

South Africa

Chinese Development Finance, 2000-2023



Country Profile

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Schweizerische Eidgenossenschaft
Confédération suisse
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Swiss Agency for Development
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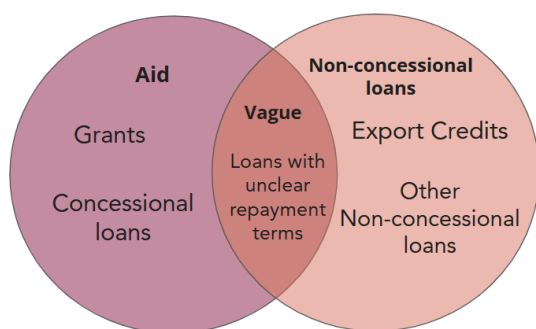
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Key concepts: aid, non-concessional loans, and vague flows

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

- China's financial relationship with South Africa is structurally distinct from its engagements elsewhere on the continent, reflecting South Africa's status as an upper-middle-income economy rather than a traditional development finance recipient. Between 2000 and 2023, official sector lenders and donors from China committed \$22.4 billion across 378 projects, making South Africa the largest recipient of Chinese aid and credit in Southern Africa and the 24th largest in the world.
- Corporate lending and inter-bank transactions make up a larger share of China's portfolio in South Africa than infrastructure. Infrastructure projects account for 36% of lending, while corporate activities such as working capital loans, revolving credit facilities, mergers and acquisitions, and cross-currency interest rate swaps represent 43%. China Development Bank alone issued 42 cross-currency interest rate swaps with transport company Transnet, and Chinese state-owned banks extended \$3.5 billion to the Standard Bank of South Africa between 2005 and 2023 for general corporate and on-lending purposes.
- Energy is the largest sector by financial value, accounting for \$7.3 billion, or 32% of the portfolio. The energy sector is anchored by two coal-fired power plant megaprojects, where CDB provided \$2.5 billion in 2018 and \$1.6 billion in 2017 for Eskom's Kusile and Medupi coal-fired power plants. Banking and financial services follows as the next largest sector at 24% with \$5.4 billion, transport at 16% with \$3.5 billion, and industry, mining, and construction at 14% with \$3.2 billion. In 2023, energy and banking together accounted for 74% of all new commitments.
- South Africa's debt composition to China is unusually skewed toward private borrowers. Only 49% of Chinese lending qualifies as public debt, well below the 69% average for upper-middle-income countries. Private debt accounts for 33% of total exposure, reflecting the large volume of loans to South African banks and companies. Potential public debt stands at 18%, above the 8% upper-middle-income average. This structure means that a significant share of China's financial exposure in South Africa sits outside sovereign balance sheets.
- By the end of 2024, South Africa owed an estimated \$4.7 billion in outstanding PPG debt to Chinese creditors, equivalent to about 4.1% of total external PPG debt and just 1.1% of GDP.
- Financial distress in the portfolio is moderate and concentrated in a handful of specific projects. About 26% of cumulative Chinese loan commitments to South Africa show signs of distress, close to the 29% average across low- and middle-income countries. Nine loans accounting for \$5.8 billion exhibit evidence of arrears or renegotiated terms. Much of this distress relates to power plant projects and the default of South African mobile operator Cell C on a CDB loan in January 2020. The IMF classifies South Africa at only moderate risk of sovereign debt distress.

African countries that have joined the BRI



South Africa and China's Belt and Road

South Africa, located on the southernmost tip of the continent with access to both the Indian and Atlantic Oceans, holds a uniquely strategic position in Africa's trade and transport networks. In 2015, it became the first African country to formally join China's Belt and Road Initiative (BRI) by signing a Memorandum of Understanding (MOU). As Africa's most industrialized economy, South Africa's participation lent early legitimacy to the BRI on the continent.¹

Historic relationship

The Republic of South Africa and the People's Republic of China have maintained a diplomatic bilateral relationship since 1998. China-South Africa relations have prospered since South Africa's accession to the intergovernmental organization known as BRIC (Brazil, Russia, China, and India) in 2010, turning it into the present-day BRICS. Under the reigning African National Congress (ANC), China and South Africa have grown increasingly closer through trade and political ties, especially under President Cyril Ramaphosa.

Present-day relationship

The present-day relationship between China and South Africa is defined by close political and economic cooperation and partnership. At the Forum on China-Africa Cooperation in September 2024, China and South Africa jointly established a "comprehensive strategic partnership for cooperation in the new era."²

While a large part of China's development finance portfolio in South Africa is dedicated towards projects in the energy and banking sectors, China and South Africa have also enjoyed tightening technological and space cooperation, first with South Africa's agreement to use BeiDou Navigation Satellite system services from 2021 onward and then with the linking of South Africa and China through a quantum-secure satellite link in March 2025.

¹For more information on South Africa's membership in the BRI, see the PRC Embassy in South Africa (2024) at http://za.china-embassy.gov.cn/eng/sghdxwfb/202401/t20240117_11227639.htm#:~:text=SA%20was%20the%20first%20African,has%20greatly%20benefited%20both%20nations.

²China's MFA (2024). "China and South Africa." https://www.fmprc.gov.cn/eng/gjhdq_665435/2913_665441/3094_664214/.

Overview: Chinese development finance in South Africa from 2000-2023

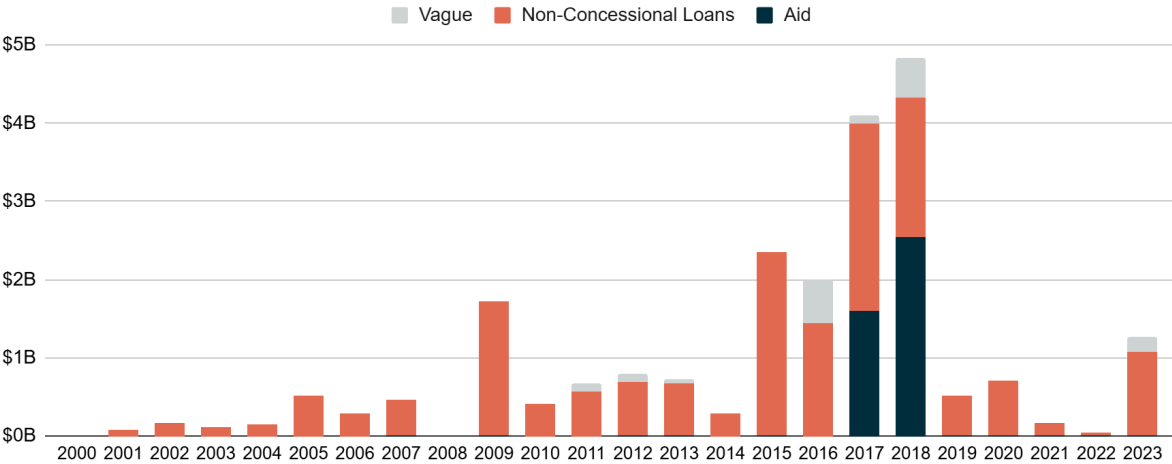
\$22.4 billion
in loans and grants provided by official sector donors from China.

