Report

China's economic footprint in Latin America and the Caribbean

Elena Kiryakova, Karen Jackson and Rebecca Nadin

January 2026

China's economic footprint in Latin America and the Caribbean

Elena Kiryakova, Karen Jackson and Rebecca Nadin

ODI Global

ODI Global
4 Millbank
London SW1P 3JA
United Kingdom

Online ISSN: 2052-7209

How to cite: Kiryakova, E., Jackson, K. and Nadin, R. (2026) *China's economic footprint in Latin America and the Caribbean*. Report. London: ODI Global (https://doi.org/10.61755/XUMD5597)

Cover image: rjankovsky/Shutterstock.com. Chancay seaport, Peru, 22 September 2024

Acknowledgements

This report was completed in October 2025. The authors are grateful to Linda Calabrese for thoughtful comments and feedback. We also thank Silvia Harvey for management support on this study and Charlotte King for guiding this report to publication.

About this publication
This report was produced with funding from the European Union. The production of the report was supported by the EU-China Partnership Facility (ECPF) as part of the Action 'EU-China Policy Dialogue on Development Cooperation Phase II.' The contents of this document are within the sole responsibility of the authors and can in no way be taken to reflect the views of the EU.

About the authors

Elena Kiryakova is a Research Fellow in the Global Risks and Resilience Programme at ODI Global.

Dr Karen Jackson is a Reader in Economics at the University of Westminster and Director of International Development at the Westminster Business School.

Dr Rebecca Nadin is the Director of the Global Risks and Resilience Programme at ODI Global and Executive Director of the Centre for Geopolitics of Global Change.

Contents

Display items

Boxes

Tables

Figures

Acronyms

BRI	Belt and Road Initiative
CDB	China Development Bank
CELAC	Community of Latin American and Caribbean States
CODF	China's Overseas Development Finance (dataset)
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EV	electric vehicle
Eximbank	Export-Import Bank of China
FDI	foreign direct investment
FI	financial institution
FTA	free trade agreement
GCDF	Global Chinese Development Finance (dataset)
ICBC	Industrial and Commercial Bank of China
IDB	Inter-American Development Bank
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
M&As	mergers and acquisitions
Mercosur	Southern Common Market
MOFCOM	Ministry of Commerce
MoU	memorandum of understanding
ODA	Official Development Assistance
OEM	original equipment manufacturer
OOF	Other Official Flows
PBoC	People's Bank of China
PPG	public and publicly guaranteed (debt)
RMB	renminbi / Chinese Yuan
SOE	state-owned enterprise
US	United States
USMCA	US-Mexico-Canada Agreement
WITS	World Integrated Trade Solution

Executive summary

China's expanding economic and financial footprint in Latin America and the Caribbean (LAC) is unfolding against a backdrop of increasing global economic fragmentation, supply chain reconfiguration and geopolitical realignment. China is the region's second-largest trade partner and top sovereign creditor, and in 2023 was the third-largest source of foreign direct investment (FDI) project announcements. Over half of the region's countries have joined the Belt and Road Initiative (BRI) since 2018, seeking to benefit from expanded infrastructure investment and broader economic cooperation. This report examines the key trends in China's trade, lending and investment in the region since 2013.

China–LAC trade

- China is the LAC region's second-largest trading partner overall, and the largest trading partner to South America since 2015. In 2024, total China–LAC merchandise trade reached $510 billion in 2024, nearly double the volume recorded in 2013.
- Trade flows are highly geographically concentrated, with four countries – Brazil, Mexico, Chile and Peru – accounting for 76% of China's total trade volume with the region between 2013 and 2024. Brazil has consistently been the top partner, representing 36% of China's merchandise trade with the region over this period. In 2024, Brazil, Chile and Peru reported a trade surplus with China.
- China's primary imports are agricultural products, minerals and base metals, and fuels (accounting for 83% of imports in 2024). Over half of China's exports to the region consist of finished electronic goods, machinery and transport equipment. While other partnerships centre on the commodity trade, the China–Mexico relationship is underpinned by competition in manufacturing assembly.

Chinese lending to LAC

- Between 2013 and 2021, China disbursed over $145 billion in lending to LAC countries. More than half of this consisted of non-concessional loans – preferential export buyers' credits from the Export-Import Bank of China (Eximbank) and middle- and long-term project loans by the China Development Bank (CDB). Chinese foreign aid flows accounted for less than 3% of total Chinese finance to the region over this period.
- Finance from Chinese commercial creditors has increased, particularly since 2018. Over one-fifth of loans between 2013 and 2021 were commercial loans from China's state-owned commercial banks, state-owned enterprises (SOEs) or private companies. Brazil, Ecuador and Chile were the primary destinations for Chinese commercial financing.
- The arrival of the BRI in Latin America and the Caribbean has not resulted in increased Chinese sovereign lending, which peaked in 2015. Lending has declined significantly since 2016, with annual disbursements falling to under $6 billion in 2018–2021. This decline is consistent with global trends in China's overseas lending portfolio as Chinese financial institutions have tightened credit conditions and sought to improve risk management practices.
- Overall lending has been highly concentrated, with five countries – Venezuela, Argentina, Brazil, Peru and Ecuador – absorbing 89% of loans during this period.

- A growing share of Chinese lending to LAC involves Chinese contributions to syndicated lending arrangements or co-financing with non-Chinese financial institutions. In 2021, 47% of Chinese lending to the region involved syndication.
- LAC countries are now repaying more to Chinese creditors than they are receiving in new loans. The decline in new loan issuances, combined with rising debt service payments coming into effect, has resulted in consistent negative net debt inflows from China to LAC economies since 2021.
- China accounts for a relatively small share of the LAC region's total public and publicly guaranteed (PPG) debt stock, which is mainly owed to multilateral development banks (MDBs), commercial creditors and bondholders. However, as the largest bilateral official creditor to LAC, China holds more than half of official bilateral debt.

Chinese investment in LAC

- Chinese companies invested over $148 billion across 518 deals in Latin America and the Caribbean from 2013 to 2024. Having peaked in 2019, FDI projects fell in 2020, likely due to disruptions in global supply chains and delayed investment decisions during the Covid-19 pandemic. Since recovering in 2022, investment flows have declined again, falling by 11.8% between 2023 and 2024.
- Like lending, these investments are geographically concentrated, with Brazil, Peru, Mexico, Argentina and Chile receiving 89% of investments from 2013 to 2024.
- Traditionally dominated by the energy and mining sectors, Chinese FDI is diversifying towards higher-tech industrial segments, such as electric mobility and clean energy. Between 2020 and 2024, clean energy project announcements – including solar, wind and hydropower development, energy storage and component manufacturing – increased by 50% over the previous five-year period.
- Investment strategies have also shifted in the last three years, favouring greenfield projects over mergers and acquisitions (M&As). In 2024, greenfield transactions represented 74% of all new project announcements.
- Outside of the mining sector, Chinese firms are focusing their investment in LAC countries and sub-regions that are major urban hubs or industrial agglomeration clusters with high-quality infrastructure and skilled labour to facilitate manufacturing activity.

Looking ahead, the geopolitical rivalry between the United States (US) and China, alongside retaliatory trade policies, could reshape the trade and investment landscape in the LAC region. As the US expands tariffs and trade restrictions, Chinese firms may seek to deepen their presence in LAC markets such as Mexico, to mitigate exposure to US trade measures. At the same time, tighter US scrutiny of Chinese exports – particularly in strategic sectors such as electric vehicles – may divert Chinese trade towards LAC economies, where regulatory environments are more permissive.

The future of Chinese lending to LAC is uncertain, particularly concerning the deployment of the new RMB-denominated $9 billion credit line announced by President Xi Jinping in May 2025. While details for its disbursement remain unspecified, the announcement signals that China is willing to align more closely with the region, and the use of RMB (renminbi / Chinese Yuan) suggests future lending may form part of China's strategy to internationalise its currency in the global financial system.

1 Introduction

China's expanding economic and financial footprint in Latin America and the Caribbean (LAC) is unfolding against an increasingly uncertain backdrop of global economic fragmentation, supply chain reconfiguration and geopolitical realignment in the region. China is the top trade partner for several South American countries. While advanced economies such as the United States and European Union members remain the largest foreign investors in terms of foreign direct investment (FDI) stock, Chinese firms are increasingly prominent players.[1] In 2023, China was the third-largest source of FDI project announcements after the United States and the United Kingdom (ECLAC, 2024). More than half of the region's countries have joined the Belt and Road Initiative (BRI), seeking to benefit from expanded regional infrastructure and industrial upgrading.

This report examines the key shifts in China's trade, investment, lending and infrastructure construction contract activity in LAC economies since 2013, with a focus on developments since many of these countries joined the BRI from 2018. As a market of 653 million people, with a combined gross domestic product (GDP) worth almost $7 trillion (IMF, 2025b) and abundant natural resources, the region serves as both a supplier of commodities and a destination for Chinese manufactured goods and high-tech products. China's approach to economic partnerships in LAC reflects the diverse economic profiles and resource endowments across these countries. For instance, while economies like Brazil and Argentina offer vast agricultural and mineral commodities, Mexico presents different commercial opportunities in high-tech industries, with strong trade links with the US market.

Specifically, the report seeks to answer the following questions:

- What form has China's economic engagement in Latin America and the Caribbean taken in recent years?
- What are the main drivers behind China's growing interest in the region (trade diversification, market expansion, resource access, strategic supply chain development)?
- How might China's presence contribute to or constrain LAC's development goals?

These questions are particularly salient given LAC's persistent development challenges, including structural inequality, high fiscal deficits, low productivity, deindustrialisation and chronic lack of infrastructure finance (Maloney et al., 2025).

The report is structured as follows. Section 1.1 outlines recent developments in China–LAC economic cooperation. Section 2 looks at trends in China's trade with Latin America and the Caribbean. Sections 3 and 4, which are the focus of this report, analyse trends in China's overseas lending and project-level investment activity. These show that, while overall sovereign lending from Chinese financial institutions has declined in recent years, Chinese firms continue to make equity investments across industries. Section 5 concludes.

1 The United States, Spain and the Netherlands were the top investor economies in LAC by FDI stock in 2023 (UNCTAD, 2025a).

1.1 China–LAC cooperation in context

Pre-BRI economic engagement

Chinese engagement with the LAC region predates the BRI. Political and diplomatic ties formed first, beginning when several countries formally recognised the People's Republic of China (PRC) after UN Resolution 2758 in 1971.[2] Economic engagement accelerated through trade in the early 2000s, driven by China's demand for commodities (Guo, 2023). China's rapid industrialisation required significant mineral inputs (Perotti, 2015), while urbanisation, population growth, and environmental degradation prompted China to seek agricultural imports (Nadin et al., 2025). China's growing presence in a region historically considered within the United States' sphere of influence is typically framed within the broader geopolitical rivalry between the US and China (Villar, 2023).

In 2008, the Chinese Government published its first policy paper on the LAC region. The paper stressed mutual respect, non-interference and development cooperation, while noting South America's 'abundant resources' (Xinhua, 2008). In November 2016, the Chinese leadership released a second document marking a shift from rhetorical South–South solidarity towards a more structured and strategic framework for engagement (Chen, 2021). The paper sought to 'summarise experience' and 'draw a blueprint for the future', aligning 'high-quality capacity and advantageous equipment of China with the needs of Latin American and Caribbean countries, in order to help enhance their capacity for independent development' (Xinhua, 2016). This shift from political and diplomatic engagement to a more formal economic partnership focused on trade and investment led to the creation of a new platform for cooperation in 2015 – the Forum of China and the Community of Latin American and Caribbean States (CELAC), also known as the China–CELAC forum. The forum's first ministerial meeting launched the China–CELAC Cooperation Plan (2015–2019), which outlined priorities for cooperation in energy and resources, infrastructure construction, agriculture, manufacturing, scientific and technological innovation, and information technology (China–CELAC Forum, 2015).

LAC countries enter the BRI

Despite early trade links, investment and lending, LAC economies were not formally invited to join the BRI until 2018.[3] At the second China–CELAC forum in Santiago, Chile, Chinese Foreign Minister Wang Yi signed a 'Special Declaration on the Belt and Road Initiative' and described the LAC region as a 'natural extension' of the Maritime Silk Road (Serrano-Moreno, 2023). In practice, as detailed in the following sections of the report, this framework largely continues and formalises pre-2018 economic relations, rather than reshaping them (Jenkins, 2022; Serrano-Moreno, 2023).

---

2 Cuba was the first country to switch recognition from Taiwan to the PRC in 1960. As of 2024, seven countries in the region maintain full diplomatic relations with Taiwan: Belize, Guatemala, Haiti, Paraguay, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines.

3 Panama, the first LAC country to sign a memorandum of understanding (MoU) in 2017 (prior to the formal invitation), is the first and only country so far to exit the BRI, in February 2025. The Panamanian Government chose to not renew its BRI membership agreement amid growing pressure from the US, especially in relation to key assets in the Panama Canal, such as the concession given to Hong-Kong-based CK Hutchinson Holdings to operate two ports at either end of the canal (Rosendal, 2025).

Today, 22 out of 33 LAC countries participate in the BRI (Figure 1). The region's two largest economies, Mexico and Brazil, have not formally joined, but nevertheless maintain deep bilateral economic relationships with China through other channels. For example, Brazil and China also cooperate through the BRICS platform.

Figure 1 Current BRI members in Latin America and the Caribbean

Source: Authors based on Nedopil (2025)

Note: Panama, the first LAC country to sign an MoU in 2017, exited in February 2025.

With growing geopolitical rivalry and uncertainty between China and the US and inconsistent US engagement with LAC (such as tariffs and aid cuts), China is positioning itself as a champion of multilateralism. At the most recent China–CELAC forum in May 2025, Chinese Foreign Minister Wang Yi stated that 'bullying and power politics will lead to nowhere' and to 'jointly reject unilateralism' (Wang, 2025). At the same forum, President Xi Jinping announced a new $9 billion (RMB-denominated) credit line and called for expanded cooperation in emerging areas such as clean energy, 5G telecommunications, the digital economy and artificial intelligence (MFA, 2025). Key implementation details, including the allocation mechanism, disbursement timeline and country eligibility for the new funds, remain unspecified.

China's economic engagement presents an opportunity to address the significant infrastructure financing gap in Latin America at a time when US political and economic influence is receding (Bidegaray, 2025). The financing gap, estimated by the Inter-American Development Bank (IDB) to exceed $200 billion annually, is considered one of the primary constraints to economic growth in the region (Brichetti et al., 2021). This includes both new infrastructure and maintenance and replacement of water and sanitation, electricity, transportation and telecommunications infrastructure. For China, this gap presents an opportunity to relocate capital and export some of its domestic overcapacity, while also constructing infrastructure to enable more efficient transportation along trade routes to and from LAC.[4]

4 For example, in July 2025 Brazil's Infra S.A. (a state-owned company linked to the Ministry of Transport) and China Railway Economic and Planning Research Institute agreed to study the feasibility of a 4,500km transcontinental railway to connect Brazil's Atlantic coast to Peru's Chinese-funded Pacific port of Chancay (which opened in 2024), to act as trade link between China and South America (Patrick, 2025).

2 China's trade with Latin America and the Caribbean

As discussed in the previous section, China's economic engagement in Latin America and the Caribbean initially focused on trade. This section examines key trade patterns between China and the economies of the region from 2013 to 2024. Unless otherwise specified, the analysis draws on data from the World Integrated Trade Solution (WITS) database.

2.1 Overview of China–LAC merchandise trade

China's trade with Latin America and the Caribbean has surged in recent years, making it the region's second-largest trading partner overall – and the largest to South America. In 2024, total China–LAC merchandise trade reached $510 billion, nearly double the $259 billion in 2013 (Figure 2). Since 2013, China's exports to Latin America and the Caribbean have grown at 7.7% year-on-year (YoY) on average, while imports from the region have grown at an average 6.9%.

A network of regional trade agreements (RTAs) anchors the trade partnership. China has more free trade agreements (FTAs) with countries in Latin America than in any other region outside Asia (MOFCOM, 2024b). Bilateral FTAs have been signed with Ecuador, Nicaragua, Costa Rica, Peru and Chile, and agreements with Panama and Honduras are under negotiation.[5] Uruguayan officials have expressed interest in pursuing an agreement, and the possibility of a broader China–Mercosur arrangement during President Luis Lacalle Pou's visit to Beijing in 2023 (Cash, 2023).[6] All but the China–Ecuador agreement are also economic integration agreements (EIAs), which means they include goods, services and investment. The agreements with Ecuador and Nicaragua were signed in 2023, one and five years after the countries had joined the BRI, respectively.[7]

China–LAC trade is highly concentrated, both in terms of geography and products traded. Four countries – Brazil, Mexico, Chile and Peru – accounted for 76% of China's total trade volume with Latin America and the Caribbean between 2013 and 2024. Brazil has consistently been the top partner, representing 36% of China's trade with the region over this period. On average, China has maintained a trade surplus with the LAC region since 2013 (Figure 2). In 2024, this amounted to nearly $29.5 billion and in the same year, only three countries – Brazil, Chile and Peru, reported trade surpluses with China.

