

## Tonga Snapshot

February 2015

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Population: 104,000 (2013)

GDP: \$473 million USD (2013, current)

Total aid from China (2006-) \$138.50 million USD

Total number of Chinese aid projects (2006-) 22

### Top 3 donors (2006-2013)

1 Australia \$157.74 million USD

2 China \$130.49 million USD

3 New Zealand \$90.05 million USD

### Context

Tonga initially established diplomatic relations with Taiwan (in 1972), but switched allegiance to China in 1998. Tonga is the Pacific Island country where Chinese assistance has arguably been most prominent. Its two large concessional loans have been criticised on numerous grounds. At a macroeconomic level, there are concerns about the indebtedness of the Tongan Government. The two loans from China account for 64 per cent of Tonga's debt stock – which is 43 per cent of GDP. Although the Tongan prime minister was unsuccessful in his attempt to get the Eximbank loans converted into grants (not possible within the current Chinese aid system), he did manage to negotiate a 5-year extension to the grant period, in effect delaying the start of repayments. There have been a number of other controversies around Chinese aid funds, including that negotiation has been conducted primarily at the political level, with only limited input from the civil service.

### Top 3 sectors (number of projects)

Transport (6)

Humanitarian Aid (4)

Education; Health; Government & Civil Society (3)

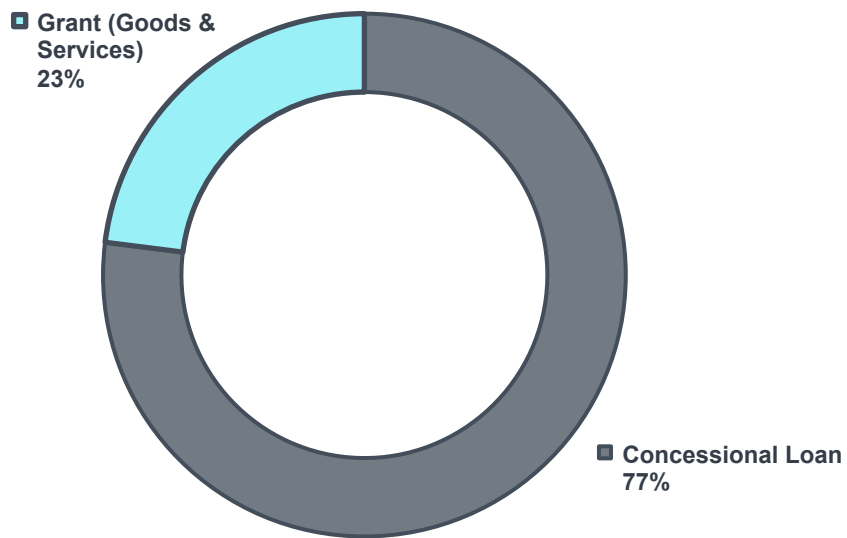
### Top 3 sectors (% of total Chinese aid)

Transport (50%)

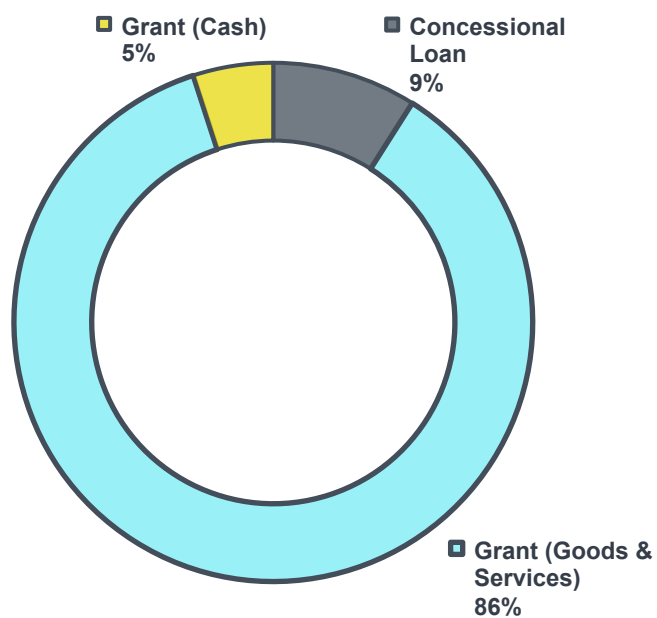
Multisector/Cross-cutting (45%)

Health (2%)

### Chinese aid by type (as % of total value)



### Chinese aid by type (as % of number of projects)



For details on specific projects, please explore [www.lowyinstitute.org/chinese-aid-map](http://www.lowyinstitute.org/chinese-aid-map)  
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