

# THE POST-FOCAC'S DYNAMICS OF THE CHINA-AFRICA RELATIONSHIP: AN ASSESSMENT<sup>1</sup>

## FOCAC SONRASI ÇİN VE AFRİKA İLİŞKİLERİNİN DİNAMİKLERİ: BİR DEĞERLENDİRME

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### Abstract

Due to its status as an emerging power in the international arena, China's activities and its adverse effects on the developing world have been for long so controversial. Its recent engagement in Africa has made authors depict its relationship with the continent in a variety of representations, from colonialism to a mutually beneficial partnership. While the traditional debate of China's presence in Africa views it through the confrontation of three different theories, the Panda-hugger and the Dragon-slayer's perspective according to which China represents an opportunity or a threat for Africa presents interesting and relevant arguments in favour of the two extremes. In fact, contemporary Sino-African cooperation is built by combining pragmatic economic and political means in the pursuit of China's objective of contributing to the establishment of a peaceful world order which aims at promoting economic growth and stability. It is in the pursue of this ideal that the politics of China's engagement in Africa is being regarded with suspicions, raised with the concerns over China's use of aid in the exchange of preferential energy deals with most of its African partners. This paper aims at making an assessment of the Forum on China and Africa Cooperation (FOCAC) and understanding to which extent it has contributed to the reaching of the goal for which it has been initiated. It argues that as one of the most meaningful steps undertaken by China to sustain its relationship with Africa, the institutionalization of this relationship through the FOCAC was a strategic opportunity offered to Africa by China for the development of their cooperation. However, it further asserts that although China has been seen as a reliable investment partner for Africa, the continent will fail to benefit from its cooperation if its countries don't seize the above-mentioned opportunity to foster their economic development.

**Keywords:** FOCAC, China, Africa, Economic development, Beijing consensus

### Öz

Uluslararası alanda yükselen güç statüsü nedeniyle Çin'in faaliyetleri ve gelişmekte olan dünya üzerindeki çeşitli etkileri uzun süredir tartışılmalıdır. Afrika'yla son yıllardaki etkinlikleri, analistlerin kıtaya olan ilişkisini

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sömürgecilikten kazan-kazan bir ortaklığa kadar çeşitli temsillerde tasvir etmiştir. Çin'in Afrika'daki varlığının geleneksel tartışması onu üç farklı teorinin çatışmasıyla değerlendirirken, Panda-hugger ve Dragon-slayer'in Çin'in Afrika için bir fırsat veya tehdit teşkil ettiği perspektifi, iki aşırılık yanlısının lehine ilginç ve ikna edici argümanlar ortaya koymaktadır. Aslında çağdaş Çin-Afrika işbirliği, Çin'in ekonomik büyüme ve istikrarın desteklenmesini amaçlayan barışçı bir dünya düzeni oluşturulmasına katkıda bulunmak amacıyla pragmatik ekonomik ve siyasi araçları bir araya getirerek inşa edilmiştir. Çin'in Afrika'daki varlığının siyaseti şüpheyle değerlendirilmesi, bu idealin peşindeki Çin'in Afrika ortaklarının çoğuyla tercihli enerji anlaşmaları karşılığında yardım kullanımı hakkındaki endişelerle gündeme gelmektedir. Bu makale, Çin ve Afrika İşbirliği Forumu olan FOCAC'ın bir değerlendirmesini yaparak kurulmasına neden olan hedefe ulaşılmasına ne ölçüde katkıda bulunduğunu anlamayı amaçlamaktadır. Makale, Afrika ile ilişkisini sürdürmek amaçlı atılan en önemli adımlardan biri olan FOCAC aracılığıyla Çin ve Afrika arasındaki ilişkilerinin kurumsallaşmasının, Çin'in işbirliğini geliştirmesi için Afrika'ya sunduğu stratejik bir fırsat olduğunu savunmaktadır. Aynı zamanda bu makale, Çin'in Afrika için güvenilir bir yatırım ortağı olarak görülmesine rağmen, Kitanın ülkelerinin, ekonomik kalkınmaları uğruna bahsi geçen fırsatı değerlendiremiyor olmaları, bu işbirliğinden faydalanamamalarına neden olduğunu ileri sürmektedir.