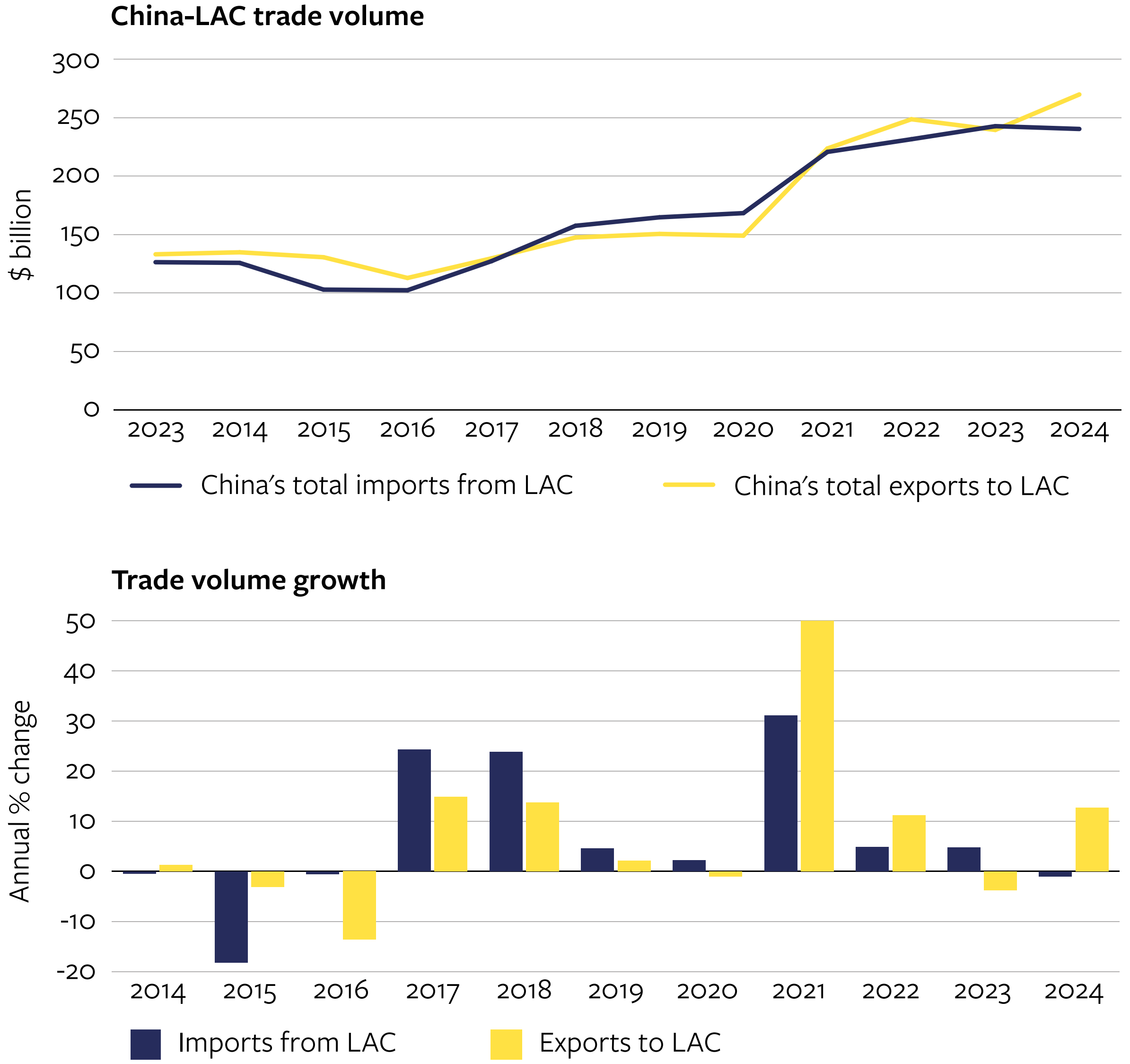
---

5 While the China–Panama FTA deal is still officially listed as 'under negotiation', at the time of writing negotiations appear to have stalled. The chances of a deal being signed in the near future appear slimmer following recent US pressure and Panama's decision to not renew its BRI membership agreement.

6 The full members of the Southern Common Market, or Mercosur, trade bloc are Argentina, Bolivia, Brazil, Paraguay and Uruguay (Venezuela has been suspended since 2016).

7 Authors' compilation based on the World Trade Organization (WTO) Regional Trade Agreements Database.

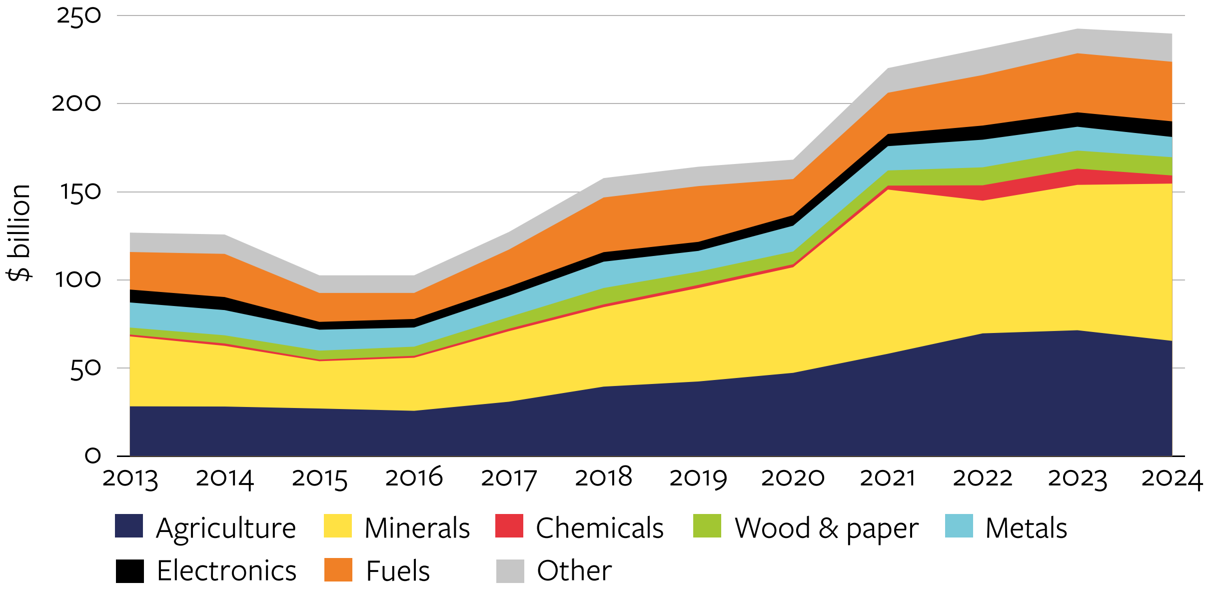
Figure 2 China's merchandise trade with Latin America and the Caribbean, 2013–2024



Source: Authors' analysis based on WITS data

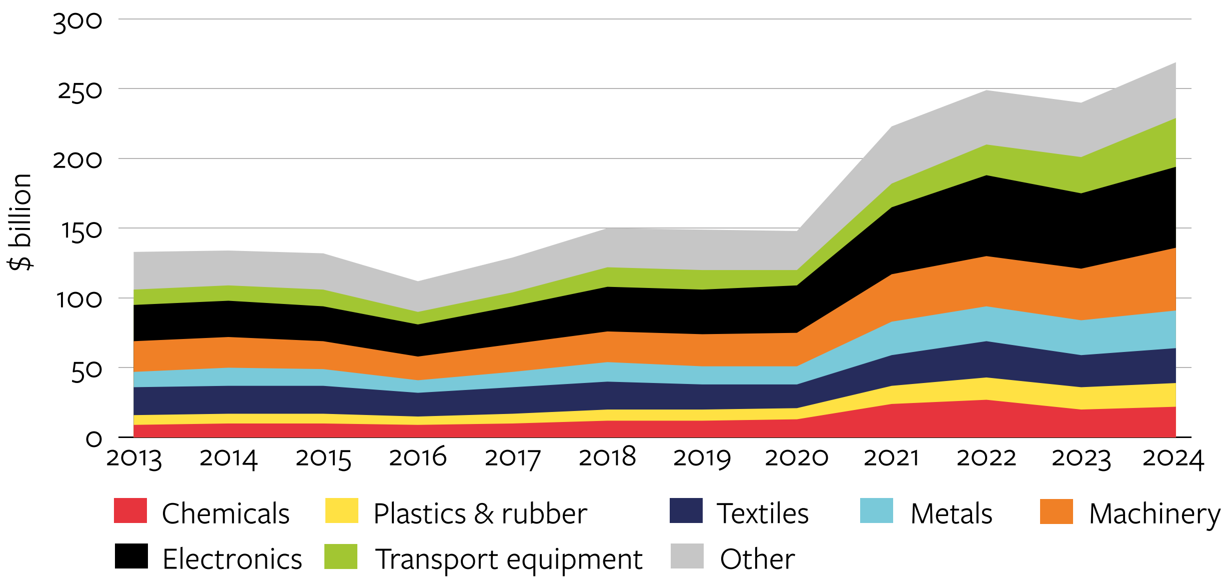
Broadly speaking, China imports primary commodities, and exports manufactured and electronic goods. In 2024, just under $200 billion, or 83% of China's total imports from LAC economies, were unprocessed agricultural products, minerals, base and industrial metals, and fuels (Figure 3). In 2024, 66% of China's imports from Latin America and the Caribbean comprised five products: copper ores and concentrates, soya beans, iron ores and concentrates, crude petroleum, and bovine meat. Over half of China's exports to the region are finished electronic goods, machinery and transport equipment (Figure 4). In 2024, the top five products exported – telephone sets, motor vehicles, auto parts, flat-rolled iron and steel, and monitors and projectors – only accounted for 17% of China's total exports to the region. Table 1 shows that, apart from Mexico, in 2024 China primarily sourced crude oil, agricultural and mineral commodities such as soya beans, and copper and precious metals from its top trade partners in the region.

Figure 3 China's imports from Latin America and the Caribbean by sector, 2013–2024



Source: Authors' analysis based on WITS data

Figure 4 China's exports to Latin America and the Caribbean by sector, 2013–2024



Source: Authors' analysis based on WITS data

China's trade relationship with Mexico is distinct in the broader LAC context. Unlike other partnerships centred on commodity trade, the China–Mexico relationship is also underpinned by competition in manufacturing assembly. However, US tariffs on specific Mexican industries, actual and threatened, may change this. For example, Mexican agricultural products are particularly exposed to US tariffs compared to the agricultural exports of other LAC countries, as almost 92% of Mexico's agricultural exports are destined for the US (Glauber and Gianatiempo, 2025).

These trade restrictions may lead to a further diversion of some agricultural trade towards China, which has also been diversifying food imports away from the US and building up the resilience of its overseas agricultural supply chains (Nadin et al., 2025). In 2025, China's retaliatory tariffs on US soya bean imports led to Chinese buyers sourcing more than 85% of soya beans imported in August from Brazil, with rising shares also being imported from Argentina (Cao and Thukral, 2025; Zuo and Nurmamat, 2025).

Table 1 China's imports from LAC by main trade partner and product, 2024

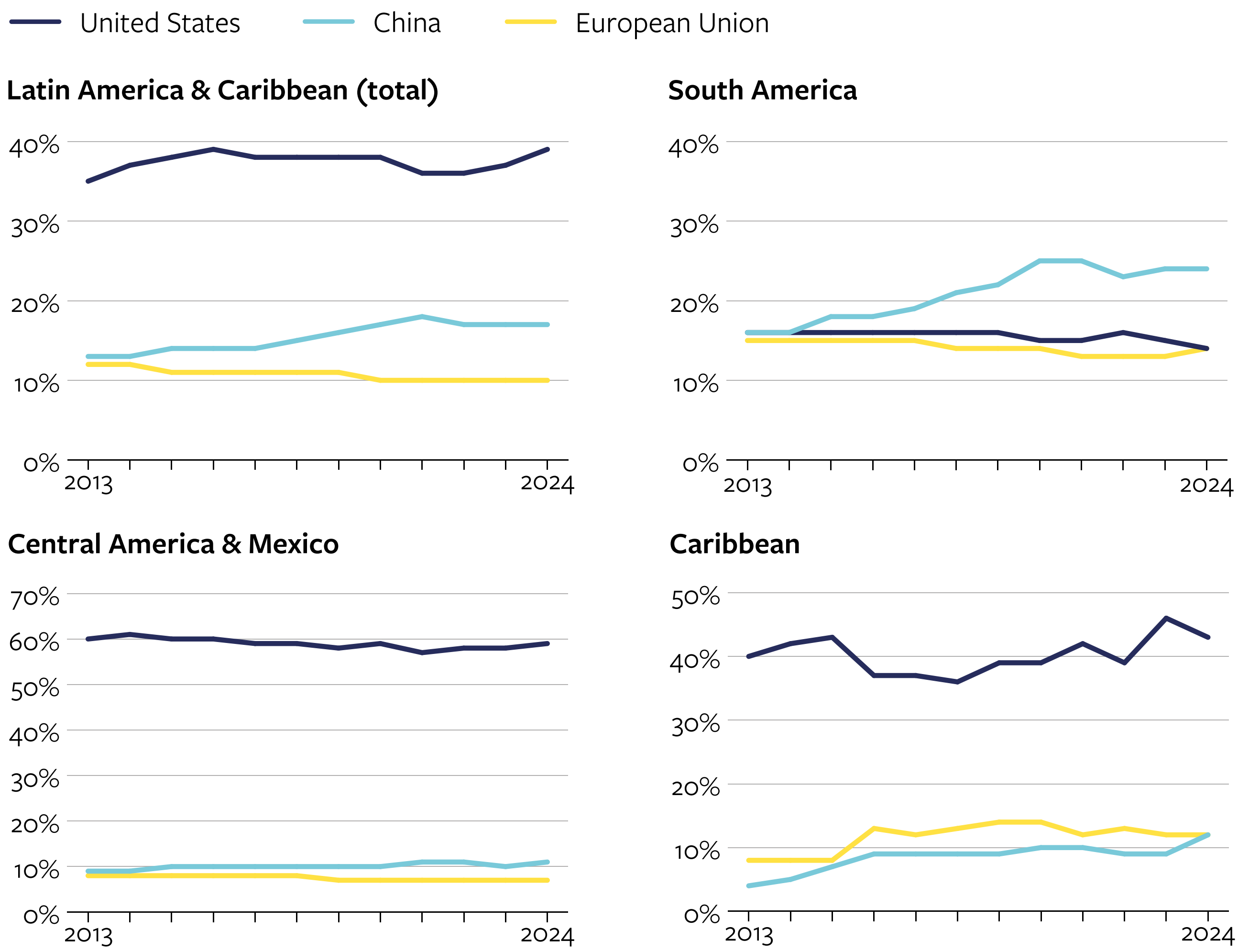
Country	Top 5 imports and their share of total imports from selected trade partner (%)
Brazil	Soya beans (31%), Iron ores and concentrates (25%), Crude petroleum (19%), Bovine meat (5%), Chemical wood pulp (4%)
Chile	Copper ores and concentrates (52%), Refined copper and copper alloys (13%), Stone fruit (10%), Carbonates (5%), Chemical wood pulp (5%)
Peru	Copper ores and concentrates (58%), Precious metal ores and concentrates (12%), Iron ores and concentrates (10%), Animal feed (5%), Refined copper and copper alloys (4%)
Mexico	Copper ores and concentrates (18%), Electronic integrated circuits (13%), Medical instruments (11%), Precious metal ores and concentrates (11%), Motor vehicle parts (6%)
Ecuador	Crustaceans (39%), Crude petroleum (37%), Copper ores and concentrates (14%), Precious metal ores and concentrates (3%), Bananas (2%)

Source: Authors' analysis based on WITS data

Commodity booms can stimulate growth beyond the primary sector through spillover effects to adjacent sectors in the economy. A recent study from Uruguay shows that a surge in beef exports to China triggered widespread growth in wages, employment and sales in upstream service sector firms supplying the beef exporters. Firms that supplied the suppliers of exporters, such as those in IT, transportation and professional services, also experienced growth (Amodio et al., 2025). However, the heavy reliance on exports of a small number of commodities increases vulnerability to fluctuations in commodity prices and external demand shocks. Commodity exporters such as Brazil, which export heavily to China, will also be affected by the economic slowdown in China if it results in lower demand for raw materials and commodities (Yueh, 2024).

Although the United States remains the main trading partner for Central America, Mexico and the Caribbean, this is no longer the case in South America. Since 2015, China has been South America's single largest trading partner (Figure 5). In 2024, China accounted for 25% of South America's total exports and 24% of total imports. While the US is still the primary destination for the region's manufactured exports, China is the main purchaser of agricultural and mineral commodities, and a key supplier of intermediate goods (Ayres et al., 2025). Notably, China accounts for a smaller share of Caribbean merchandise trade than both the United States and the European Union.

Figure 5 Share of Latin America and the Caribbean's merchandise trade with selected trade partners, 2013–2024



Source: Authors' analysis based on WITS data

The trade landscape for the LAC region is evolving as economic alliances are realigned, supply chains are reconfigured and trade policies shift. Trade tensions between the US and China have significant implications for growth prospects in the region. For example, in 2018–2019, 60% of Mexico's exports were products destined for China and the US (Ayres et al., 2025). Relations with external trading partners are of particular importance as Latin America and the Caribbean is one of the least integrated regions in the world, with intra-regional trade accounting for just 15% of total goods traded. This is far lower than Europe (68%) and Asia (55%) (ibid.). Even major regional economic blocs such as Mercosur and CARICOM have struggled to deepen trade ties among members, opting instead to prioritise external markets (ibid.).[8]

---

8 The Caribbean Community, or CARICOM, is a political and economic union whose primary objective is to promote economic integration and cooperation among its members. The 15 full members are: Antigua and Barbuda, Belize, Dominica, Grenada, Haiti, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, The Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago.

3 Chinese lending to Latin America and the Caribbean

This section outlines the scale, distribution, modalities and institutions behind China's lending to Latin America and the Caribbean in the decade from 2013 to 2024. The analysis encompasses overseas financial transfers from China's central government and government agencies, state-owned policy banks and commercial banks, as well as export credits and project loans issued by state-owned enterprises (SOEs) and private companies.[9]

The precise scale of Chinese overseas finance remains difficult to verify due to a lack of official disclosure. We draw primarily on AidData's Global Chinese Development Finance (GCDF) dataset (Version 3.0), which tracks lending by China's official sector institutions through 2021. To fill the coverage gap and capture preliminary trends in foreign aid flows and Other Official Flows (OOF) from 2022–2024, we supplement this with information on loans from the Export-Import Bank of China (Eximbank) and China Development Bank (CDB) from Boston University's China's Overseas Development Finance (CODF) database.[10]

The trends in lending presented here are consistent with global trends in Chinese overseas lending – Chinese financial institutions are reducing financial risk in their portfolios by issuing fewer new loans and entering syndicated loan structures. At the same time, China's willingness to engage in debt restructuring in the region, as well as the credit line announced at the latest China–CELAC forum (Section 1.1), indicate a desire to maintain goodwill and strong links with the LAC region.