99.8%
of Chinese development finance is provided via loans.

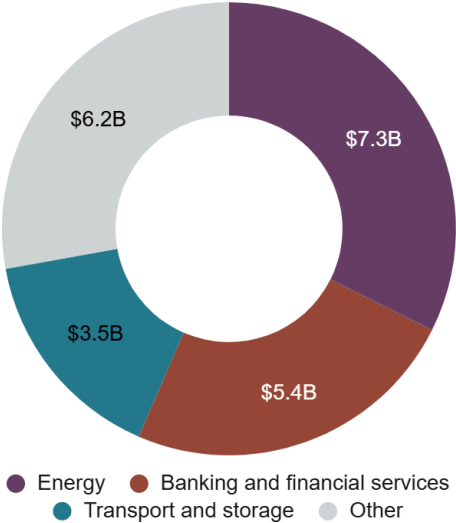
164
grants, technical assistance, and training activities offered.

1st
largest recipient of Chinese aid and credit in Southern Africa.

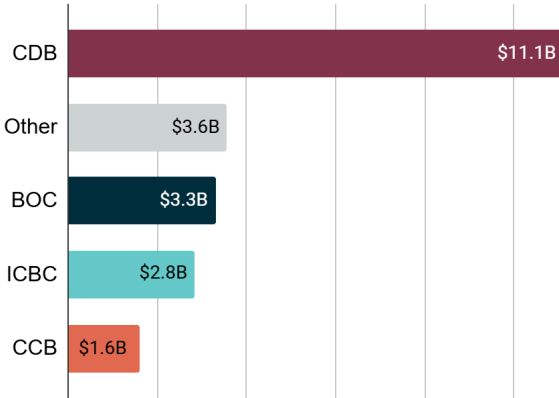
Official sector financial commitments from China to South Africa, 2000-2023³



Portfolio by sector



Portfolio by funder



CDB: China Development Bank; BOC: Bank of China; ICBC: Industrial and Commercial Bank of China; CCB: China Construction Bank

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

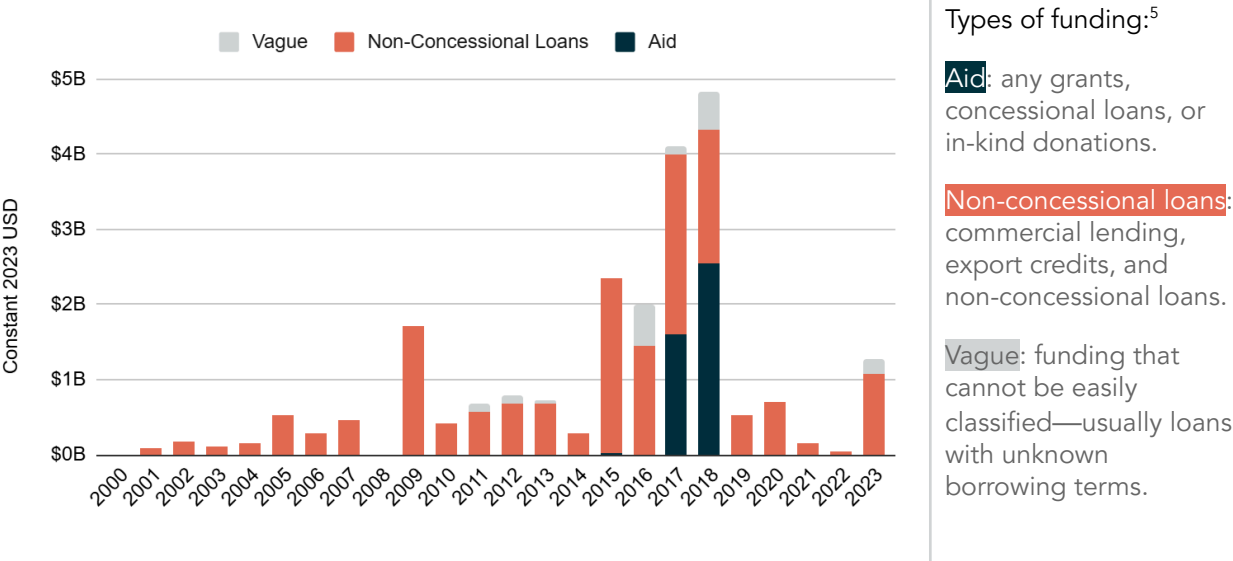
How much development finance has China provided South Africa since 2000?

As of 2010, China was South Africa’s largest trading partner and its top bilateral donor. China and South Africa’s relationship has grown increasingly closer in recent years, due to South Africa’s accession to the BRI and to BRICS. For a list of bilateral diplomatic visits between China and South Africa in the BRI era, see Appendix A.

China’s development finance portfolio in South Africa is almost entirely loan-based, with loans accounting for 99.8% of the total and grants making up just 0.2%. Some loans, like the ones provided for the 4800MW Kusile Coal-Fired Power Plant and the 4800MW Medupi Power Plant, are concessional and therefore classified as aid. However, the lion’s share of the portfolio—around \$16.6 billion—is non-concessional lending. This financing primarily supports the commercial activities of South African corporations, setting South Africa apart from other African recipients of Chinese development finance.

Between 2000 and 2023, official sector lenders and donors from China provided grant and loan commitments worth \$22.4 billion for 378 projects and activities in South Africa. This makes South Africa, a country with a large economy (GDP: \$381 billion) and population (63.2 million residents), the largest recipient of Chinese aid and credit in Southern Africa and the 24th largest in the world.⁴ Between 2001 and 2004, South Africa received nine emergency rescue loans from Chinese banks to shore up foreign exchange reserves. South Africa’s accession to BRI in 2015 marked a turning point for China’s development finance portfolio in the country, demonstrated by an annual average commitment amount of \$3.3 billion between 2015 and 2018. Since the COVID-19 pandemic, there has been a decrease in official sector financial commitments from China to South Africa, however, there was a small resurgence in 2023 with \$1.2 billion in new commitments.

Figure 1.1: Official sector financial commitments from China to South Africa



Types of funding:⁵

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.
⁵For more information on these categories, please see Appendix B.

How does China compare to other development partners?

China is South Africa’s largest development partner (see Figure 1.2), providing twice as much development finance as any other bilateral source. The United States is the country’s second-largest development partner, having provided \$11.8 billion between 2000 and 2023, primarily focused on aid provision combating HIV/AIDS. The largest multilateral development partner is the African Development Bank, providing \$7.2 billion focused on energy, transport and banking service support—followed by the World Bank Group. Development finance from these two multilateral banks is exclusively non-concessional lending.

