

# Myanmar

Chinese Development Finance, 2000-2023



## Country Profile

May 2026

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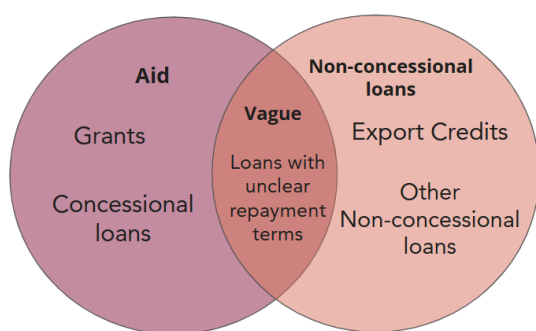
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## Key concepts: aid, non-concessional loans, and vague flows

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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

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- Between 2000 and 2023, official sector lenders and donors from China committed \$14.7 billion across 505 projects, making Myanmar the seventh largest recipient of Chinese aid and credit in Southeast Asia. China channeled \$5.6 billion in 2010 alone, primarily for major industrial and pipeline projects. Since 2011, new large-scale loan commitments have declined sharply, replaced by a steady stream of small-scale grants and in-kind support totaling 340 activities between 2011 and 2022.
- Loans account for 92% of the portfolio, but China's engagement in Myanmar is unusually broad in its institutional footprint. Eighty-seven official sector donors and creditors from China have operated in Myanmar, nearly four times the average across China's global portfolio. In terms of lending, China Eximbank leads with \$6.3 billion in cumulative lending, followed by China Development Bank at \$5.6 billion.
- Industry, mining, and construction absorb over half of all Chinese financing to Myanmar by value, a concentration driven by a handful of large and politically contentious projects. This sector accounts for \$8.2 billion, or 56% of the total portfolio, despite representing only 6% of activity records. Energy follows at \$2.7 billion (18%) and communications at \$1.2 billion (8%). By record count, however, health activities lead at 26% of all records, driven by China's provision of more COVID-19 aid to Myanmar than to any other country, totaling \$565 million in donations and over 29 million vaccine doses.
- More than half of China's cumulative loan commitments to Myanmar show signs of financial distress. Of \$13.5 billion in total lending, 54% exhibits evidence of arrears, default, or renegotiated terms, well above the 29% average across low- and middle-income countries. China participated in all three periods of the G20 Debt Service Suspension Initiative for Myanmar. A separate 2021 restructuring deal covered an additional \$130 million.
- By the end of 2024, Myanmar owed an estimated \$1.7 billion in outstanding public and publicly-guaranteed (PPG) debt to Chinese creditors, equivalent to about 19% of its total external PPG debt and 2.4% of its GDP.
- The Letpadaung Copper Mine stands as one of the most severe cases of environmental and social harm in China's global infrastructure portfolio. The mine, operated by a subsidiary of Chinese state-owned arms manufacturer Norinco, has been the site of land confiscation, environmental contamination, and violent crackdowns on peaceful protesters since construction began in 2012. Over 100 demonstrators, mostly Buddhist monks, were injured in a November 2012 government response. Protests continued for more than a decade, and the U.S. government sanctioned the mine's operator over its connection to Myanmar's 2021 military coup. Operations have been repeatedly suspended and resumed amid ongoing armed conflict in Sagaing.

South-east Asian countries that have joined the BRI



### Myanmar and China's Belt and Road

In 2016, Myanmar and China signed a "Memorandum of Understanding on Jointly Formulating a Plan for Cooperation to Promote the Construction of the Belt and Road," officially marking Myanmar's entry into the BRI. Myanmar is a critical partner as it provides southwestern China access to the Indian Ocean. In 2018, Myanmar and China signed an MOU for the China-Myanmar Economic Corridor, which formalized and expanded pre-existing Chinese investment and cooperation.

### Historic relationship

The Republic of the Union of Myanmar and the People's Republic of China (PRC) share a land border and have maintained a diplomatic bilateral relationship since 1950. Myanmar describes their relationship with China as "pauk-phaw," a term coined specifically to celebrate a close, fraternal relationship between Myanmar and China in the 1950s.<sup>1</sup>

### Present-day relationship

China's present-day relationship with Myanmar is characterized by close political, military, and economic engagement. China is one of Myanmar's largest trading partners and bilateral donors and lenders. Following the military coup in 2021 and the junta's actions against Rohingya refugees, Myanmar has faced growing global isolation—driving it to depend more heavily on China. Beijing expanded its role amid this vacuum, strengthening its engagement with the new junta regime.<sup>2</sup>

However, Chinese-Myanmar relations have also experienced increased tension as Myanmar's civil war has brought attacks on the Chinese consulate in Mandalay and Chinese workers assigned to key cooperation projects. Myanmar has also become a hub for scam-related crime networks involving Chinese nationals, which traffic victims and operate fraud schemes across Asia. In 2024, Beijing responded by repatriating hundreds of suspects and victims from both Myanmar and Cambodia. Given the instability in the country, multiple Chinese-funded infrastructure projects have also been halted during implementation, such as the Kyaukphyu port and power plant. These dynamics have complicated China's image in Myanmar, where it must navigate growing local resentment alongside its strategic ambitions.

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<sup>1</sup>Institute, P. 2049. (2017, May 9). The People's Republic of China and Burma: Not Only Pauk-Phaw. <https://project2049.net/2017/05/09/the-peoples-republic-of-china-and-burma-not-only-pauk-phaw/>

<sup>2</sup>Scam Centres and Ceasefires: China-Myanmar Ties Since the Coup. International Crisis Group. <https://www.crisisgroup.org/asia/north-east-asia/china-myanmar/b179-scam-centres-and-ceasefires-china-myanmar-ties-coup>

# Overview: Chinese development finance in Myanmar from 2000-2023

**\$14.7 billion**

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

**92%**

of Chinese development finance is provided via loans.

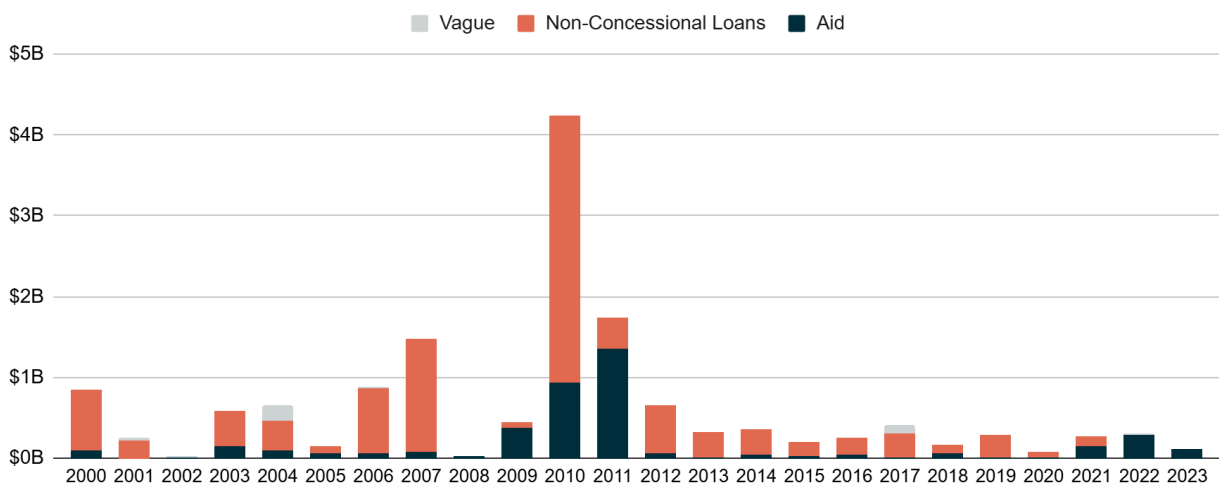
**395**

grants, technical assistance, and training activities offered.

