

Mozambique

Chinese Development Finance, 2000-2023



Country Profile

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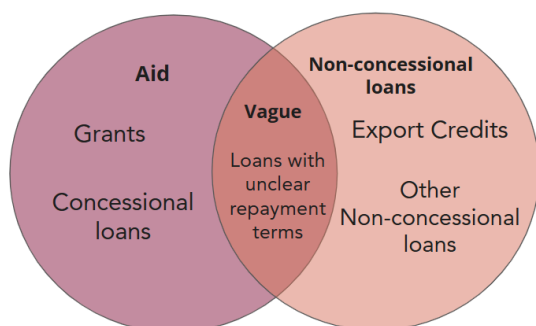
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Key concepts: aid, non-concessional loans, and vague flows

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?

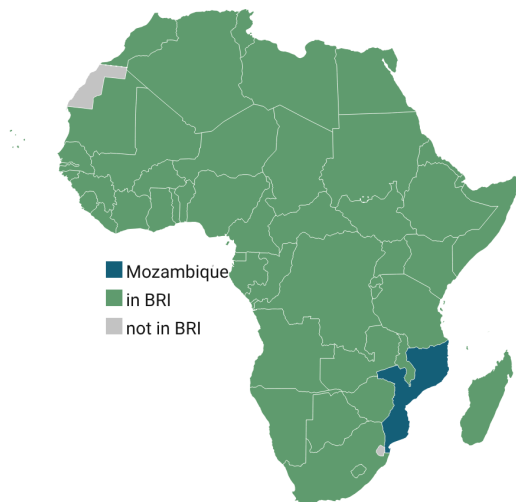
Concessionality is a measure of the generosity of a loan or the extent to which it is priced below-market rates. It varies from 0% to 100%, with higher values representing more concessional loans.

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

- Mozambique's natural gas reserves, not its development needs, define the shape of Chinese financing in the country. Between 2000 and 2023, official sector lenders and donors from China committed \$8.9 billion across 146 activities, making Mozambique the fifth largest recipient of Chinese aid and credit in Eastern Africa and the 55th largest in the world. Chinese bank participation in two transactions tied to the Coral South Floating Liquefied Natural Gas project account for more than 50% of that total.
- Loans dominate China's portfolio in the country. Loans make up 95% of Mozambique's \$8.9 billion portfolio, with grants accounting for the remaining 5% spread across 100 records. Four institutions provided 89% of the financing: China Eximbank, CNPC Finance (HK) Limited, ICBC, and Bank of China. China Eximbank alone committed \$3.4 billion, though it has not provided any new loans in the country since 2020.
- Loans and grants directed at the Industry, mining, and construction sector represent a significant share of Chinese grant-giving and lending in Mozambique. Projects in this sector account for \$5.1 billion, or 57% of the portfolio, almost entirely tied to liquefied natural gas. Transport and storage follows at 23% with \$2.1 billion, including the Maputo-Katembe Bridge and the Maputo Ring Road. China has committed no new financing in these sectors since 2020.
- Mozambique shows extensive signs of financial distress on its loans from China. Of cumulative loan commitments to Mozambique, 89% have evidence of financial distress, more than three times the 29% average across low- and middle-income countries. China Eximbank has restructured portions of Mozambique's debt twice, in 2017 and 2018, and suspended nearly \$75 million in payments through the G20 Debt Service Suspension Initiative in 2020 and 2021.
- The structure of Mozambique's debt to China tilts heavily toward private debt. Private debt accounts for 41% of total exposure, against a 14% low-income country average. Only 38% of Chinese lending to Mozambique qualifies as public debt, well below the 74% average for low-income countries. Another 21% qualifies as potential public debt.
- By the end of 2024, Mozambique owed an estimated \$1.5 billion in outstanding public and publicly-guaranteed (PPG) debt to Chinese creditors, equal to about 16.5% of its total external public debt and 6.6% of GDP. Mozambique is expected to continue paying down its debt to Chinese creditors until 2044.
- Chinese-financed infrastructure in Mozambique has carried real social costs during implementation. The Maputo-Katembe Bridge, financed by two China Eximbank buyer's credit loans signed in 2012, required the resettlement of 900 families and stallholders from the Nwankakakana market. Affected residents and traders protested compensation they considered inadequate, and local workers later went on strike over poor working conditions and late wages. The local government eventually built more than 1,000 replacement apartments and offered traders alternative stalls, and the project was completed about five months behind schedule in November 2018.

African countries that have joined the BRI



Mozambique and China's Belt and Road

Mozambique is a country in Southeast Africa, along the Mozambique Channel. A significant milestone in this ongoing cooperation occurred in May 2016 when Mozambican President Nyusi traveled to Beijing to establish a "Comprehensive Strategic Partnership" between the two countries. Ultimately, this led to the signing of a Memorandum of Understanding in 2018, when Mozambique joined the BRI.

Historic relationship

China and Mozambique have maintained official diplomatic ties since 1975, but their relationship predates independence, when China supported FRELIMO's liberation struggle in the 1960s. A 1982 trade agreement formalized economic cooperation, and Hu Jintao's 2007 visit—the only visit by a Chinese president—signaled Beijing's interest in deepening ties. In 2025, the two countries celebrated the 50th anniversary of their bilateral relationship, highlighting a partnership rooted in solidarity and sustained by political and economic cooperation.¹

Present-day relationship

China's engagement in Mozambique spans multiple sectors, including transport infrastructure, communications, trade, and agriculture. Yet the largest focus is on the country's natural gas wealth. Many of Beijing's biggest loan commitments have centered on floating liquefied natural gas (FLNG) ventures off the Mozambican coast. A significant feature of China's activity in Mozambique includes Chinese state-backed financiers channeling large loan commitments to Chinese companies, particularly China National Petroleum Corporation (CNPC), to drive investment in Mozambique's natural gas sector. These arrangements demonstrate how Beijing leverages development finance to secure strategic footholds for its state-owned companies in extractive industries more broadly. Between 2012 and 2017, Chinese financiers provided loan commitments for large infrastructure projects in the country, including the Maputo Ring Road, the Maputo Bridge, and the Nacala Corridor Railway. Since 2017, however, new loans and grants have slowed sharply, reflecting heightened instability as an Islamist insurgency in Cabo Delgado displaced nearly a million people and reshaped the risk calculus of external financiers. In April 2026, China and Mozambique signed a debt forgiveness agreement for approximately \$28 million against interest-free loans that matured (but remained unpaid) in December 2024.²

¹Embassy of the PRC in the U.K. and Ireland (2025). "Xi Jinping Exchanges Congratulatory Messages with Mozambican President Daniel Francisco Chapo on the 50th Anniversary of the Establishment of China-Mozambique Diplomatic Relations." http://gb.china-embassy.gov.cn/eng/zqyw/202506/t20250626_11659299.htm.

²Mozambique Ministry of Finance. (2026, April 27). *Regarding Public Debt Management: Mozambique and China sign debt forgiveness agreement.* <https://www.mef.gov.mz/index.php/imprensa/noticias/1006-para-a-gestao-da-divida-publica-mocambique-e-china-assinam-acordo-de-perdao>

Overview: Chinese development finance in Mozambique from 2000-2023

\$8.9 billion

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

95%

of Chinese development finance is provided via loans.

