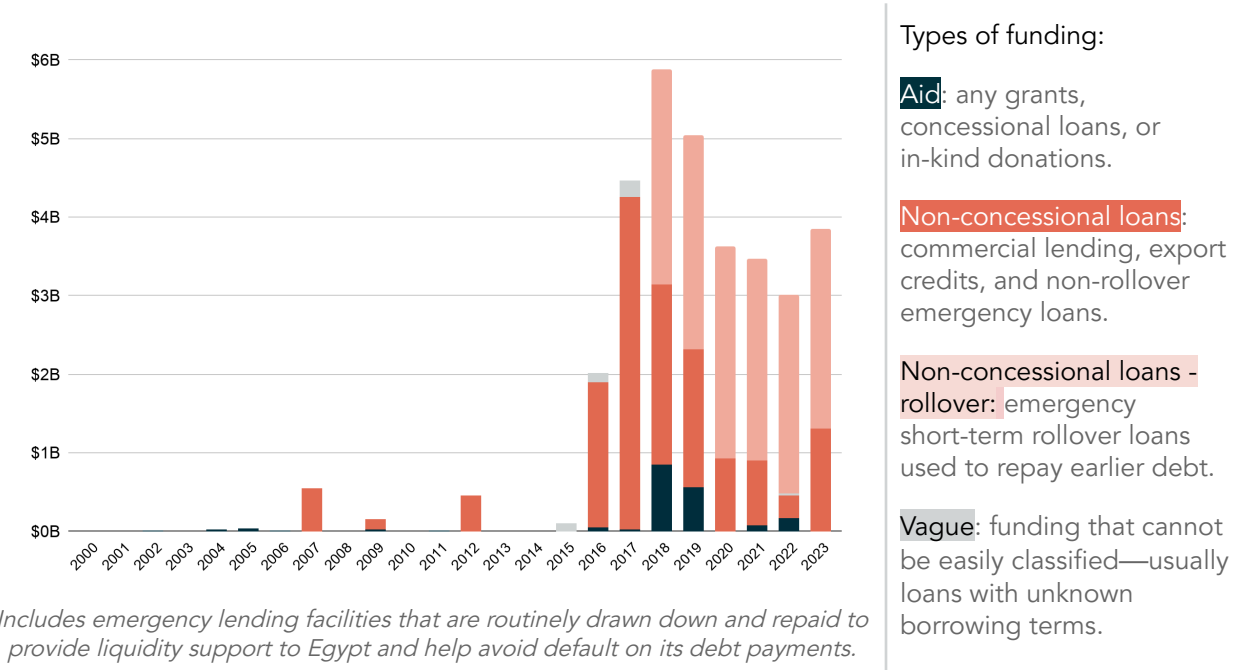
CDB: China Development Bank; PBOC: People's Bank of China; China Eximbank: The Export-Import Bank of China; ICBC: Industrial and Commercial Bank of China

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

After Egypt joined China’s BRI in 2014 and the two countries established a comprehensive strategic partnership, China ramped up the provision of aid and credit to Egypt significantly (see Figure 1.1). For a list of bilateral diplomatic visits between China and Egypt in the BRI era, see Appendix A.

Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$16.9 billion for 132 projects and activities in Egypt. This amount excludes emergency *rollover* facilities used to refinance maturing debts (a subset of emergency rescue lending). Emergency rescue loans are provided by Chinese state-owned entities to government borrowing institutions in low and middle-income countries for at least one of the following purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. There are different varieties of emergency rescue loans, including currency swap borrowings, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, and commodity prepayment facilities.² China Development Bank (CDB) originally extended a liquidity support facility to Egypt in 2016. At the same time, the People’s Bank of China (PBOC) started providing emergency rescue loans through a currency swap borrowing mechanism.

Figure 1.1: Official sector financial commitments from China to the Egypt



The prevalence of large emergency rescue loans in the form of currency swap drawdowns is a key feature of China’s portfolio in Egypt since 2016. Under a bilateral currency swap agreement, the central banks of two countries agree to exchange cash in their national currencies at predetermined interest rates for a period of time. The bank that draws down on

²Parks, B. C., Malik, A. A., Escobar, B., Zhang, S., Fedorochko, R., Solomon, K., Wang, F., Vlasto, L., Walsh, K. & Goodman, S. 2023. Belt and Road Reboot: Beijing’s Bid to De-Risk Its Global Infrastructure Initiative. Williamsburg, VA: AidData at William & Mary.

the swap line (Egypt's central bank) becomes the borrower and the other bank, the PBOC, becomes the lender; thus, currency swap drawdowns are considered to be borrowings. Currency swap agreements are often used to facilitate trade and investment; however, in Egypt's case, the central bank has used PBOC swap drawdowns to increase its foreign exchange reserves.

Currency swap borrowing are short-term facilities that can be repeatedly rolled over in consecutive years to repay or refinance maturing debts. Since these facilities are continuously repaid and renewed (or rolled over via maturity extensions) rather than adding to the country's public debt stock, they are not counted in the *cumulative* estimates of aid and credit volumes presented in this profile.³ Figure 1.1 decomposes non-concessional lending into net increases in emergency lending that increase debt levels and rollover emergency lending that refinances maturing debt but does not represent new debt. All other visuals and data points in this profile exclude these rollover facilities. For more information on rollover emergency lending, see Appendix B.