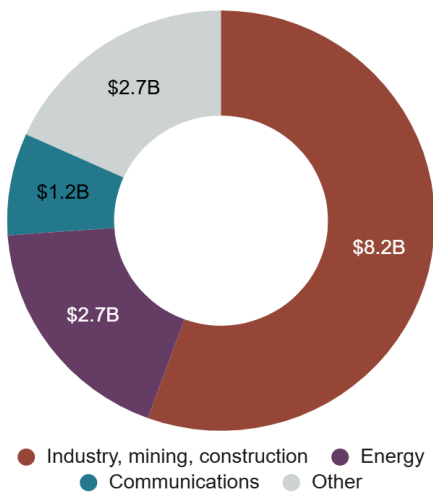
**7th**

largest recipient of Chinese aid and credit in Southeast Asia.

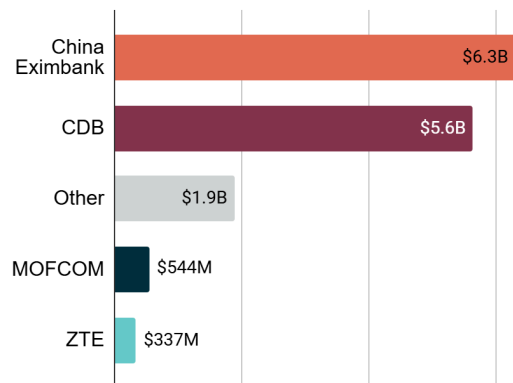
*Official sector financial commitments from China to Myanmar, 2000-2023<sup>3</sup>*



*Portfolio by sector*



*Portfolio by funder*



*China Eximbank: Export-Import Bank of China; CDB: China Development Bank; MOFCOM: Chinese Ministry of Commerce; ZTE: ZTE Corporation*

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

# How much development finance has China provided Myanmar since 2000?

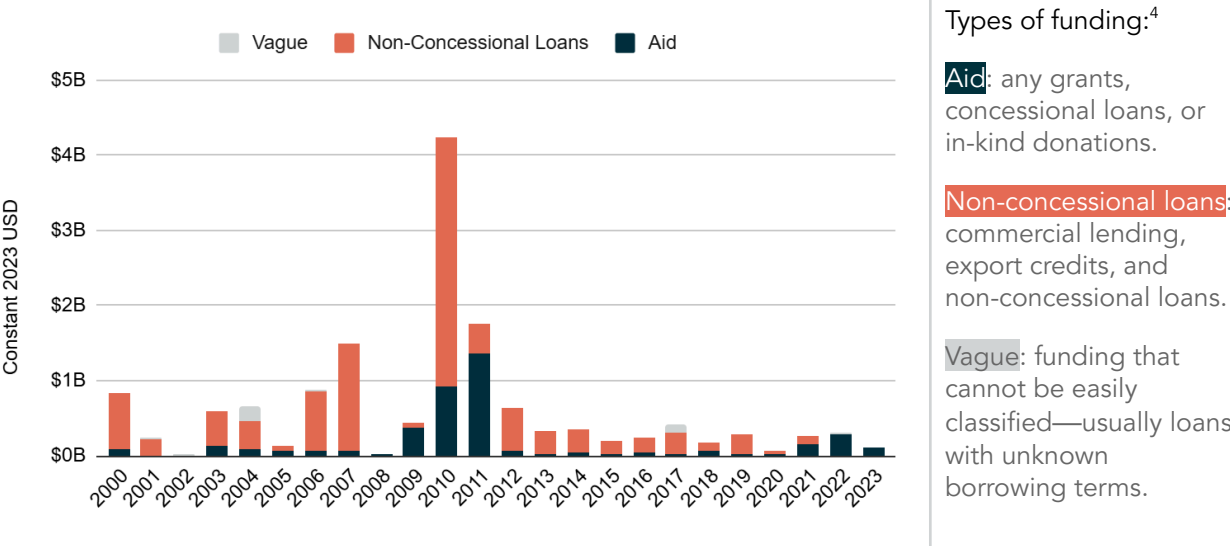
Myanmar joined China’s BRI in 2016. However, even before the agreement was signed, China had established itself as a major lender to Myanmar (see Figure 1.1). For a list of bilateral diplomatic visits between China and Myanmar in the BRI era, see Appendix A.

Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$14.7 billion for 505 projects and activities in Myanmar. That makes Myanmar—a country with a relatively small economy (GDP: \$66.7 billion) and population (54 million residents) compared to other Southeast Asian countries—the seventh largest recipient of Chinese aid and credit in Southeast Asia and the 38th largest recipient in the world.

China channeled the bulk of its aid and non-concessional loan commitments to Myanmar in 2010. In that year, China committed a total of \$5.6 billion in official sector financing for mostly big-ticket infrastructure projects, such as the Myingyan No. 1 Steel Mill Construction Project, the Myanmar-China Oil Pipeline, and the Letpadaung Copper Mine. Loans for the Myingyan No. 1 Steel Mill is shown as aid in Figure 1.1 for 2010 and 2011 due to its concessional terms. Despite the reduction in new financial commitments since 2011, China increased its provision of in-kind support and donations during this time, totaling 338 such activities between 2011 and 2023.

Some notable grants from 2011 to 2023 include a \$6 million grant from the China National Petroleum Corporation (CNPC) in 2011 for the construction of 19 health clinics and 8 schools. Myanmar also received more COVID-19 aid from China than any other country: \$14 million in donations and over 29 million vaccine doses worth over \$550 million. Outside of the health and education sectors, the Chinese Ministry of Commerce (MOFCOM) provided a \$34 million grant to support the dispatch of 700 Chinese experts—including coaches, game managers, stage designers, and technicians—to help Myanmar’s Ministry of Culture and Ministry of Sports organize the 27th SEA Games in the city of Nay Pyi Taw in 2013.

Figure 1.1: Official sector financial commitments from China to Myanmar



Types of funding:<sup>4</sup>

**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.

<sup>4</sup>For more information on these categories, please see Appendix B.

# How does China compare to other development partners?

China is Myanmar’s largest development partner (see Figure 1.2), providing almost twice as much aid and credit as its second-largest development partner, Japan. Japan provided \$8.8 billion in aid to Myanmar from 2000 to 2023. In recent years, its aid has focused heavily on building transport networks (roads, bridges, and railways) and developing the energy sector (e.g. energy distribution networks). Japan’s full portfolio represented aid in the form of grants and concessional loans. In contrast, approximately 70% of China’s portfolio in Myanmar is non-concessional lending and commercially-oriented export credits, totaling \$8 billion and \$2.3 billion respectively.