However, South Africa’s aid landscape is poised for change. In February 2025, the U.S. significantly downsized its international aid agency and cut back support to South Africa. While a temporary \$115 million Bridge Plan sustained services through March 2026, South Africa has so far not been invited to discuss a new PEPFAR memorandum of understanding.⁶

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

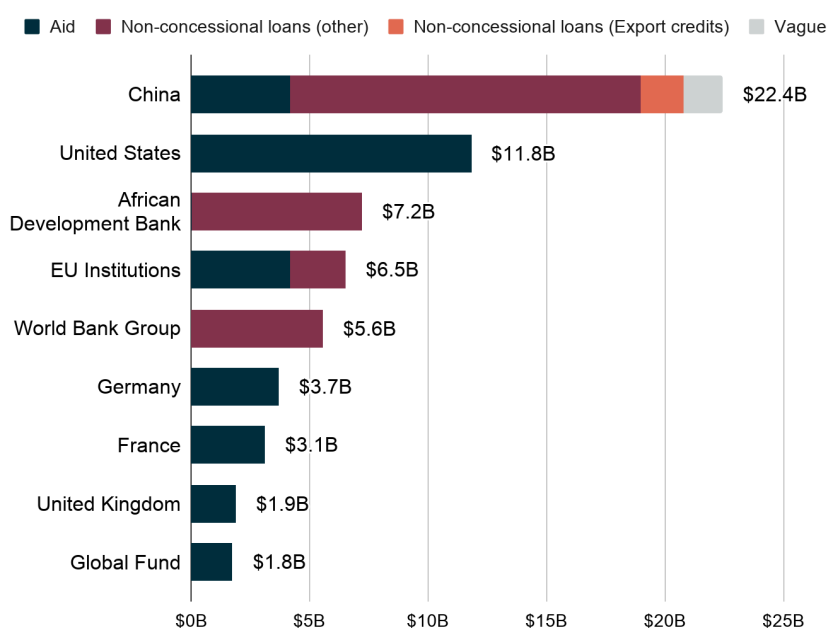


Figure 1.2 contains the top nine development partners providing aid and other financing to South Africa. However, only China has detailed bilateral export credit flows to South Africa. This level of granularity is not available for other development partners, as the OECD does not provide export credit 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: \$8.4 billion.

Total export credits from DAC member countries (including G7): \$9.1 billion.

How does China use export credits?

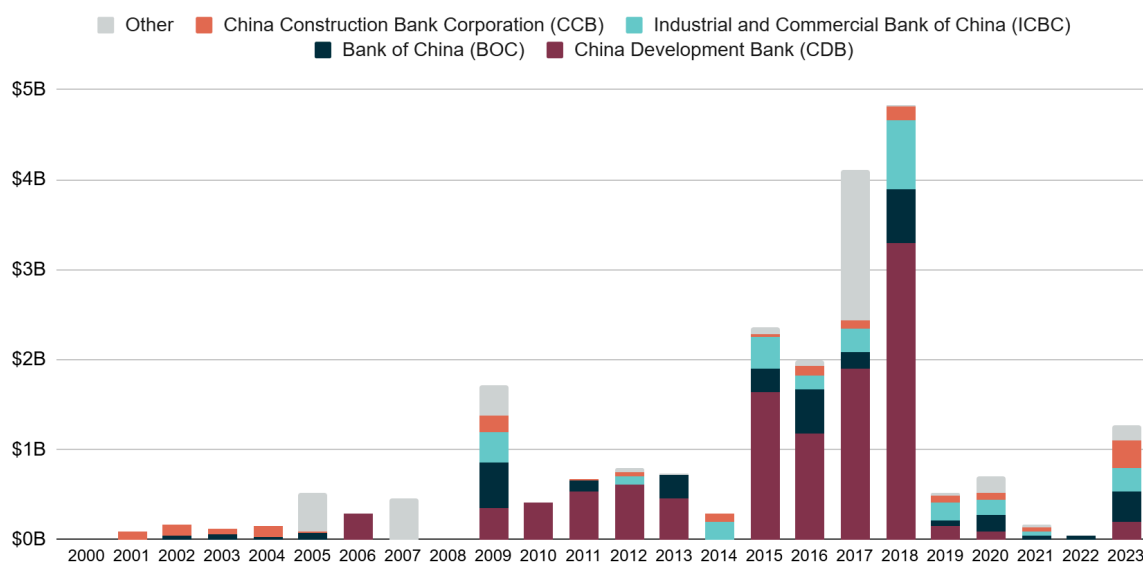
The central role that export credits play in China’s overseas lending portfolio sets it apart from other official sector creditors: Under a so-called “Gentlemen’s Agreement” on Officially Supported Export Credits, OECD member countries agreed in 1978 to “tie their own hands” and voluntarily abide by 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.

⁶ See Cullinan, K. 2025. “South Africa Welcomes \$115M US Bridge Plan to Sustain Its HIV Programs for 6 Months,” *Associated Press*, October 16. At <https://healthpolicy-watch.news/south-africa-may-be-excluded-from-future-us-grants-for-hiv-amid-political-row/>

Which donors and lenders from China are active in South Africa?

Between 2000 and 2023, 37 official sector donors and lenders from China provided aid and non-concessional loans to South Africa. 84% of China’s development finance portfolio is provided through four main donors and lenders (see Figure 1.3). The other 16% 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



The most active Chinese financier in South Africa between 2000 and 2023 was China Development Bank (CDB). CDB has issued 64 loans worth \$11.1 billion in the country. Over half of these loans (42 out of 64) are cross-currency interest rate swaps with Transnet; however this only accounts for 10% of total financing from CDB.⁷ The other 90% of CDB’s lending consists of on-lending activities to South African banks, infrastructure loans to Electricity Supply Commission (Eskom)—South Africa’s state-owned electric power company—for coal power plants, and equipment acquisition loans. The bank’s single largest contribution was a \$2.5 billion loan for the 4800MW Kusile Coal-Fired Power Plant.

The Bank of China (BOC), Industrial and Commercial Bank of China (ICBC), and China Construction Bank Corporation (CCB) are the other major Chinese lenders in South Africa. All three lenders predominately contributed to syndicated loans to Investec Bank, South African Reserve Bank (SARB), Aspen Finance for general corporate purposes or refinancing. BOC and CCB also contributed to emergency rescue loans to South Africa between 2001 and 2004.