Outside of currency swap borrowings and liquidity support facilities, Egypt received very little aid—composed of grants, concessional lending, and in-kind donations—from China between 2000 and 2023. In Egypt, most of China's aid went towards the MisrSat 2 project, the Cairo to 10th of Ramadan Light Rail Transit (LRT) project, and COVID-19 aid. With a total portfolio of \$16.9 billion (excluding emergency rollover facilities), Egypt ranks first as the largest recipient of Chinese aid and credit in North Africa, and the 37th in the world.⁴

³ To illustrate how rollover lending can work, consider a fictionalized example: Egypt draws down \$100 million from its PBOC swap. This \$100 million borrowing has a (de jure) maturity period of one year. When the borrowing reaches maturity in 12 months, Egypt repays the debt in full and immediately re-borrows another \$100 million from the swap line. If the new drawdown has a (de jure) maturity period of one year, Egypt still owes \$100 million to China; however, by 'rolling over' the original drawdown under the swap line into a new drawdown, it has effectively secured a 1-year maturity extension (extending its final repayment date from 12 months to 24 months).

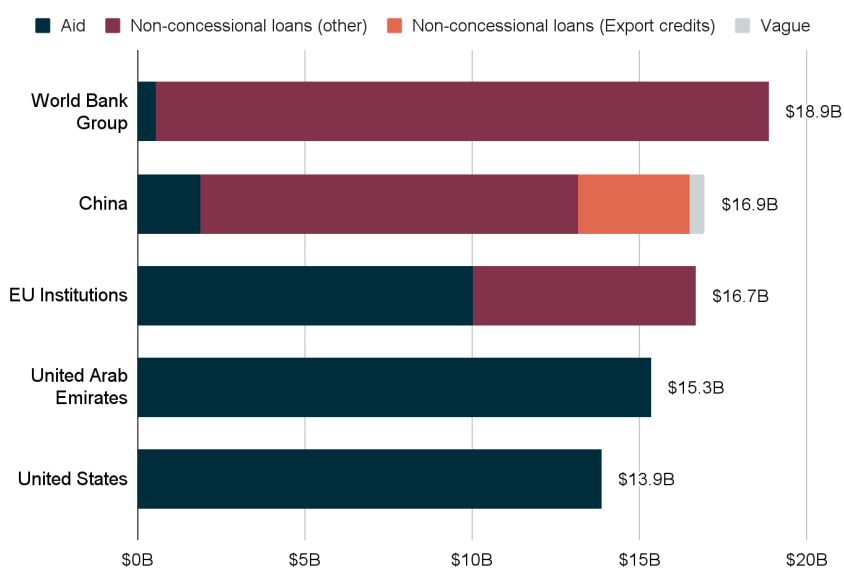
⁴The global ranking includes high income countries.

How does China compare to other development partners?

The World Bank Group is Egypt's largest multilateral development partner, providing \$18.3 billion in non-concessional loans and \$540 million in aid. China is Egypt's largest bilateral development partner, having provided \$16.9 billion in financing as of 2023. The majority of this financing was provided via non-concessional loans, while only a small portion represented aid. EU institutions closely followed China at \$16.7 billion in total financing to Egypt between 2000 and 2023. The United Arab Emirates and the United States are the other largest bilateral donors with \$15.3 billion and \$13.9 billion in aid, respectively.

- **United States:** In February 2025, the U.S. dismantled its international aid organization, USAID. This has not impacted Egypt greatly since most of the country's funding from the United States comes from the Foreign Military Financing Program, which is managed by the Department of State and Department of Defense.
- **World Bank Group:** Major loans from the World Bank Group include a series of loans provided from 2015 to 2017 called the Fiscal Consolidation, Sustainable Energy, and Competitiveness Development Policy Financing loans (worth a total of \$3.1 billion).

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



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

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

Total export credits from G7: \$2.86 billion.

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

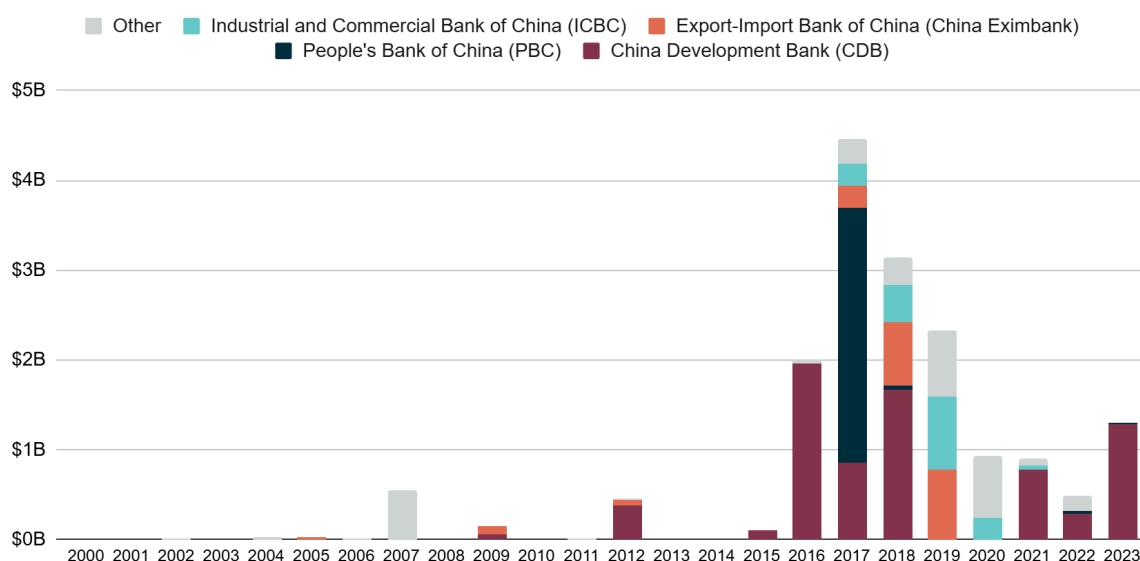
How does China use export credits?

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

Which donors and lenders from China are active in Egypt?

Between 2000 and 2023, 31 official sector donors and lenders from China provided aid and non-concessional loans to Egypt. 83% of China’s development finance portfolio is provided through four main donors and lenders (see Figure 1.3). The other 17% 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 non-emergency donors and lenders



Note: This figure excludes emergency rescue lending.