As one of the strongest democratic states in the region, Japan’s continued aid to the country following Myanmar’s military coup d’etat in 2021 has provoked controversy inside and outside of Japan. While many democratic development partners halted some or all aid to Myanmar in the wake of the coup (including the United States), Japan did not.

Other large donors active before the coup included the United States, World Bank Group, Asian Development Bank, and the United Kingdom. The United States had previously been Myanmar’s largest donor in the humanitarian aid sector, but it has provided less support after the dissolution of USAID in 2025.

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

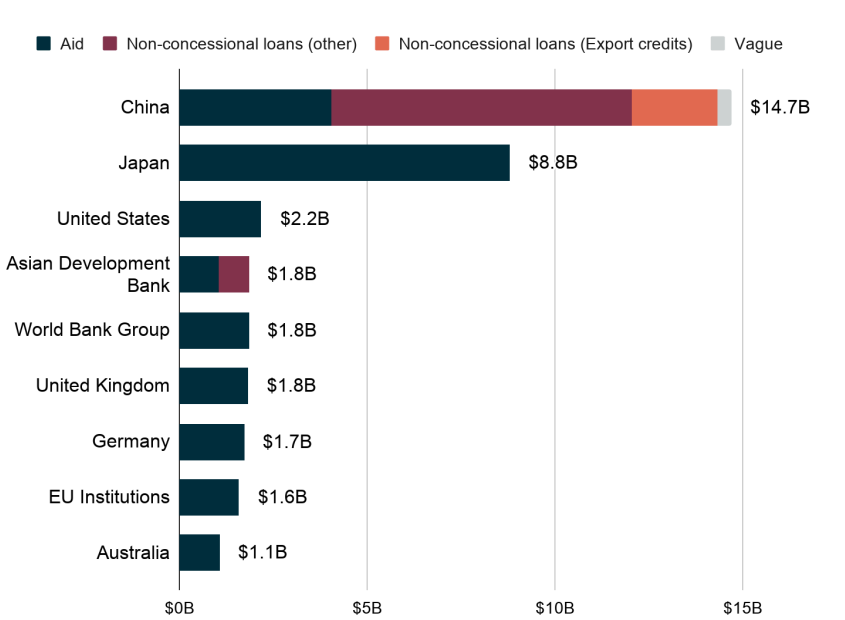


Figure 1.2 contains the top nine development partners providing aid and other financing to Myanmar. However, only China has detailed bilateral export credit flows to Myanmar. This level of granularity is not available for other development partners as the OECD does not provide export credit data for 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: \$302 million.

Annual export credits from DAC members (including G7): \$352 million.

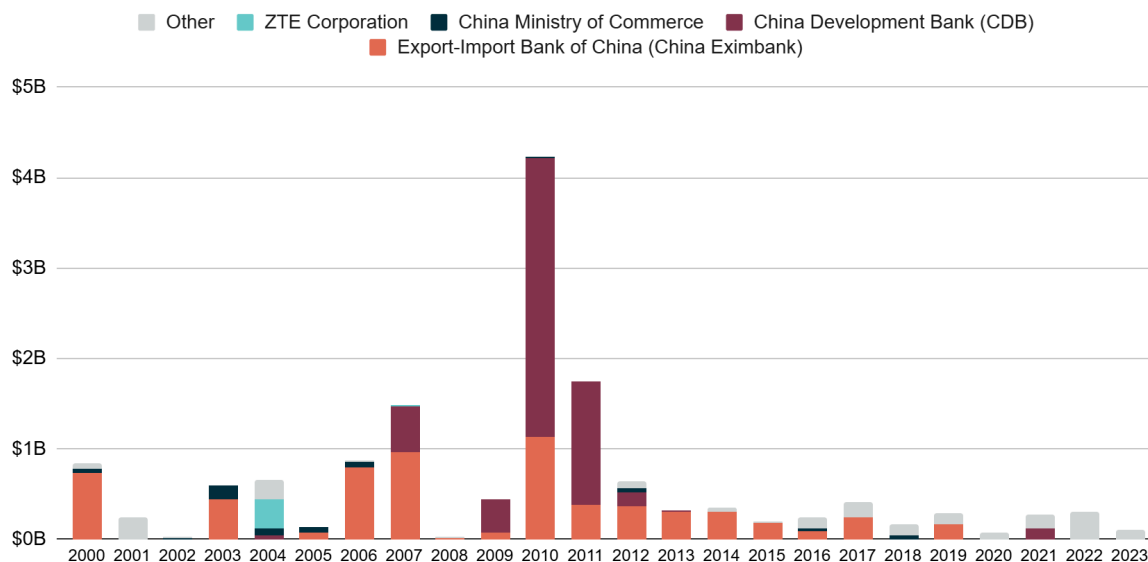
## How does China use export credits?

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

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

Between 2000 and 2023, 87 official sector donors and creditors from China provided aid and non-concessional loans to Myanmar. This is nearly four times the average of 22 state-owned donors and lenders that China deploys in a typical country. 87% of China’s development finance portfolio in Myanmar is provided by only four donors and lenders (see Figure 1.3). The other 13% is provided by a diverse array of government agencies (including central, regional, or municipal government agencies), state-owned commercial banks, and state-owned companies.

Figure 1.3: Top Chinese donors and lenders



At the beginning of the 2000s, Export-Import Bank of China (China Eximbank) was the main Chinese lender in Myanmar. The bank provided over \$736 million in infrastructure lending in 2000 for various hydropower plants, a pulp factory, and a textile mill. Rather than one major contribution, China Eximbank has provided relatively consistent lending to Myanmar with over \$6.3 billion total for infrastructure and equipment acquisition. The bank was most active between 2005-2017, providing 37 loans out of the total 50 committed between 2000 and 2023. There has been no new lending since 2019.

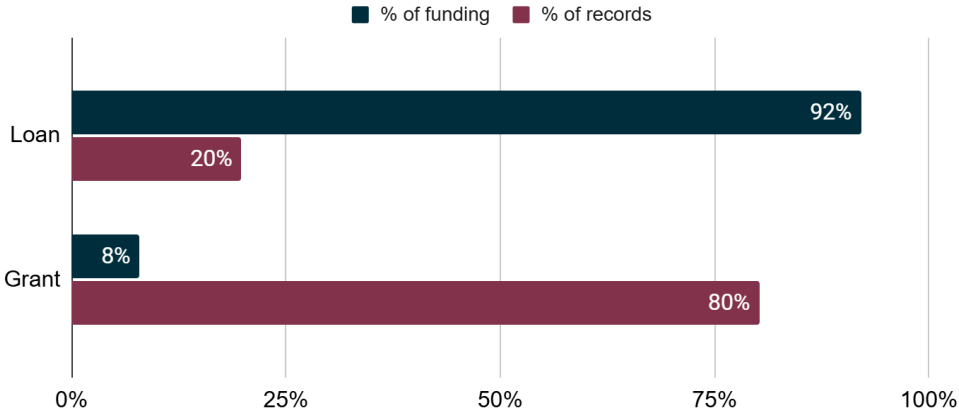
China Development Bank (CDB) is the second largest Chinese lender in Myanmar, providing \$5.6 billion in loans between 2004 and 2021. Where China Eximbank provided a large quantity of loans over the years, CDB’s lending is consolidated in eight projects with two at the forefront: the Myingyan No. 1 Steel Mill and Myanmar-China Oil pipeline. CDB lent \$2.2 billion between 2010 and 2011 for the construction of the Myingyan No. 1 Steel Mill and \$2.1 billion for the Myanmar-China Oil pipeline in 2010.