**Anahtar Kelimeler:** FOCAC, Çin, Afrika, Ekonomik Kalkınma, Beijing uzlaşması

### Structured Abstract

Founded on a mix of historical narratives in the win-win relationships and South-South cooperation context, China's policy for Africa can be traced back to several decades ago when the Chinese Communist Party's was signing its adherence to the advancement of its national interests under the national rhetoric of "Great Rejuvenation"<sup>2</sup>. Having evolved from ideologically-driven interactions during the Cold War (Thompson, 2005: 1), the contemporary Sino-African cooperation is built combining pragmatic economic and political means in the pursuit of China's objective of contributing to the establishment of a peaceful world order which, as argued, aims at promoting economic growth and stability. On the other hand, we are in a situation where the politics of China's engagement in Africa is being regarded with suspicions raised with the concerns over Chinese use of aid in the exchange of preferential energy deals with most of its African partners.

The modern Sino Africa relationship has become powerful after the 1950s when some newly independent African and Asian countries have initiated their entry into world politics. Some authors have qualified this period of "great shift" in international politics because of the obliteration of some of the great powers and the constitution of a new world which has politically, ideologically and economically transformed the world. Taking advantage of this situation, China has as soon initiated diplomatic relations with the newly created nations in the framework of its foreign policy. Quickly, this enterprise revealed to be fruitful when in 1955 at the conference of Bandung, Mao Zedong met some African leaders to support their countries by providing economic, technical and even military support in their struggle for independence, as they were coming out from the colonization process. There was a kind of affinity between all the participants at the conference because most of them Afro-Asiatic, were characterized by the common experiences with colonialization and they were willing to fight against imperialism and neo-colonization.

While the traditional debate of China's presence in Africa views it through the confrontation of three different theories as proposed by Alden, the Panda-hugger and the Dragon-slayer's perspective on whether China represents an opportunity or a threat for Africa presents interesting and relevant arguments in favour of the two extremes. Unfortunately, the evolution of China's hegemony and its complex status in global affairs render it more complicated to understand its role and impact in Africa. In this regard, Gifford (2010) argued that compared to the 1960's China, the complexity of today's China seems to have rendered the panda-hugger vs the dragon-slayer debate untenable.

However, one could only deplore the fact that although China wants to be generous in the way it deals

<sup>2</sup> Langan 2017, Reeves 2018 quoted in China in Africa: A Form of Neo-Colonialism? <https://www.e-ir.info/2018/12/02/china-in-africa-a-form-of-neo-colonialism/>

with Africa, its loans to this latter are not always used at their best and this might be why the loans seem to be less relevant than they could have been. But saying this does not imply that China is doing wrong. In fact, those who are faulty are the ones who can't be responsible enough to understand how they can make use of the loans they receive from China. Simply put, the fact that most of the African countries are not working to take advantage of the Chinese engagement does not mean that China is responsible for this. Rather, it is proof of how African governments are unwilling to commit to a serious relationship that can help them build their economies. Such an attitude from the African countries should not imply the direct responsibility of China in the context of the Sino-African relationship. On the contrary, the recent activities of China in Africa in the framework of its foreign policy should be seen as one of its political wills to engage with Africa as its countries.

The FOCAC, Forum on China and Africa Cooperation is by far one of the most meaningful steps undertaken in that perspective. This paper argues that the institutionalisation of the Sino-African relationship through the FOCAC was a strategic opportunity offered to Africa by China for the development of their cooperation. This hypothesis is built upon the observation that until the 2000's, China's presence in Africa wasn't of a great deal compared to what both actors have accomplished since the post 2000's. This is because at that time, fully engaged in a relationship with Western countries, most of the African states didn't find the necessity of a possible relationship with any other actors, including that with China. But then, having realised that its existing ties with Westerns, especially in regard with the IMF institutional conditionalities (revealed to be a failure), weren't as claimed a beneficial relationship, the African Union as a whole decided to engage in the search of a new form of cooperation; an expression of interest which has been welcomed by China who was then seeking for new partners in strengthening its global soft power. This paper, therefore, aims to make an assessment of the FOCAC and understand to which extent it has contributed to the reaching of the goal for which it has been initiated.

## **Introduction**

As an event that has been marked the turning point in the Chinese relations with Africa, the conference of Bandung with its initial aim of strengthening the Afro-Asian economic, political and cultural collaboration (Ayenagbo, 2015: 173), has later appeared to become important in the post-colonial process of colonised countries. This, because among the ten principles declared at that conference, was also showing respect for the sovereignty of other nations by not interfering in their internal affairs. This has given an advantage to China known to have never colonized any nation, the principles adopted in Bandung was contrary to the traditional colonial masters (Assefa, 2018: 66).