Prior to Egypt’s membership in the BRI (2014), 93% of financing came from loans provided by China Development Bank (CDB), Bank of China (BOC), and the Export-Import Bank of China (China Eximbank). Of these eight loans, the largest was Bank of China’s \$546 million contribution to a \$16 billion syndicated loan for a French cement company to acquire Orascom, an Egyptian cement company, in 2007.

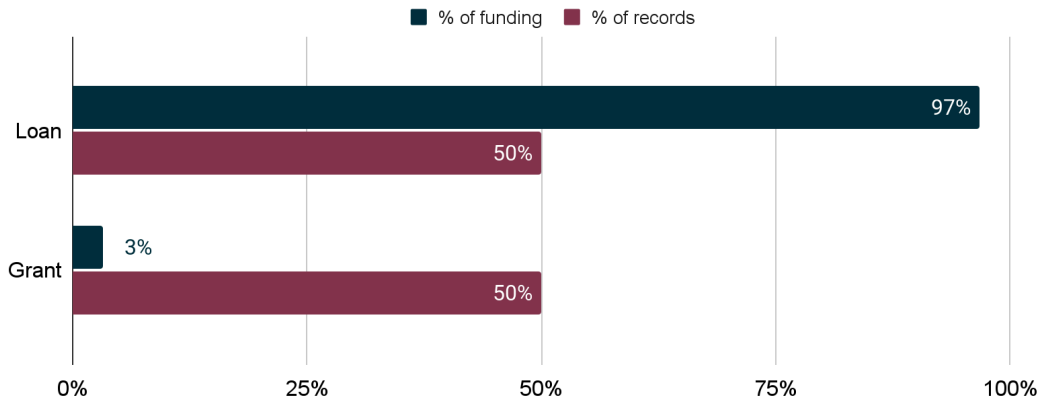
By 2016, Chinese lending by four state-owned financiers scaled up dramatically, largely due to rescue lending from CDB and the PBOC. On January 23, 2016, Xi Jinping and Abdel Fattah el-Sisi signed a liquidity support facility (LSF) agreement wherein China Development Bank agreed to provide a \$1 billion loan to the Central Bank of Egypt. This loan would strengthen the country’s foreign reserves and preserve macroeconomic stability. In December 2016, a similar rescue lending arrangement began when the Central Bank of Egypt and PBOC signed a three-year bilateral currency swap agreement to facilitate trade and improve foreign currency liquidity in Egypt. Egypt’s first drawdown (worth \$2.8 billion) of its currency swap agreement with the PBOC occurred in 2017, as illustrated in Figure 1.3.

Besides emergency rescue lending, CDB provided multiple inter-bank loans worth over \$2.9 billion between 2015 and 2023 to the Central Bank of Egypt, Banque Misr, and Société Arabe Internationale de Banque (SAIB Bank). ICBC and China Eximbank were more focused on supporting major infrastructure projects like Phase one and two of the Central Business District in the New Administrative Capital and the Cairo to 10th of Ramadan Light Rail Transit project.

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

AidData captures each instance of a grant or in-kind donation as one record, so analyzing the record counts provides a better picture of China’s activities in Egypt. When looking at record counts, grants account for 50% of all activity records in Egypt (representing 66 records capturing activities taking place between 2000 and 2023).

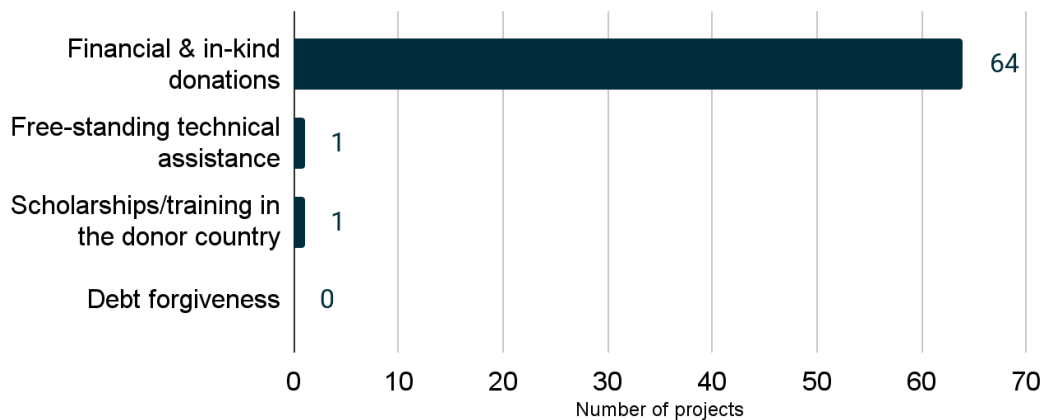
Figure 1.4: Top financial instruments used by China in Egypt



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

97% of China’s official sector financial commitments to Egypt takes the form of loans (totaling \$16.4 billion), while 3% (\$551 million) is grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented.

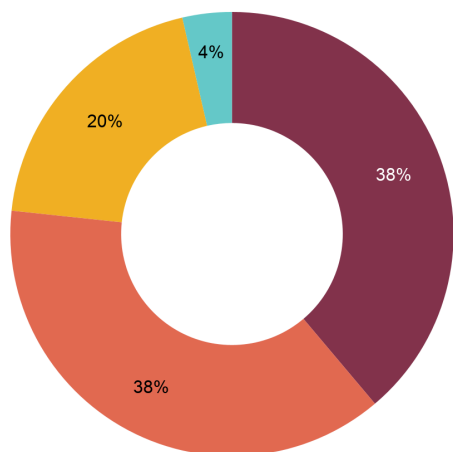
Figure 1.5: Breakdown of grants by project count



From 2000 to 2023, Egypt received \$551 million across 66 grants from official sector Chinese entities. Around 45% (\$249 million) of Chinese aid to Egypt was provided during the COVID-19 pandemic. Donations during this time included personal protective equipment (PPE), medical devices, and over 12.6 million vaccines. The Chinese government also provided a \$30 million grant to Egypt during the COVID-19 pandemic to build a new automated and refrigerated vaccine storage complex. Other major grants include the MisrSat 2 project, which received over \$175 million from 2016 to 2019. This project involved the construction of a small remote sensing satellite, a ground measurement and control station, a satellite assembly and integration test center, and a set of ground application systems. The satellite and associated infrastructure would enable the transmission of satellite imagery for help with agriculture, urban planning, weather forecasting, and natural disaster readiness.