3.1 Overview of China's lending to Latin America and the Caribbean

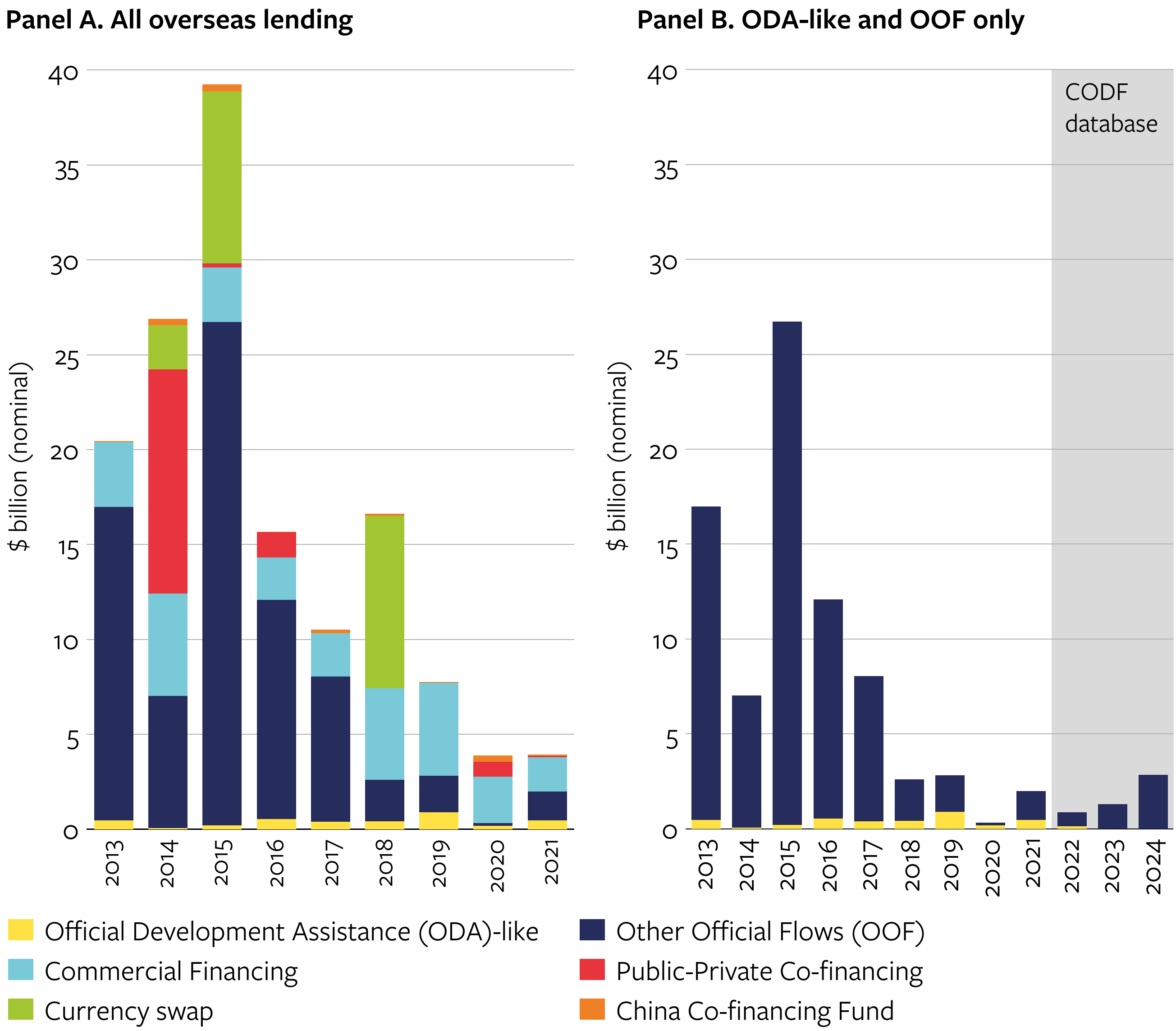
Between 2013 and 2021, Chinese financial institutions (FIs) disbursed over $145 billion in lending to countries in Latin America and the Caribbean. More than half of these transfers consisted of non-concessional loans, or OOF, that is, preferential export buyers' credits from Eximbank and middle- and long-term project loans by CDB. Over one-fifth were commercial loans from China's state-owned commercial banks, SOEs or private companies (Panel A, Figure 6). Chinese foreign aid flows, which correspond to 'Official Development Assistance (ODA)-like' transfers, constitute a minor share of Chinese finance in the region, accounting for less than 3% of total lending over this period. This small share is explained by two factors: first, ODA finances smaller projects compared to standard lending instruments and second, many LAC economies have achieved middle-

9 See Section A1 in the Annex for details on the lending classification.

10 The CODF database captures only a subset of the transactions tracked by GCDF. While there should be a large overlap between the ODA-like and OOF entries recorded by CODF and GCDF, CODF data understates the full universe of Chinese overseas lending. Hence, we see the two databases as comparable only for the ODA-like and OOF categories. These methodological differences are discussed in detail in Section A2 of the Annex.

income status and do not require the same level of concessional assistance as lower-income regions. To put this into perspective, for every $1 of grants, zero-interest or concessional loans committed, Chinese FIs provided $33 of non-concessional or market-rate loans.[11]

Figure 6 Annual lending from China to Latin America and the Caribbean, 2013–2024



Source: Authors' analysis based on AidData GCDF 3.0 and BU (2025) CODF database

Note: The China Co-financing Fund for Latin America and the Caribbean is a $2 billion facility financed by PBoC and administered by the IDB.

---

11 Calculation is based on the ratio of the combined value of OOF, Commercial Financing and Public-Private Co-financing to the value of ODA-like loans or grants. Note: OOF flows dominate Chinese official finance because lending overwhelmingly targets the energy and industry, mining and construction sectors (see Section 3.2), which generate financial returns and do not typically attract grants.

The People's Bank of China (PBoC) has expanded its bilateral currency swap agreements network to the LAC region.[12] Between 2013 and 2021, the Central Bank of the Argentine Republic (BCRA) and the Central Bank of Suriname (CBVS) drew down over $20 billion in borrowing through these currency swaps. As of 2025, active currency swap agreements are in place with the central banks of Brazil, Argentina and Chile (PBoC, 2025).

The arrival of the BRI in Latin America and the Caribbean has not increased the inflow of Chinese loans to the region, which peaked three years earlier. The sharp increase in lending in 2015 was primarily driven by two oil-backed loans from CDB to the Government of Venezuela and a renewal of the Joint China–Venezuela Fund between CDB and the Venezuelan Economic and Social Development Bank, collectively worth $20 billion. Even excluding these outliers, Chinese lending has declined significantly since 2016, with annual disbursements (excluding currency swap drawdowns) falling to under $6 billion by 2018–2021. For ODA-like and OOF flows the decline is even more dramatic, with these categories averaging just $2 billion annually by 2018–2021, the period after the BRI was extended to the LAC region.

This decline in state-backed loans coincided with: (1) a global ramping down of Chinese overseas lending as Chinese FIs came under increasing pressure to improve risk management practices given large exposures to non-performing loans; (2) worsened macroeconomic conditions in borrowing countries during the pandemic; and (3) supply chain interruptions suspending construction projects (Myers and Ray, 2022; Parks et al., 2023). The most recent data suggests a potential post-Covid recovery in 2024 (Panel B, Figure 6), but given China's own economic slowdown it is unlikely that sovereign lending will rebound to its peak levels.

3.2 Where is Chinese lending going?

Chinese lending to Latin America and the Caribbean is highly concentrated both geographically and by sector. Between 2013 and 2021, five South American countries – Venezuela, Argentina, Brazil, Peru and Ecuador – absorbed 89% of Chinese loans to the region, receiving approximately $43 billion, $30 billion, $30 billion, $12 billion and $12 billion, respectively.[13] Under 3% of Chinese lending over this period went to the Caribbean (mainly to Jamaica, Cuba, and Trinidad and Tobago) and just over 1% went to Central American economies (mainly to Costa Rica, Panama, Honduras and El Salvador). This concentration has persisted in recent years: between 2022 and 2024, Brazil received an additional $4 billion through seven new loan agreements.[14] In October 2025, Brazil's National Development Bank (BNDES) and Eximbank announced the launch of a $1 billion joint investment fund to finance capital market investments focused on sectors such as energy

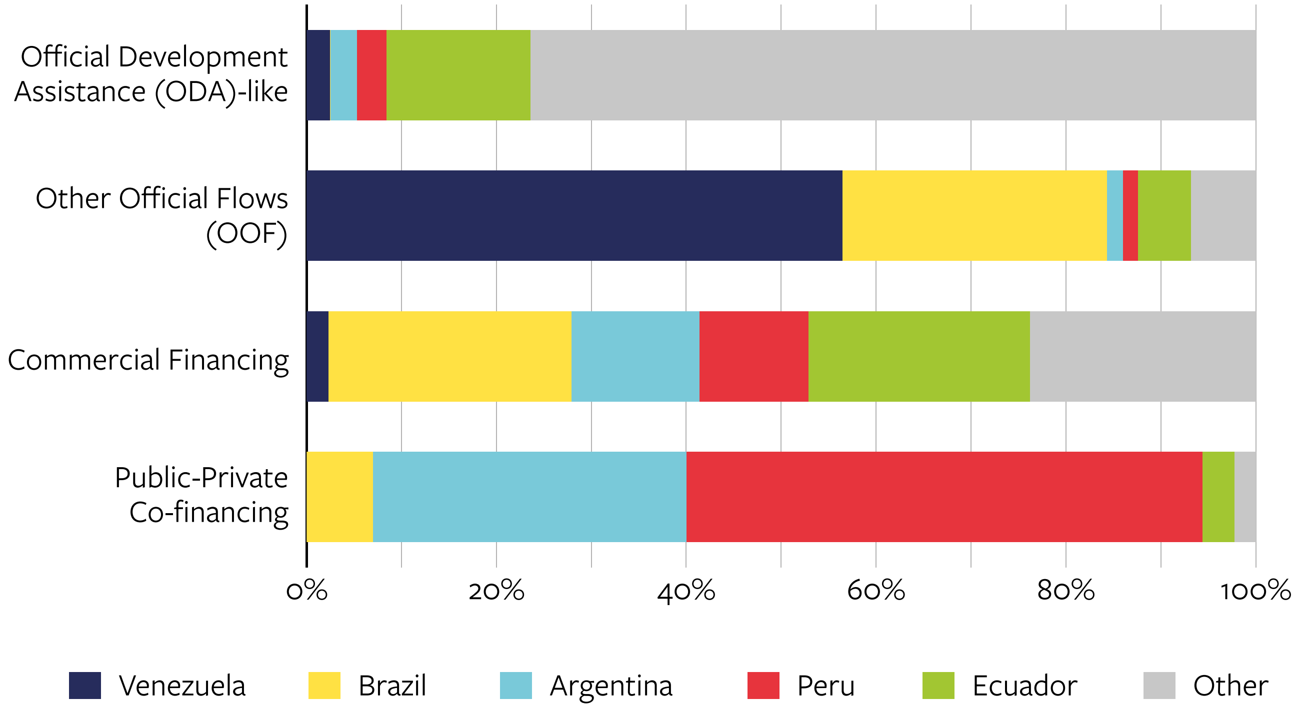
12 A currency swap agreement is a financial arrangement between two countries (typically, between their central banks) that allows them to exchange their national currencies at predetermined exchange rates. These agreements are primarily used to hedge interest rate or currency exposure, facilitate bilateral trade settlement using the countries' national currencies, and to provide foreign currency liquidity support during periods of financial stress.

13 This total share is largely unchanged (88%) when extending the analysis to more recent periods by using CODF data for the 2022–2024 period.

14 See Table 3 in the Annex for details.

transition, infrastructure and artificial intelligence in Brazil, starting in 2026 (Ogier, 2025). Over half of the lending classified as OOF between 2013 and 2021 was directed to Venezuela, primarily through CDB-issued oil-backed loans for balance of payments and working capital support or oil field development projects (Figure 7).[15] Brazil, Ecuador and Chile have been the primary destinations for Chinese commercial financing in Latin America and the Caribbean.[16]

Figure 7 Composition of Chinese loans to LAC by country and lending category, 2013–2021



Source: Authors' analysis based on AidData GCDF 3.0

Looking at sectoral concentration, over half of all Chinese project loans to Latin America and the Caribbean in 2013–2021 were committed to projects in the energy and industry, mining and construction sectors. These sectors were also more likely to attract commercial financing – 61% of commercial transactions were for projects in these sectors.

15 Oil-backed loan deals typically involve a financial agreement in which one of China's policy banks lends to a borrowing government, and a commercial agreement in which Chinese importers purchase oil from the borrower country's state-owned oil company – in this case, Petróleos de Venezuela (PdVSA). The oil company then uses its daily oil proceeds from sales to China to repay the (collateralised) loans to Chinese policy banks (Kaplan and Penfold, 2019). According to the AidData GCDF 3.0 database, the last of these OOF loans to Venezuela was committed in 2018 to boost oil production in the Orinco Belt, likely to recover China's outstanding oil collateral after the collapse of Venezuela's oil industry (Kaplan and Penfold, 2019).

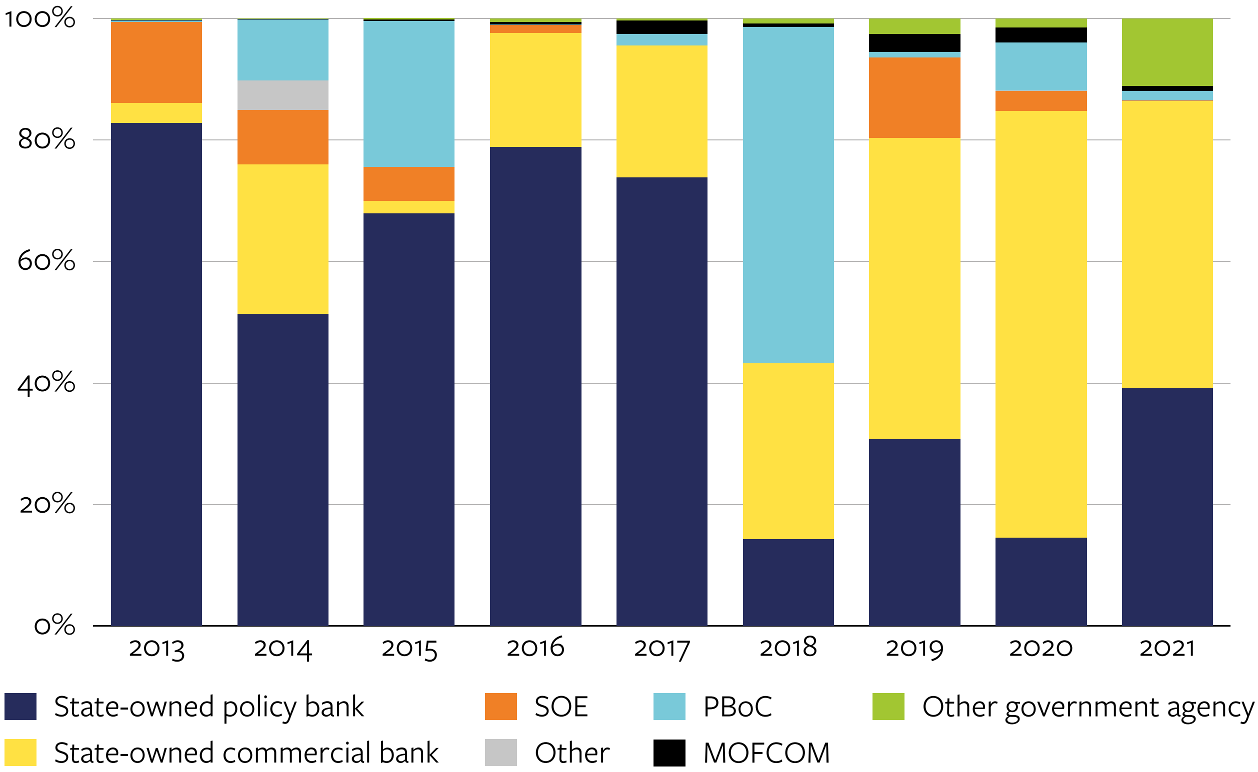
16 There has been limited lending to LAC countries that maintain diplomatic relations with Taiwan. Since 2013, there has been limited ODA-like assistance to Haiti, and $68 million in lending to Paraguay and Honduras, mainly through the IDB-administered China Co-financing Fund supported by PBoC.

3.3 How are Chinese institutions lending in Latin America and the Caribbean?

Lending institutions

As introduced in Section 3.1, commercial lenders, including state-owned commercial banks and SOEs, have become increasingly prominent creditors in Latin America and the Caribbean. While overall lending from China has declined in recent years, commercial financing, primarily from the Industrial and Commercial Bank of China (ICBC) and Bank of China (BOC), accounted for more than half of all Chinese loans between 2019 and 2021 (Figure 8). This is despite the average commercial loan size being smaller than the average policy bank loan.

Figure 8 Composition of China's lending to Latin America and the Caribbean by creditor, 2013–2021



Source: Authors' analysis based on AidData GCDF 3.0

Note: SOE is State-owned enterprise. PBoC is People's Bank of China. MOFCOM is China's Ministry of Commerce.

Chinese policy banks are not the dominant creditors they once were. Between 2013 and 2017, CDB and Eximbank accounted for 69% of all Chinese lending to the region (Figure 8). CDB has historically played the larger role, disbursing on average 78% of all OOF loans between 2013 and 2024. While overall policy bank loans fell sharply in 2018, recent estimates indicate a rebound, with loan volumes from CDB and Eximbank more than doubling in 2024 compared to the previous year.[17]

17 Authors' analysis based on AidData GCDF 3.0 (2013–2021) and CODF data (2022–2024).

The PBoC has maintained a presence through two channels: emergency liquidity provision and co-financing with the Inter-American Development Bank (IDB). PBoC's lending spiked in 2018 primarily due to the currency swap drawdown by the central bank of Argentina. Outside of currency swaps, the PBoC has channelled its regional activity through its $2 billion contribution to the China Co-financing Fund, established jointly with the IDB in 2013 to support public and private sector projects in the region.

A growing share of Chinese lending to Latin America and the Caribbean involves Chinese contributions to syndicated lending arrangements or co-financing from non-Chinese financial institutions. A syndicated loan is one to which several lenders contribute on the same terms and conditions, and is typically administered by a lead arranger appointed by the syndicate to manage the administration on their behalf. In 2021, 47% of Chinese lending to the region involved syndication, compared to less than 2% in 2013.[18] Syndicated loans are particularly prominent among China's state-owned commercial banks, with ICBC and Bank of China accounting for 58% between 2013 and 2021. CDB was involved in another 21% of these arrangements. The increasing role of syndicated lending, in Latin America and elsewhere, is one of the ways in which Chinese banks are reducing their exposure to project or sovereign risks in borrower countries (Parks et al., 2023; Chen and Emery, 2025).