Moreover, the strategic approach of China toward African countries had led her to adopt a considerable number of principles, including supporting their independence while investing in several projects<sup>3</sup>. In this perspective, the "Four Principles on Sino-African Economic and Technical Cooperation" was adopted with the aim to promote equality and mutual benefit, complementary growth and development in the pursuit of their economic objectives or any other engagement (Brautigam, 2009). And effectively, standing against imperialism, China has considerably supported the African Independence Movements and provided a considerable amount of aid to newly independent African states between 1960-1970. According to some estimations from 1960 to 2005, a medical team of 15,000 Chinese doctors have treated more than 170 Mn patients for the time they stayed in Africa (Thompson, 2005). This modus operandi of the PRC has made Thompson theorise that from the Beijing consensus, China has been undertaking a king health diplomacy through its soft power.

This sincere engagement of China toward African countries in the first years of their cooperation,

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<sup>3</sup> China offers Africa billions, 'no strings attached' retrieved <https://www.dw.com/en/china-offers-africa-billions-no-strings-attached/a-45333627>

together with its attitude has seduced African leaders who gradually found it judicious to turn towards China in their seek of a new partnership. According to Thompson, the Consistency of China's government in the respect of other nations' sovereignty and its refusal to criticize their internal affairs earns the respect of African leaders. As a result of this mutual trust, more and more diplomatic recognitions have been conducted by both actors through official visits which lead to the first official Chinese aid for Africa.

This approach of China and the bilateral cooperation it has established with Africa for economic development has been characterised by Ramo (2004:1) as the "Beijing Consensus", which according to him provides an alternative to the development and the political-economic reforms wrongly promoted by the Western countries and branded by the World Bank and the IMF as the "Washington Consensus". Similarly, this assumption seems to be in the straight line with Hutchison's (1975) theory of China filling a vacuum created by the West, a theory which has been later reconsidered by Edoho (2011:105). Even if this cooperation had undergone a sort of deterioration because of the Cold War and the communist ideology in the period before 2000, we will see in the next section that in the last decades, the actors have associated their efforts for its prosperity.

Curiously, China's recently evolved relationship with Africa, among the latest indicators of the "Chinese Rise" according to Chen (2016:101), has been going through considerable scrutiny in the last decades (Kamal & Haroon, 2019:2). As a matter of fact, China's activities are being regularly controversial due to its adverse effects on the developing world (Fuchs, 2019:2), as well as the debate about its place in global affairs.

International views, commentators and scholars have depicted its relationship with Africa in a variety of representations, from colonialism to a mutually beneficial partnership. One general argument linking the Chinese presence in Africa asserts that China's strategic goal is to exploit Africa's resources. This argument seems to assume that China has emerged out of the blue in Africa and that its relationship with the latter is nothing but a purely pragmatic relationship. In fact, many authors think that China's embrace of Africa is to a considerable extent motivated by the "former's objective appraisal of the consequences of its colonial experience and the realities of its postcolonial dependent relationships with the West" (Broich et al., 2020; Rocha, 2007). Among them, Rocha (2007: 19) supported that such an appraisal brings to the acceptance that the old traditional relationship of Africa with the West has not been helpful to Africa in overcoming the structural obstacles in order to end poverty and underdevelopment. Bauman perceives China's overseas investments as a geopolitical ambition masked as economic development (Mourdoukoutas, 2019). He explained that "China's behaviour is essentially the same as that of the United States in the second half of the 20th century". According to him, China is using its increasing economic power to build political "soft power". Like these authors, there are so many accounts and allegations of the Chinese being treated as a bad influence in Africa both in the economic and governance sphere. Moreover, in this group of critics, whether scholars or journalists, there is a considerable number of authors who believe that since it arrived in Africa, China has always been a bad influence, undermining the several decades of efforts undertaken to promote democracy and good governance (Eisenman & Kurlantzick, 2006:223). Some others argued that the political decolonization of Africa by the West has not been favourable to the economic independence of Africa because the old colonisers through neo-colonialism are still in control of the African countries' economy. Therefore, they suggested that China is taking advantage of the Western disengagement from the Continent to impose its presence there as a "new coloniser" seeking to rise as a hegemon. While the arguments of each and every author can be true to some extent, one might not lose sight of the facts that the majority of all these accusations, if not all, is coming from the western countries and therefore does not give according to Schoeman (2008: 89), an important creditworthy of great attention.