Compared to other low- and middle-income countries, Egypt has not received a significant number of free-standing technical assistance or scholarships. The only instance of free-standing technical assistance was in 2005 when Liaoning University agreed to send professors to the newly established Egyptian Chinese University every year. Furthermore, the only instance of Chinese-funded scholarships in Egypt occurred in 2019, when the Chinese government provided 364 Chinese Government scholarships to Egyptian students for the 2019/2020 academic year. In 2023, there was one new grant recorded. The Chinese Ministry of Ecology and Environment donated solar LED street lights, LED bulbs, solar home systems, and energy-efficient air conditioners (worth \$2.7 million) to Egypt.

Figure 1.6: Breakdown of lending by purpose



Emergency Lending: emergency rescue loans and rollovers meant to support a country's liquidity.

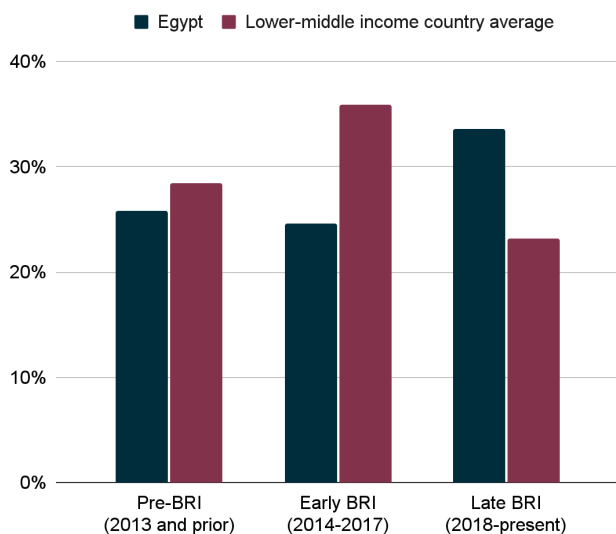
Infrastructure: loans to support the construction, rehabilitation, or maintenance of a physical structure.

Inter-Bank Loans: loans from a Chinese bank to a recipient country bank that can support on-lending or other bank needs.

Corporate: loans for mergers and acquisitions, working capital loans.

Emergency lending accounts for 38% of China's official sector lending to Egypt between 2000 and 2023. 38% of China's official sector lending supports infrastructure projects, such as the New Administrative Capital project and the development of a new Light Rail Transit line. Another 20% supports inter-bank loans between CDB and the Central Bank of Egypt, Banque Misr, and SAIB Bank. The remaining 4% of loans from Chinese state-owned banks supported company acquisition and working capital loans to companies and state-owned entities.

Figure 1.7: Grant element over time



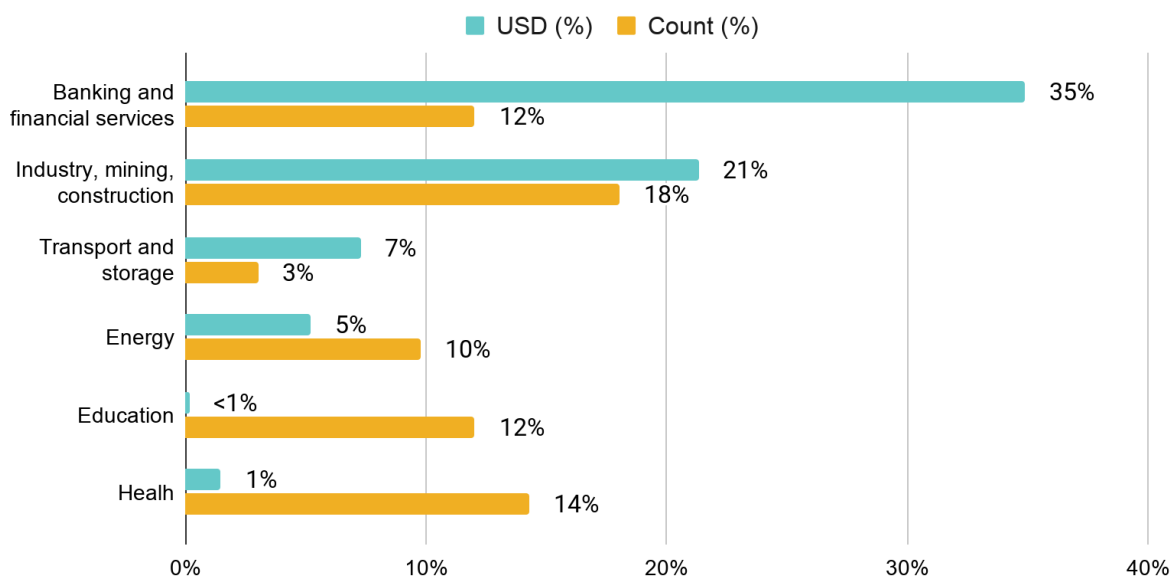
A loan's grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). Chinese lending to Egypt has historically been below the average for its income group. The elevated grant element shown for the late-BRI period reflects a data limitation: large currency swap drawdowns carry unknown interest rates and are excluded from the calculation. Since PBOC currency swaps typically carry high interest rates, the true concessional of Egypt's portfolio in this period is likely lower than indicated here.

In which sectors is China most active?