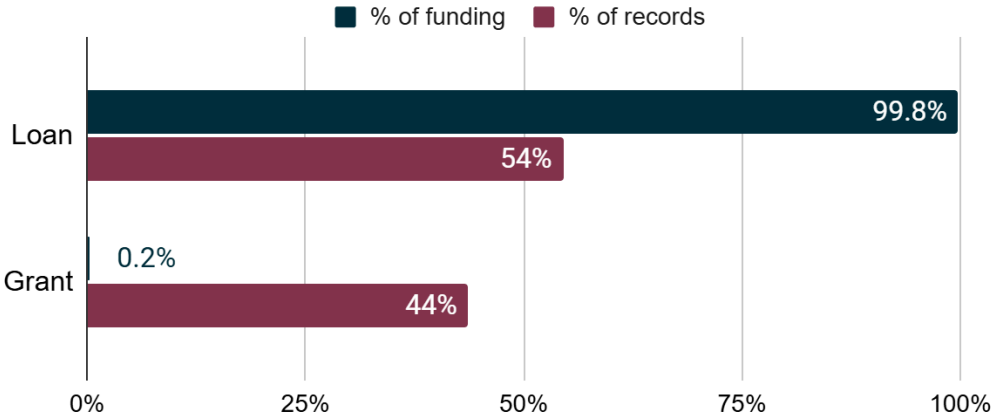
In 2023, South Africa received nearly twice as much financing than the average low- and middle income country with \$1.2 billion in grants and loans. CDB provided the single largest contribution with a \$200 million loan to Standard Bank of South Africa Limited for on-lending to small and medium enterprises (SMEs). However, BOC, ICBC, and CCB provided more financing overall than CDB with contributions to various syndicated loans for general corporate, refinancing, and on-lending purposes.

⁷AidData counts cross-currency interest rate swaps as loans. A cross-currency interest rate swap is an off-balance sheet way of hedging against interest rate risk and foreign exchange risk. In a typical cross-currency interest rate swap agreement, both parties to the transaction are simultaneously lending to each other. That is to say, each party is both a lender and a borrower.

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

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 South Africa. When looking at record counts, grants account for 44% of all activity records in South Africa (representing 164 records capturing activities taking place between 2000 and 2023).

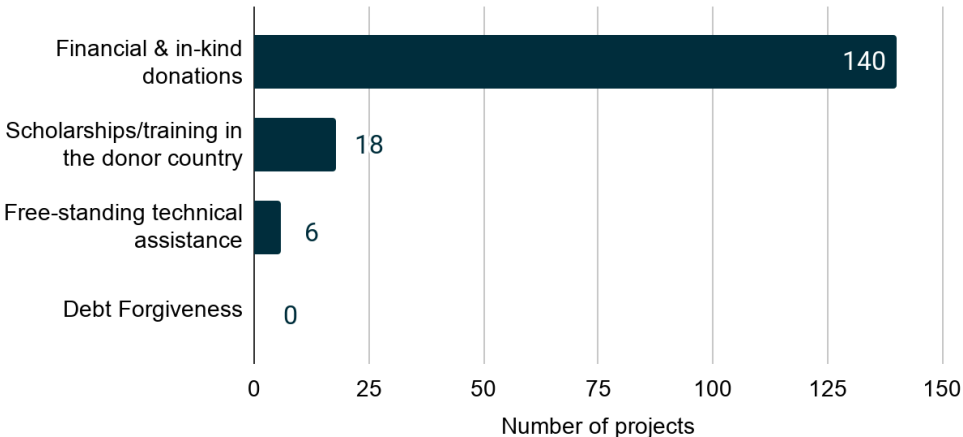
Figure 1.4: Top financial instruments used by China in South Africa



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

99.8% of China’s official sector financing to South Africa are loans (totaling \$22.3 billion), while 0.2% (\$48 million) are grants and in-kind donations. In-kind donations are difficult to monetize, so the monetary values of these activities are likely underrepresented.

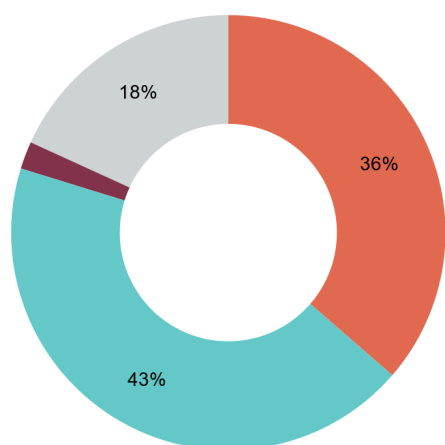
Figure 1.5: Breakdown of grants by project count



From 2000 to 2023, South Africa received \$48 million across 164 grants from official sector Chinese entities. The most common types of in-kind donations from China to South Africa are personal protective equipment (PPE), disaster relief, and school supplies. Other types of grants from China include scholarships, training activities, and free-standing technical assistance. Official sector Chinese financiers have provided over 584 scholarships to students across South Africa from 2000 to 2023. Free-standing technical assistance consists mostly of different

training activities held in South Africa, including training for a police department and Chinese language instruction.

Figure 1.6: Breakdown of lending by purpose



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

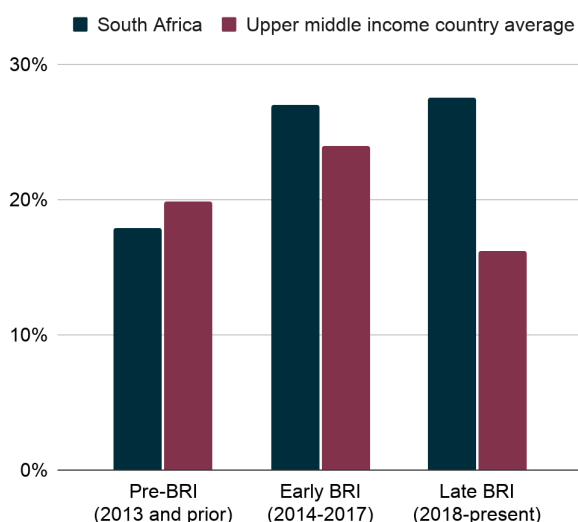
Corporate: loans for mergers and acquisitions, working capital, interest rate swaps, inter-bank loans, and revolving credit facilities.

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

Other: loans for equipment acquisition, unspecified purposes, refinancing loans.

36% of China’s \$22.3 billion in official sector lending to South Africa supports infrastructure projects. Unlike other middle-income countries, only one infrastructure project in South Africa was implemented by a Chinese state-owned company. 43% of financing supports corporate lending, such as loans for mergers and acquisitions, revolving credit facilities, and working capital loans. Companies such as Investec or South Africa’s Standard Bank have benefited from loans for general corporate purposes. Roughly 18% of loans fall into an “other” category, which represents loans for equipment acquisition, such as the purchasing of Huawei equipment to roll out new mobile networks. Lastly, South Africa received nine emergency rescue loans (2% of lending) in the early 2000s.