The Ministry of Commerce (MOFCOM) and ZTE Corporation (ZTE) are the other major Chinese funders in Myanmar. MOFCOM provided a variety of grants and loans worth over \$544 million to Myanmar, including a \$52 million grant for the International Conference Center construction project and an \$41 million interest-free loan for Kyaukse Agricultural Machinery Factory construction project. ZTE provided one \$315 million loan in 2004 to assist Myanmar Posts and Telecommunication, a state-owned company, build 300,000 fixed phone lines. ZTE also provided over \$21 million in telecommunications equipment to the government of Myanmar.

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

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 Myanmar. When looking at record counts, grants account for 80% of all activity records in Myanmar (representing 395 records capturing activities taking place between 2000 and 2023).

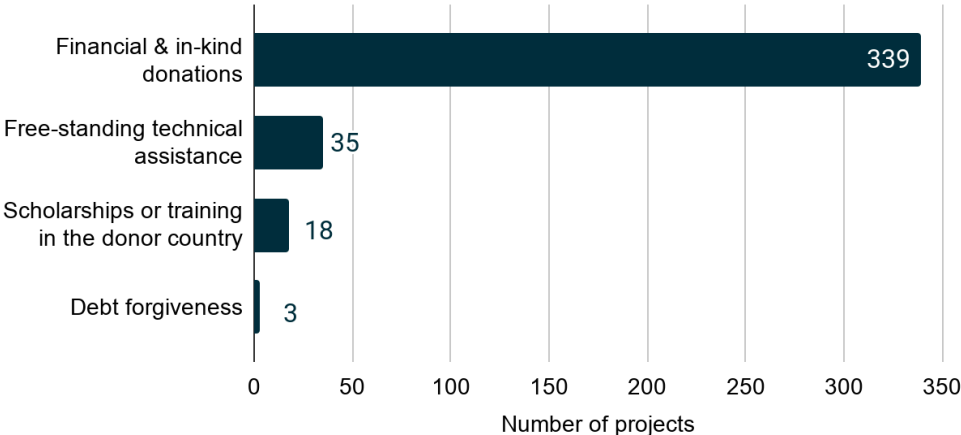
Figure 1.4: Top financial instruments used by China in Myanmar



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

92% of China’s official sector financing to Myanmar takes the form of loans (totaling \$13.5 billion), while 8% (\$1.1 billion) comes in the form of grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented.

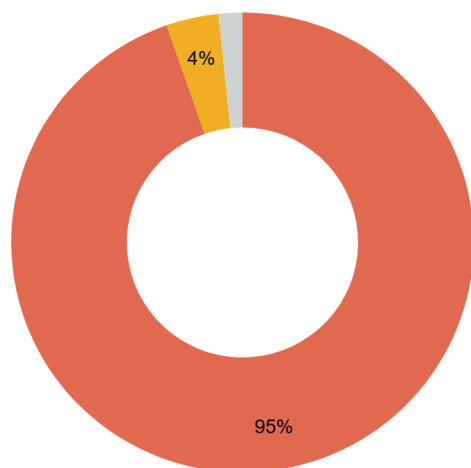
Figure 1.5: Breakdown of grants by project count



From 2000 to 2023, Myanmar received \$1.1 billion across 395 grants from official sector Chinese entities. Almost 50% (\$565 million) of Chinese aid to Myanmar was for combatting COVID-19. Myanmar received more COVID-19 aid from China than any other country, with an estimated \$14 million in donations and 29 million vaccines worth over \$550 million. Other major grants to Myanmar include 23 Chinese-constructed China-Myanmar Friendship Schools and \$67 million in emergency response aid for victims of natural disasters and displaced peoples in Rakhine state. Most scholarships from China to Myanmar go to different

China-Myanmar Friendship Schools. Unlike other countries where technical assistance from China predominantly comes from medical teams, China’s technical assistance to Myanmar is made up of various training activities related to agriculture, Chinese language, tourism, and civil service. Debt forgiveness is also considered a grant. China granted \$126 million in debt forgiveness to Myanmar in 2003 for two loans signed in 1961 and 1979. In 2006, China again granted an additional \$56 million in debt forgiveness.

Figure 1.6: Breakdown of lending by purpose



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

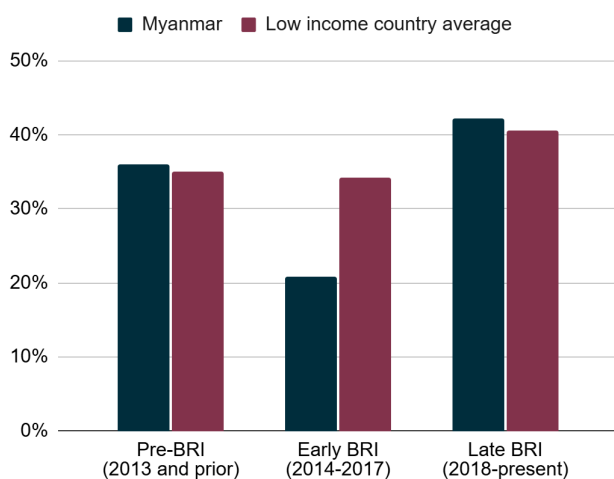
**Inter-Bank Loans:** loans from a Chinese bank to a recipient country bank that can support on-lending or other bank needs.

**Other:** loans for equipment acquisition or unspecified purposes.

95% of China’s \$13.5 billion in official sector lending to Myanmar supports infrastructure projects. Nearly 74% of all infrastructure projects in Myanmar are implemented by at least one Chinese entity, such as a Chinese state-owned or private sector company. Sinohydro, one of China’s top hydropower engineering and construction companies, has implemented more projects in Myanmar than any other Chinese state-owned companies.

Additionally, 4% of China’s official sector lending to Myanmar was provided via inter-bank loans. Most activities in this category came from China Eximbank, including a \$434 million to the Myanmar Foreign Trade Bank for on-lending to rural farmers. The remaining 1% fall into a residual other category, often representing equipment acquisitions.