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

Figure 1.8: Selected top sectors

Sectors by monetary value and record count



In terms of monetary value, 35% of China’s grant and loan commitments to Egypt are in the banking and financial services sector. This sector supports financial institutions, including central banks. In total, activities in the banking sector consist of \$5.9 billion of financing (excluding rollover emergency rescue lending, see Appendix B). Currency swap drawdowns between Egypt’s central bank and the People’s Bank of China make up most of the records and financing in this sector. In 2023, the Central Bank of Egypt drew down on approximately \$2.6 billion under the currency swap agreement.

An additional 33% of China’s grant and loan commitments to Egypt supported three core infrastructure (“hardware”) sectors: industry, mining, construction; transport and storage; and energy between 2000 and 2023.

- **Industry, mining, construction:** This sector is the second largest sector by financial value with \$3.6 billion in funding (or 21% of China’s entire portfolio). It includes manufacturing fossil fuels, mining for coal, gas, metals, minerals, and construction. Noteworthy activities in this sector include three syndicated buyer’s credit loans provided by seven banks in 2019 and 2020 worth a combined \$2.6 billion to finance three phases of the construction of the New Administrative Capital (NAC), which would move Egypt’s capital Cairo to a new smart city. Since 2020, Chinese financiers have not committed any additional financing in this sector.
- **Transport 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. 7% of China’s development finance portfolio in Egypt is specifically dedicated

to this hardware sector, representing \$1.2 billion in aid via concessional loans. The largest financial commitment from a single source was a \$700 million government concessional loan from China Eximbank for Cairo's 10th of Ramadan Light Rail Transit (LRT) project in 2018, for which China's Ministry of Commerce (MOFCOM) provided a \$53 million interest-free loan in the same year. All commitments in this sector were made between 2018 and 2020.

- **Energy:** This sector encompasses the generation and distribution of renewable and non-renewable sources, as well as hybrid and nuclear power plants. Projects in the energy sector account for \$882 million (or 5% of China's development finance portfolio). The largest project in this sector is the 500 KV transmission lines for the Egyptian Electricity Transmission Company (EETC), which was financed with a \$734 million syndicated buyer's credit loan in 2017 from three Chinese banks. In 2023, China's Ministry of Ecology and Environment donated solar LED lights, bulbs, and other energy-efficient products to Egypt under a 2016 Memorandum of Understanding to combat climate change, also marking the first activity by a Chinese financier since 2017.

China is also heavily engaged in the "software" sectors, such as health, education, and governance. 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.

- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent \$25.6 million in funding and 12% of China's total record count, with 16 records. In 2022, activities in this sector included the donation of books and audio-visual materials to the Bibliotheca Alexandrina from the China Cultural Center in Cairo and a workshop focused on manufacturing at the Cairo Advanced Technical School for Maintenance Technology, with no new activities identified since then.
- **Health:** This sector includes medical care, infrastructure, equipment, and epidemic control activities. In total, activities in the health sector represent 19 records in China's portfolio in Egypt (or 14% of records). Health activities include a MOFCOM grant for the construction of a refrigerated vaccine storage complex and the donation COVID-19 aid from the China State Construction Engineering Corporation. In September 2022, the Chinese government donated 10 million Sinovac vaccines to the Government of Egypt, with no new activities in the health sector identified since then.

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

- In the last five years, the industry, mining, construction sector saw an increase in financing, representing 43% of sectoral financing between 2019 and 2023 worth \$2.6 billion.
- General budget support is the second largest sector by commitment amount over the last five years, with a new \$989 million loan issued in 2023 to the Central Bank of Egypt.
- Agriculture, forestry, fishing; government and civil society; and other social infrastructure projects have received no to little financing between 2019 and 2023.

What are the characteristics of Egypt's debt to China?

66

loans issued

\$16.4 billion

total loan commitments

93%

of total loan commitments are public debt

0%

of total loan commitments showing signs of financial distress

\$7.1 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

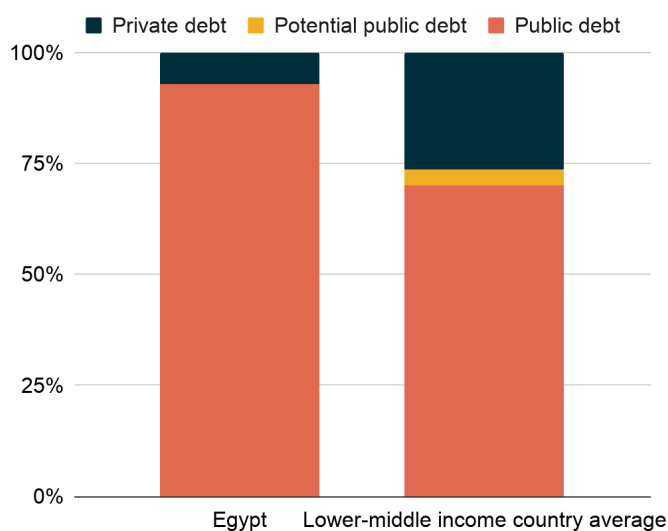
Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes.

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—Egypt: \$16.4 billion. Lower-middle income country average: \$5.2 billion.



Egypt shows significant differences in its composition of debt by level of public liability compared to China's development finance portfolio in other low-middle income countries. Egypt has a very high level of public debt (93%), more than 23% higher than the average for low-middle income countries (70%). On average, all low-middle income countries have 4% of lending classified as potential public debt. Notably, Egypt lacks any potential public debt which is a growing feature in China's development finance portfolio in many other developing countries.

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

In 2023, the Egyptian central bank drew down on the swap line for the seventh consecutive year, effectively rolling over its debts from 2022. The total (gross) drawdown amount in 2023 was \$2.6 billion. Preliminary evidence indicates the 2024 and 2025 (gross) drawdown amount was largely consistent with the 2023 amount. In 2026, the Egyptian Minister of Foreign Affairs

lobbied his Chinese counterpart on actually doubling the currency swap agreement between PBOC and Egypt's central bank.⁵ Egypt's full repayment schedule for the swap line remains uncertain and depends on China's ongoing approval for further rollovers.