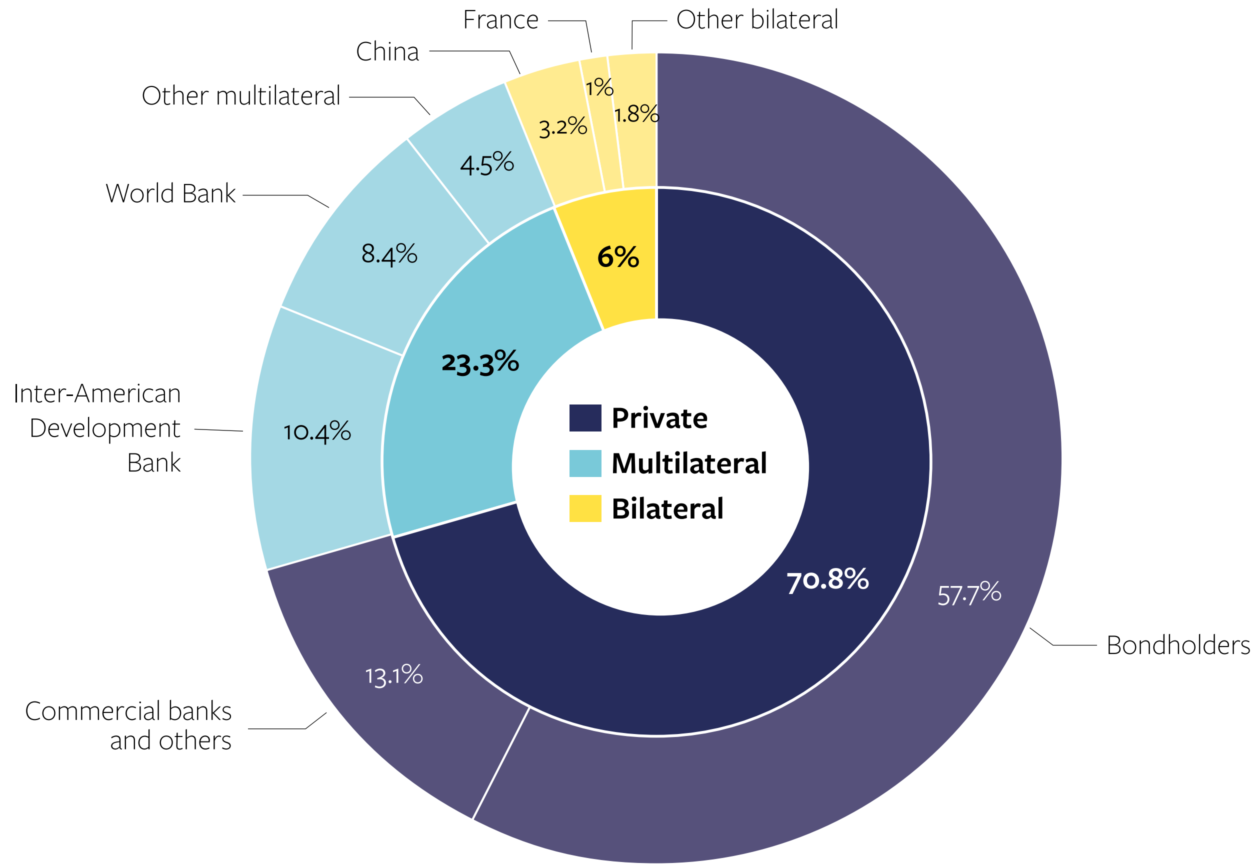
Syndicated lending in energy and mining projects often involves collaboration between different Chinese financial institutions, including co-financing by commercial and policy banks. Several of the largest syndicated deals in the energy and mining sectors involved lending to firms for investment and acquisitions of mining sites or power production plants. For example, in 2020, ICBC, Bank of China, CDB and Eximbank contributed to an $800 million syndicated revolving credit facility to support the operational funding requirements of Minera Las Bambas, one of Peru's leading copper miners. Non-Chinese financial institutions have been involved in large-ticket transactions, particularly since 2018, including American, European and Japanese institutions such as JPMorgan Chase, MUFG Bank, Santander, Bank of America and Mizuho Bank. The largest recent deal was a 2020 $4 billion syndicated bridge loan between ICBC, Bank of China, Santander and MUFG to China Yangtze Power International (CYPI) for its acquisition of Sempra Energy's energy assets in Peru.

External debt owed to China

China is a relatively minor creditor in Latin America and the Caribbean compared to multilateral and private lenders. According to the most recently reported data, in 2023 23% of the region's public and publicly guaranteed (PPG) debt was owed to multilateral creditors (such as the World Bank or Inter-American Development Bank) and 71% was owed to private lenders (such as bondholders and commercial banks) (Figure 9). Only 6% of external PPG debt was owed to official bilateral creditors, of which half was to China.

18 Authors' analysis based on non-emergency loans recorded in AidData GCDF 3.0.

Figure 9 Share of LAC countries' external PPG debt stock by creditor, 2023



Source: Authors' analysis based on the World Bank's International Debt Statistics (IDS) and World Bank (2024)
Note: Based on long-term external PPG debt stock, excluding IMF credit. World Bank includes International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) loans.

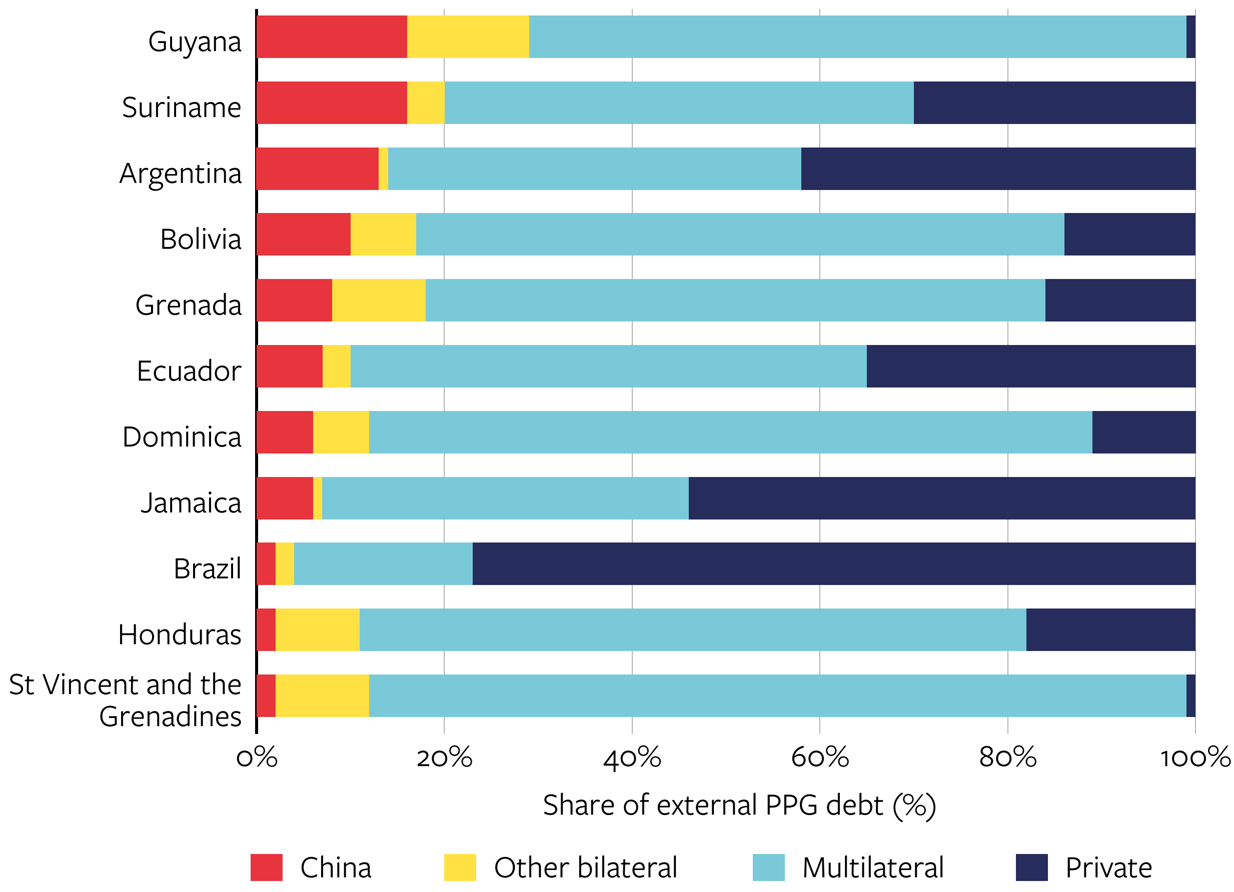
While China is the single largest bilateral creditor to 9 of the 23 economies that report debt data – such as Suriname, Argentina and Bolivia – none of these countries owe more to China than to multilateral or private lenders (Figure 10). However, it is important to note that this likely understates the full extent of debt owed to Chinese financial institutions due to the contested classification of Chinese lenders and the Debt Reporting System's (DRS's) restrictive definition of bilateral lending.[19] For example, CDB insists on being treated as a commercial entity in debt restructuring processes (Makoff et al., 2025). Hence, government-to-government lending through Chinese Government agencies and Eximbank is considered official bilateral debt, but loans from China's state-owned commercial banks or some of CDB's loans would be excluded from this category. Moreover, Chinese loans sometimes contain legal clauses that restrict borrowing countries from publicly disclosing the amount or terms of the loans (Gelpern et al., 2024).

19 The World Bank's DRS definition of bilateral lenders covers governments and their agencies, including central banks, official export credit agencies and public entities, but excludes commercial banks even if they are state-owned (Horn et al., 2021).

The shift in Chinese lending, especially since 2018, has created new fiscal pressures for LAC economies. As new sovereign loan issuances from China have declined, debt service payments have started to come into effect, resulting in consistent negative net inflows from China to the region's economies since 2021 (Figure 11). This means that countries in the region are now repaying more to Chinese creditors than they are receiving in new loans from China.

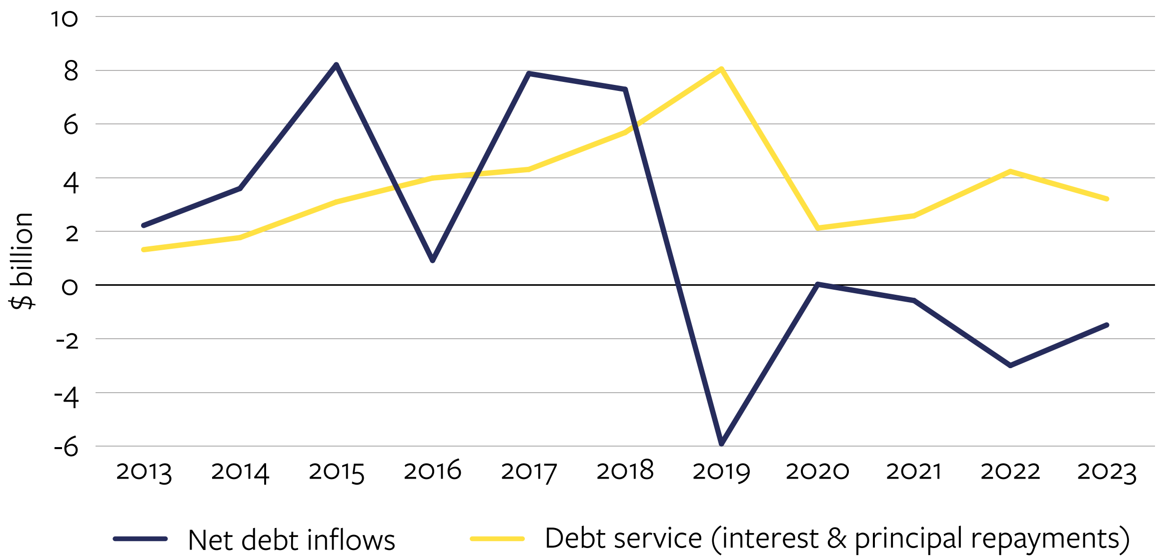
This reversal coincides with a high and rising debt burden across the region. Several economies face soaring public debt levels accumulated over the past decade, which are compounded by low growth prospects, high financing costs in both domestic and foreign currency, and growing spending demands to address social needs (IMF, 2024). Debt service now averages 10.9% of government spending in the largest economies (Argentina, Brazil, Chile, Colombia, Mexico and Peru), driven by continued high interest rates on the expanded stock of post-pandemic debt (Maloney et al., 2025). Total debt service payments on PPG debt to the United States have also increased since 2020 (Figure 12).

Figure 10 Share of external PPG debt owed to China vs other creditors by country, 2023



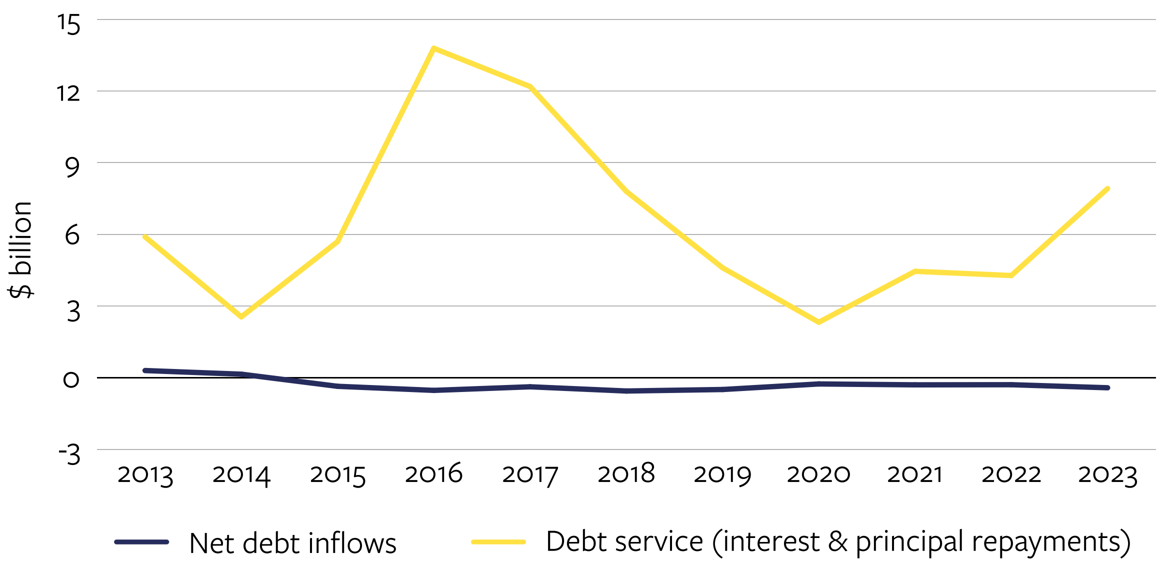
Source: Authors' analysis based on World Bank's International Debt Statistics (IDS)
Note: 23 of the 33 LAC region countries report to the World Bank's Debtor Reporting System (DRS). The DRS database does not cover high-income economies (e.g. Chile, Uruguay) or countries with unreliable public finance data (e.g. Venezuela). The chart includes only those that owe more than 1% of their external debt to China as of 2023.

Figure 11 Net lending from China to LAC and LAC countries' debt service to China, 2013–2023



Source: Authors' analysis based on World Bank's International Debt Statistics (IDS)
Note: Net debt inflows represent new borrowing (disbursements) minus principal repayments on long-term official bilateral debt. Debt service payments are the sum of principal repayments and interest payments made in a given year. Data covers 23 of the 33 countries in the LAC region that report to the DRS.

Figure 12 Net lending from the US to LAC and LAC countries' debt service to the US, 2013–2023



Source: Authors' analysis based on World Bank's International Debt Statistics (IDS)
Note: Net debt inflows represent new borrowing (disbursements) minus principal repayments on long-term official bilateral debt. Debt service payments are the sum of principal repayments and interest payments made in a given year. Data covers 23 of the 33 countries in the LAC region that report to the DRS.

Box 1 China's approach to debt restructuring in Latin America and the Caribbean

Rising debt levels in LAC economies following the pandemic led to sovereign defaults and debt restructuring in several countries, including Argentina, Ecuador and Suriname. In debt negotiations in Latin America and elsewhere, Chinese creditors face institutional constraints to granting debt relief in the form of permanent face-value reductions, and have instead shown a preference for discretionary bilateral deals and adjustments of the terms of the debt (such as extending maturity or lowering interest rates). However, the specific form and timeline of the debt relief varies significantly depending on whether debtor countries engage through multilateral frameworks or purely bilateral channels.

Suriname, one of the most indebted countries to China, began an Extended Fund Facility (EFF) programme with the IMF in 2021 to restore fiscal sustainability. After four years of negotiation with bilateral creditors and commercial bondholders, a final debt restructuring agreement was signed with China Eximbank and ICBC in November 2024. One of the challenges in negotiating with China was that the Chinese negotiating team did not want to give the IMF assurances on debt relief before holding their own bilateral negotiations with Suriname. The final agreement included rescheduling outstanding payments to Eximbank ($476 million, including $140 million in arrears) in two phases. The debt owed to ICBC ($68 million) is to be repaid in one tranche. Suriname's President, Chandrikapersad Santokhi, reportedly visited Beijing to sign a preliminary framework on the debt reorganisation. China, along with Paris Club creditors, included review clauses in their debt restructuring agreements to revisit the terms of their agreement in the event that Suriname's future oil revenues are higher than expected.

In contrast, Ecuador pursued post-pandemic bilateral debt negotiations with China, outside of an IMF restructuring framework. In 2020, Ecuador negotiated a one-year delay of its principal repayments to China, resuming these payments as well as crude oil deliveries from the national oil company, Petroecuador, in the last quarter of 2021. The original interest rate of 7.16% was unchanged, while the outstanding debt was divided into 11 repayments of $38 million each. A second agreement in 2020 reached between CDB and Ecuador's Ministry of Finance granted Ecuador a 16-month grace period on an additional $474 million of debt. In 2022, Ecuador reached another bilateral deal with China's two policy banks to provide $1.4 billion of debt relief through 2025 by extending maturities and adjusting interest rates. The debt restructuring extended the repayment deadlines to 2027 for CDB and 2032 for Eximbank. The deal was a symbolic step towards improving broader bilateral relations, and was notably followed by the signing of a free trade agreement a year later (Section 2.1).