Even if the hypothesis according to which China is competing with the West appears to be true, the one that sees China as a coloniser and natural resource seeker is still arguable. Because a look at the Chinese activities in Africa in the last decades informs us that its presence in the Continent is purely for business

purpose. Some of the authors who have accepted this hypothesis deplored this cooperation because they suppose that the Chinese strategy seems to target projects that are collateralized by strategically important national projects fitting into the Belt and Road Initiative. And from a Foreign policy Analysis perspective, one can affirm that this is normal because it is acceptable to countries to use several instruments, ranging from diplomacy to military force (Morin & Paquin, 2018:32) or as (Nye Jr, 2004 cited in (Morin & Paquin, 2018:32)) previously argued, from soft power to hard power while pursuing their foreign policy. In fact, provided that their goals gain legitimacy, political leaders will manage to depoliticize foreign policy when communicating about their national interests (Morin & Paquin, 2018:32). And because soft power is a mean to succeed in international relations (Nye Jr, 2004), the Chinese politics in Africa can by no means be judged as a neo-colonialist plan.

This is because Africa's relationship with China has nothing in common with the one with the Westerners. Moreover, all seem to support that those accusing Beijing of using debt-trap diplomacy just fail to construct an objective argumentation of how they apprehend China's presence in Africa. The reason is that the Chinese loans are always contracted based on low rates and some are even interest-free. In this regard, it would be so simplistic and therefore passionate to affirm that this way of doing isn't helping Africa because there is no proof supporting the fact that it is bad for Africa. Until today, the World Bank and the IMF have never proceeded with such a system and it isn't even part of their Agenda. Yet, nobody is accusing them of trapping Africa with their debt. From an African perspective, it seems more that Africa is more thankful to China than he has been to the Westerners when it comes to the relevancy of the cooperation they have.

## **1. The Chinese development model as alternative to the Washington Consensus**

The extraordinary growth observed in China's relation with Africa is undoubtedly one of the greatest stories of the century. Far from it being out of the blue, one can reasonably assume that it is the result of the profound transformations currently being undergone in the global political economy. Likewise, the least that can be said is that it has been encountered with excitement, consternation and confusion as well as it has been the subject of a lot of theories.

While the partisans of the normative liberal discourse reproach China of destroying the West's efforts of good governance and democracy, the anti-westerners refute this theory by supporting that the Western aid by not being morally better and more effective in terms of development outcomes (Tan-Mullins et al., 2010), couldn't have been a beneficial model of cooperation likely to profit Africa. This thesis, while supporting that the Sino-Africa relationship is taking place in the context of the South-South cooperation, recognizes that it is controverted because the ongoing operations in the contemporary international system render more difficult the good functioning of the South-South Cooperation.

### **1.1. The framework of China's economic development model to Africa**

The 2000's of the China-Africa relationship, considered as the period of its consolidation have been characterised by the considerable growth of their respective economies and engagements (Zezeza, 2014: 149). Since then, the engagement of China with African states, marked by its increasing assertiveness in global politics has been the subject of a large number of debates in the academic sphere. Even though China's African policy is an entire part of the 'Going Global Strategy' of the Chinese Communist Party's foreign policy, it seems to pose serious problems regarding the role of China as a rising power and its impact on the international system (Chen, 2016: 100). Yet, China's influence and sound relationships in Africa are the results of many years of investment in building relations through aid, trade, and cultural technical exchange (Thompson, 2005: 2).

In the early 1990s, some developments have been observed which presaged the next stage of the Sino-African relations. The end of the Cold War, having freed African states from many of its conflicts, had as well been the period in which the rival superpower seems to have lost interest in the continent. With this, it has been crucial for Africa to look for a new form of global partners and this explains the opportunity that China got at that time. Likewise, the tensions between China and Taiwan have played a major role in the development of the China-Africa relationship because when the West was condemning, China was suppressing the Tiananmen protest in June 1989, the Taiwan government took advantage of this situation to embark on Africa with its diplomatic charm (Zezeza, 2014: 154). As the result of this campaign, a dozen African countries had reportedly recognised Taiwan until 2000. These developments forced the PRC to undertake some measures in containing the damage.

Following this period, some official visits to seven African countries by the Chinese Foreign Minister and three countries by the Prime Minister have been made. At the same time, some African heads of state and government as well as various officials had been invited to China. Most importantly, with the rising of the globalisation phenomenon both as a process in the history of humanity and a project of neoliberal capitalist restructuring, China has seen opportunities in Africa that were likely to be exploitable in the attainment of its objectives of globalising its economy. Regarding thus all these ambitions, together with the shifting in the relationship from the political to the economic and pragmatic, it has become more important for China to modulate its expansion in Africa.