Outside the currency swap arrangement, there is also evidence that Egypt's central bank successfully doubled its 2026 liquidity support facility with China Development Bank. Egypt's continued and growing use of both instruments points to an increasing dependence on Chinese emergency rescue lending to shore up foreign reserves and preserve macroeconomic stability.

To date, there is no evidence that Egypt's outstanding debt to China, publicly guaranteed or not, is in financial distress. 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).

While there is no evidence of financial distress at the loan level, Egypt is clearly facing economic challenges as they have utilized their emergency rollover facilities and received bailout loans and other liquidity support facilities from China, the International Monetary Fund (IMF), European Union, and Saudi Arabia. In March 2024, the IMF agreed to provide Egypt with a \$8 billion bailout loan over three years, immediately receiving \$820 million of this bailout loan.⁶ Also in March 2024, the European Union provided €1 billion for urgent short-term macro-financial assistance to Egypt, as well as a multi-billion euro aid package.⁷ Saudi Arabia also announced that its sovereign wealth fund would invest \$5 billion to support Egypt's economy in September 2024. As the 2026 Iran war has broken out and disrupted commercial transit through the Strait of Hormuz, Egypt's economy could face growing instability due to its reliance on remittances, tourism, and oil prices.⁸

⁵ For more information, see Zawya. (2026). "Egypt Eyes Doubling Currency Swap with China, Boosting Financial Ties" at <https://www.zawya.com/en/economy/north-africa/egypt-eyes-doubling-currency-swap-with-china-boosting-financial-ties-th7bydz>

⁶Mady, S. (2024, March 20). *IMF confirms increasing Egypt's bailout loan to \$8 billion* | AP News. <https://apnews.com/article/egypt-economy-imf-bailout-loan-e8bc6d1383e8d9b0dc325086c121a12b>

⁷Council of the EU. (2024, April 12). *Council adopts €1 billion macro-financial assistance to Egypt*. <https://www.consilium.europa.eu/en/press/press-releases/2024/04/12/council-adopts-1-billion-macro-financial-assistance-to-egypt/>

⁸ Khalid Azim. (2026, March 17). *A crisis in Egypt could be a warning sign for the global economy*. *Atlantic Council*. <https://www.atlanticcouncil.org/blogs/menasource/a-crisis-in-egypt-could-be-a-warning-sign-for-the-global-economy/>

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

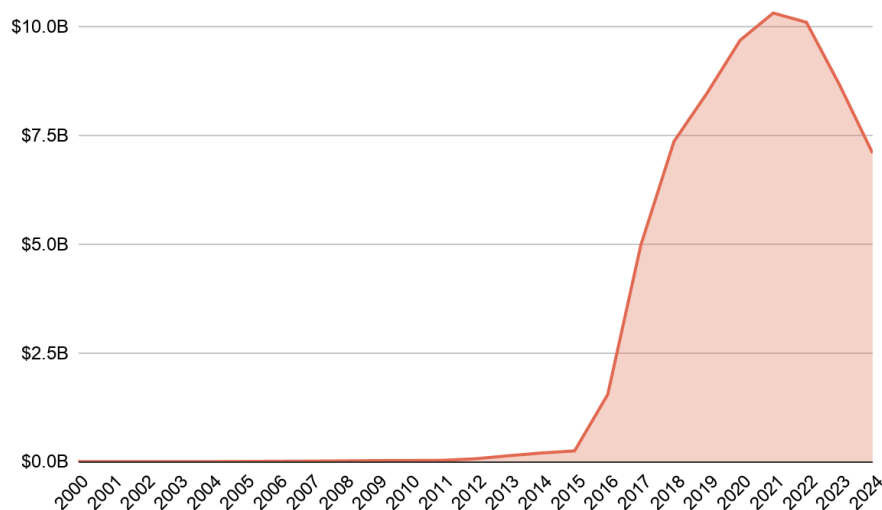
What is “public debt exposure”?

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.

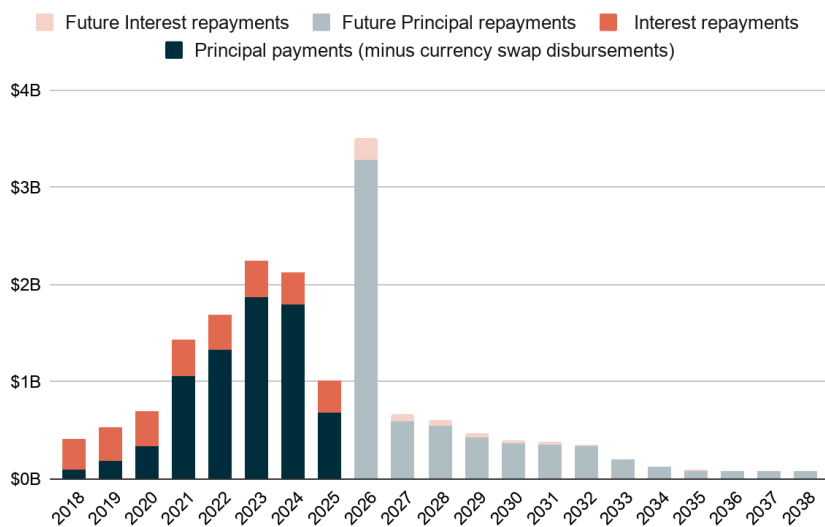
Figure 1.10 shows Egypt’s outstanding Chinese PPG debt stock, which is the total amount of principal that has been disbursed and remains unpaid at the end of each year as well as any unpaid interest or fees. These estimates are based on loan-level data on disbursements and repayments, which are used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

By the end of 2024, Egypt owed an estimated \$7.1 billion in outstanding PPG debt to official sector creditors in China. This includes outstanding debt against loans issued between 2000-2023 as well as currency swap drawdowns through 2025. Egypt’s 2024 outstanding debt level was equivalent to about 6.6% of its total PPG external debt stock to all external creditors.⁹ This indicates that China is a relatively minor bilateral creditor in Egypt’s sovereign debt liabilities. The total PPG debt stock owed to China represented 1.8% of GDP in 2024.