Sources: Authors' compilation based on Makoff et al. (2025), Wu and Chen (2024), IMF (2025a), Caribbean Insight (2024), de la Torre et al. (2022)

4 Chinese outbound project-level investment in Latin America and the Caribbean

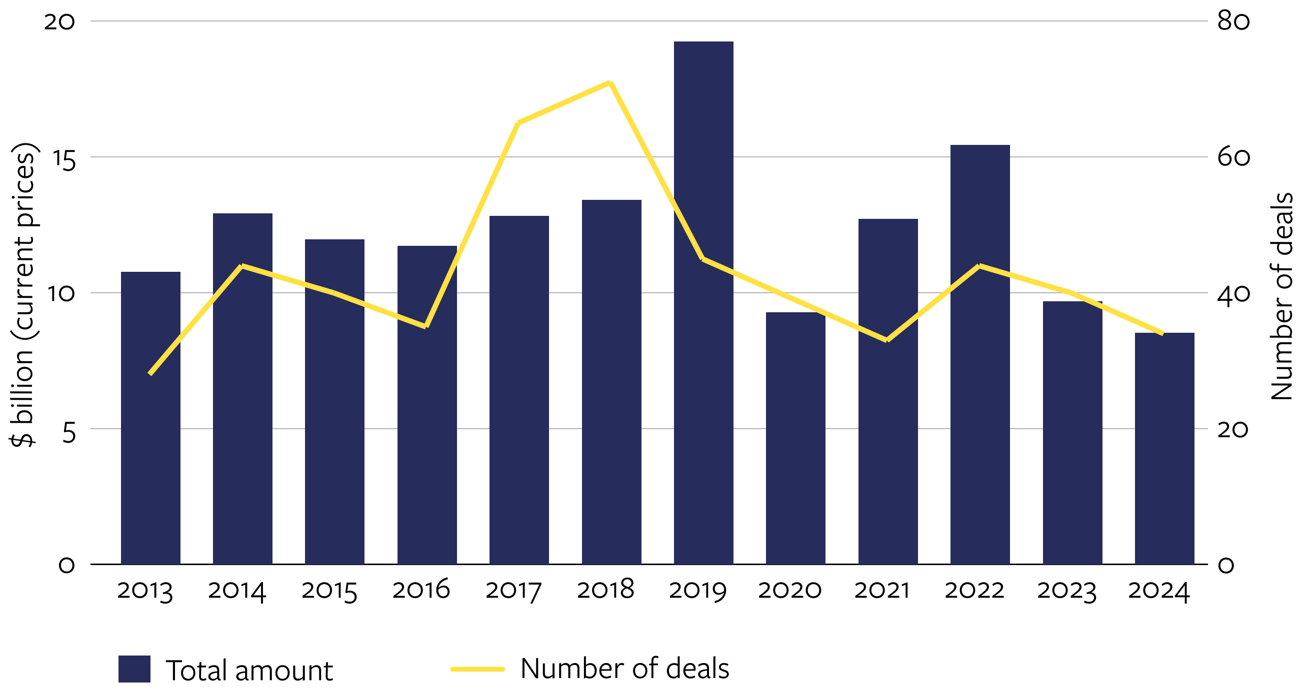
This section provides a data-driven overview of the scale, sectoral and geographic distribution and modalities of Chinese firms' project-level equity investment activity in Latin American and Caribbean economies from 2013 to 2024. Equity capital includes greenfield (new) investments and mergers and acquisitions (M&A). As official Chinese data on outbound FDI flows is highly aggregated, this section utilises the Monitor of Chinese OFDI in LAC (2025) dataset maintained by the Academic Network of Latin America and the Caribbean on China (Red ALC-China) to assess trends in Chinese project-level investment in the region.[20] The sub-section on engineering and construction contracts uses data from the network's Monitor of Chinese Infrastructure in Latin America and the Caribbean (2025).

4.1 Overview of China's outbound FDI in Latin America and the Caribbean

Between 2013 and 2024, Chinese companies invested over $148 billion in Latin America and the Caribbean across 518 deals. The total amount of Chinese outbound FDI into the region remained relatively stable between 2014 and 2018 (Figure 13). After peaking at $19.2 billion in 2019, there was a notable drop in outward investment in 2020, likely due to the sudden disruption to global supply chains and delayed investment decisions in a context of heightened economic uncertainty. Since recovering in 2022, total investment volumes have declined, driven by fewer transactions overall and smaller average deal sizes in mergers and acquisitions. From 2023 to 2024, Chinese FDI in Latin America and the Caribbean declined by 11.8% (to $8.5 billion), a similar decline to the 12% fall in total inbound FDI flows to the region over that period (UNCTAD, 2025b).

20 RED ALC-China's Monitor contains data on transactions that are disbursed, rather than announced. Throughout this section, the value of transactions is shown in US dollars at current prices.

Figure 13 Annual Chinese FDI into LAC, 2013–2024



Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)

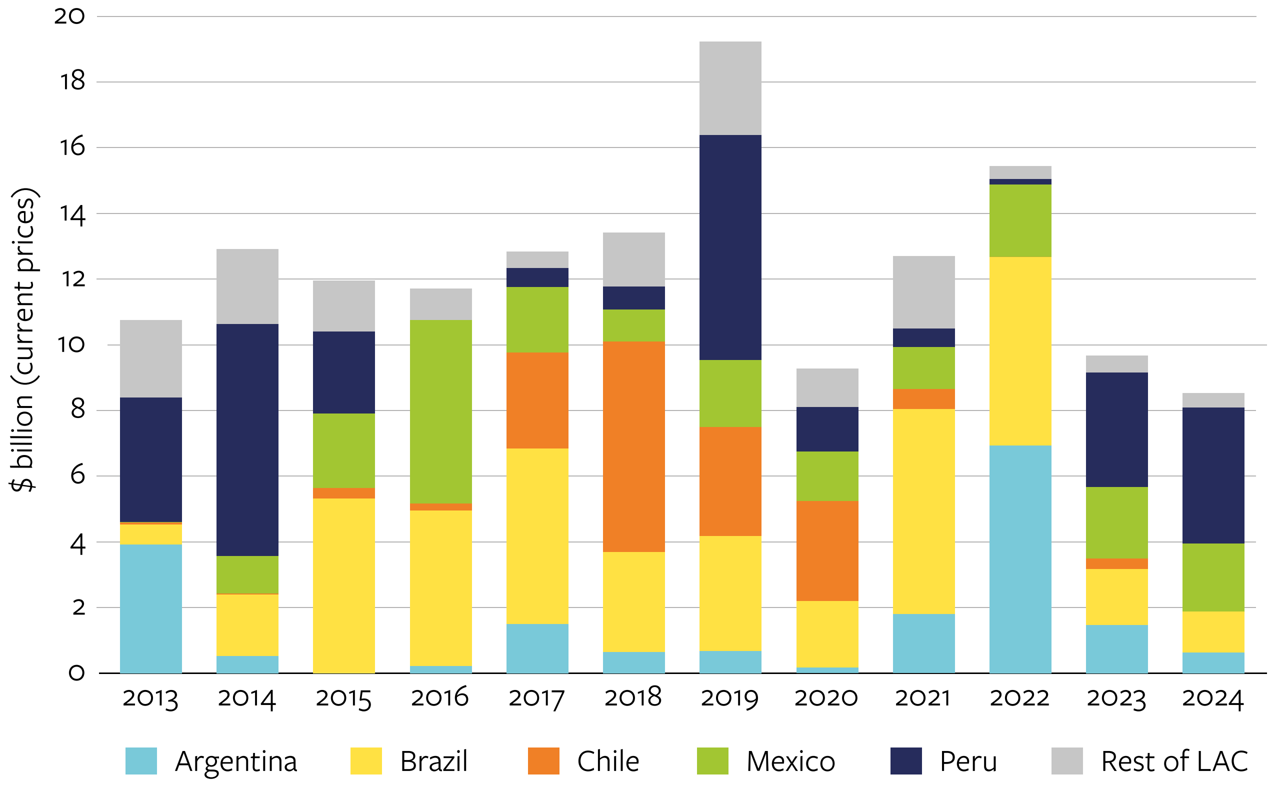
4.2 Where is Chinese FDI going?

Chinese investments in Latin America and the Caribbean remain overwhelmingly focused on the region's largest economies. Similar to the geographic concentration of sovereign lending discussed in Section 3.2, five countries have received 89% of Chinese outbound project-level equity investments since 2013. Brazil led with $41.4 billion, followed by Peru ($31.2 billion), Mexico ($23.3 billion), Argentina ($18.5 billion) and Chile ($17.2 billion) (Figure 14).[21] Overall, 79% of investments were in South America, and 16% in Mexico. Just 5% of Chinese investments in the LAC region reached Central America and Caribbean economies.[22]

21 The equivalent investment shares (2013–2024) for these countries are: Argentina (12%), Brazil (28%), Mexico (16%), Peru (21%), Chile (12%). There has been very limited Chinese investment activity in LAC countries that maintain diplomatic relations with Taiwan. Since 2013, there have been only four recorded investments, collectively worth $545.6 million, in Belize, Haiti and Honduras. While Honduras' 2023 diplomatic shift came with expectations of increased energy financing from China, so far there have been no formal financial commitments or announcements (Woodford et al., 2023).

22 The investment data in this analysis tracks projects that have actually been funded and implemented (disbursed) in their final destination countries. Official Chinese statistics show that most Chinese investment flows to Latin America and the Caribbean are initially recorded as going to the Cayman Islands and British Virgin Islands – in 2023, these territories received $112.8 billion, representing 6.3% of China's official total outbound FDI (MOFCOM, 2024a). However, these funds do not stay in these territories, instead typically passing through special purpose entities (SPEs) due to tax advantages. Since these SPEs in offshore tax havens do not engage in productive economic activity, relying on official statistics alone can provide a misleading picture of where Chinese investment ultimately ends up (Ortiz Velásquez, 2017).

Figure 14 Annual amount of FDI from China to LAC by country, 2013–2024



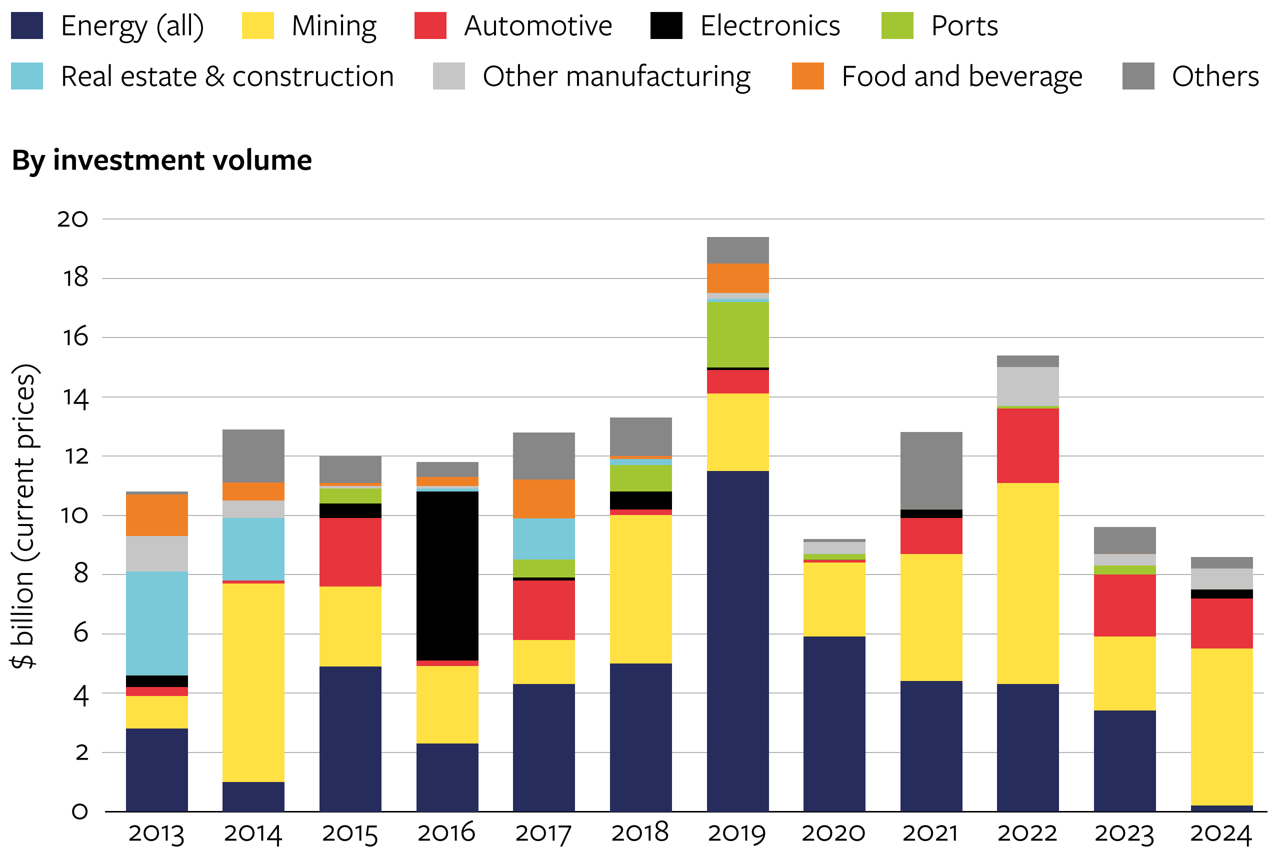
Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)

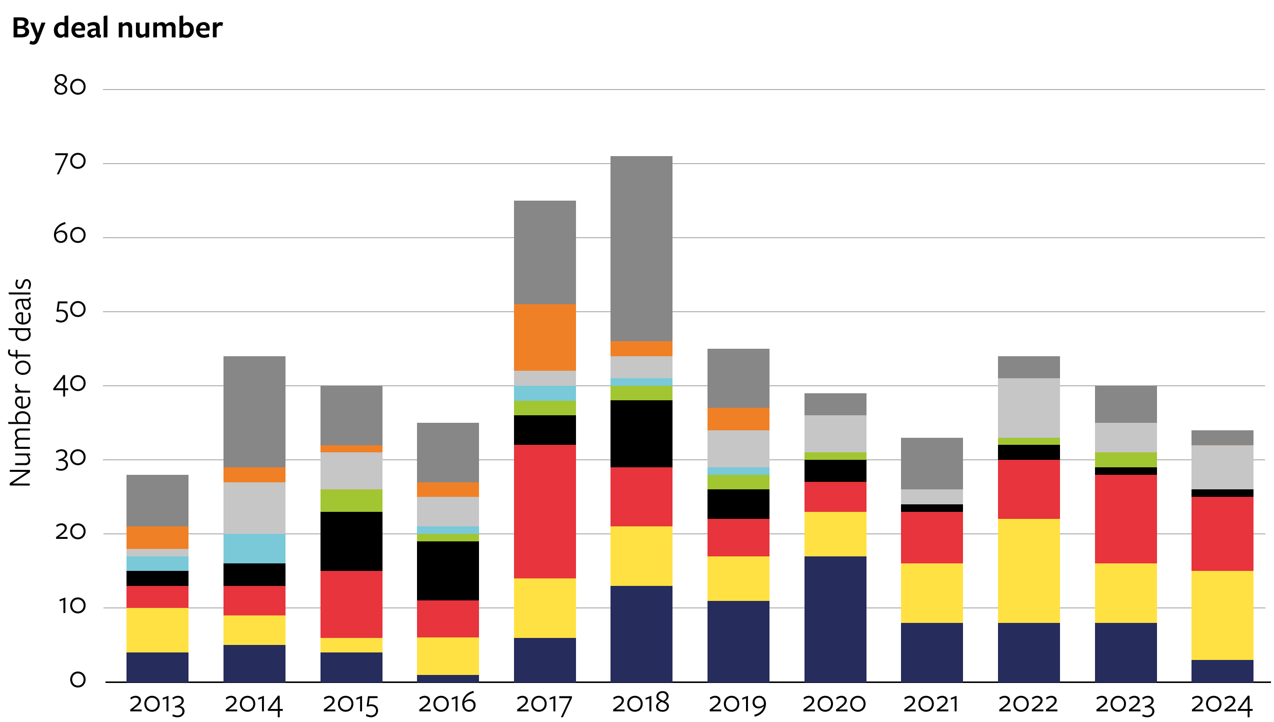
Since 2013, Chinese investment in Latin America and the Caribbean has been concentrated in a few key sectors, notably energy, mining and the automotive industry. The energy sector has attracted $50 billion, mining $43.4 billion and automotive $13.5 billion through 88, 87 and 93 deals, respectively. Combined, these three industries account for 52% of all deals over the period (Figure 15).

From the mid-2010s, Chinese investment in the region has generally aligned with sectors where China has a comparative advantage vis-à-vis the recipient country (e.g. utilities), or the recipient country's advantage complements China's excess demand (e.g. mineral supply) (Ding et al., 2021).[23] In sectors where Chinese firms have a comparative advantage and are pushed to relocate capital away from domestically saturated markets, there are opportunities to address the investment and infrastructure gaps in LAC. This can yield positive local economic impacts when host countries have adequate absorption capacity to attract and manage FDI.

23 This relationship is known as sectoral complementarity and is observed in the FDI patterns of advanced economies. Comparative advantage in a given sector is indicated by a high revealed comparative advantage (RCA) score, which occurs when the ratio of a country's exports of a product to its total exports of all products exceeds the ratio for the world as a whole. It is a measure of a country's relative competitiveness and export strength in a product (Ding et al., 2021).

Figure 15 Annual amount of FDI from China to LAC by destination sector, 2013–2024





Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)

Note: Energy (all) includes clean energy projects, transmission and distribution projects, and electricity generation and exploration of fossil fuels.