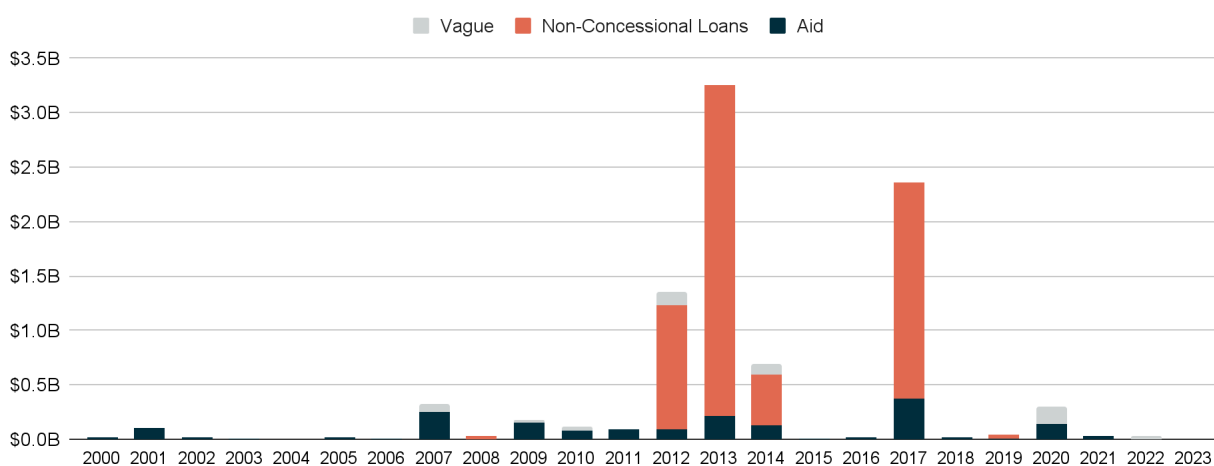
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grants, technical assistance, and scholarships offered.

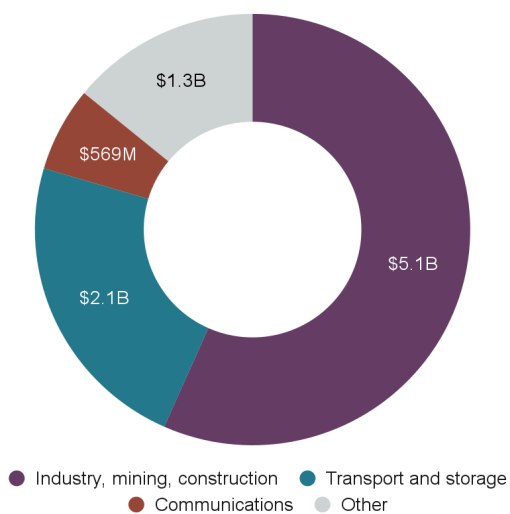
5th

largest recipient of Chinese aid and credit in Eastern Africa.

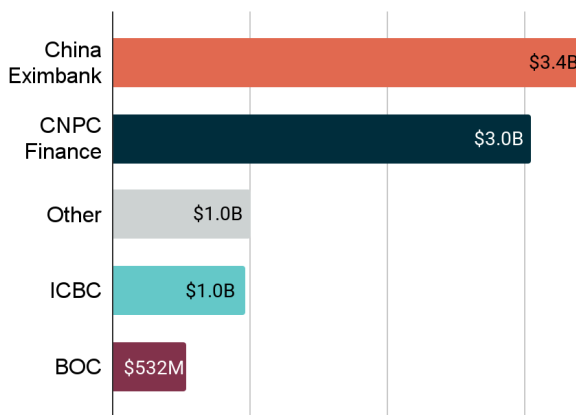
Official sector financial commitments from China to Mozambique, 2000-2023³



Portfolio by sector



Portfolio by funder



China Eximbank: Export-Import Bank of China; CNPC Finance: CNPC Finance (HK) Limited; ICBC: Industrial and Commercial Bank of China; BOC: Bank of China

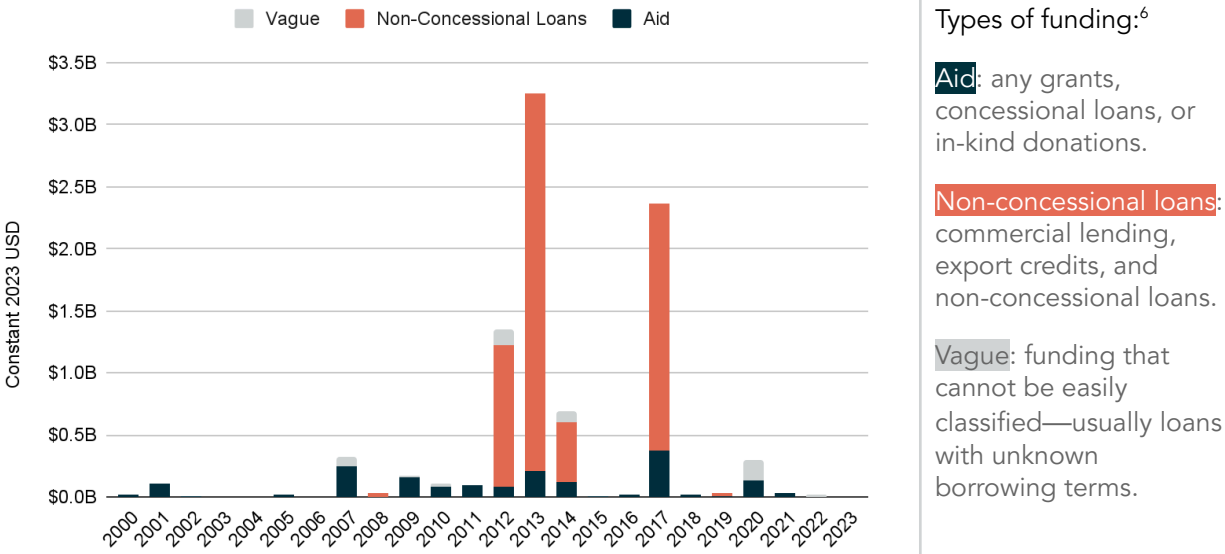
³For definitions of the categories of *aid*, *non-concessional loans*, and *vague*, please see Key Concepts on page 2 of Appendix B.

How much development finance has China provided Mozambique since 2000?

Mozambique officially joined China’s BRI in 2018. However, even before joining the BRI, Mozambique was a beneficiary of Chinese lending and grants (see Figure 1.1). In recent years, Mozambique has undergone an insurgency in its northern region of Cabo Delgado at the hands of Islamic State militants, displacing the local population and causing violence. As such, China’s financial commitments since 2017, the year the insurgency began, have decreased. For a list of bilateral diplomatic visits between China and Mozambique in the BRI era, see Appendix A. Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$8.9 billion for 146 projects and activities in Mozambique. Mozambique, with a relatively small economy (GDP: \$20.9 billion) and medium-sized population (33.6 million residents), is the fifth largest recipient of Chinese aid in Eastern Africa and the 55th largest recipient in the world.⁴

Prior to 2012, China’s development finance portfolio in Mozambique was relatively limited and focused mainly on aid. Starting in 2013 though, China’s portfolio in Mozambique heavily featured non-concessional lending. China’s financing peaked in 2013 and 2017 with financing related to the Coral South Floating Liquefied Natural Gas (FLNG) project. In 2013, China National Petroleum Corporation (CNPC) received a \$3 billion loan to facilitate its acquisition of a minority stake in Eni East Africa. Eni East Africa owns a 70% equity stake in the Area 4 Block, where the Coral South FLNG project would be located.⁵ Then, in 2017, multiple Chinese state-owned banks participated in a \$4.6 billion syndicated loan facility to finance the construction of the Coral South FLNG project. These loans account for 54% of all of China’s development finance portfolio in Mozambique. Since 2017, however, financing has declined sharply, likely due to the outbreak of insurgency and ongoing instability in the country.