Figure 1.7: Grant element over time



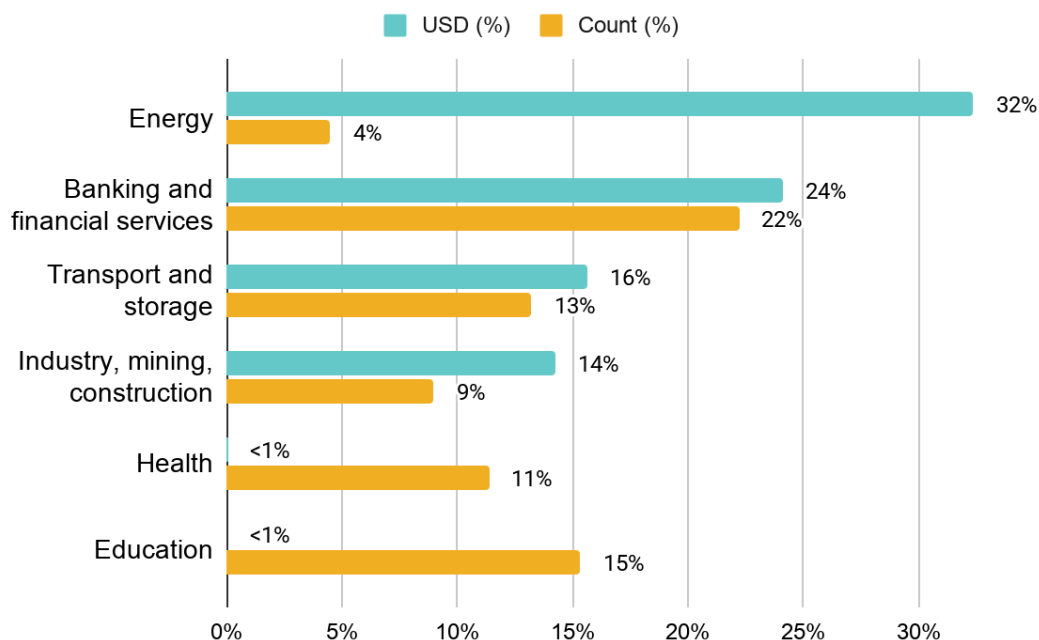
A loan’s grant element is a measure of how concessional (i.e. favorable) its terms are relative to market rates. It ranges from 0% (not concessional) to 100% (fully concessional). The grant element of China’s upper middle income lending portfolio fluctuated between 24% and 16% from 2000 to 2023. The high grant element shown for the late-BRI period reflects a data limitation: only 50% of the lending during this period had discoverable terms. The portion that did was dominated by the \$2.5 billion loan for 4800MW Kusile Coal-Fired Power Plant from CDB, using a moderate interest rate (3.75%) and a maturity of 15 years.

In which sectors is China most active?

Top sectors for China's aid and credit in South Africa 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, 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, 86% of China's grant and loan commitments to South Africa supported four top sectors by financial value: energy, banking and financial services, transport and storage, and industry, mining, and construction between 2000 and 2023.

- **Energy:** This sector is the largest sector by financial value, with \$7.3 billion in funding (or 32% of China's entire portfolio). It encompasses the generation and distribution of renewable and non-renewable sources, as well as hybrid and nuclear power plants. Noteworthy activities in the energy sector include a \$2.5 billion loan in 2018 and a \$1.6 billion loan in 2017 to South African Electricity Supply Company (Eskom) to construct the Kusile and Medupi coal-fired power plants. In 2023, Chinese state-owned banks contributed \$636 million to a syndicated loan package to support Sasol Limited, a South African energy and chemical company, in refinancing other existing loans.
- **Banking and financial services:** This sector refers to the planning, management, and facilitation of financial institutions. 24% of China's development finance portfolio in South Africa is specifically dedicated to this sector, representing \$5.4 billion in non-concessional loans. The largest financial commitment in this sector was a \$503 million loan provided by CDB in 2018 to the Standard Bank of South Africa. CDB provided a \$200 million loan to this same bank in 2023. Chinese state-owned banks

provided a total of \$3.5 billion in loan commitments to the Standard Bank of South Africa between 2005 and 2023 for general corporate and on-lending purposes.

- **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. 16% of China's development finance portfolio in South Africa is specifically dedicated to this hardware sector, representing \$3.5 billion in aid and non-concessional loans. The largest financial commitment from a single source was a \$1.6 billion buyer's credit loan from CDB to transport company Transnet in 2015 for the purchase of locomotives. This sector had no new financial commitments in 2023.
- **Industry, mining, construction:** This sector includes manufacturing, fossil fuels, mining for coal, gas, metals, minerals, and construction. This sector represents 14% of China's development finance portfolio in South Africa, or \$3.2 billion in aid and non-concessional loans. The largest financial commitment in the sector was a \$465 million loan in 2013 from CDB for the Bakubung Platinum Mining Plant Construction Project. The most recent financial commitments in this sector include a \$38 million working capital loan in 2022 from BOC to Metorex, a copper and cobalt mining company, and a \$71 million loan in 2023 from China Eximbank to the Chinese company Huaxin Cement Co., Ltd. for the acquisition of 100% equity in Natal Portland Cement Company (Pty) Ltd., a cement manufacturer and distributor based in South Africa.

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

- **Health:** This sector includes medical care, infrastructure, equipment, and control activities. In total, activities in the health sector represent 43 records in China's portfolio in South Africa (or 11% of records). Notable activities in the health sector include grants for the provision of anti-epidemic materials and the donation of Sinovac COVID-19 doses. China provided a total of \$6.1 million in COVID-19 aid to South Africa during the pandemic. While China provided COVID-19 aid in 2021, no new activities in the health sector emerged in South Africa in 2022 or 2023.
- **Education:** This sector encompasses schooling at the primary, secondary, and post-secondary levels, as well as technical and advanced training activities. Education activities represent \$3.3 million in funding and 15% of China's total record count, with 58 records. The largest total financial commitments in this sector were made in 2022, including the provision of 153 scholarships worth \$1.2 million from the majority Chinese-owned Palabora Mining Company. In 2023, the BOC Johannesburg branch made a donation worth over \$108,000 for a school building reconstruction project.

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

- The banking and financial services sector dominates China's portfolio in South Africa between 2019 and 2023, with commitments totaling \$1.4 billion, or 50% of all financial commitments made during this period.
- Energy remains a top sector during this period, with \$645 million in commitments made in 2023 alone. Between 2019 and 2023, the energy sector received 24% of all financial commitments to South Africa.

What are the characteristics of South Africa’s debt to China?

206
loans
issued

\$22.4 billion
total loan
commitments

49%
of total loan
commitments
are public debt

26%
of total loan
commitments show
signs of financial distress

\$4.7 billion
total public debt
outstanding as of
2024

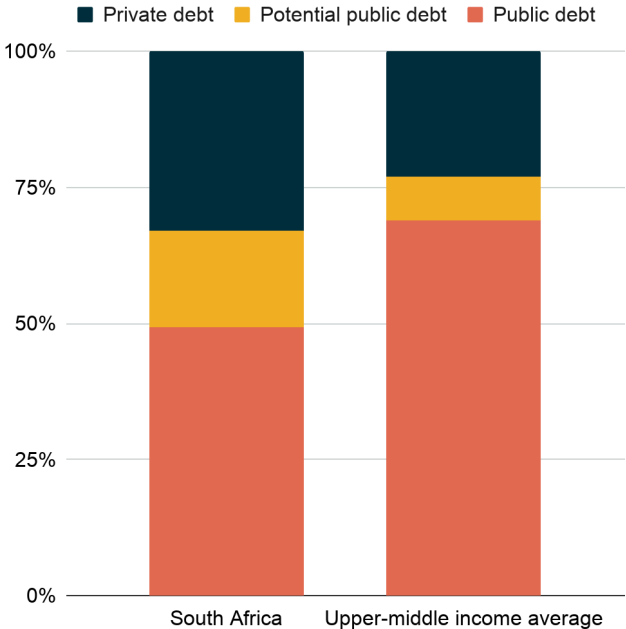
What is “public debt”?