Figure 1.7: Grant element over time



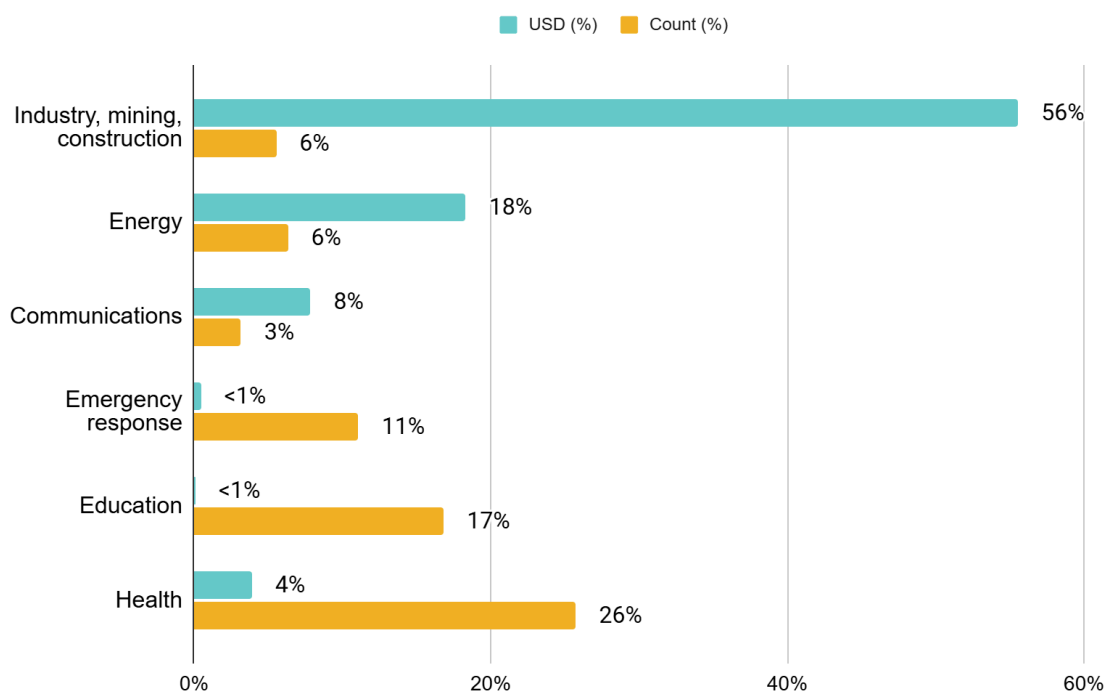
A loan’s grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China’s low income lending portfolio fluctuated between 34% and 41% from 2000 to 2023. China’s lending to Myanmar has been roughly in line with other low income countries except in the early-BRI period. The average grant element during this period is largely driven by the inter-bank loan extended to the Myanmar Foreign Trade Bank for on-lending to rural farmers.

## In which sectors is China most active?

Top sectors for China's development finance portfolio in Myanmar differ greatly when comparing monetary value and record count. In Figure 1.8, we have 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, 82% of China's grant and loan commitments to Myanmar supported three core ("hardware") sectors: industry, mining, construction, energy, and communications between 2000 and 2023.

- **Industry, mining, construction:** This sector includes manufacturing, fossil fuels, mining for coal, gas, metals, minerals, and construction. Projects in this sector represent only 6% of activity counts, but 56% of the monetary value (\$8.2 billion) of China's entire funding portfolio in Myanmar. Activities in this sector include two loans from CDB worth \$2.3 billion for the Myingyan No. 1 Steel Mill Construction Project. This project consistently lost money and closed in 2017. In 2021, the new military junta government announced it would reopen the mill. China is also active in the transition mineral sphere in Myanmar through the Tagaung Taung nickel mine and the Letpadaung copper mine. Both mines have been sites of political unrest. The operator of the Letpadaung mine, Myanmar Wanbao Mining Copper, Ltd., and two of its subsidiaries were sanctioned by the U.S. government due to their connection to the 2021 coup. The Tagaung Taung mine was also at the center of fighting between resistance forces and junta fighters.
- **Energy:** The energy sector is defined by the generation and distribution of renewable and non-renewable resources, as well as hybrid and nuclear power plants. 18% of all Chinese official sector funding in Myanmar went to this sector (\$2.7 billion in funding). The largest commitment in this sector is a \$450 million preferential buyer's credit for the

Hydraulic Steel Structure (Lot HSS-1) of 790MW Yeywa Hydropower Plant Project from 2003.<sup>5</sup> The most recent activity is a \$4.3 million loan contribution from ICBC Yangon Branch in 2022 for the Kyauk Phyu Combined Cycle Power Plant construction.

- **Communications:** This sector encompasses the provision and access of telecommunications and information services, such as telephone, radio, and TV networks. Projects in the communications sector account for \$1.2 billion in funding (or 8% of China's development finance portfolio). The largest commitment in this sector is a 2004 loan from ZTE worth \$315 million for the National Telecommunications Network Construction Project. The most recent activity in this sector is a \$104 million loan from Bank of China (Hong Kong) in 2019 for a communication infrastructure project.

China is also heavily engaged in the "software" sectors, such as health and education. 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, or similar activity that is difficult to monetize.

- **Health:** This sector includes medical training and services care, construction of medical buildings, and COVID-19 activities. This sector is the highest by record count with 130 total projects (or 26% of records). Myanmar ranked first amongst developing countries for most Chinese COVID-19 aid received, totaling \$565 million in donations, including over 29 million vaccine doses provided between 2020 and 2023.
- **Education:** This sector encompasses support of schooling at the primary, secondary, and post-secondary levels, building school infrastructure, and technical training activities. Education activities represent 17% of China's total record count, with 85 recorded activities. Notable activities in the education sector include the construction of multiple schools and the construction of the Mandalay Industrial Training Center. In 2023, new grants in this sector include the provision of scholarships, technological college equipment, and school supplies.
- **Emergency Response:** This sector consists of material relief and assistance services for the benefit of crisis-affected individuals, including refugees and internally displaced people. Emergency response activities account for 11% of China's total record count, with 56 recorded activities. Most of these activities are for emergency supplies or donations to refugees and internally displaced people in the Rakhine and Kachin states. The Rakhine and Kachin states have been sites of long-running religious and ethnic armed conflicts, which has contributed to a significant need for humanitarian assistance. China has responded accordingly with over \$18 million in aid for resettlement assistance, new housing, and food assistance. In 2023, Chinese central and subnational government agencies donated over \$77,000 in disaster relief aid after Cyclone Mocha.

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

- Health aid dominates China's development finance portfolio in Myanmar between 2019 and 2023, accounting for 55% of all financial commitments during this period. Nearly all of this financing was provided for COVID-19 response and recovery.
- The industry, mining, construction sector, which accounts for 56% of all financial commitments between 2000 and 2023, has received no new commitments since 2019 and accounts for only 16% of all commitments made during the last 5 years.

<sup>5</sup>Preferential Buyer's Credit (PBC) is a lending instrument unique to China Eximbank. PBCs are USD-denominated loans that are granted to foreign government institutions. The recipient government then uses the loan to purchase goods and services from a Chinese supplier.

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

98 loans issued	\$13.5 billion total loan commitments	70% of total loan commitments are public debt	54% of total loan commitments show signs of financial distress	\$1.7 billion total public debt outstanding as of 2024
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## What is “public debt”?