Figure 1.1: Official sector financial commitments from China to Mozambique



Types of funding:⁶

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

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

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

⁴The global ranking includes high income countries.
⁵The Area 4 Block is located in the deep waters of the Rovuma Basin, which is located off the north-east coast of Mozambique. The Coral South FLNG project is meant to monetize the gas discoveries contained in the southern part of the Area 4 Block.
⁶For more information on these categories, please see Appendix B.

How does China compare to other development partners?

From 2000 to 2023, the United States was Mozambique’s largest bilateral development partner, focused on combating HIV/AIDS and providing other humanitarian assistance. The World Bank Group was the country’s largest multilateral development partner, providing \$10 billion in aid and non-concessional lending for energy generation, rural electrification, and economic reforms. China was the third largest development partner and second largest bilateral development partner to Mozambique with roughly \$9 billion in total financing. Unlike other multilateral and bilateral partners who focus on providing aid, most of China’s development finance to the country (75%) is composed of non-concessional loans, including \$1.5 billion in export credits. In fact, China provides the least aid (\$1.7 billion) of any of Mozambique’s top donors. Aid flows are increasingly under threat as the U.S. slashed its foreign assistance budget in early 2025 and several international NGOs, including the Norwegian Refugee Council, suspended humanitarian programs amid rising political volatility in 2024.

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

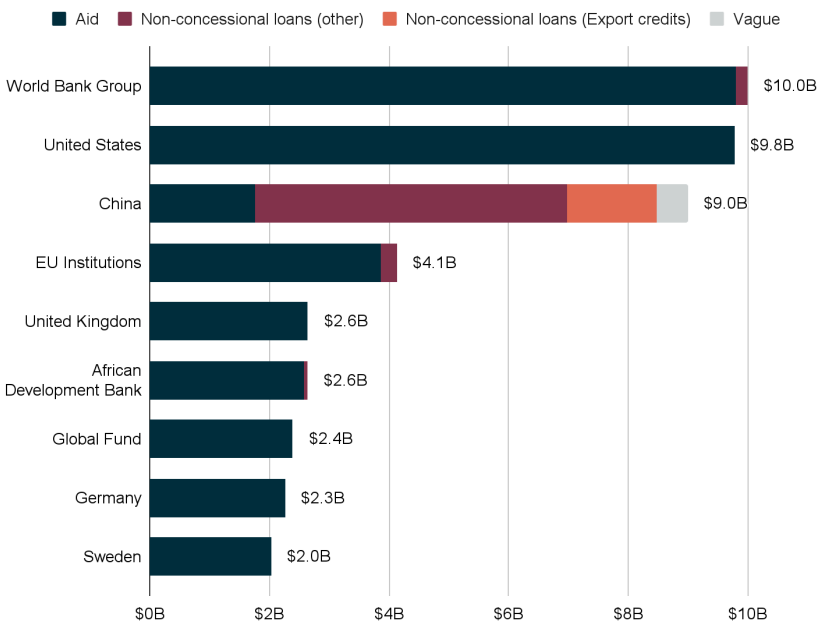


Figure 1.2 contains the top nine development partners providing aid and other financing to Mozambique. However, only China has detailed bilateral export credit flows to Mozambique. This level of granularity is not available for other development partners as the OECD does not provide export credit data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

Total export credits from G7 Countries: \$251 million.

Total export credits from DAC member countries (including G7): \$1.48 billion.

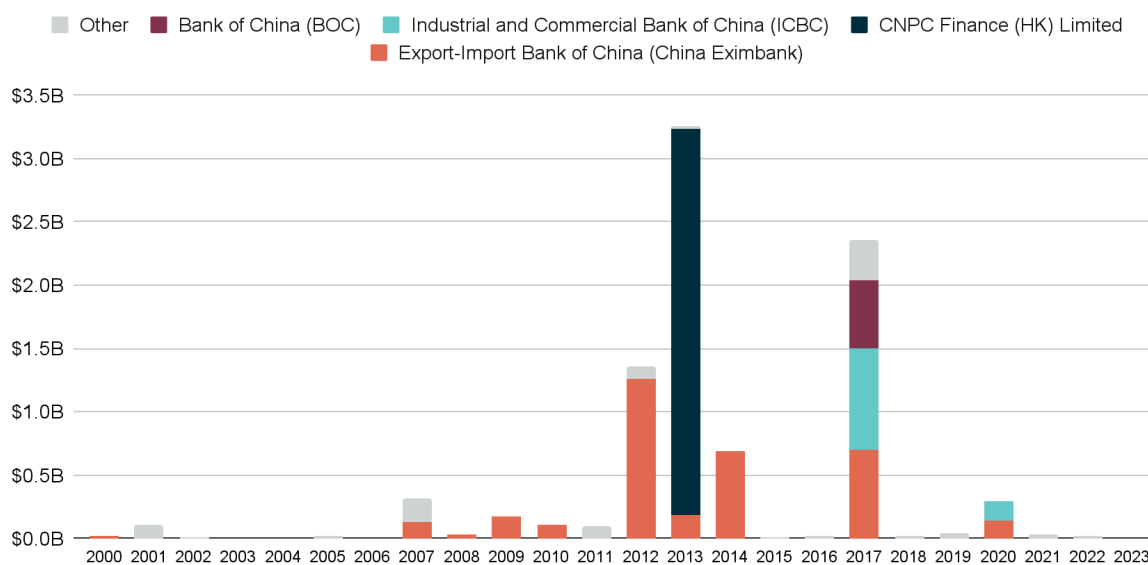
How does China use export credits?

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 Mozambique?

Between 2000 and 2023, 30 official sector donors and lenders from China provided aid and non-concessional loans to Mozambique. This number is above the developing country average of 22 state-owned donors and lenders across China's overseas portfolio. 89% of China's development finance portfolio is provided through four main donors and lenders (see Figure 1.3). The remaining 11% of funding is provided by 26 other agencies, including regional or municipal government agencies and state-owned companies.

Figure 1.3: Top Chinese donors and lenders



The Export-Import Bank of China (China Eximbank) was the first Chinese lender to engage with Mozambique in the 2000s. The bank lent over \$3.4 billion from 2000 to 2020, but has provided no new loans since 2020. China Eximbank's largest loan was the 2012 \$738 million buyer's credit loan for the Maputo-Katembe Bridge. The bridge connects the Mozambican capital, Maputo, with Katembe and is the longest suspension bridge in Africa. Other major contributions include over \$500 million to the Coral South FLNG project in 2017 and a \$325 million buyer's credit loan for the Maputo Ring Road project in 2012. Nearly all of China Eximbank's lending (98%) to Mozambique has been for major infrastructure projects. However, the single largest Chinese-financed loan to Mozambique was not for infrastructure.