Egypt’s outstanding debt to China is tied to 29 active loans. Of these, three loans remain in their original grace period and 26 loans are in their original repayment period. By contrast, 19 loans have been fully repaid or otherwise closed out by 2024. Based on existing loan commitments through 2023, Egypt is expected to continue paying down its debt to Chinese creditors until 2043.

⁹World Bank, International Debt Statistics.

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



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

Figure 1.11 shows Egypt’s principal and interest payments due to Chinese creditors.

The estimated principal payments are calculated by subtracting principal payments due each year against the PBOC currency swap from the new currency swap drawdowns each year, and then adding all other principal payments to get a final principal payments estimate. Future interest and principal payments are projected from loan terms and assume the currency swap drawdowns do not continue past 2025, though this is unlikely in the short term given the scale of Egypt’s reliance on currency swaps to maintain liquidity.

Figure 1.11 underscores Egypt’s reliance on PBOC currency swap borrowings to sustain liquidity. If the swap is not renewed in 2026, then it would need to mobilize more than \$2.6 billion in principal repayments within a single year, nearly triple its 2025 payment. While this scenario is unlikely as Egypt is actively pursuing unlocking an increased ceiling for its currency swap drawdowns, these repayment estimates help visualize Egypt’s growing dependence on China’s rescue lending instruments.

Egypt also faces substantial recurring interest costs tied to its outstanding Chinese debt. Interest payments stay above \$300 million for the entire period between 2018 and 2026, peaking at \$378 million in 2021. More than half of those charges stem from emergency rescue instruments, generating an estimated \$175 million in annual interest fees at a rate of 4.7%. If Egypt draws further on these facilities in 2026, as reported, those costs will rise accordingly.

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

<p>Chinese-financed infrastructure projects in Egypt:</p>	<p>Examples of infrastructure implementation risks:</p> <p>Environmental: increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.</p> <p>Social: poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.</p> <p>Governance: corruption, money laundering, lack of transparency, and non-competitive bidding processes.</p>
<p>57 infrastructure projects supported by grants and loans from China</p>	
<p>\$6.5 billion in loan and grant commitments supporting infrastructure projects</p>	

From 2000 to 2023, infrastructure projects accounted for 64.5% of China’s development finance portfolio in low- and middle-income countries. These infrastructure projects often face project implementation delays caused by environmental, social, and governance (ESG) risks, debt distress, or political instability in the recipient country. However, Chinese-financed infrastructure projects in Egypt exhibit nearly zero observed ESG risks or implementation delays. Instead, the projects have faced public backlash.



In particular, there are two interconnected projects that have received public backlash: the New Administrative Capital (NAC) and the Cairo to 10th of Ramadan LRT project. The purpose of the NAC is to create a new capital city in order to alleviate Greater Cairo’s increasing

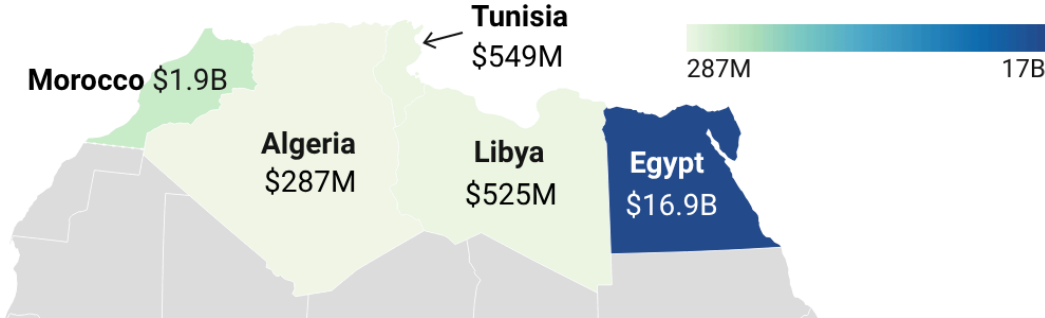
densification and establish a new growth hub for future generations. Chinese banks and state-owned enterprises like CITIC Group Corporation Ltd., BOC, ICBC, and China Eximbank are involved in the Central Business District (CBD) of the NAC. In the CBD, China State Construction Engineering Corporation Ltd. (CSCEC) constructed 18 high-rise towers (including administrative offices, hotels, entertainment facilities, and the tallest tower in Africa). The Cairo to 10th of Ramadan LRT project would create an LRT network that connects the NAC to Cairo, El Salam and 10 Ramadan City. There are currently no documented ESG challenges or implementation delays related to Chinese involvement. Instead, Egyptian citizens have objected to the purpose of the projects.

Reports show that some Egyptian citizens feel that the political class is purposely separating themselves from the public by creating a New Administrative Capital, particularly after the 2011 Egyptian Revolution. Furthermore, Egyptian financial analysts have expressed worry over the amount of debt for a project that does not seem to meaningfully serve the public. However, political officials maintain that the New Administrative Capital facilities will relieve the stress on the crowded city of Cairo and allow for more effective governance.

How does Chinese financing in Egypt compare to other countries in North Africa?

Between 2000 and 2023, Chinese official sector financiers directed 364 loans and grants to North African countries worth \$20.3 billion. Figure 1.12 provides a cumulative view of China’s development finance portfolio in the region. 84% (\$17 billion) of China’s development financing to the region occurred between 2014 and 2023, the early and late BRI periods. The average annual financing committed during these years was \$1.7 billion. Financing peaked in 2016 with \$4.5 billion in commitments, and notably dipped below \$1 billion per year between 2020 and 2022 due to the COVID-19 pandemic. This trend is driven by financing to Egypt, which received 93% of all its financing from China between 2014 and 2023, while other North African countries received the majority of their financing during the pre-BRI period, with the exception of Tunisia, which received slightly less than half of its financing (only 43%) prior to 2014.