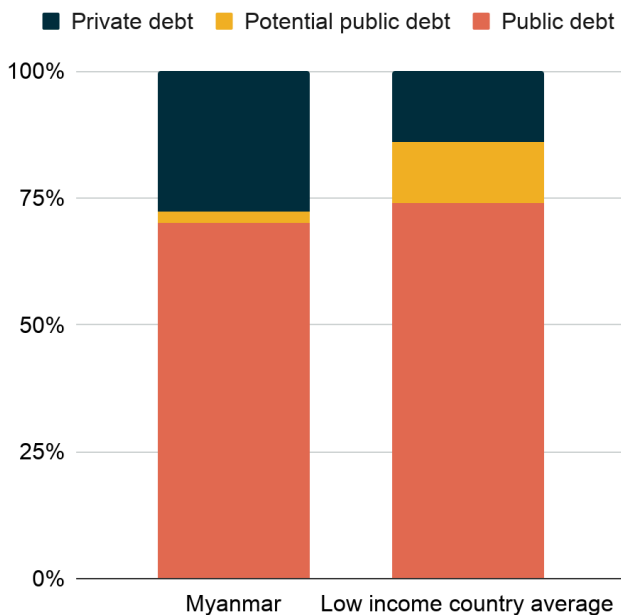
**Public debt (PPG debt)**  
Loans issued directly to public institutions, loans that have sovereign repayment guarantees, or loans extended to special purpose vehicles or joint ventures that are majority-owned by one or more public sector institutions. Often referred to as public and publicly-guaranteed (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—Myanmar: \$13.5 billion. Low income country average: \$5.5 billion.



The composition of Myanmar’s debt by level of public liability is mostly in line with the average across low income countries in China’s global development finance portfolio.

Myanmar’s public debt (70%) is only 4% lower than the average (74%) for all low income countries. However, when considering the remaining 26-30% of debt, Myanmar has considerably more private debt than potential public debt. Potential public debt makes up 12% of the average low income country debt composition but only 2% of Myanmar’s. Similarly, private debt is nearly 28% of all Myanmar’s Chinese-financed debt, but only 14% of the average low income country’s.

There are clear signs of financial distress when examining Myanmar’s public debt to China. In total, 54% of China’s cumulative loan commitments to Myanmar exhibit evidence of financial distress, including 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). Foreign sanctions on Myanmar companies in response to the 2021 coup have contributed to repayment difficulties for the borrowers. This level of financial distress is higher than in most countries—on average, only 29% of China’s portfolio across all low- and middle-income countries has evidence of distress. In the World Bank’s most recent economic monitoring report on Myanmar, domestic debt is the main driver of all public debt in Myanmar while external debt is declining.<sup>6</sup>

Myanmar did participate in the G20-initiated Debt Service Suspension Initiative (DSSI) to help alleviate debt burdens during the pandemic. China participated in all three periods of DSSI for Myanmar. In Period I (May-Dec 2020), China Eximbank and CDB agreed to suspend principal and interest payments under 41 different loan agreements for a total suspension amount of around \$113 million (\$87 million in principal and \$26 million in interest). For Period II (January-June 2021), Chinese creditors suspended payments under 12 different loan agreements for a total estimated suspension amount of \$123 million (\$92.8 million in principal and \$30.6 million in interest). Finally, for Period III (July - December 2021), payments were suspended under two loan agreements for an unknown amount. None of these suspensions constituted debt forgiveness— all of the deferred debt service payments must be paid back on a net present value (NPV)-neutral basis through 2026.<sup>7</sup> In addition, China reportedly signed a separate deal in 2021 to reschedule debts worth \$129.9 million.

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<sup>6</sup> Mansaray, Kemoh; Myint, Thi Da; Sinha Roy, Sutirtha; Lakatos, Csilla; Maw, Aka Kyaw Min; Mwumvaneza, Valens; Mansaray, Kemoh; Gupta, Harshit Kumar; Ambrosio Albala, Mateo. *Myanmar Economic Monitor : Surviving, Not Thriving - Special focus on Myanmar's Agrifood Industry Resilience and Adaptability (English)*. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/099120625204042781>

<sup>7</sup>Net 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 Myanmar’s current public debt exposure to China look like—and what payments are due?

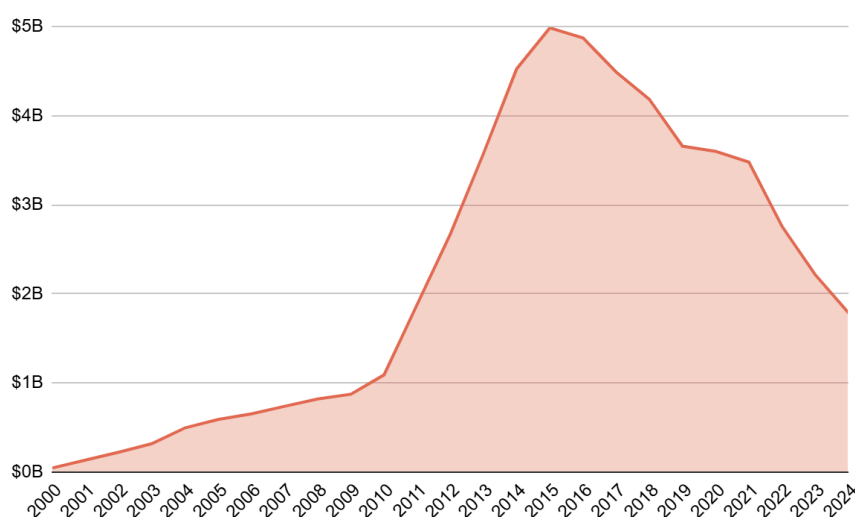
### What is “public debt exposure”?

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 Myanmar’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.

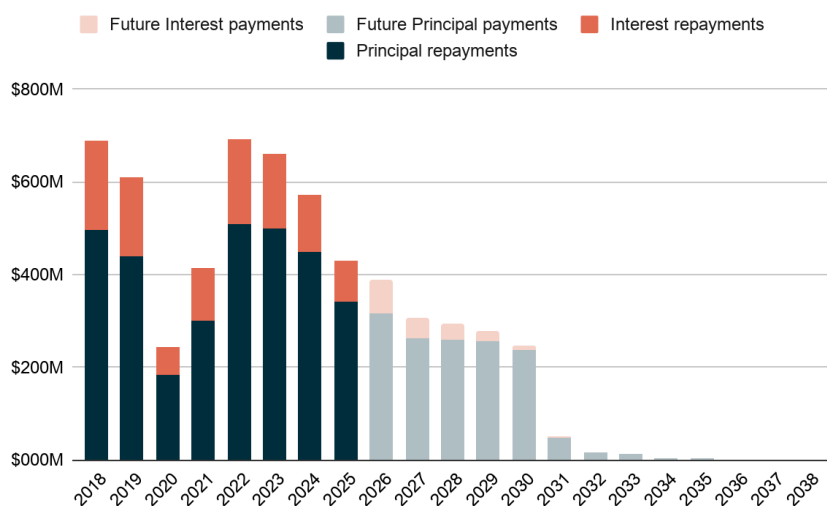
By the end of 2024, Myanmar owed an estimated \$1.7 billion in outstanding PPG debt to official sector creditors in China. This was equivalent to about 19.3% of Myanmar’s total PPG debt stock to all external creditors.<sup>8</sup> This indicates that China is one of the largest bilateral external creditors in Myanmar’s public debt portfolio. The total PPG debt stock owed to China represented 2.4% of its GDP in 2024.