## **1.2. The institutionalisation of the FOCAC as main catalyser of the contemporary Sino-African relationship**

In the high-level conference organised in October 2000, the Forum on Africa-China Cooperation (FOCAC) was introduced as an organ to coordinate the rapidly growing Sino-African relationship. The very first FOCAC conference, which according to some analysts, was the biggest diplomatic jamboree ever organised until then, aimed at the creation of “an equitable and just new international political and economic order and was attended by the leaders of 44 African states. As a consequence of these meetings, the “Beijing Declaration of the Forum on China-Africa Cooperation” and the “Programme for China-Africa Cooperation in Economic and Social Development” were established.<sup>4</sup> Since then, several forums and Ministerial conferences in which assisted Heads of states and ministers from both China and Africa attended, have been held. In fact, the FOCAC is reflective of the Five Principles of the Peaceful Coexistence guiding Chinese foreign policy. In the context of this framework, the China-Africa relations are planned to advance through a combination of several programs which promote traditional financial aid and technical support, all together with increasingly growing bilateral trade and investment.

At the end of each FOCAC meeting, various measures are always issued aiming to deepen the relationship. For example, the Addis Ababa plan Action adopted right after the second FOCAC makes the promise of increasing China’s support to agriculture and infrastructural development, expanding balanced trade by granting zero-tariff treatment toward some countries’ commodities, as well as promoting investment in both directions. Likewise, the “China-Africa Joint Business Council” was proposed to be established as an alternative mechanism of trade promotion. Moreover, as China considers special economic zones as essential in overcoming investments obstacles, it has begun to create some of those zones, in the framework of the FOCAC (Cheung et al., 2010: 4; Nowak, 2019: 43). In order to easily establish joint ventures, the creation of a special fund was also proposed which will be supported by China, the African Development Bank (AfDB), the Eastern and Southern African Trade Development Bank. However, due to the critics that aroused on the Chinese exploitation of African resources, important

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<sup>4</sup> The Role of FOCAC - China in Africa - AGE (African Growing Enterprises)  
[https://www.ide.go.jp/English/Data/Africa\\_file/Manualreport/cia\\_04.html](https://www.ide.go.jp/English/Data/Africa_file/Manualreport/cia_04.html)

attention was accorded to the exploitation and effective use of the natural resources on the continent. At the third FOCAC was proposed the examination of some important subjects such as concessionary loans and debt cancellation. As a result, it has been promised the cancellation of \$1.3bn of debt to 31 countries (Zezeza, 2014: 155) China. At the 4th and 5th FOCAC, were respectively revealed the provision of a \$10bn low-cost loan and the promise of a \$20bn credit line to Africa in their efforts to develop infrastructures, agriculture, manufacturing, small and medium-sized enterprises.

The joining of China in the World Trade Organization (WTO) in 2001, regarded as one of the main catalyzers of China's foreign trade has encouraged the Chinese companies to "Go Global" by investing overseas, creating factories, and buying commodities (Zezeza, 2014: 153; Cheung et al., 2010: 4). Various data on the Sino-Africa economic relationship shows that it has considerably been evolving only since the 2000s (Figure 1).

In fact, from \$1bn in 1980, the total of the Sino-African trade volume has reached \$6.5bn in 1999 and \$10bn in 2000. By 2005, the volume was about \$39.7bn and jumped to \$55bn in 2006. This extraordinary evolution has conferred to China the second-largest trading partner of Africa behind the United States (Figure 2), whose volume of trade with African nations is worth \$91bn. Moreover, China has also passed the traditional West African economic partner France (Assefa, 2018:100; Dijk, 2009), whose volume of trade worth about \$47bn. The value of this trade worth \$114bn in 2010 and \$185bn in 2018.<sup>5</sup>

Although it is difficult to have access to accurate data, our researches on the volume of the Chinese FDI to Africa informed us that it has been remarkably growing in the same period.<sup>6</sup> Studies found that China's cumulative FDI in Africa was about \$49m in 1990, but raised to \$820m by the end of the decade. By 2005, the UNCTAD estimations suggested it at \$1.6bn, although it had been put at \$6.27bn by the Chinese government. Nevertheless, there was a general consensus that it reached \$9.33bn by 2009. Besides, since the modernization of its relations with Africa, China has been giving more financial loans to poor countries (much of which are in Africa) than the World Bank. For example, countries like Nigeria and Zambia, totalized over \$100m per year as loans from China in the past few years. The CARI data loan base informs us that China delivered loans to Angola an amount of \$43,2bn from 2000 to 2018.

The official discourse of this relationship has always been in simplistic terms with the accusation of China land-grabbing, resource-snatching and neo-colonialism (Geoff, 2020). Yet, when we look at the development process of this relationship, we clearly understand that the Chinese relation offers a certain number of advantages when we compared it to its western rivals (Renard, 2011: 30). Furthermore, the institutionalization of this relationship by the creation of the FOCAC demonstrates that China aims for a long-term relationship with Africa (Erşan, 2017; Busse, 2014: 4). However, it appears that although it has been given an opportunity to African countries to become more organized in their relationship with China, it seems that they still do not have a clear strategic perspective on how they can benefit from this relationship. Therefore, in order to understand whether or not this relationship has been sustainable, we will be looking at its actors and its instruments in the next section.