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— South Africa: \$22.4 billion. Upper-middle income country average: \$8.8 billion.



South Africa’s debt profile within China’s development finance portfolio stands out for its relatively low public debt share. Just 49% of Chinese financing to South Africa is classified as public debt—significantly below the 69% average for other upper-middle income countries.

Potential public debt, which refers to loans that could eventually become government liabilities, is higher than average at 18% compared to 8% in upper-middle income countries. The remaining 33% of financing consists of loans to private borrowers, primarily South African banks and companies receiving general corporate support or working capital loans.

Potential public sector debt in South Africa is almost entirely (87%) made up of loans to Standard Bank of South Africa Limited (Standard Bank). The Public Investment Corporation (SOC) Ltd.—South Africa’s state-owned asset management firm—owns a minority stake in the bank (14.5%), therefore all debt to Standard Bank is classified as potential public sector debt.

However, ICBC owns an even larger stake than Public Investment Corporation (SOC) Ltd. at 19.7%. The ownership structure of Standard Bank as well as its status as Africa's largest lender by assets could make it likely to become a government liability in the event of default.

To date, about 26% of China's cumulative loan commitments to South Africa, publicly guaranteed or not, are in financial distress. Evidence of financial distress can include borrowers accruing principal or interest arrears, defaulting on their repayment obligations, filing for bankruptcy, or renegotiating loan terms (including suspensions of principal or interest payments). Nine loans in South Africa have shown signs of financial distress, accounting for \$5.8 billion in lending. Many of the loans with evidence of financial distress in South Africa relate to power plant projects and the South African mobile operator Cell C Limited. In January 2020, Cell C defaulted on a multi-million dollar loan and failed to make capital and interest payments on loan facilities from several banks, including CDB. South Africa's level of financial distress aligns with average (29%) in China's development portfolio across other low- and middle-income countries. This loan level financial distress is unlikely to have extreme impacts on South Africa's external debt situation. In fact, the International Monetary Fund (IMF) found South Africa at only a moderate risk of sovereign debt distress.⁸

⁸ International Monetary Fund. African Dept. "South Africa: 2025 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for South Africa", IMF Staff Country Reports 2026, 034 (2026), accessed 4/28/2026, <https://doi.org/10.5089/9798229037372.002>

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

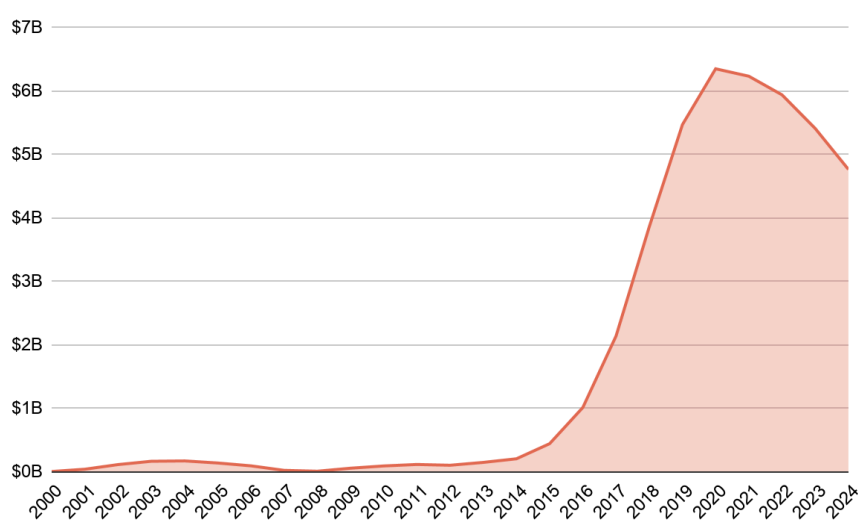
What is “public debt exposure”?

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.

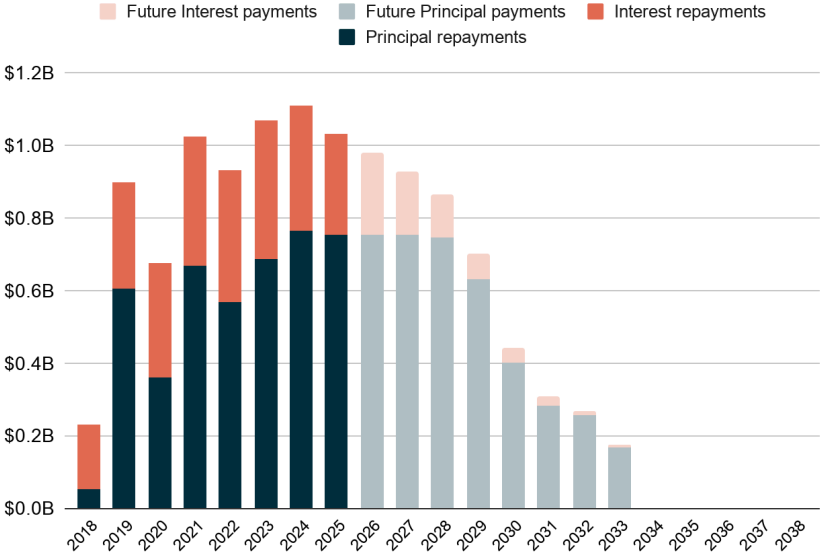
Figure 1.10 shows South Africa’s outstanding PPG debt stock, which is the total amount of principal that has been disbursed and remains unpaid at the end of each year as well as any unpaid interest or fees. These estimates are based on loan-level data on disbursements and repayments, which are used to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

By the end of 2024, South Africa owed an estimated \$4.7 billion in outstanding PPG debt to official sector creditors in China. This was equivalent to about 4.1% of South Africa’s total PPG external debt stock to all external creditors.⁹ The total PPG debt stock owed to China represented 1.1% of GDP in 2024.

South Africa’s outstanding debt to China is tied to 49 loans that are in their original repayment period. By contrast, 22 loans have been fully repaid. Based on existing loan commitments through 2023, South Africa is expected to continue paying down its debt to Chinese creditors until 2038.

⁹World Bank, International Debt Statistics.

Figure 1.11: South Africa’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 South Africa’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.