Myanmar’s outstanding debt to China is tied to 33 loans: four loans are in their original repayment period, two are still in their grace period, and 27 loans have been impacted by Myanmar’s debt restructuring agreement with China. By contrast, 28 loans have been fully

<sup>8</sup>World Bank, International Debt Statistics.

repaid.<sup>9</sup> Based on existing loan commitments through 2023, Myanmar is expected to continue paying down its debt to Chinese creditors until 2044.

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



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

Figure 1.11 shows Myanmar’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.

In 2018 and 2019, principal payments remained over \$400 million, with debt service ongoing for over 40 loans. Myanmar witnessed a significant reduction in principal payments in 2020 and 2021. This was driven by suspension agreements with China Eximbank and CDB. Under the DSSI framework, China Eximbank suspended principal and interest payments for 41 loans in 2020, 12 loans in the first half of 2021, and 2 loans in the latter half. In 2022, Myanmar made over \$509 million in principal payments, followed by marginal reductions in 2023 and 2024, falling from \$500 million to \$450 million respectively.

<sup>9</sup>PPG loans with unknown transaction amounts are excluded from this breakdown.

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

<b>Chinese-financed infrastructure projects in Myanmar:</b>	<b>Examples of infrastructure implementation risks:</b>
<b>101</b> infrastructure projects supported by grants and loans from China	<b>Environmental:</b> increase in air or water pollution, biodiversity loss, deforestation, increased carbon footprint, or natural resource depletion.
<b>\$12.8 billion</b> in loan and grant commitments supporting infrastructure projects	<b>Social:</b> poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.
	<b>Governance:</b> 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. In Myanmar, the Letpadaung Copper Mine project illustrates these implementation challenges, as significant ESG risks translated into adverse environmental, social, and governance impacts during and after the project reached completion.



The Letpadaung Copper Mine, located in Salingyi Township, Monywa City, and Sagaing Region, was slated to produce 100,000 tons of cathode copper annually. The mine is operated by the Wanbao Mining Copper Ltd’s—a subsidiary of the Chinese state-owned arms

manufacturer, China North Industries Group Corp. (Norinco)—special purpose vehicle Myanmar Wanbao Mining Copper, Ltd. (MWMCL), in cooperation with the Union of Myanmar Economic Holdings Ltd. (UMEHL). Norinco purchased the stake in the project in 2011 from Ivanhoe Mines, a Canadian mining company, prior to the onset of construction works. Construction began in March 2012 amid public backlash to the project's social and environmental toll.

In the summer of 2012, local farmers reported land confiscation and environmental damage from mine construction. Locals also witnessed bulldozers razing farmlands and machines dumping large quantities of contaminated soil near the villages. Protests over the social and environmental damages were met with a brutal government response in November 2012, during which over 100 peaceful protestors, primarily Buddhist monks, were injured. Three farmer activists sued then-president Thein Sein over the crackdown, who established Myanmar's parliament's Letpadaung Taung Investigation Commission in response. The committee issued a final report on the mine and its backlash in early 2013, indicating that it found Wanbao liable for committing injustices against the people, but that it did not recommend the cessation of mining activities. MWMCL issued a press release in March 2013 that welcomed the findings of the report, which advised that the project move forward, but to ensure the compensation of local people for their land. MWMCL and UMEHL agreed to provide compensation packages, and in July 2013, also produced a modified contract in response to the commission's findings. The contract reduced MWMCL's ownership stake in the mine to 30%, increased the government of Myanmar's stake to 51%, and stipulated that 2% of the mine's net profits would be reinvested into the local community via corporate social responsibility projects.

However, many of the affected farmers did not take the compensation offered. As of April 2013, Myanmar's government committee in charge of the resettlement payouts reported that 570 farmers were granted a total of 17.8 million kyat (then \$20,300), but that 177 complaints were filed to refuse compensation. Protests continued, and in June 2013, the organizer of the Save Letpadaung Mountain Committee (SLMC) was sentenced to hard labor and several others involved in the movement were fined for their involvement in organizing without government approval. More protesters were detained throughout the remainder of 2013 and in early 2014.

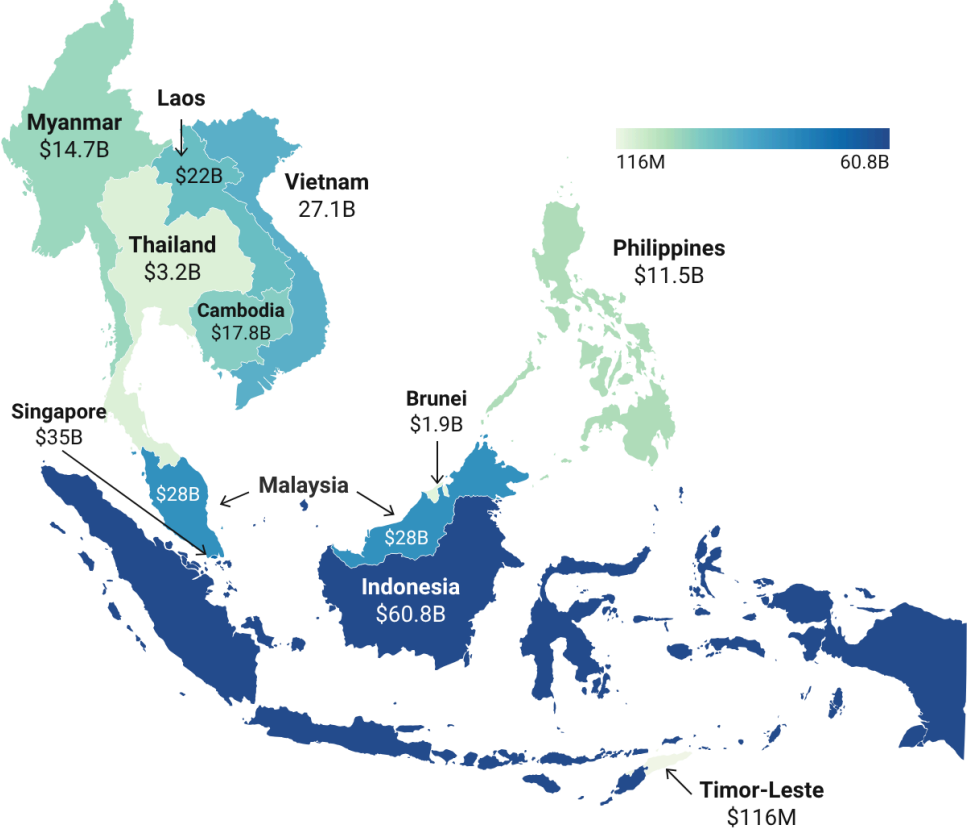
By 2015, international organizations including Amnesty International and the International Court of Justice condemned the mine's continued development and handling of the public backlash, which Myanmar Wanbao publicly refuted. Reporting of environmental issues continued through this time; multiple farmers said drainage from the mining site killed their crops in late 2015. Myanmar Wanbao released CSR reports in 2015 and 2016, but ceased in 2017. Production at the mine began in February 2016. In March 2017, at least 10 protesters were shot by local police.