## 2. The Chinese cooperation structures

The cooperation differs from the western cooperation in its actors and in the instruments that it uses in the implementation of its projects.

<sup>5</sup> China-Africa Bilateral trade data overview, <http://www.sais-cari.org/data-china-africa-trade> 27.11.2020

<sup>6</sup> Ibid.

### 2.1. The main actors of the China-Africa economic partnership

As part of the China's global strategy, the Chinese relationship with Africa, more specifically its economic relationship, is today successful because of the diversity in the coordination and cooperation between the different actors implicated in this relation (Jian-Ye, 2007: 12). In this regard, many authors argued that China proceeding in this way is being engaged in a diplomacy that most of the other countries could not match (Junbo et al., 2010; Thompson, 2005; Youde, 2010). The main actors in this relationship included but are not limited to the Chinese government, state-owned enterprises, private Chinese companies, the Chinese embassy as an institution, and the Chinese people (Dijk, 2009: 11). It is worth noting that although the above-mentioned actors are all from China and thus act in the interest of the Chinese government, they all have diverse objectives. For example, the Chinese government is in charge of the implementation of the government's national strategy in this regard. It also coordinates the activities executed by different other actors. In fact, in order to facilitate its economic activities in Africa, the Chinese government employs two-policy banks, the China Export & Import Bank commonly known as EXIM Bank and the China Development Bank (Cheung et al., 2010: 5). As State financial institution, The Exim Bank, established in 1994, has been responsible for the commercial credits and concessional loans management and in charge of the promotion of the Chinese exports and FDI in the infrastructure sector such as roads, power plants, pipelines, telecommunications etc. (Jian-Ye, 2007: 14). On the other hand, the China Development Bank (CDB) was created in 1994 to assist Chinese firms with loans. Because of the role assigned by it regarding the Chinese firms, Wang (2007) argued that it is by far China's most important Bank in this process. In this context, the China-Africa Development Fund was created in 2006 with the aim to support the Chinese FDI in Africa (Nowak, 2019; Renard, 2011: 12).

Parallely the Ministry of Commerce (MOFCOM) is also in charge of the aid provision (Erşan, 2017: 56). Since 2001, the SINOSURE (China Export and Credit Insurance Corporation) has been operating with the aim to support Chinese exports and investment abroad due to the advantage it has in terms of providing insurance against potential risks likely to result from the Chinese exports and FDI. Furthermore, the Ministry of Civil Affairs and the Ministry of Defence have been seen offering some aid to many countries. Above all them, the Ministry of Foreign Affairs since the Beijing Summit has been responsible for monitoring commitments in Africa by focusing on bilateral relationships (Chaponnière, 2009: 61; Renard, 2011: 12). State-owned enterprises enter Africa in the framework of the "Go Out" strategy in order to ensure the supply of raw material to China. It is the case of the China National Petroleum Corp which is the leading foreign investor in Sudan and the China National Offshore Oil Company (CNOOC) operating in Nigeria. The Chinese private companies operate in Africa intending to grasp and exploit the opportunities they see in the continent. It is the example of some multinational corporations such as First Automotive World (FAW), SOE Shanghai Industrial or Shanghai Industrial Investment Corporation (SIIC) which are operating in the manufacturing sector in South Africa (Erşan, 2017: 79). Apart from these firms are also small and medium firms which do play an important role in so many ways in Africa.

### 2.2. The instruments of the Chinese cooperation in the context of Africa.

China's sudden interest in Africa was reportedly motivated by the need to obtain energy resources to support its economic development in the context of its global economic strategy (Renard, 2011; Cheung et al., 2010: 5). Having been characterised by different periods and developments, the China-Africa relationship has passed from being just simple traditional cooperation to a more formalised one by its institutionalisation. Today, the presence of China in Africa is broadly perceived through different sources of fund flows in the context of its bilateral relations with African countries, both in terms of political and economic developments. In fact, due to the diversity of its historical relationship with various African countries, China interacts in diverse ways with different countries and therefore is more visible in some countries than others (Moyo, 2016).