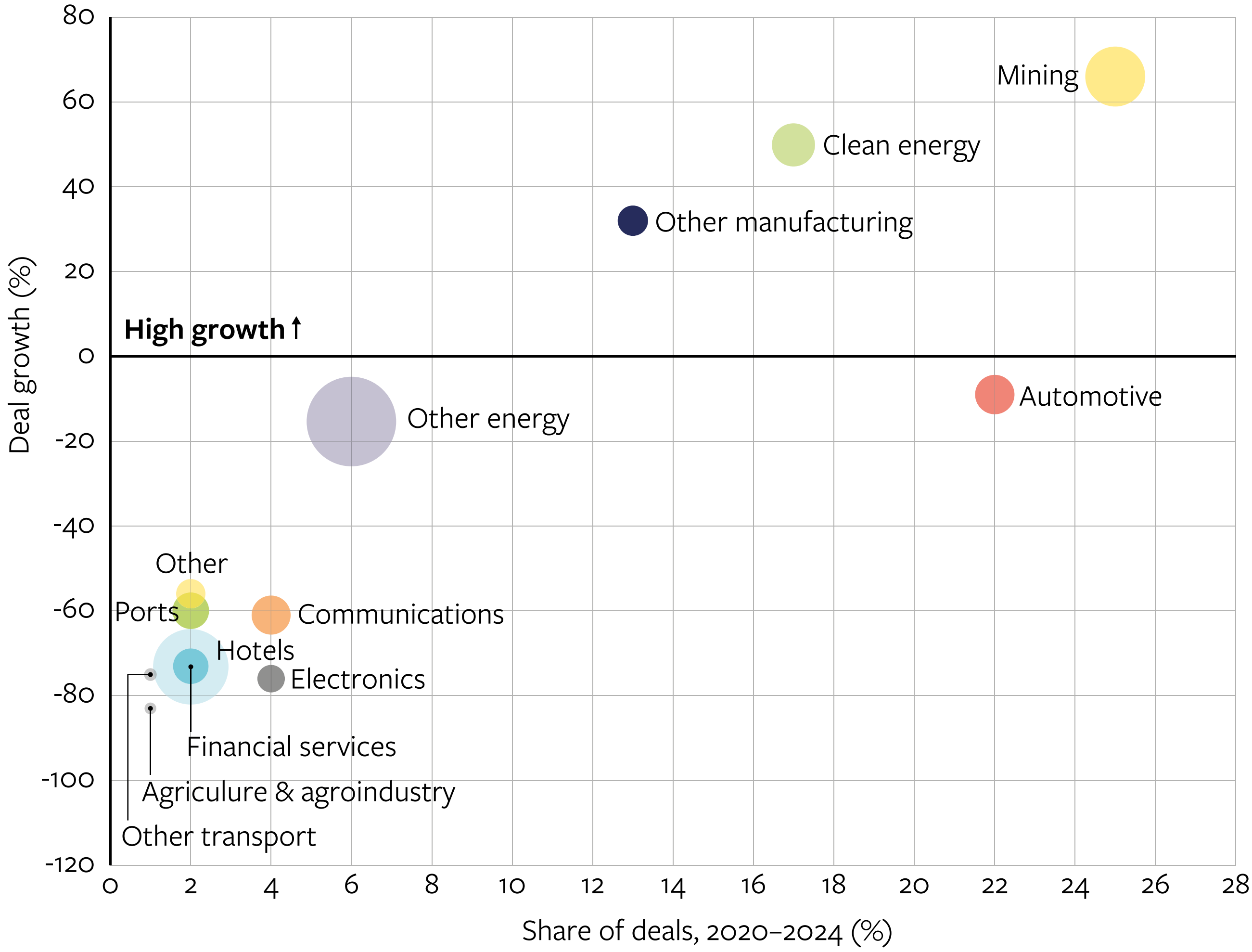
The electricity sector has historically been a neglected sector in LAC countries, with significant investment gaps, particularly in grid modernisation (Brichetti et al., 2021). Against this backdrop, the electricity transmission and distribution segments are a major target for Chinese acquisitions. In Brazil, Chinese firms control 12% of national transmission infrastructure, in addition to owning and operating nearly half of São Paulo's hydropower generation capacity (Barbosa, 2020). Chinese companies manage over 300 power plants, representing 10% of Brazil's total generation capacity (ibid.). Similar trends are visible elsewhere: as of 2024, China Southern Power Grid and China Three Gorges Corporation own 100% of Lima's electricity distribution market, which serves a third of Peru's national market (Moreno Custodio, 2025). After several high-profile acquisitions in Chile, State Grid Corporation of China now controls over 57% of the country's regulated electricity distribution market (Myers, 2023).

Power generation and transmission infrastructure assets are strictly monitored by governments and regulators due to their strategic importance for national energy security, and Chinese firms, like any other foreign and domestic players, operate under the same conditions (Barbosa, 2020). What remains less clear, however, is whether these investments have filled short-term gaps and represent a national security risk such as a new dependency on external actors, or if they will result in genuine industrial upgrading.

An analysis of longer-term sectoral trends in Chinese FDI in Latin America and the Caribbean – comparing the most recent five-year period of project activity with the previous one – reveals that clean energy, mining and manufacturing (excluding automotive and electronics) have emerged as the primary areas of investment in the region. Clean energy project announcements – including solar, wind and hydropower development, energy storage, and domestic manufacturing of clean energy components such as batteries and wind turbines – increased by 50% from 2015–2019 to 2020–2024, while the number of other energy investments in transmission and distribution and fossil fuels declined by 15% (Figure 16). Previous analysis found that eight of the top ten solar module providers to projects in Latin America are Chinese, led by Longi, Jinko, Trina and JA (reflecting, in part, China's dominance of global clean energy equipment manufacturing supply chains) (Park, 2023). There were 48 mining project announcements in 2020–2024, up by 66% from 29 deals in 2015–2019. Manufacturing projects in industrial machinery and equipment, consumer products (furniture and textiles), chemicals and packaging also saw an increase relative to the previous five-year period.

Chinese investments have shown a marked spatial concentration within major recipient countries since 2013. In Argentina, just over half of investments (by volume) have been in the 'Lithium Triangle' provinces of Salta, Jujuy and Catamarca through 29 transactions – all but one of which are in the mining sector. In Brazil, 43% of investments have been in São Paulo, and in Chile, 64% are in Santiago. In Mexico, the capital has long been an important destination for investments, but since 2020, 47% of transactions have taken place in the northern industrial hub states of Nuevo León and Coahuila, in automotive and auto parts, as well as electronics manufacturing.

Figure 16 Chinese FDI deal growth by sector, 2020–2024



Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)
Note: The horizontal axis depicts each sector's share of the total number of deals between 2020 and 2024. The vertical axis shows the five-year-period growth rate, calculated by comparing the numbers of deals in the periods 2020–2024 and 2015–2019. Bubble sizes represent the average deal size (by value) during 2020–2024.

Two clear patterns emerge from this geographic concentration. First, major urban hubs and economically developed areas attract a diverse range of investment flows due to their large market sizes, high quality of infrastructure and availability of skilled labour. Second, in countries with abundant natural resources, resource-producing regions attract disproportionately large investments. Mexico represents a unique case due to its deep economic partnership with the US, where Chinese-linked assets generally tend to cluster in the most competitive industrial and manufacturing hubs, and states with strong commercial and logistical links to the United States (Collins et al., 2025). Setting up factories in Mexico allows Chinese companies working with North American producers as part of global value chains to qualify for duty-free access into the US market, given tighter rules of origin under the United States-Mexico-Canada Agreement (USMCA) (Ando et al., 2024).

Box 2 Deep dive on Chinese investments in Latin America's EV assembly and battery industry

Several Latin American countries, led by Brazil, Mexico, Costa Rica and Colombia, are emerging as new centres for electric vehicle (EV) adoption growth, with sales in the region more than doubling year-on-year since 2022. This has largely been driven by the increased availability of affordable models imported from China – in 2024, Chinese original equipment manufacturers (OEMs) produced over 60% of EVs sold in these four markets and more than 80% of Latin America's electric bus stock. Since 2020, countries in the region have been increasing their policy support for EVs, including EV sales and fleet targets, internal combustion engine (ICE) phase-out, and tax incentives for private sector investment in research and development (R&D) and local clean car manufacturing.

Encouraged by these policies, Chinese OEMs are setting up local manufacturing and assembly plants for EVs. Brazil, the largest automotive market in LAC, has been the main destination for Chinese EV project investments so far. One of the leaders in the region is BYD, which began production at its new factory in Bahia in July 2025.[24] Earlier in 2020, BYD established a lithium-iron-phosphate battery manufacturing plant, primarily for electric buses, in Manaus. The company's first investment in Brazil was an electric bus chassis manufacturing facility in São Paulo in 2015. In 2021, another Chinese OEM, Great Wall Motors, acquired a former Mercedez-Benz plant in Iracemápolis, which it aims to turn into a manufacturing facility for hybrid vehicles by mid-2025.

In 2023, Chery announced a $400 million investment to set up an EV factory in Argentina, although it is unclear whether the project has progressed. In Mexico, concerns around geopolitical tensions and tariffs from the US led to the rejection of a planned investment by BYD in July 2025, and there is uncertainty around previously announced plans by other OEMs.

While these investments introduce advanced EV technologies and create employment, whether recipient countries benefit from technology transfer and job creation will depend on local government policies, regulatory oversight and industrial strategies. The arrival of Chinese EV OEMs also poses risks for the competitiveness of local automotive industries against foreign subsidiaries.

Source: Authors' compilation based on Monitor of Chinese OFDI in LAC (2025), IEA (2025), Castilhos Rypl and Lopes (2024), Kohli et al. (2022), desk research

24 Construction of the plant was halted at the end of 2024 due to investigations into poor working conditions at the site. In May 2025, Brazilian labour prosecutors filed a lawsuit against BYD and two of their contractors (Magalhaes, 2025).

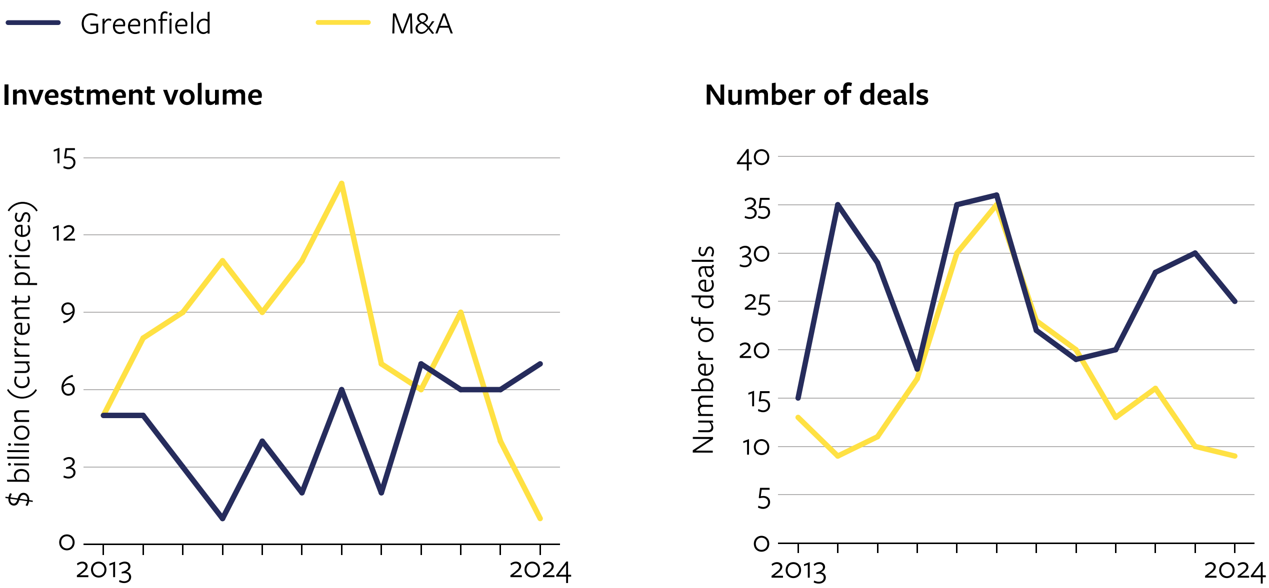
4.3 How is China investing in Latin America and the Caribbean?

What modes of equity financing are used?

Over the last three years, Chinese investment strategies in Latin America and the Caribbean have shifted towards greenfield development. In 2024, greenfield transactions represented 74% of all project announcements in 2024, and since 2021, the number of greenfield deals made by Chinese companies has exceeded mergers and acquisitions (including both minority and control equity positions) (Figure 17).[25] In the last two years, the total volume of annual greenfield deals has also surpassed the total value of M&A transactions, despite historically higher average deal sizes for M&A projects.[26]

Mexico and Brazil have emerged as primary destinations for Chinese greenfield investments, particularly in automotive plants and electronics manufacturing. In contrast, the energy and mining sectors in Brazil, Chile and Argentina attract the highest number of M&A deals on average (Figure 18). In 2024, Chinese acquisitions reached their lowest levels in a decade, indicating a shift away from the acquisition-heavy approach of previous years as Chinese firms have gained experience in the region.

Figure 17 Chinese FDI by type of deal, 2013–2024

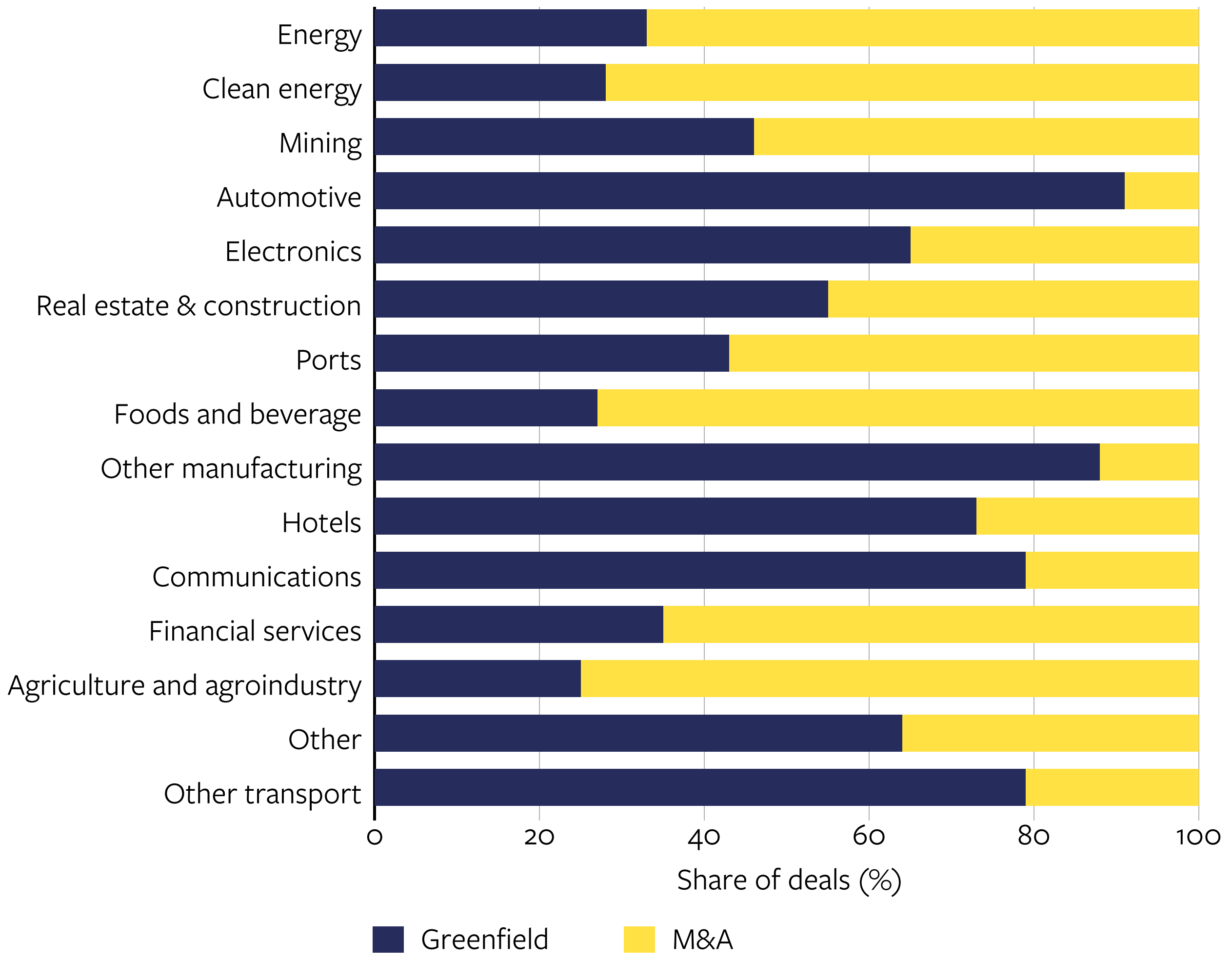


Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)

25 Note that some Chinese equity investments will also include joint ventures with local partners. There is evidence from a subset of South American countries that Chinese joint ventures have been on the rise (Urdinez and Myers, 2025). However, there is insufficient detail in our dataset to further break down the ownership structures.

26 Since 2013, these averaged over $492 million compared to the average $192 million for a greenfield project.

Figure 18 Sectoral breakdown of Chinese FDI by deal type (Greenfield vs M&A), 2013–2024

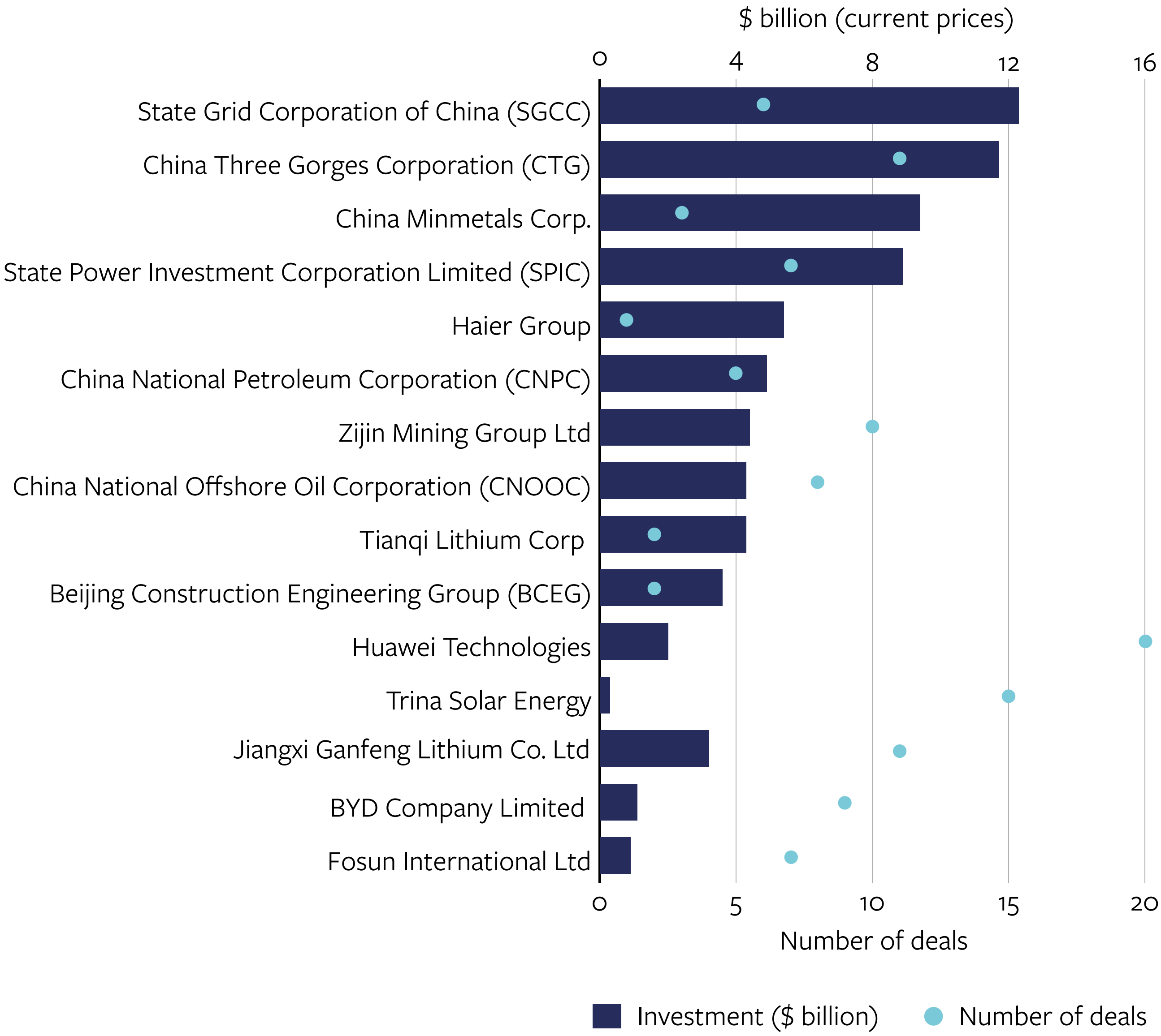


Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)
Note: The values represent the share of greenfield or M&A deals for each sector based on total number of deals in the period 2013–2024.