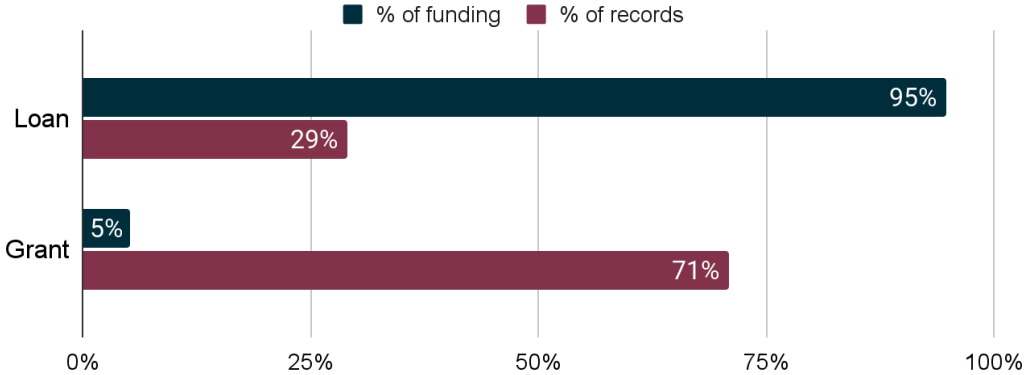
In 2013, China National Petroleum Corporation (CNPC) Finance (HK) Limited provided a \$3 billion loan to its parent company, CNPC, to facilitate the acquisition of a minority stake in Eni East Africa, the company which owned a majority equity stake in the Area 4 Block which would become the development site for the Coral South FLNG project. This loan accounts for 36% of China's total lending to Mozambique from 2000 to 2023.

Other major Chinese lenders in Mozambique include the Industrial and Commercial Bank of China (ICBC) and Bank of China (BOC). All of BOC's lending and 61% of ICBC's lending went towards the Coral South FLNG project. Both lenders participated in the original \$4.6 billion syndicated loan for the project, providing \$532 million and \$585 million respectively. ICBC provided two additional loans to Mozambique, unrelated to the Coral South FLNG project: one \$212 million contribution to the syndicated loan for the Nacala Corridor Railway and Port project in 2017 and one \$162 million contribution to a syndicated loan for another liquefied natural gas project in 2020.

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

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 Mozambique. When looking at record counts, grants account for 71% of activity records in Mozambique (equivalent to 100 activity records between 2000 and 2023).

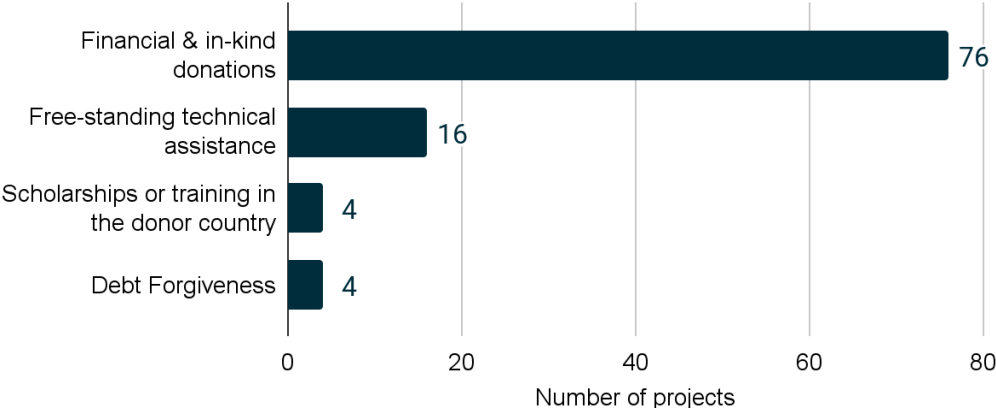
Figure 1.4: Top financial instruments used by China in Mozambique



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

95% of China’s official sector financing to Mozambique takes the form of loans (totaling \$8.5 billion), while 5% (\$470 million) take 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

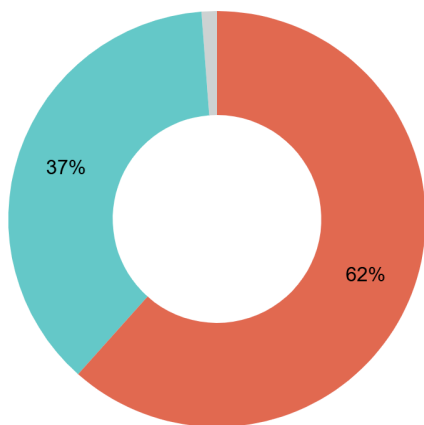


From 2000 to 2023, Mozambique received \$470 million across 100 grants from official sector Chinese entities. Some common types of donations include humanitarian food aid, cash grants for emergency response, and grants for infrastructure projects. Nearly 40% (\$187 million) of grants from China to Mozambique are for infrastructure projects. These projects are funded through Economic and Technical Cooperation Agreements (ETCAs) with China’s Ministry of Commerce (MOFCOM), such as the \$70 million grant for the construction of the Xai-Xai Airport and the \$23 million grant for the Beira Central Hospital Pediatric Ward.

In addition to in-kind and financial donations, China has provided technical assistance to Mozambique by dispatching 14 medical teams since 2002. These medical teams perform

surgeries and other medical services during their one-year stay in Mozambique. Other forms of grants provided by China are scholarships and debt forgiveness. Since 2000, China has awarded over 115 scholarships to Mozambican students to study in China. Between 2001 and 2017, China cancelled around \$189 million of Mozambique’s outstanding debt obligations.

Figure 1.6: Breakdown of lending by purpose



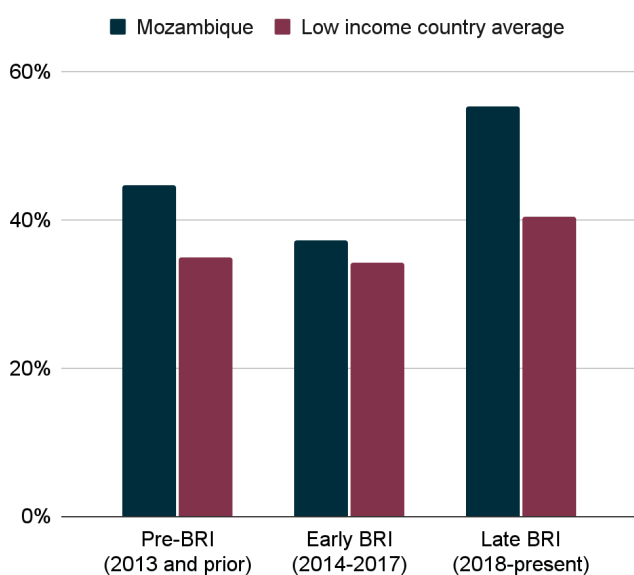
Infrastructure: loans to support the construction, rehabilitation, or maintenance of a physical structure.

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

Other: loans for equipment acquisition or unspecified purposes.

62% of China’s official sector lending to Mozambique supports infrastructure projects such as the construction of the Coral South FLNG or the Maputo-Katembe Bridge, while 37% comprise corporate transactions. The corporate transactions represent two loans, both of which are related to the Coral South FLNG project. The CNPC Finance loan makes up the majority of the category. However, a small shareholder loan of around \$124 million provided by CNODC Mozambique B.V., a subsidiary of CNPC, helped Empresa Nacional de Hidrocarbonetos (ENH), a state-owned energy company in Mozambique, finance its 10% equity stake in the Coral South FLNG special purpose vehicle. The remaining 1.2% of lending accounts for loans for equipment acquisition or unspecified purposes.