In general, competitive political advantage, economic diplomacy, and development assistance have been the building pillars of Sino-African economic cooperation (Nowak, 2019). Therefore, regardless of its past relationship with its partners, we will constatae the Chinese presence in a country by the intensity of its trade (1), the flows of its FDI (2), or the amount of its foreign aid (3). However, it isn't rare to meet both of the three or more in the same country. It is necessary to always look at China's activities in regard to all these three instruments when assessing the economic impact of China in Africa because its economic activities is the result of all these combined rather than "a diversion of existing flows from third countries" (Busse, 2014: 1).

## 1. Trade

In only the interval of a decade, China has successfully risen as a major trading partner for Africa. Even if the European countries still remain the leading trade partners of some African countries, Europe's share of Africa's exports has considerably fallen (Figure2). In the interval of the 2001-2007 period, China has worked to increase its merchandise trade with Africa 18 times, by becoming in 2009, the second trading partner for Africa, while between 2008 and 2017, its bilateral trade in goods with Africa saw an annual augmentation of 9.8 percent (Nowak, 2019: 45). According to the CARI data, the total value of the Sino-Africa trade was about \$185 billion in 2018. The Chinese imports of goods, which was about \$4.85 bn. in 2000, grew to \$81.11 bn in 2010, then decreased to \$41.27 bn. before attaining \$80.34 billion in 2018 (CARI, 2020). Being a center of manufacturing activities, it isn't surprising that its imports activities, varying from a range number of products to natural resources products, are concentrated in raw material exporting countries (Figure 3).

In 2012, natural resources accounted for 66 % of the Chinese import from Africa (Busse, 2014: 5), with top exporters as Angola, South Africa, the Republic of Congo, DRC, and Zambia. If South Africa is removed from this list, the resource exported accounted for about 90 % of the above-mentioned countries' total exports to China (Busse, 2014: 5), clearly giving us an idea of how highly the trade is concentrated on natural resources. This has been the norm in the last years too. For instance, until today, China still buys some Crude Petroleum in some countries such as Angola (leading exporter), followed by South Africa from where it purchases Gold while 99.3% of the Democratic Republic of Congo's cobalt has amounted in its imports. In 2018, the total share of Chinese imports in Africa was about respectively 28% and 10%.

Yet, the agricultural imports in the side of China have a modest share, even though they are forming a great part of imports from a large number of African countries. An analysis of Africa's imports by-product to China informs us that more diversified countries import machinery and transport equipment, manufactured goods, and handicrafts (Renard, 2011). In other terms, this means that while China is importing natural resources from Africa, African countries import non-resource products from China, which was about 97% of their total imports in 2012 (Busse, 2014: 5). The Machinery and transport equipment imports might be explained by the fact that most of the Chinese firms operate in the infrastructure sector (telecommunications, roads, and buildings of public utilities). This explains why in 2018, Transportation was the top exported service of China and top imported services of countries like Ethiopia, Kenya, Libya, and even South Africa where for example it had a net worth of \$6.73 bn. as of the total amount of the services imported due to \$15.6 bn.

When it comes to the Chinese exports to Africa, evaluated in value, it has risen from \$51.9bn. in 2008 to 155.7 bn in 2015 before declining to \$94.5bn in 2017. Compared to its exports, which had surpassed the value of its imported goods from African countries by about \$10bn. between 2008-2018 can be seen that China's import from Africa is relatively low. And according to the CARI, this deficit is the result of the weak commodities prices observed since 2014. But this observation, clearly suggests as stated by Nowak (2019) that after the global crisis, "Africa became more of an export than an import market for China."

Between the period of 2013-2018, the principal destination of Chinese goods, as of the percentage of China's export to Africa was as depicted in Figure 4 as follow: South Africa (15.5%), Nigeria (12.9%), Egypt (10.3%), Algeria (7.2%) and Kenya (5%). The major product going from African exporters, with the exception of South Africa, usually consists of crude oil.

As stated above, the increase in trade volume can provide a lot of opportunities for both parties. Nevertheless, the increase in the imbalance continues raising more and more concerns on the future of the sustainability of this relationship (Erşan, 2017: 46). As a recall, between 2008 and 2017, China had a trade deficit with 17 countries as part of which the biggest deficit recorded was Angola, South Africa, and Congo. This intervenes as in 2016 some statistics reported that while Africa's export amounted to \$54 bn., China's export was about \$89.8 bn. As China is trying to balance the trade volume, that means it could be riskier for African countries to continue in such a way. Moreover, some authors argued that though the trade between China and Africa has evolved, it remained a one side movement since raw materials go to China and come back as industrial products (Dijk, 2009: 15)

## 2. Chinese foreign direct investment (FDA) in Africa

FDI is another form of financial support instrument used by China in its relationship with Africa. Generally defined as the investment made by a foreign entity into a business based in another country, FDI should not be confused with FPI, Foreign Portfolio Investment.