Which Chinese companies have been involved in investments in Latin America and the Caribbean?

Chinese state-owned companies and large conglomerates have invested the largest sums since 2013. Among the leading investors by cumulative value of investments are the Chinese power SOEs State Grid Corporation of China ($12.3 billion), China Three Gorges Corporation ($11.7 billion) and State Power Investment Corporation ($8.9 billion) (Figure 19). With the exception of two greenfield deals by China Three Gorges Corporation, all investments by the three giants have focused on M&A deals in the energy sector. There is also a strong Chinese SOE presence in the mining industry, with over $21 billion in deals (predominantly M&A) collectively made by China Minmetals Corporation, Zijin Mining Group, Tianqi Lithium and Jiangxi Ganfeng Lithium. Leading private technology and solar product manufacturers Huawei and Trina Solar are the main investors by total number of deals over this period.

Figure 19 Top Chinese companies by number and value of investments in the LAC region, 2013–2024



Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)

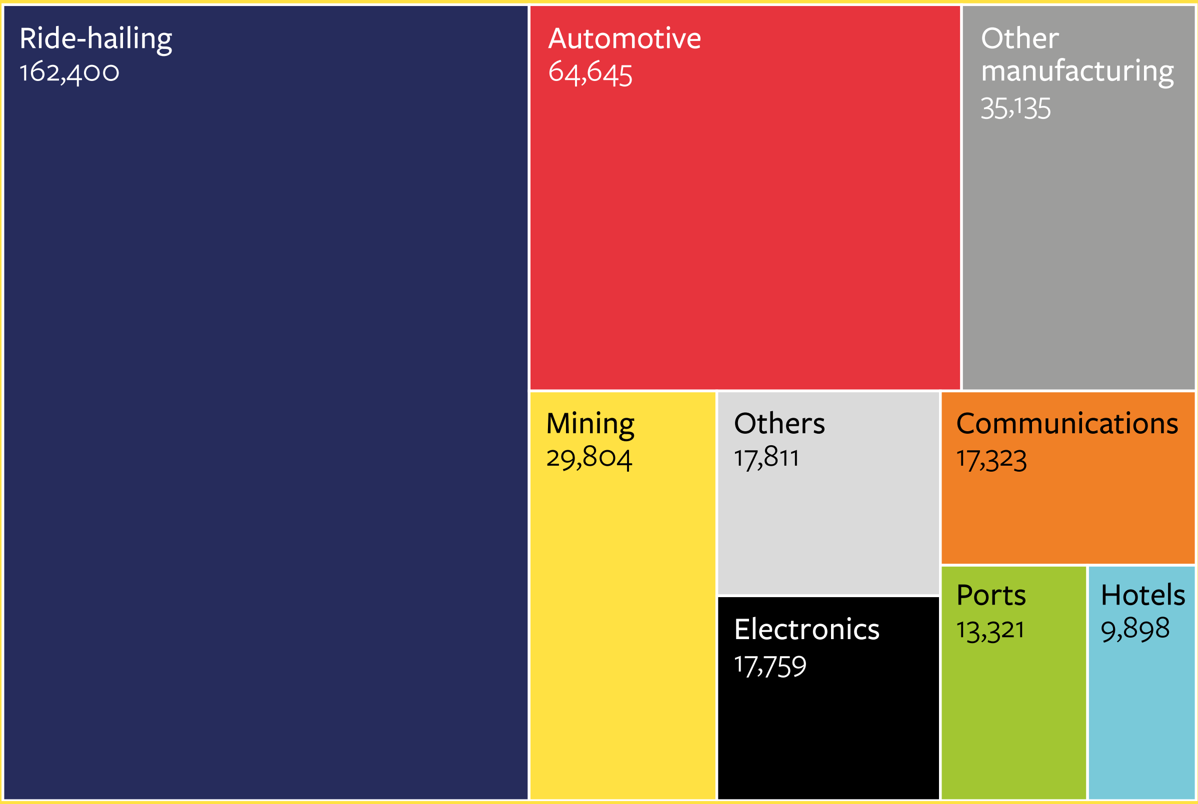
Note: The chart includes the top 10 Chinese companies by value of cumulative investments, and the top companies by number of deals in the period 2013–2024, excluding any overlap.

Box 3 Job creation impact of Chinese FDI in LAC

One of the channels through which FDI is typically expected to contribute to economic development is employment and skills development. This box examines direct employment generation from Chinese greenfield investments in the region, as reported in public announcements. Due to data limitations, there is no distinction between permanent and temporary positions, the 'quality' of these jobs, or the relative skill level required. The figures also do not capture indirect jobs (positions that may be created within the supply chain and local services supporting Chinese investments) or induced jobs (created as a result of more local economic activity).[27]

Between 2013 and 2024, Chinese investments in new factories and operations are estimated to have created over 386,000 jobs in the region. The average number of jobs per greenfield project has also increased, from under 330 jobs in 2013 to over 1,220 jobs in 2024, largely driven by increased investment in auto parts manufacturing plants in Mexico.

Figure 20 Jobs created from Chinese greenfield projects in LAC, 2013–2024



27 Mergers and acquisitions (M&As) are excluded. These may sometimes lead to expansion and job growth at the acquiring firm but the Monitor data only records the number of employees working at the acquired firm at the time of the M&A transaction.

This employment generation has been geographically concentrated: Mexico, Colombia, Brazil, Peru and Argentina are the largest beneficiaries, accounting for 43%, 28%, 9%, 6% and 4% of these positions, respectively. The other 9% of jobs were distributed among 19 LAC countries. The largest share of these jobs was created in the transport sector, through the expansion of Didi Chuxing Technology's ride-hailing service to Mexico, Costa Rica and Colombia. The automotive sector was the second-largest cluster for job creation, accounting for around 18% of all direct jobs over this period, followed by manufacturing of industrial equipment, machinery and furniture, with 10% of jobs. Mining sector jobs were predominantly concentrated in Argentina and Peru, while Brazil and Mexico were the largest recipients of jobs in the electronics sector.

Source: Authors' elaboration based on Monitor of Chinese OFDI in LAC (2025)

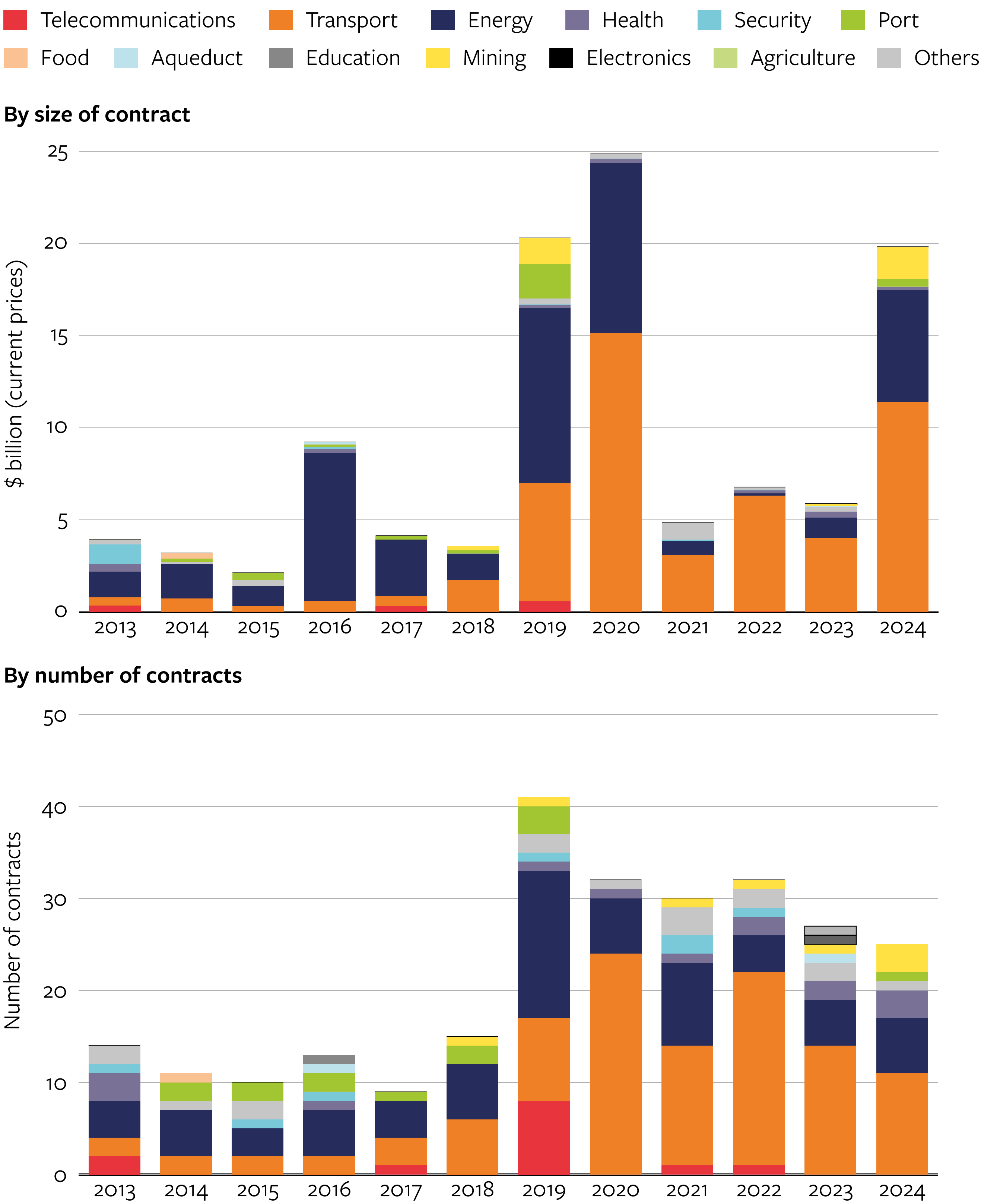
Engineering, construction and service delivery contracts

Unlike Chinese FDI to Latin America and the Caribbean, the number of Chinese-built infrastructure projects in the region has expanded, especially starting in 2019 (Figure 21).[28] Chinese engineering and service contractors in the LAC region have focused on the energy ($44 billion) and transport ($51 billion) sectors in Mexico, Argentina and Brazil, with these three countries accounting for half of energy and transport-related contracts awarded to Chinese firms since 2013. Transport sector projects include railways and urban mobility networks, roads and bridges, and energy projects cover fossil fuel and renewable energy generation plants, and transmission and distribution networks. Across all sectors, 68% of projects were contracted in six countries – Mexico, Argentina, Brazil, Ecuador, Bolivia and Chile.

Infrastructure contracts have been dominated by SOEs rather than private companies. Between 2013 and 2024, SOEs such as China Harbour Engineering Company (CHEC) and Sinohydro were awarded 184 contracts worth nearly $98 billion, while private firms such as Yutong and Hytera won 72 contracts worth over $10 billion. Since the marked spike in contracts in 2019, 187 infrastructure projects worth $82 billion have generated over 650,000 jobs in the region.

28 This analysis is based on engineering, construction and service delivery contracts won by Chinese firms to build infrastructure projects that were carried out, not just announced. These contracts typically result from a bidding process but may also be by direct appointment. The infrastructure belongs to the client requesting this service.

Figure 21 Chinese infrastructure projects in Latin America and the Caribbean, 2013–2024



Source: Authors' elaboration based on Monitor of Chinese Infrastructure in LAC (2025)

Note: The data tracks infrastructure projects that were completed, not just announced. Projects are recorded in the year in which the contract was awarded.

5 Looking ahead

This section presents the emerging themes analysed in this report and highlights potential future developments to watch regarding China's economic engagement in Latin America and the Caribbean.

5.1 Emerging themes and implications

- **Shift from loans for projects to more company-led equity investment.** The sharp decline observed in Chinese lending to Latin America and the Caribbean since 2018 is not mirrored across the equity investments by Chinese state-owned and private firms in the region. While Chinese FDI has also experienced a decline since 2022, the magnitude of this fall has not been as sharp as for lending. While Chinese financial institutions have reduced their exposure to LAC economies due to tighter credit conditions and heightened risk awareness, Chinese companies across critical minerals, energy, automotive and industrial manufacturing continue to pursue commercial opportunities from market expansion in these high-return sectors. This likely also reflects a maturation of Chinese companies in the region, as they no longer rely on intermediation by Chinese financial institutions (Ray et al., 2024).
- **Diversification of Chinese investment interests in LAC.** While the involvement of Chinese companies in the mining supply chains of South American economies (such as lithium in Argentina and copper in Chile) is likely to continue to grow, Chinese FDI is increasingly targeting higher-tech industrial segments. Project-level announcements of Chinese firms' investments in Latin America and the Caribbean over the last five years indicate increasing interest in electric mobility, clean energy, and industrial and consumer product manufacturing. Specifically, clean energy project announcements – including solar, wind and hydropower development, energy storage, and component manufacturing – increased by 50% from 2015–2019 to 2020–2024. Chinese investment strategies have also shifted towards greenfield over M&A projects in the last three years, with greenfield transactions accounting for over two-thirds of project announcements in 2024.

5.2 What to watch

- **How will US trade policy impact Chinese FDI flows and trade with LAC?** The evolving trade policies of the US towards both China and LAC economies are reshaping the current investment and trade landscape. As the US expands tariffs and other trade restrictions, Chinese firms may seek to deepen their presence in LAC markets to mitigate exposure to US protectionism. Mexico, for example, is well-positioned to attract near-shoring investment from China as firms relocate production to maintain preferential access to the US market under the USMCA. At the same time, closer US scrutiny of Chinese exports – particularly in strategic sectors such as electric vehicles – may divert Chinese trade towards LAC economies, where regulatory environments are more permissive. For LAC countries negatively affected by US tariffs, this may trigger an intensification of trade flows with China. However, this reorientation is occurring amid growing pressure from the US on LAC governments to limit strategic engagement with China. The case of Panama's exit from the BRI illustrates this dynamic.
- **What is the future of Chinese lending in the region?** The announcement of a new RMB-denominated $9 billion credit line in May 2025 did not come with details for the timeframe or mechanisms under which this money will be disbursed. However, it suggests that China is willing to align more closely with the region as the Trump administration pushes for a less favourable Latin America agenda. While lending may never quite bounce back to pre-2018 levels, the announcement signals that any future loans may also be part of China's drive to internationalise its currency and reduce dollar dominance in the international financial system (Chapman et al., 2025).

References

AidData (2023) "Global Chinese Development Finance Dataset, Version 3.0." Available at: https://www.aiddata.org/data/aiddatas-global-chinese-development-finance-dataset-version-3-0.

Amodio, F., Chiovelli, G. and Frache, S. (2025) *Beefing Up the Service Sector: Commodity Exports to China and Production Network Spillovers*. Working Paper. Available at: https://economics.yale.edu/sites/default/files/2025-03/Beefing%20Up%20the%20Service%20Sector.pdf.

Ando, M., Kimura, F. and Yamanouchi, K. (2024) "Factory Asia Meets Factory North America: How Far Does Latin America Get Involved in Machinery Production Networks?," *The Chinese Economy*, 57(4), pp. 246–275. Available at: https://doi.org/10.1080/10971475.2024.2350123.

Ayres, J., Izquierdo, A. and Parrado, E. (2025) *2025 Latin American and Caribbean Macroeconomic Report: Regional Opportunities Amid Global Shifts*. Inter-American Development Bank. Available at: https://doi.org/10.18235/0013475.

Barbosa, P.H.B. (2020) *New Kids on The Block: China's Arrival in Brazil's Electric Sector*, 12. Boston University Global Development Policy Center. Available at: https://www.bu.edu/gdp/2021/01/25/new-kids-on-the-block-chinas-arrival-in-brazils/.

Bidegaray, M. (2025) "Losing Ground in Latin America and the Caribbean," *Policy Perspectives*, 32. Available at: https://doi.org/10.4079/pp.v32i0.13.

Brichetti, J.P. et al. (2021) *The Infrastructure Gap in Latin America and the Caribbean: Investment Needed Through 2030 to Meet the Sustainable Development Goals*. Inter-American Development Bank. Available at: https://doi.org/10.18235/0003759.

BU – Boston University (2025) *China's Overseas Development Finance Database*. Boston University Global Development Policy Center. Available at: https://www.bu.edu/gdp/chinas-overseas-development-finance/.

Cao, E. and Thukral, N. (2025) "China expands Argentina soybean buying to 20 cargoes, traders say," Reuters, 24 September. Available at: https://www.reuters.com/world/china/china-expands-argentina-soybean-buying-20-cargoes-traders-say-2025-09-24/.

Caribbean Insight (2024) "Suriname and China sign US$476 million debt restructuring agreement," Colibri Corporate Advisory. Available at: https://colibriadvisory.com/suriname-and-china-sign-us476mn-debt-restructuring-agreement/.

Cash, J. (2023) "Uruguay, China agree to pursue bilateral trade pact as well as Mercosur deal," Reuters, November. Available at: https://www.reuters.com/markets/uruguay-wants-speed-up-trade-talks-with-china-mercosur-puts-pressure-paraguay-2023-11-23/.

Castilhos Rypl, N. and Lopes, G. (2024) "Latin America's EVs Get a Big Boost From Chinese Carmakers," BloombergNEF. Available at: https://about.bnef.com/insights/clean-energy/latin-americas-evs-get-a-big-boost-from-chinese-carmakers/.

Chapman, M., Kiryakova, El. and Nadin, R. (2025) *Disrupting the world's money: China's ambitions for global finance*. ODI Global Briefing Paper. London: ODI Global. Available at: https://odi.org/en/publications/chinas-ambitions-for-global-finance/.