Figure 1.7: Grant element over time



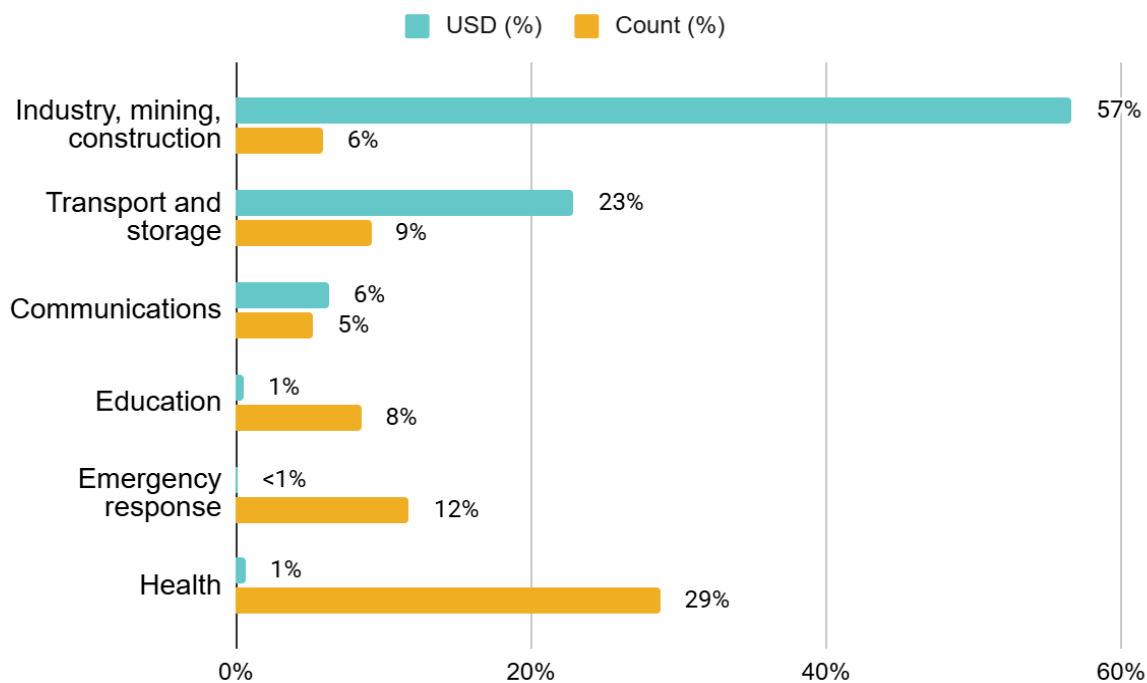
A loan’s grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China’s low-income lending portfolio fluctuated between 34% and 41% from 2000 to 2023. Chinese lending to Mozambique has historically been more concessional than the low-income country average, though opaque lending terms for many loans may obscure the true picture. The high grant element shown for the late-BRI period reflects a data limitation: only one loan from that period had discoverable terms, and that loan was highly concessional.

In which sectors is China most active?

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

Figure 1.8: Selected top sectors

Sectors by monetary value and record count



In terms of monetary value, 86% of China's grant and loan commitments to Mozambique between 2000 and 2023 supported transport and storage; industry, mining, and construction; and communications.

- **Industry, mining, construction:** This sector, the largest by financial commitment amount, includes manufacturing fossil fuels, mining for coal, gas, metals, minerals, and construction. Projects in this sector account for \$5.1 billion in funding (or 57% of China's development finance portfolio). By far the largest financial commitment in this sector was the \$3 billion loan from CNPC Finance (HK) Limited in 2013 for CNPC's acquisition of an ownership stake in Eni East Africa, a company engaged in liquefied natural gas projects. Other activities in this sector include contributions totaling \$1.6 billion from ICBC, China Eximbank, and Bank of China to a syndicated loan in 2017 for the Coral South FLNG facility. This sector has received no new commitments since 2020.
- **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. 23% of China's development finance portfolio in Mozambique is dedicated to this sector (or \$2.1 billion in commitments). Noteworthy activities financed by China Eximbank in this sector include two buyer's credit loans in 2012 worth a combined \$817

million for the construction of the Maputo-Katembe Bridge, a \$325 million buyer's credit loan in 2012 for the Maputo Ring Road project, and two loans in 2013 and 2014 worth a combined \$431 million for the Beira-Machipanda (N6) road rehabilitation project. The latest project in this sector was committed in 2019.

- **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 \$569 million in funding (or 6% of China's development finance portfolio). Activities in the communications sector include: a \$173 million loan from China Eximbank in 2017 to facilitate Mozambique's transition from analogue to digital broadcasting systems; a \$155 million loan from China Eximbank in 2014 that would finance the installation of 450 CCTV surveillance cameras in Maputo and Matola and the creation of a monitoring center; and a \$136 million loan from China Eximbank in 2020 for a telecommunications network expansion and modernization project. No new commitments have been made in this sector since 2020.

China is also heavily engaged in the "software" sectors, such as health and education, as well as emergency response in some countries. 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.

- **Health:** This sector includes medical care, infrastructure, equipment, and control activities. This sector is the largest sector by record count, with activities in the health sector representing 44 records in China's portfolio in Mozambique (or 29% of records). Notable activities include the donation of over 1.4 million doses of Sinopharm vaccines and other COVID-19 anti-epidemic relief material, such as medical masks. In October 2022, a Chinese medical team was dispatched to the Maputo Central Hospital, and in 2023, the West China Hospital of Sichuan University donated a laparoscopic training and assessment system to this same hospital in Mozambique.
- **Emergency response:** This sector represents a total of 18 records (or 12% of the total record count), and includes activities such as humanitarian assistance and disaster relief. The most recent Chinese-financed activities in this sector include the provision of post-disaster cyclone relief supplies in November 2021, and donations via the United Nations Population Fund as part of the Mozambique Humanitarian Response Plan 2021.
- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent 8% of China's total record count (13 records). Notable activities in the education sector include the Chinese government extending a grant for the construction of the Gorongosa Technical Institute in Sofala province and a grant for the construction of the Confucius Institute and Media Arts School Teaching Building. In 2023, the only Chinese-financed activity in this sector was the provision of scholarships to three students from Mozambique to study medicine at the University of South China.

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

- The industry, mining, construction and communications sectors feature heavily in China's portfolio in Mozambique between 2019 and 2023, receiving 42% and 35% of all financing, respectively, while the transport sector received no new commitments.
- The health sector received the largest number (by record count) of donations during this period, including COVID-19 relief materials and medical teams and services.