Annual payments increased over tenfold from \$52 million in 2018 to \$605 million in 2019. This was driven by South Africa making a bullet repayments in full against a \$500 million loan from CDB for the Medpi, Kusile, and Ingula Power Plants. The principal payments continue to increase from the 2018 levels though as 13 additional loans roll out of their grace periods and into principal repayment periods. Principal payments are expected to remain unchanged between 2026 and 2027 at \$754 million, followed by a steady decrease until 2029. A significant drop in principal payments is expected in 2030, with the complete payment of a \$1.5 billion loan from Huarong Energy Africa to Eskom for power plant upgrades, committed in 2017. Of the outstanding principal, 99% is expected to be paid off before 2034, and the remainder by 2038. Payments may restart in 2039 due to loan commitments after 2023.

What kind of project implementation challenges has China faced in South Africa?

Chinese-financed infrastructure projects in South Africa:

25

infrastructure projects supported by grants and loans from China

\$8.1 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. In South Africa, Bakubung Platinum Mine exemplifies these social risks—both during and after implementation.



The Bakubung Platinum Mine is an underground mine located approximately 40 kilometers northwest of Rustenburg, South Africa, within the Bojanala Platinum District Municipality. The mine is in a mining-heavy region; it is proximate to numerous other mining operations extracting platinum and other commodities.

In May 2011, the Jinchuan Group Ltd (a Chinese state-owned mining enterprise) and China-Africa Development Fund (CADFund, an equity fund financed by CDB) secured a 45% controlling stake in the then-struggling Wesizwe Platinum Limited. Wesizwe Platinum Limited was a South African platinum mining company developing the Bakubung Platinum Mine. After this acquisition, Jinchuan and CADFund collectively became the largest equity holders in Wesizwe, with the remaining ownership split between private companies and shares on the Johannesburg Stock Exchange. Then, in January 2013, Wesizwe Platinum Limited received a \$465 million loan from CDB for the development of Bakubung Platinum Mine. During development of the mine, local citizens and employees have protested over safety concerns, poor wages, and layoffs.

As early as 2018, Wesizwe's annual report indicated that the local community marched on the mine with demands three times. The company documentation indicated that mine management worked with the community to address and resolve their demands, which included employment concerns and potential procurement opportunities. Then, in January 2022, local Ledig community members staged another march towards the mine to deliver a Memorandum of Demand. They blocked the mine entrance, and work was paused for the safety of the facility and its employees. Wesizwe did not release the community's demands, but did meet with local leadership in January and February that year. This closure put the construction of on-site concentration facilities behind schedule.

In July 2023, the mine shut down due to worker strikes. The mine was shut down for five weeks for the unprotected strike, and reopened in August after an agreement was signed between the employees and employer for better wages. The agreement also stipulated that future employee concerns would be litigated through collective bodies. In early December 2023, nearly 300 miners held a sit-in strike inside the mine, wherein they refused to leave until their demands were heard. The miners had several demands and concerns, including: wage increases; a housing stipend; concerns over alleged discriminatory management hiring practices that barred locals from leadership positions; alleged sexist labor practices which prevented pregnant women from working, sometimes without compensation; and fear of retrenchment practices that would lead to workforce cuts. Striking workers blamed Chinese ownership for disrespecting local laws, including sexist labor practices and discriminatory management positions. By the third day of the sit-in, 39 workers had emerged from the mine, many as a result of chronic medical conditions. Shortly after the strikes in 2023, Wesizwe conducted the retrenchment layoffs that the striking workers feared. The company blamed the need for workforce restrictions on the low price of platinum and on the workers themselves following production delays that resulted from the strikes.

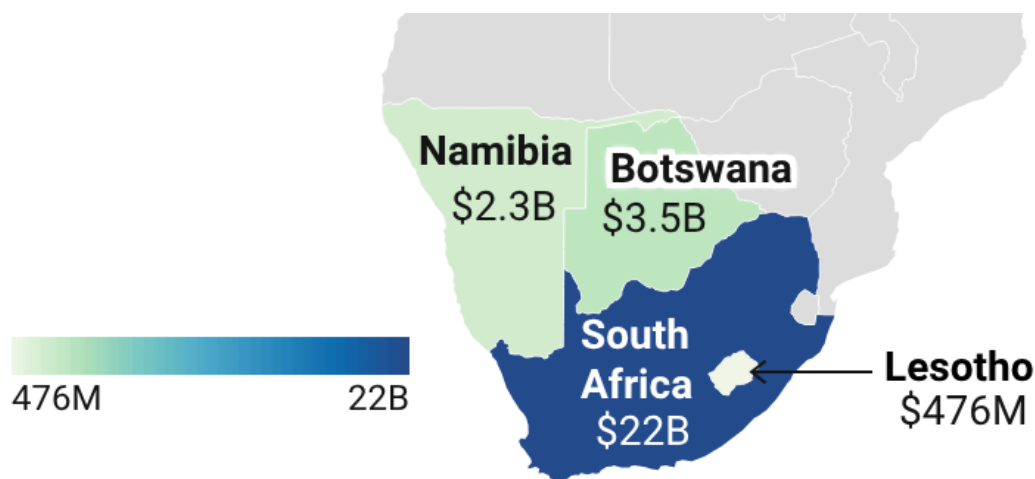
Wesizwe's most recent annual report in 2024 suggests the company is working towards better labor relations by consulting directly with employees and attempting to redeploy workers in different positions to avoid layoffs.¹⁰ Nonetheless, all of these protests have led to extreme delays in the development of the mine. The mine is still in the development phase as of 2026 with no clear start date for extraction.

¹⁰ *Wesizwe Platinum Limited Integrated Annual Report 2024*. (2025). Wesizwe Platinum Limited. <https://wesizwe.co.za/wp-content/uploads/2025/10/wesizwe-iar-2024.pdf>

How does Chinese financing to South Africa compare to other countries in Southern Africa?

Between 2000 and 2023, Chinese official sector financiers directed 842 loans and grants to Southern Africa worth \$29 billion. In Figure 1.12, AidData provides a cumulative view of China's development finance portfolio in the region. Nearly 66% (\$19 billion) of China's financing to the region occurred between 2014 and 2023, the early and late BRI periods. The annual average financing committed during these years was \$1.9 billion, well above the pre-BRI annual average of \$703 million between 2000 and 2013. South Africa received 78% (\$22 billion) of all Chinese financing to the region, making it the largest recipient in Southern Africa.

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



Botswana was the second-largest recipient of Chinese financing in Southern Africa, receiving \$3.5 billion between 2000 and 2023, followed by Namibia (\$2.3 billion) and Lesotho (\$476 million). As the top recipient, by far, of Chinese financing in the region, China's portfolio in South Africa drives regional trends. Priority sectors for China's portfolio in the region include energy (30% of the region's financing), industry, mining, construction (24%), banking and financial services (15%), transport (14%), and communications (10%), aligning with the top five sectors in South Africa. The other three countries in the region have similar priority sectors. In Botswana, 93% of Chinese financing supports projects in the energy and industry, mining, construction sectors; in Namibia, 85% of Chinese financing supports projects in the industry, mining, construction and transport sectors; and, in Lesotho, 56% of Chinese financing supports projects in the transport, communications, and energy sectors.

