

So far China has not moved to replace AID in Asia. *Devex*, 8 Jan 2026

Beijing backs off

The incessant warnings that China will seize on America's global retreat to expand its hegemonic power have almost become universally accepted. But **the true story, at least in Beijing's backyard, is more nuanced.**

Nearly a year after the dismantling of [USAID](#), the prediction that China would flex its foreign aid muscles in Asia [has not materialized](#), writes Rebecca Root for Devex.

"Overall, we don't see, at this stage, a systemic replacement of the USAID program by the Chinese one," says **Alexandre Dayant** of the [Lowy Institute](#).

In fact, of the 10 experts we interviewed, **no one could identify a project in Asia where China has directly replaced USAID funding** — the deadly earthquake in Myanmar in March 2025 being the notable exception.

So what's up with the seeming hesitancy to capitalize on its superpower archrival's absence?

China's foreign aid budget — \$3.5 billion in 2024 — remains a fraction of USAID's former \$65 billion portfolio, says **Shahar Hameiri** of the [University of Queensland](#), noting that as China grapples with a slowing economy, the country isn't in a position to increase that figure.

Even if China wanted to boost development finance, **it would be "a hard sell" to its people**, says **Felix Brender** of LSE IDEAS, given persistent domestic poverty. China is also unlikely to take over projects it did not design itself, he adds, also pointing out that it's unlikely Beijing would quietly fund former USAID projects as the country would want its "flag or stamp on it."

Of course, it's difficult to say for sure what an opaque government such as China's is up to, but **becoming a foreign aid alternative doesn't seem to be in the cards** — for now at least.

"There's no doubt that the withdrawal of U.S. aid has allowed China to win some points in the narrative battle as a more reliable aid partner," Hameiri says, "but this doesn't mean China is replacing the U.S. per se."

Read: [After USAID exit, China hasn't moved to fill Asia's funding gap](#)