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

41
loans issued

\$8.5 billion
total loan commitments

38%
of total loan commitments are public debt

89%
of total loan commitments show signs of financial distress

\$1.5 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

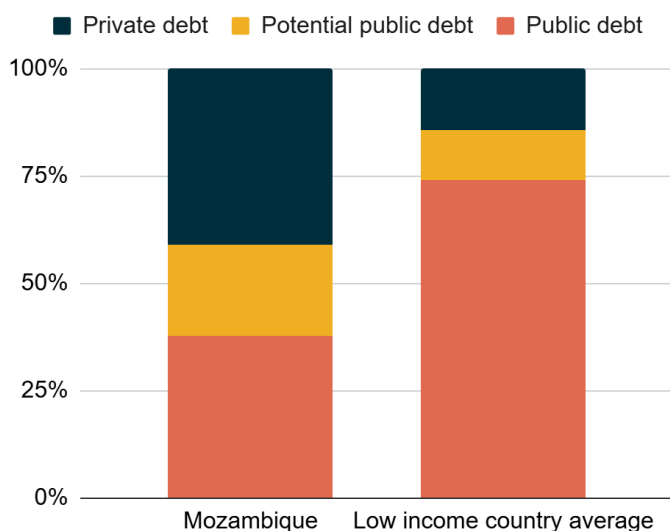
Loans to special purpose vehicles or joint ventures in which recipient governments hold minority equity stakes.

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— Mozambique: \$8.5 billion. Low-income country average: \$5.5 billion.



Mozambique’s debt by level of public liability is skewed towards private debt and potential public debt. Private debt is also significantly higher, standing at 41% compared to the average of 14%. Potential public debt is 21% of total loan commitments in Mozambique compared to 12% in other low-income countries.

Public debt (38%) is significantly below the average (74%) of other low-income countries.

\$1.8 billion (21%) of China’s official sector lending to Mozambique qualifies as “potential public sector debt.”⁷ These are loans that Chinese state-owned creditors have extended to SPVs and JVs in which the Mozambican government has minority ownership stakes. Potential public sector 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.

⁷For more on this issue, see Malik and Parks (2021) at <https://www.aiddata.org/publications/banking-on-the-belt-and-road>

91% of Mozambique's potential public sector debt is for the Coral South Floating Liquefied Natural Gas project. Empresa Nacional de Hidrocarbonetos EP (ENH), Mozambique's national hydrocarbon company, owns a 10% stake in the special purpose vehicle (SPV) responsible for the project. In order to gain the 10% ownership stake in the SPV, ENH received a shareholder loan for \$124 million. The government of Mozambique did not issue a sovereign guarantee to ENH; thus, it is not legally required to take on liability if ENH defaults on its loan obligations. Regardless, it is likely that the government of Mozambique would take on that liability because the monetary value and importance of the project could bring extreme financial distress to the country if it were to fail.

Mozambique's portfolio of loans with Chinese creditors shows extensive signs of financial distress. In total, 89% of China's cumulative loan commitments to Mozambique are in distress—more than three times the 29% average across low- and middle-income countries. 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). In Mozambique, 26 loans exhibit various signs of financial distress, including the Beira-Machipanda (N6) Road Rehabilitation project, the Maputo-Katembe Bridge project, the Coral South FLNG project, and the Maputo International Airport Modernization and Expansion project. In many of these projects, the Government of Mozambique was the borrower responsible for loan repayment. By February 2018, the IMF announced Mozambique's government had accumulated approximately \$710 million in arrears to all external creditors, including Chinese lenders.

To alleviate debt burdens, Mozambique has received multiple forms of debt relief from China through debt forgiveness and restructuring agreements. Between 2001 and 2017, China cancelled around \$189 million of Mozambique's outstanding debt obligations. Restructurings began in 2017 when China Eximbank provided a two-year principal payment deferral after Aeroportos de Moçambique, E.P., the state-owned company responsible for repaying the buyer's credit loan for the Maputo International Airport Modernization and Expansion project, defaulted on its repayment obligations. In 2018, China Eximbank and the government of Mozambique finalized another restructuring agreement: China Eximbank would extend the grace periods (and first principal repayments) on outstanding debt obligations (worth \$2.02 billion) without changing their final maturity dates or interest rates, providing short-term liquidity relief. Despite this restructuring agreement, the World Bank-IMF Debt Sustainability Analysis (DSA) still considers Mozambique in debt distress.

In 2020, to help alleviate debt burdens during the pandemic, China Eximbank participated in the G20-initiated Debt Service Suspension Initiative (DSSI). Through the DSSI framework, China suspended nearly \$75 million in principal and interest payments due to China Eximbank from Mozambique between May 2020 and June 2021. This was not debt forgiveness—the suspended payments must be paid back on a net present value (NPV)-neutral basis.⁸ These suspended payments are scheduled to be repaid through 2026.

⁸Net present value (NPV)-neutral basis means that the Chinese lenders would still receive full repayment and interest payments after the suspension period is over. For more information, please see <https://doi.org/10.5089/9798400248504.001>

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

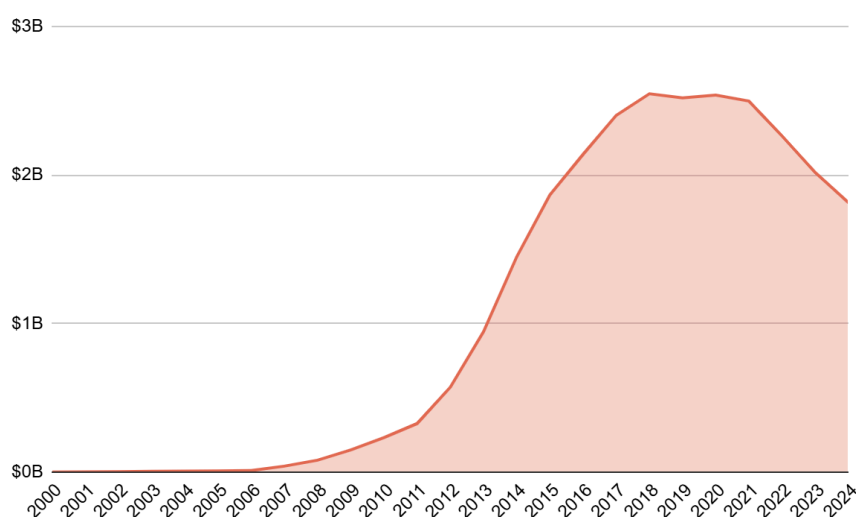
What is “public debt exposure”?

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.

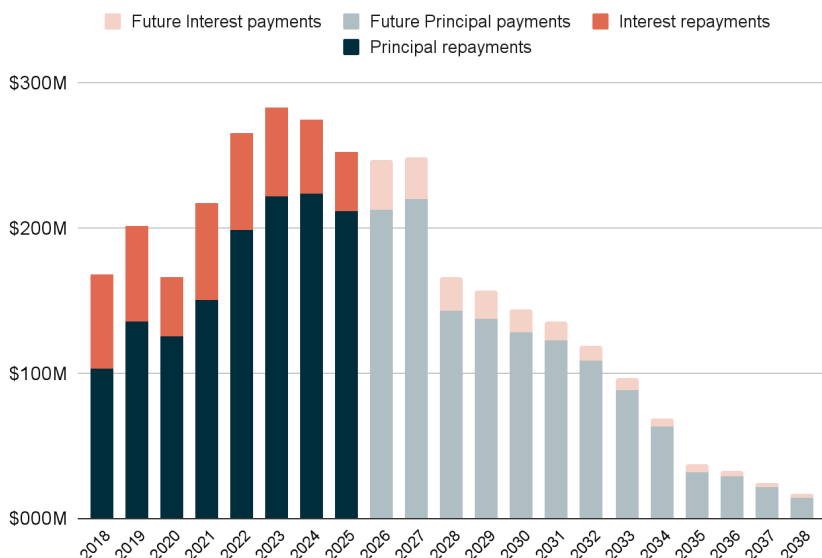
Figure 1.10 shows Mozambique’s outstanding Chinese PPG debt stock, which is the total amount of principal that has been disbursed and remains unpaid at the end of each year as well as any unpaid interest or fees. These estimates are based on loan-level data on disbursements and repayments, which are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

By the end of 2024, Mozambique owed an estimated \$1.5 billion in outstanding PPG debt to official sector creditors in China. This was equivalent to about 16.5% of Mozambique’s total PPG external debt stock to all external creditors.⁹ This indicates that China is a prominent bilateral creditor in Mozambique’s sovereign debt liabilities. The total PPG debt stock owed to China represented 6.6% of GDP in 2024.