Resistance to the mine has not stopped in recent years. In response to the 2021 military coup, approximately 300 workers at the site began striking. Operations at Letpadaung and Wanbao's other copper mine in Sagaing ceased, but operations resumed shortly thereafter, now with junta troops stationed in and around the mining site. MWMCL was sanctioned by the U.S. government due to its connection to the coup. Mining operations paused again in early 2022 as protests about the mine's operations, pollution, and forced displacement continued, leading to deadly clashes between the resistance movement and the military junta. In October 2025, Myanmar's military attacked multiple villages to the south of the mine to quell resistance groups. MWMCL paused operations in Sagaing again from December through January 2026, following the end of the junta's elections. The Letpadaung Copper Mine appears to be operating currently under immense international scrutiny.

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

Between 2000 and 2023, Chinese official sector financiers directed 3,377 loans and grants to Southeast Asia worth \$222 billion. Figure 1.12 provides a cumulative view of China’s aid and credit portfolio in the region. Nearly 62% (\$138 billion) of China’s financing to the region took place between 2014 and 2023, the early and late BRI periods. The average annual financing committed during these years was \$13.8 billion with notable dips during 2020 and 2021 as a result of the COVID-19 pandemic.

Figure 1.12: Cumulative financial commitments from China to Southeast Asia, 2000-2023<sup>10</sup>



Myanmar is a part of an important multilateral cooperation mechanism within Southeast Asia called the Lancang-Mekong Cooperation (LMC). It derives its name from the river that runs from Qinghai Province in China down through Cambodia, Laos, Thailand, Myanmar, and Vietnam. The goal of LMC is sustainable economic and social development of the sub-region through concrete projects, high-level exchanges, and joint working groups. During the official launch of the LMC mechanism in March 2016, Li Keqiang, the former Premier of China, proposed a special fund be set up by China to support small and medium cooperation projects between the countries. The Lancang-Mekong Special Fund would provide \$300 million in concessional loans over 5 years. The specific lending details surrounding the fund are opaque, but since 2016, China has provided over \$23 million to Myanmar for projects related to water supply, agriculture, cultural heritage, and tourism.

<sup>10</sup>Brunei and Singapore are high income countries.

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

Myanmar’s citizens have maintained a relatively favorable view towards China. Per data captured by Gallup between 2012 and 2024, Burmese citizens held an average approval rate of 52% toward China.<sup>11</sup> This is 7% lower than the global average of 59.5%. Favorability peaked at 71% in 2018 and faced a steep drop to 38% in 2020, likely due to the start of COVID-19. China’s favorability reached an all-time low of 28% in 2021, but has continued to increase in the subsequent years.

Figure A.1: Myanmar’s approval of Chinese leadership, 2006-2024<sup>12</sup>

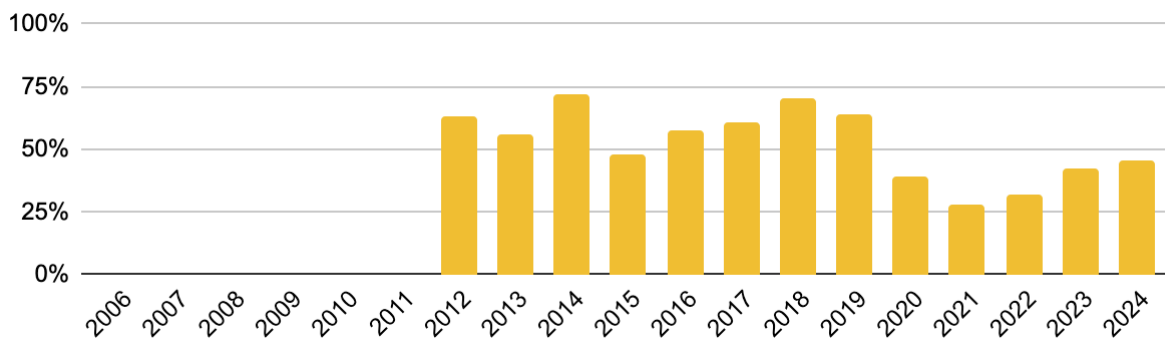


Figure A.2: Bilateral diplomatic visits between China and Myanmar

2015 JUN	Myanmar’s opposition leader Aung San Suu Kyi visited China to meet with President Xi Jinping to re-solidify bilateral ties after tension due to Myanmar’s internal conflict.
2016 APR	Foreign Minister Wang Yi visited Myanmar to meet with Myanmar President U Htin Kyaw and held diplomatic talks discussing deepening bilateral ties.
2017 MAY	Myanmar State Counselor Aung San Suu Kyi met with President Xi in China to discuss Myanmar’s internal peace progress ahead of the Belt and Road Forum for International Cooperation.
2020 JAN	President Xi visited Myanmar and met with Myanmar President U Win Myint, the first Chinese head of state visit to the region in 19 years.
2022 APR	Myanmar’s Foreign Minister U Wunna Maung Lwin visited China and signed bilateral cooperation agreements and inaugurated the Consulate General of Myanmar in Chongqing.
2024 AUG	Foreign Minister Wang Yi visited Myanmar and met with Prime Minister Min Aung Hlaing to discuss the instability caused by Myanmar’s ongoing civil war.

<sup>11</sup>This 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 Myanmar, there is no Gallup data prior to 2012. For more information on the Gallup methodology see <https://www.gallup.com/178667/gallup-world-poll-work.aspx>

<sup>12</sup>The data for the graph and approval rate is based upon Gallup’s Rating World Leaders’ report and dataset.

# Appendix B: Methodology & definitions

## Capturing Chinese development finance methodology:

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

## Definitions of finance types:

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

## Definitions of instrument types:

- Grant: The donation of money or an in-kind donation of goods from an official sector institution in China (e.g. donations of supplies or equipment, humanitarian aid or disaster relief, or financing for the construction of a government building, school, hospital, or sports stadium).
- Free-standing technical assistance: Skills training, instruction, consulting services, and information sharing by official sector entities and experts from China. Training provided by Chinese entities outside of China is classified as technical assistance.
- Scholarships/training in the donor country: Funding from an official sector institution in China that allows a citizen from the host country to study at a Chinese university or other educational institution. This includes training programs and activities that are sponsored by an official sector institution in China and held for host country citizens in China.
- Debt forgiveness: The total or partial cancellation of debt owed by a borrowing institution in the host country to a Chinese government or state-owned entity.

## Development finance to Myanmar 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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We thank Oshin Pandey for her design of the debt service section; Pavan Raghavendra Raja Manuri Venkata for support on the debt service section; Sheng Zhang for providing data analysis support; Katherine Walsh for supporting the formatting and data visualization design. Cover design by Sarina Patterson; cover image shows the Myanmar-China oil pipeline. Photo by Sim Chi Yin via Prachatai/Flickr, licensed under CC BY-NC-ND 2.0.

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

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

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

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