Figure 1.12: Cumulative financial commitments from China to North Africa, 2000-2023



Egypt is by far the largest recipient in North Africa, receiving 83% (\$16.9 billion) of all Chinese financing to the region between 2000 and 2023. Morocco is the second-largest recipient, receiving almost \$2 billion (10% of the region’s financing), while Algeria received the least—only \$287 million. Egypt is the only North African country that received emergency rescue lending via balance of payments support and drawdowns on currency swap lines, accounting for 39% (\$6.4 billion) of China’s lending portfolio in Egypt. Correspondingly, the banking and financial services sector accounts for 35% (\$5.9 billion) of Chinese financing to Egypt, and the general budget support sector accounts for 12% (\$2.1 billion), while these two sectors are not priorities for China’s portfolio in other countries in the region.

Priority sectors vary across North Africa. Besides banking and financial services and general budget support, China’s portfolio in this region favors four “hardware” sectors: Industry, mining, construction; transport and storage; energy; and communications. The industry, mining, and construction sector, which accounts for 20% of China’s financing in the region, is the second-largest sector in terms of financial commitments in Egypt, Morocco, and Libya. Energy is the top sector in Morocco and the sixth-largest in Egypt and Tunisia. Transport is the top sector in Tunisia, the third-largest in Morocco, and the fourth-largest in Egypt. Communications is by far the top sector in Libya, accounting for 79% of China’s portfolio in that country, the third-largest in Tunisia, the fourth-largest in Algeria, and the ninth-largest in Egypt. In Algeria, 81% (\$232 million) of Chinese financing focused on three “software” sectors: other social infrastructure and services, health, and government and civil society. This focus differs greatly from other countries in the region, with the exception of Tunisia, where 39% (\$216 million) of Chinese financing was allocated to these same three sectors.

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

Egypt’s approval rate for China between 2005 and 2024 was 47%, excluding years where there is no data available. Approval rating was highest in 2005 at 68% and significantly decreased over time. By 2021, Egyptians held an 18% approval rate of China.¹⁰ Such a decrease may be driven by the emergence of the COVID-19 pandemic or China’s financial involvement in Ethiopia’s Grand Ethiopian Renaissance Dam project, which would reduce Egypt’s water supply. No new data is available post-2021.

Figure A.1: Egypt’s approval of Chinese leadership, 2005-2024¹¹

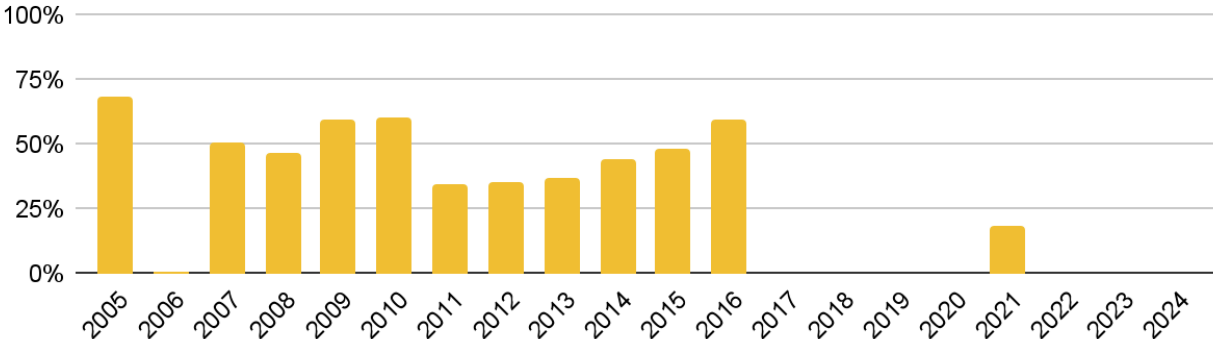


Figure A.2: Bilateral diplomatic visits between China and Egypt

2014 DEC	Egyptian President el-Sisi met President Xi Jinping in Beijing to elevate their relationship to a comprehensive strategic partnership and to officially join the BRI.
2015 SEP	President el-Sisi visited China and met with President Xi, solidifying the deepening relationship Egypt has with China.
2017 SEP	President el-Sisi visited China and met with President Xi ahead of the BRICS summit, where President Xi promised to continue investing into Egypt’s development.
2023 JAN	Chinese Foreign Minister Wang Yi visited Cairo and met with President el-Sisi to discuss deepening bilateral ties.
2024 JAN	Minister Wang Yi met with President el-Sisi and Foreign Minister Sameh Shoukry in Cairo, where a five-year comprehensive strategic partnership outline was signed.
2024 AUG	President Xi visited Egypt and held talks with President el-Sisi and Egyptian Prime Minister Sherif Ismail, celebrating 60 years of diplomatic ties with Egypt.

¹⁰This 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 Egypt, there is no Gallup data pre-2005, 2006, 2017-2020, and 2022-2024. For more information on the Gallup methodology, see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

¹¹The data for the graph and approval rate is based upon Gallup’s Rating World Leaders’ report and dataset.

Appendix B: Methodology & definitions

Capturing Chinese development finance methodology:

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

Definitions of finance types:

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

Emergency rescue lending & rollover facilities:

Emergency rescue loans are loans from Chinese state-owned entities to government borrowing institutions in low-income and middle-income countries that are used for at least one of three purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. Such loans include borrowings via currency swap agreements, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, commodity prepayment facilities, and so-called "sovereign loans"¹².

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

Definitions of instrument types:

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

¹²Parks et al. (2023)

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

Development finance to Egypt 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.

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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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