Mozambique’s outstanding public debt to China is tied to 29 loans: six loans are in their original repayment period, three loans are still in their grace period, and 20 loans have been impacted by Mozambique’s debt restructuring agreement(s) with China. By contrast, only two loans have been fully repaid. Based on existing loan commitments through 2023, Mozambique is expected to continue paying down its debt to Chinese creditors until 2042.

⁹World Bank, International Debt Statistics.

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



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

Figure 1.11 shows Mozambique’s principal and interest payments due to Chinese creditors. Specifically, it displays principal and interest payments 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.

Between 2018 and 2025, Mozambique made over \$1.3 billion in principal payments and approximately \$457 million in interest payments. Principal payments and interest charges will remain at similar levels in 2026 and 2027, with total debt service due on outstanding loans around \$250 million per year.

Since 2018, principal and interest payments have nearly doubled for Mozambique’s PPG portfolio of loans. The series of suspensions and restructurings the country has negotiated with Eximbank provided short term relief, but by design pushed payments forward, leading to a relatively steep increase in the debt service Mozambique has paid and will pay between 2019 and 2027. China’s principal payment deferrals granted in 2017 and 2018 allowed Mozambique to not pay principal payments for several years, but it maintained the original maturity in 2020, requiring larger payments in 2019 and 2020. Similarly, the DSSI suspensions allowed Mozambique to reduce their principal and interest payments in 2020 and 2021, but those payments had to be made up relatively quickly, between 2022 and 2027.

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

Chinese-financed infrastructure projects in Mozambique:

49

infrastructure projects supported by grants and loans from China

\$5.4 billion

in loan and grant commitments supporting infrastructure projects

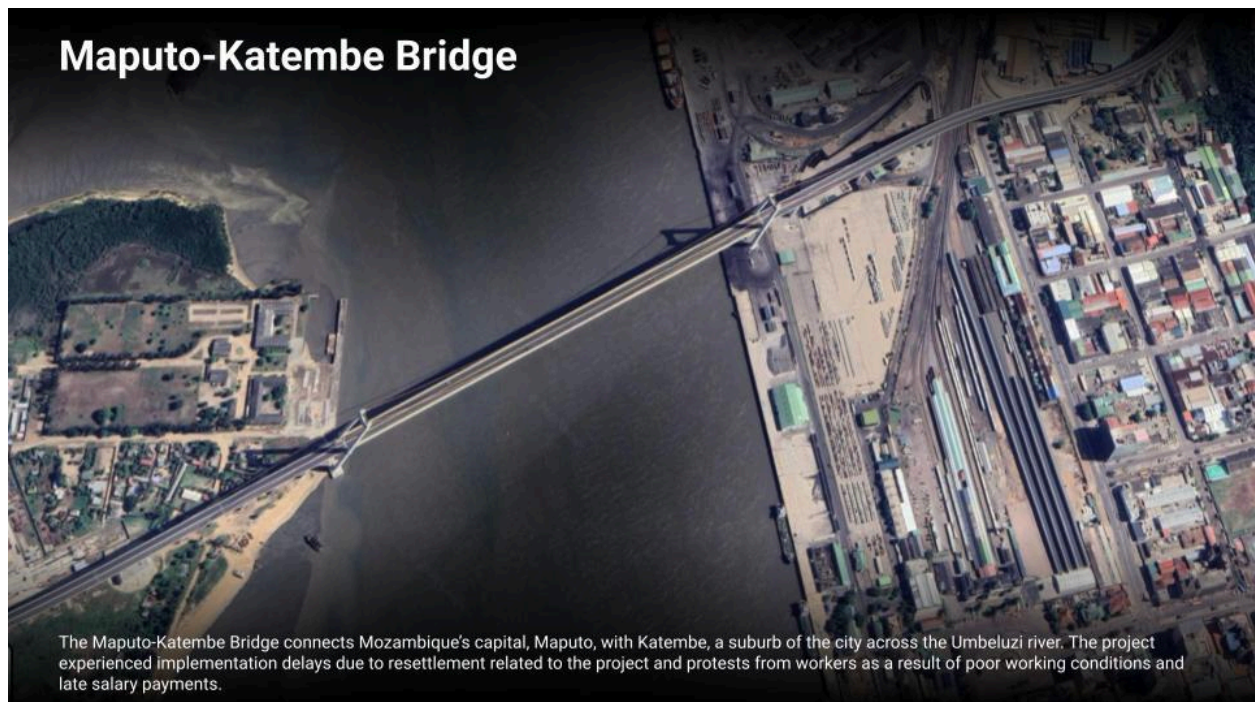
Examples of infrastructure implementation risks:

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

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

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

From 2000 to 2023, infrastructure projects accounted for 64.5% of China's development finance portfolio in low- and middle-income countries. These 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. These challenges are exemplified in Mozambique by the funding and construction of the Maputo-Katembe Bridge, Africa's longest suspension bridge, as it faced issues with resettlement, labor conditions during construction, and debt distress.



The Maputo-Katembe Bridge is a three-kilometer-long-suspension bridge that connects Mozambique's capital, Maputo, with Katembe, a suburb of the city across the Maputo Bay. The project involved not only the construction of the bridge but also the construction and enhancement of several roads: a 129 kilometer road that extends from Katembe to the border town Ponta do Ouro and a 63 kilometer stretch of roads and bridges from Boane to Bela Vista. The government of Mozambique signed two buyer's credit loan (BCL) agreements with China Eximbank for the project in 2012. China Eximbank stepped in to fund the project after the government of Portugal failed to fulfill its 2010 commitment to finance the bridge. The government of Mozambique agreed to implement a toll on the bridge in order to use the revenue to repay the loan. However, this method proved unpopular among citizens as other China Eximbank funded projects, like the Maputo Ring Road, garnered backlash from civil society organizations and residents because of toll costs on locals.