Chinese financing to countries in Southern Africa tends to be commercial, with 74% of financing to South Africa provided via non-concessional loans, 93% to Botswana, and 80% to Namibia. Lesotho is an outlier in the region, where 100% of Chinese financing was provided via aid (grants and concessional loans). The majority of Chinese financing in Botswana and Namibia supports mergers and acquisitions, accounting for 56% and 71% of China's portfolio in these two countries, respectively. In South Africa, China's portfolio favors working capital loans, inter-bank loans, debt refinance loans, revolving credit facilities, and cross-currency interest rate swaps, which account for a combined 67% of Chinese financing to South Africa. Lesotho, again, is a regional outlier, where 88% of Chinese financing supports infrastructure projects.

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

South Africa has consistently maintained somewhat favorable views towards China. Data captured by Gallup between 2007 and 2024 shows that South African citizens held an average approval rate of 51.7% toward China.¹¹ This is roughly 8% lower than the global average of 59.5% over the same period. This approval rate hit a low in 2010 with 47.8% and again in 2020, with a 48.8% approval rate. The temporary drop can be explained by the emergence of the COVID-19 pandemic, but overall, South Africans have remained ambivalent toward Chinese leadership.

Figure A.1: South African approval of Chinese leadership, 2007-2024¹²

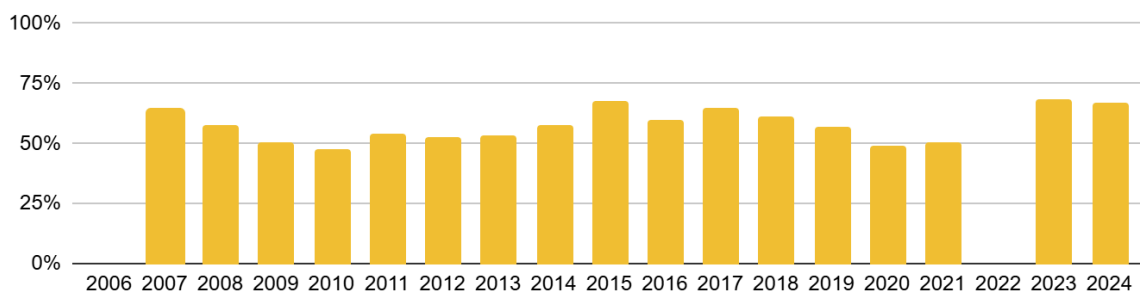


Figure A.2: Bilateral diplomatic visits between China and South Africa

2015 DEC	President Xi visited South Africa and met with President Zuma, where the 5-10 year Strategic Plan on Cooperation Between China and South Africa was implemented ahead of the Forum on China-Africa Cooperation (FOCAC).
2016 SEP	President Zuma met with President Xi in China and held diplomatic talks ahead of the G20 Hangzhou Summit.
2017 APR	Chinese Vice Premier Liu Yandong visited South Africa and met with Foreign Minister Maite Nkoana-Mashabane, where the China-South Africa High-Level People-to-People and Cultural Exchanges Mechanism was launched.
2018 JUL	President Xi visited Johannesburg and met with the new South African President Cyril Ramaphosa ahead of the BRICS Summit.
2023 AUG	President Xi visited South Africa and met with South African President Cyril Ramaphosa ahead of the BRICS summit.
2024 SEP	President Ramaphosa visited China and met with President Xi, where their diplomatic ties were elevated to a strategic cooperative partnership.

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 we have data for vary and there are gaps pre-2006 and, in some cases, between 2006-2021. For South Africa, data is available for 2007-2024, with no data available for 2022. 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 South Africa 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.

Emergency rescue lending & rollover facilities:

Emergency rescue loans are loans from Chinese state-owned entities to government borrowing institutions in low-income and middle-income countries that are used for at least one of three purposes: (1) repaying existing debts, (2) financing general public expenditures, or (3) shoring up foreign exchange reserves. Such loans include borrowings via currency swap agreements, liquidity support facilities, foreign currency term financing facility agreements, deposit loans, commodity prepayment facilities, and so-called “sovereign loans”¹³.

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

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.

¹³Parks et al. (2023)

- Social: Negative effects on different groups of people due to the infrastructure project, such as employees, nearby residents, Indigenous populations, or community members. Such negative effects include poor labor law compliance, human rights abuses, displacement of local residents, or archaeological or cultural heritage site degradation.
- Governance: Negative effects related to the infrastructure project's financial, legal, and ethical management during the design and implementation of the project. These can include corruption, money laundering, lack of transparency, and non-competitive bidding processes that lead to higher project costs and/or poor project quality.

Loan Performance Methodology

AidData's Chinese PPG Loan Performance Dataset 2.0 is a loan-level dataset that tracks the disbursement, repayment, arrears, restructuring, and outstanding debt trajectories of public and publicly guaranteed (PPG) loans issued by Chinese state-owned creditors to low- and middle-income countries. Building off the detailed loan commitment records captured in the 3.1 version of AidData's Global Chinese Development Finance dataset, the 2.0 version of the Loan Performance dataset tracks 3,100 Chinese PPG loans issued to 124 borrowing countries between 2000-2022. The dataset synthesizes over 11,000 independently-sourced, loan-level performance observations drawn from public debt reports and repositories, stock exchange filings, bond prospectuses, and audited financial statements. These pieces of information are leveraged in conjunction with amortization schedule modeling techniques to create the best approximation of each loan's financial performance over time.

Each loan is represented through three complementary amortization models. The "planned model" constructs an amortization schedule based only on original commitment terms and assumes full and timely repayment without deviations. The "perfect compliance" model incorporates observed disbursements and time-varying interest rate benchmarks (for floating-rate instruments) while still assuming payments occur as scheduled. The "actual performance" model integrates observed disbursement and repayment behavior, time-stamped debt stock values, and credit events including arrears, missed payments, and restructuring agreements (e.g., DSSI-related deferrals) to reconstruct each loan's realized trajectory. Together, these models enable comparisons between the repayment burdens implied at signing and the repayment burdens realized over time, and they support consistent aggregation of debt service and debt stock across loans and countries.

The debt stock statistics in this profile are calculated from "actual performance" model outputs and are aggregated across all PPG loans for a given borrower country and calendar year. Figure 1.10 displays the country's outstanding Chinese PPG debt stock by year. This measure captures the estimated balance of loan amounts outstanding at the end of each calendar year across all Chinese PPG loans to the borrower. The measure combines observed debt stock data with modeled amortization schedules and includes both remaining principal and any unpaid interest charges. Figure 1.11 shows the country's annual debt service payments on Chinese PPG loans, including both principal and interest payments. These variables include normal debt service as well as altered payments associated with debt service suspensions and restructuring agreements.

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

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

For any questions or feedback on this profile, please email china@aiddata.org.



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