Chen, C.-K. (2021) "China in Latin America Then and Now: A Systemic Constructivist Analysis of China's Foreign Policy," *Journal of Current Chinese Affairs*, 50(2), pp. 111–136. Available at: https://doi.org/10.1177/18681026211034880.

Chen, Y. and Emery, T. (2025) *Greener on the other side? Mapping China's overseas co-financing and financial innovation*. London: ODI Global. Available at: http://www.odi.org/en/publications/greener-on-the-other-side-mapping-chinas-overseas-co-financing-and-financial-innovation/.

China-CELAC Forum (2015) "China-Latin American and Caribbean Countries Cooperation Plan (2015-2019)," China-CELAC Forum. Available at: https://www.chinacelacforum.org/eng/zywj_3/201501/t20150123_6475954.htm.

Collins, G., Payan, T. and Gantz, D.A. (2025) *Quantifying Investments in Mexico by China-Linked Entities*. James A. Baker III Institute for Public Policy of Rice University. Available at: https://doi.org/10.25613/RRV4-8046.

Custer, S. et al. (2023) *Tracking Chinese Development Finance: An Application of AidData's TUFF 3.0 Methodology*. Williamsburg, VA: AidData at William & Mary. Available at: https://www.aiddata.org/publications/aiddata-tuff-methodology-version-3-0.

Ding, D. et al. (2021) *Chinese investment in Latin America: sectoral complementarity and the impact of China's rebalancing*. IMF Working Paper, WP/21, 160. Washington, D.C.: International Monetary Fund. Available at: https://doi.org/10.5089/9781513573342.001.

ECLAC (2024) *Foreign Direct Investment in Latin America and the Caribbean 2024*. United Nations Economic Commission for Latin America and the Caribbean.

Gelpern, A. et al. (2024) "How China lends: a rare look into 100 debt contracts with foreign governments," *Economic Policy*, 38(114), pp. 345–416. Available at: https://doi.org/10.1093/epolic/eiac054.

Glauber, J. and Gianatiempo, J.P. (2025) "How U.S. tariffs might impact countries of Latin America and the Caribbean," IFPRI Blog: Markets, Trade and Institutions. Available at: https://www.ifpri.org/blog/how-us-tariffs-might-impact-countries-of-latin-america-and-the-caribbean/.

Guo, J. (2023) "The political economy of China–Latin America relations: the making of a post-boom paradigm," *China International Strategy Review*, 5(1), pp. 113–138. Available at: https://doi.org/10.1007/s42533-023-00126-5.

Horn, S., Reinhart, C.M. and Trebesch, C. (2021) "China's overseas lending," *Journal of International Economics*, 133, p. 103539. Available at: https://doi.org/10.1016/j.jinteco.2021.103539.

IEA – International Energy Agency (2025) *Global EV Outlook 2025: Expanding sales in diverse markets*. Paris: International Energy Agency. Available at: https://www.iea.org/reports/global-ev-outlook-2025.

IMF (2024) *Public Debt Dynamics in Latin America: Time to Rebuild Buffers and Strengthen Fiscal Frameworks.* Background Paper 2. International Monetary Fund. Available at: https://www.imf.org/-/media/Files/Publications/REO/WHD/2024/october/English/BackgroundPaper2.ashx#:~:text=Despite%20successfully%20weathering%20the%20pandemic,downward%20path%20and%20rebuild%20buffers.

IMF (2025a) "Suriname," *IMF Staff Country Reports*, 2025(011), p. 1. Available at: https://doi.org/10.5089/9798400298967.002.

IMF (2025b) “World Economic Outlook (April 2025) database.” Available at: https://www.imf.org/external/datamapper/profile/WE.

Jenkins, R. (2022) “China’s Belt and Road Initiative in Latin America: What has Changed?,” *Journal of Current Chinese Affairs*, 51(1), pp. 13–39. Available at: https://doi.org/10.1177/18681026211047871.

Kaplan, S. B. and Penfold, M. (2019) *China-Venezuela Economic Relations: Hedging Venezuelan Bets with Chinese Characteristics*. Wilson Center. Available at: https://www.wilsoncenter.org/publication/china-venezuela-economic-relations-hedging-venezuelan-bets-chinese-characteristics.

Kohli, S. et al. (2022) *Zero-emission vehicle deployment: Latin America.* Briefing. International Council on Clean Transportation. Available at: https://theicct.org/wp-content/uploads/2022/04/EMDE-Latin-America-briefing-A4-v2.pdf.

Magalhaes, L.N. (2025) “Brazil prosecutors sue Chinese carmaker BYD for violating labor rights.” Available at: https://www.reuters.com/sustainability/society-equity/brazil-prosecutors-sue-byd-violating-labor-rights-2025-05-27/.

Makoff, G., Maret, T. and Wright, L. (2025) *Sovereign Debt Restructuring with China at the Table: Forward Progress but Lost Decade Risk Remains*. M-RCBG Associate Working Paper 248. Harvard Kennedy School. Available at: https://www.hks.harvard.edu/centers/mrcbg/publications/awp/awp248.

Maloney, W.F., Melendez, M. and Morales, R. (2025) *Latin America and the Caribbean Economic Review, April 2025: Organized Crime and Violence in Latin America and the Caribbean*. World Bank. Available at: http://hdl.handle.net/10986/42889.

MFA – Ministry of Foreign Affairs (2025) “Keynote Address: Writing a New Chapter in Building A China-LAC Community with a Shared Future,” China-CELAC Forum, 13 May. Available at: http://www.chinacelacforum.org/eng/zyxw_1/202505/t20250513_11622241.htm.

MOFCOM (2024a) *2023 Statistical Bulletin of China’s Outward Foreign Direct Investment*. Beijing: China Commerce and Trade Press.

MOFCOM (2024b) “China FTA Network,” Ministry of Commerce, People’s Republic of China. Available at: http://fta.mofcom.gov.cn/english/index.shtml.

Moreno Custodio, L. (2025) “China’s role in Peru’s grids stirs debates,” Dialogue Earth. Available at: https://dialogue.earth/en/energy/chinas-role-in-perus-grids-stirs-debates/.

Myers, M. (2023) “‘It’s Electric!’: China’s Power Play in Latin America,” Wilson Center Latin America Program. Available at: https://www.wilsoncenter.org/blog-post/its-electric-chinas-power-play-latin-america.

Myers, M. and Ray, R. (2022) *What Role for China’s Policy Banks in LAC?* China-Latin America Report. The Dialogue and BU Global Development Policy Center. Available at: https://www.bu.edu/gdp/2022/03/28/what-role-for-chinas-policy-banks-in-latin-america-and-the-caribbean/.

Nadin, R. et al. (2025) *China’s outward economic trade and investment in developing countries in the agricultural sector.* Unpublished report.

Nedopil, C. (2025) “Countries of the Belt and Road Initiative.” Green Finance & Development Center, FISF Fudan University. Available at: www.greenfdc.org.

Ogier, T. (2025) “BNDES sets up Brazil fund with Chinese bank,” Latin Finance, October. Available at: https://latinfinance.com/daily-brief/2025/10/05/bndes-sets-up-brazil-fund-with-chinese-bank/.

Ortiz Velásquez, S. (2017) "Inversión Extranjera Directa de China en América Latina y el Caribe, aspectos metodológicos y tendencias durante 2001-2016," *Economía Informa*, 406, pp. 4–17. Available at: https://doi.org/10.1016/j.ecin.2017.10.001.

Park, S. (2023) "China's Contributions to Latin America's Push to Net Zero," *BloombergNEF*. Available at: https://about.bnef.com/insights/finance/chinas-contributions-to-latin-americas-push-to-net-zero/.

Parks, B.C. et al. (2023) *Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative*. Williamsburg, VA: AidData at William & Mary. Available at: https://www.aiddata.org/publications/belt-and-road-reboot.

Patrick, I. (2025) "Brazil and China to study South American transcontinental railway project," South China Morning Post. Available at: https://www.scmp.com/news/china/diplomacy/article/3317462/brazil-and-china-study-south-american-transcontinental-railway-project.

PBoC (2025) "Status of Bilateral Local Currency Swap Agreements Signed by the People's Bank of China," People's Bank of China. Available at: http://www.pbc.gov.cn/en/3688241/3688636/3688657/5793816/index.html.

Perotti, D.E. (2015) *The People's Republic of China and Latin America: the impact of Chinese economic growth on Latin American exports*. CEPAL Review 116. Economic Commission for Latin America and the Caribbean (ECLAC). Available at: https://repositorio.cepal.org/entities/publication/cf8c542c-a066-4120-b942-027d836aa605.

Ray, R., Albright, Z.C. and Dussel Peters, E. (2024) *China-Latin America and the Caribbean Economic Bulletin: 2024 Editio*n. BU Global Development Policy Center. Available at: https://www.bu.edu/gdp/2024/07/29/china-latin-america-and-the-caribbean-economic-bulletin-2024-edition/.

Rosendal, T. (2025) "US pressure has forced Panama to quit China's Belt and Road Initiative – it could set the pattern for further superpower clashes," The Conversation. Available at: https://theconversation.com/us-pressure-has-forced-panama-to-quit-chinas-belt-and-road-initiative-it-could-set-the-pattern-for-further-superpower-clashes-249093.

Serrano-Moreno, J.E. (2023) "Latin America and the Caribbean: How the Belt and Road Initiative Diminished US Influence," in S.S.F. Regilme (ed.) *The United States and China in the Era of Global Transformation*s. Bristol University Press, pp. 138–159. Available at: https://doi.org/10.51952/9781529228472.ch007.

de la Torre, A., Myers, M. and Holmes, S. (2022) "On the Ecuador-China Debt Deal: Q&A with Augusto de la Torre," The DIalogue. Available at: https://thedialogue.org/analysis/on-the-ecuador-china-debt-deal-qa-with-augusto-de-la-torre.

UNCTAD (2025a) *Regional trends: Latin America and the Caribbean*. United Nations Conference on Trade and Development. Available at: https://unctad.org/topic/investment/world-investment-report.

UNCTAD (2025b) *World Investment Report 2025: International investment in the digital economy*. United Nations Conference on Trade and Development. Available at: https://unctad.org/publication/world-investment-report-2025.

Urdinez, F. and Myers, M. (2025) *Trends in Chinese FDI in South America: Findings from the regional repository of Chinese investments in Latin Americ*a. ICLAC. Available at: https://iclac.cl/eng/publicaciones/trends-in-chinese-fdi-in-south-america-findings-from-the-regional-repository-of-chinese-investments-in-latin-america/.

Villar, O. (2023) "In whose backyard? China and Latin America in the imperialist chain," *Critique*, 51(2–3), pp. 399–414. Available at: https://doi.org/10.1080/03017605.2023.2292858.

Wang, Y. (2025) "Planning Together for Development and Revitalization, Building Together a China-LAC Community with a Shared Future," Ministry of Foreign Affairs, People's Republic of China. Available at: https://www.fmprc.gov.cn/eng/wjb/wjbz/jh/202505/t20250513_11622018.html.

Woodford, I., Palencia, G. and Kinosian, S. (2023) "Debts and investment spur Honduran change of allegiance to China," Reuters, 16 March. Available at: https://www.reuters.com/world/honduras-decision-open-ties-with-china-about-pragmatism-not-ideology-minister-2023-03-15/.

World Bank (2024) *International Debt Report 2024*. World Bank. Available at: http://hdl.handle.net/10986/42444.

Wu, T. and Chen, Y. (2024) *China's creditor diversification in Africa: Impacts and challenges of rising infrastructure debt-financing by Chinese commercial creditors*. Working Paper. London: ODI Global. Available at: https://odi.org/en/publications/chinas-creditor-diversification-in-africa-impacts-and-challenges-of-infrastructure-debt-financing-by-chinese-commercial-creditors/.

Xinhua (2008) "Full text: China's Policy Paper on Latin America and the Caribbean," China Daily. Available at: https://www.chinadaily.com.cn/china/2008-11/06/content_7179488.htm.

Xinhua (2016) "Full text of China's Policy Paper on Latin America and the Caribbean," The State Council of the People's Republic of China. Available at: https://english.www.gov.cn/archive/white_paper/2016/11/24/content_281475499069158.htm.

Yueh, L. (2024) "China's Strategic Lending Policy: Implications for Latin America," *The Chinese Economy*, 57(4), pp. 276–288. Available at: https://doi.org/10.1080/10971475.2024.2350124.

Zuo, M. and Nurmamat, M. (2025) "China prepares for long US soybean stand-off with huge Brazilian imports," South China Morning Post, 22 September. Available at: https://www.scmp.com/economy/china-economy/article/3326394/china-prepares-long-us-soybean-stand-huge-brazilian-imports.

Methodological annex

A1 Classification of China's overseas lending

China's model of lending and official finance does not fit neatly within the long-established framework and criteria for development financing used by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) members. For example, despite their state ownership, China's four main commercial banks extend loans at commercial rates and are not considered part of its official lending. For comparability with OECD approaches, the classification used in the AidData GCDF V3.0 (2023) dataset has been adapted to reflect the four main categories of the OECD system for classifying development and other types of finance. These are: Official Development Assistance (ODA)-like flows, Other Official Flows (OOF), Commercial Financing and Public-Private co-financing.

The authors have added two additional categories for financing by the People's Bank of China (PBoC). The first and main channel of lending is through currency swap agreements, whereby a foreign central bank draws down on the swap line. The second category captures project loans disbursed under the China Co-financing Fund for Latin America and the Caribbean. This is a regional co-financing fund funded by an initial $2 billion capital contribution by the PBoC and administered by the Inter-American Development Bank (IDB). Table 2 details the breakdown used throughout the report.

Table 2 'OECD-like' composition of China's overseas lending

Category by China	Category by OECD-DAC	Lending instrument	Managing institution
Foreign aid	**Official Development Assistance (ODA)-like**	Grants *Funded from foreign aid budget*	CIDCA, MOFCOM
		Interest-free/zero-interest loans (or 'soft loans') *Funded from foreign aid budget*	CIDCA, MOFCOM and Eximbank
		Concessional loans (or 'soft loans')	Eximbank (Preferential Loans Department) (*upon CIDCA approval*)
Other Official Flows (OOF)	**Other Official Flows (OOF)**	Preferential Export Buyers' Credits Export Buyers' Credits	Eximbank (*upon approval from MOFCOM*)
Commercial loans		Middle- and long-term project loans (often insured by Sinosure)	CDB
	Commercial Financing	Commercial loans and Export Buyers' Credits (middle- and long-term project loans, market-oriented, usually insured by Sinosure)	Four major Chinese state-owned commercial banks: Bank of China, Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China State-owned enterprises (e.g. China National Petroleum Company) Chinese private companies (e.g. Huawei)
N/A	**Public-Private Co-financing**	Projects co-funded by both policy banks and commercial lenders	N/A
N/A	**Currency Swap**	Currency swap agreements between the People's Bank of China and foreign central banks	PBoC
N/A	**China Co-financing Fund for LAC**	Project loans funded under a multilateral investment and financial cooperation fund established by People's Bank of China with a capital contribution of $2 billion	PBoC (funder) and IDB (implementing agency)

Source: Authors, building on Custer et al. (2023)

A2 Supplementary note on the lending data

The latest public release of AidData's Global Chinese Development Finance (GCDF) Version 3.0 dataset includes information on financial commitments up to and including 2021. To update the trends in Chinese development finance to Latin America and the Caribbean for more recent periods (2022–2024), this report draws on the China's Overseas Development Finance (CODF) database maintained by the Boston University Global Development Policy Center (BU, 2025). This tracks overseas loan commitments from China's two policy banks, the China Development Bank (CDB) and Export-Import Bank of China (Eximbank), to governments, inter-governmental bodies and state-owned entities.

It is important to note that there are significant differences in the coverage of GCDF and CODF, particularly as CODF only contains data on two lending institutions and a smaller selection of debt instruments. For example, CODF by default excludes information on lending from China's commercial banks or private sector, currency swap drawdowns, or lending to special purpose vehicles, joint ventures or private sector entities in recipient economies. As such, the CODF data likely understates the full extent of Chinese official lending during 2022–2024. It is included in this report solely to provide an indicative overview of ODA-like and OOF flows and to help address the temporal gaps in AidData coverage.

The additional loans committed by Eximbank and CDB in the period 2022–2024 are included in Table 3. These have been classified as Official Development Assistance (ODA) or Other Official Flows (OOF) by the authors based on the approach outlined above (see A1). Only one of the loans (Barbados in 2022) is considered to meet the requirements for a concessional loan from Eximbank, which is a RMB-denominated loan issued to government institutions on below-market terms, typically with (i) 20-year maturities; (ii) 5-year grace periods; and (iii) 2% interest rates (AidData, 2023).

Table 3 Additional loans from China's Overseas Development Finance (CODF) Database, 2022–2024

Year	Country	Project	Lender	Borrower	Amount ($ million)	Category
2022	Guyana	East Coast Road Project, Phase II	Eximbank	National Government	192	OOF
2022	Barbados	Scotland District Road Rehabilitation (56 roads, 224km)	Eximbank	National Government	120.99	ODA
2022	Costa Rica	Credit line to BNCR for on-lending	CDB	Banco Nacional de Costa Rica (BNCR)	50	OOF
2022	Brazil	Banco do Brasil term facility	CDB	Banco do Brasil	500	OOF

2023	Brazil	Investments in energy, green economy and technology: long-term facility	CDB	BNDES	800	OOF
2023	Brazil	Investments in energy, green economy and technology: short-term facility	CDB	BNDES	500	OOF
2024	Brazil	Banco do Brasil line of credit	CDB	Banco do Brasil	500	OOF
2024	Brazil	Banco do Brasil term facility	Eximbank	Banco do Brasil	500	OOF
2024	Bolivia	Oruro zinc refinery	Eximbank	National Government	350	OOF
2024	Brazil	BNDES term facility	CDB	BNDES	694.69	OOF
2024	Brazil	BNDES long-term facility	CDB	BNDES	800	OOF

Source: Authors, based on BU (2025) CODF database

Note: BNDES is the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social).

A3 Country and region classification

Table 4 lists the 33 countries included in the Latin America and Caribbean region for the purposes of this analysis.

Table 4 33 LAC economies classified by sub-region

Sub-region	Country
South America	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela
Central America and Mexico	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama
Caribbean	Antigua and Barbuda, Bahamas, Barbados, Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago

Source: Grouped by authors

ODI Global

ODI Global advises leaders on driving positive change. We turn bold ideas, evidence, and broad expertise into actionable strategies for a more resilient, just and equitable future.

ODI Global
4 Millbank
London SW1P 3JA, UK
+44 (0)20 7922 0300
info@odi.org

www.linkedin.com/company/odi