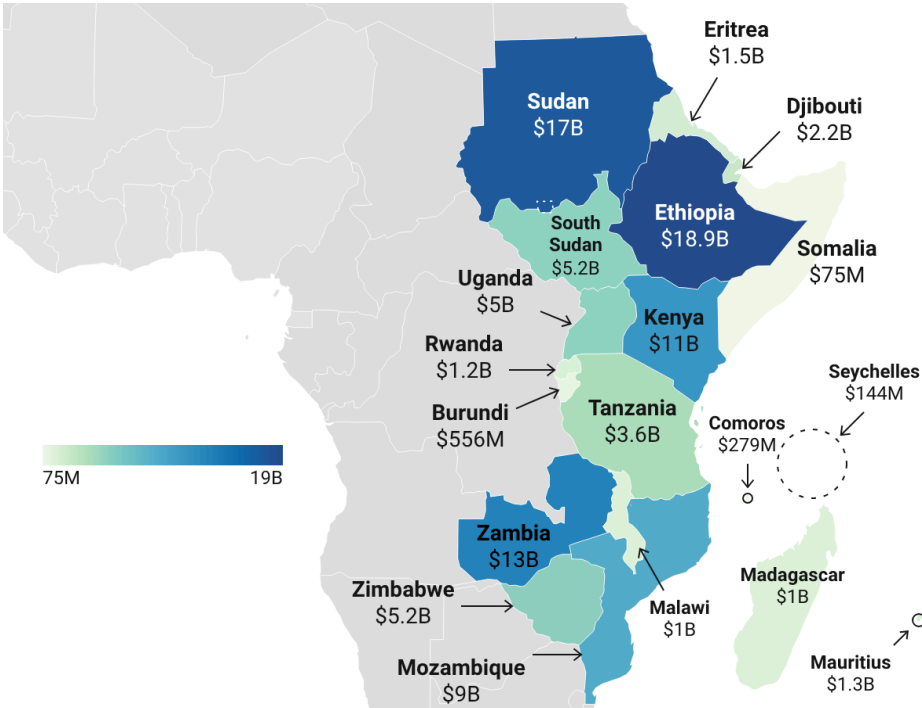
China Road and Bridge Corporation (CRBC) and the Maputo Development Corporation (Maputo-Sul) were responsible for implementation. A groundbreaking ceremony was held on September 20, 2012; however, construction did not begin until June 2014 due to delays caused by resettlement and labor issues. The construction of the bridge required the resettlement of 900 families and stallholders from the local Nwankakakana market. Several market owners refused to leave until they received compensation. The displaced families and entrepreneurs further alleged that the compensation offered to them was insufficient. As a result, the local government constructed more than 1,000 apartments in the Chamissava neighborhood in the Municipal Katembe district, and the Maputo city council offered traders replacement stalls in other locations.

Once construction began in 2014, local workers building the bridge protested against the poor working conditions and late payment of salaries. They went on strike for several days, further contributing to implementation delays. After the resettlement issues and protests from local workers, the project's completion was only delayed by roughly five months. It was originally scheduled for completion on June 25, 2018, but it was completed on November 10, 2018.

How does Chinese financing to Mozambique compare to other countries in Eastern Africa?

Between 2000 and 2023, Chinese official sector financiers directed 3,423 loans and grants to Eastern Africa worth \$98 billion. Figure 1.12 provides a cumulative view of China’s aid and credit portfolio in the region. 89% (\$88 billion) of China’s financing to the region occurred between 2000 and 2017, the pre-BRI and early BRI periods. The average annual financing during these years was \$4.9 billion, with commitments exceeding \$10 billion in peak years (2013 and 2014), and a notable dip in 2021 and 2022 during the COVID-19 pandemic, with annual commitments falling below \$1 billion. Mozambique received 9% (\$9 billion) of all Chinese financing to the region, making it the fifth-largest recipient in Eastern Africa.

Figure 1.12: Cumulative financial commitments from China to Eastern Africa, 2000-2023¹⁰



Ahead of Mozambique, the four top recipients of Chinese financing in Eastern Africa between 2000 and 2023 are Ethiopia (\$19 billion), Sudan (\$17 billion), Zambia (\$13 billion), and Kenya (\$11 billion). The lowest ranking recipients in the region include Burundi (\$556 million), Comoros (\$279 million), Seychelles (\$144 million), and Somalia (\$75 million). Priority sectors for China’s portfolio in the region include transport (27% of the region’s financing), energy (21%), and industry, mining, construction (15%). China’s portfolio in Mozambique more heavily favors industry, mining, and construction, which accounts for 57% of all financing to Mozambique, while the energy sector is not a priority for China’s portfolio in this country.

Infrastructure projects account for 78% of Chinese financing to Eastern Africa. China’s portfolio in Mozambique aligns with this priority, with 60% of loan and grant financing in this country allocated for infrastructure projects. Outliers include Somalia, with no financing allocated for infrastructure projects, and South Sudan, with only 31% allocated for infrastructure projects.

¹⁰Seychelles is a high income country.

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

Mozambique has held positive views towards China since 2006. Data captured by Gallup between 2006 and 2024, with six years of data collection not available, shows that Mozambican citizens held an average approval rate of 70% toward China.¹¹ This is roughly ten percent higher than the global average of 59.5% between 2000 and 2024. When data was collected, the approval rate peaked at 84% in 2007 and was the lowest at 62% in 2023.

Figure A.1: Mozambique’s approval of Chinese leadership, 2006-2024¹²

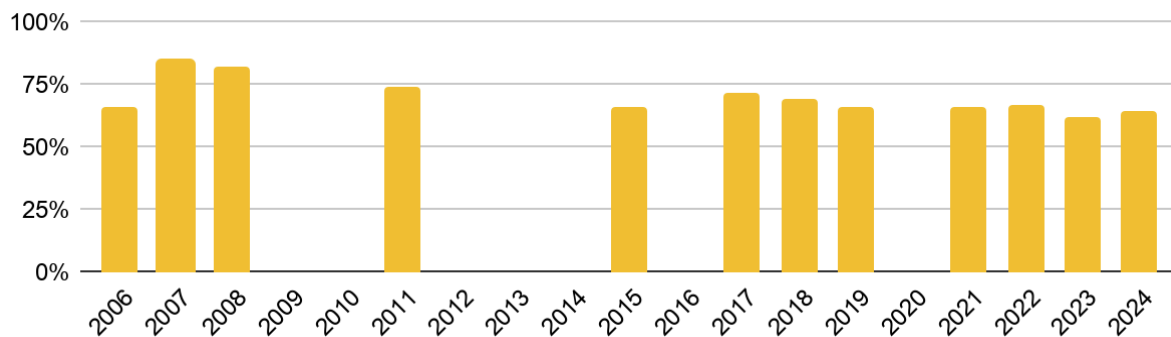


Figure A.2: Bilateral diplomatic visits between China and Mozambique

2016 MAY	President Filipe Nyusi goes on a state visit to Beijing and meets with President Xi Jinping. Mozambique and China agree to establish a “Comprehensive Strategic Partnership.”
2018 SEP	President Nyusi meets with President Xi Jinping and attends the Forum on China-Africa Cooperation summit in Beijing. The Memorandum of Understanding, in which Mozambique joined the Belt and Road Initiative, was likely signed at this meeting, though reporting is unclear.
2019 APR	President Nyusi meets with President Xi Jinping and attends the Second Belt and Road Forum for International Cooperation.
2023 OCT	Prime Minister Adriano Maleiane attends the Third Belt and Road International Cooperation Forum in Beijing.
2024 SEP	Xi Jinping Meets with President of Mozambique Filipe Jacinto Nyusi.

¹¹This data comes from Gallup’s World Poll which started in 2005. Gallup conducts the survey in various frequencies on a country-by-country basis; therefore, the years AidData has data for vary and there are gaps pre-2006 and, in some cases, between 2006-2021 . For Mozambique, data is available 2006-2008, 2011, 2015, 2017-2019, and 2021-2024. For more information on the Gallup methodology, see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

¹²The 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 Mozambique 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).

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