The liberalization and globalization have fostered the global growth of the FDI in the recent decades and increased in a considerable way the FDI flows in so many countries, most of which are low and middle-income countries (Pigato, 2000). As a result, Africa has been seen as the third-largest destination of Chinese investment behind Asia and Europe. Most probably because of the foreign-exchange reserves accumulated from its trade surplus with its other partners around the world, China has been in possession of a large amount of Overseas Foreign Direct Investment (Dijk, 2009: 17), which has been used as an investment in most of the African countries and Latin America. Dijk (2009), Cheung et al. (2019), and Pairault (2013) suggested that to understand the Chinese investment in Africa, it is so important to take into account China's "Go Out" policy. The Chinese government, with its aims to conquer the global market, has encouraged its financial institutions and other national enterprises both public and private to invest in Africa (Dijk, 2009: 17; Erşan, 2017).

In fact, in the global economy, the FDI is generally classified into two categories: Inflows and Outflows. The outflows are usually perceived as investments flowing out of one country (home) towards another country's (hosting) economy while inflows are perceived as investments made from a home countries' MNCs. Closely related to trade and development assistance, the annual Chinese FDI has increased over the last decades with the increase in its trade with African countries. This is somehow due to the fact some African countries have been successful in attracting foreign investors thanks to the abundance of raw materials and markets. According to the CARI data, in the period of 2003 to 2018, it has increased from US \$75m to US\$5.4 bn. Once again, as the trade volume, China's FDI flows to Africa has seen an increase compared to that of the U.S. FDI, with the considerable decline in the U.S. FDI since 2010 (Figure 5). In 2008, China's OFDI flow to Africa was 5.49% out of 9.8% of its global OFDI flow (Leung & Zhou, 2014). The stock of foreign investment which amounted to about US \$7.8m in 2007, reached \$ 34.69 in 2015 and US \$46.1m in 2018. According to the UNCTD (2019), the stock of China's FDI in Africa increased by more than 50% between 2013 and 2017. Nevertheless, despite this increase in the amount of the Chinese FDI stock in Africa, it is important to recall that this value isn't as meaningful as it appears when compared to its global stock. For example, in 2012 the global OFDI stock of China was about \$531.94bn, of which \$21.73bn or 4.1% was to Africa. in 2018, this amount increased to \$1982.27bn out of which 46.1 bn or 2.1% go to Africa.

Nevertheless, although the Chinese FDI flow to Africa was about US \$5.5bn in 2008, it has experienced a decrease between 2009-2017 before reattaining the US \$5.38bn in 2018. In the SAIS-POLICY brief No. 8 of April 2017, it has been argued that this decrease in the amount of the Chinese FDI flow was due to the “falling commodity prices and China’s economic slowdown” (Eom et al., 2017: 3). Nevertheless, due to the variations in the estimations, it is difficult to be sure about the amount of the Chinese FDI outflows (Abbink, 2005: 18).

As it has been the case about trade, the Chinese FDI to Africa is almost directed to “resource-rich” reputed countries, except South Africa (Figure 6). But this can be seen as totally normal because FDI inflows are in most of the case directed towards advanced and industrialized or resource-rich countries which have the advantage of an open market (Erşan, 2017: 94). In 2018, 24% of the FDI flow was in DRC and South Africa and 20% in Mozambique and Zambia.

In 2012, more than half of the Chinese OFDI stock to Africa was in South Africa, Zambia, Nigeria, Algeria and Angola. The part of OFDI allocated to South Africa only was more than 20% (Leung & Zhou, 2014). Since then, six years have passed and figure 7 shows that with the exception of Algeria which has been replaced by Zambia, the total stock of the Chinese OFDI has considerably increased with the majority of the Chinese FDI stock concentrated in those countries. This must be a little intriguing when we try to understand why China is investing in such countries. But some authors suggest that it is due to the fact that most of the Chinese enterprises are targeting strategic sectors such as oil, minerals or infrastructure (Abbink, 2005: 19). This is possible because they are state-owned enterprises and thus benefit from governments grants or loans from state-owned banks which allows them to possess liquidity to operate.

Dijk (2009, 17) argued that as well the Chinese investment focus on building the necessary infrastructure for the exploration of resources necessary to its development, it also serves to develop some other activities such as agricultural, telecommunications and manufacturing. The Chinese MNCs have in fact invested in so many sectors in Africa. However, contrary to the UNCTAD data’s suggestion according to which the Chinese investment in SSA is fairly well distributed across different sectors, figure 8 informs us that in 2018, construction, mining and manufacturing were the top largest sectors for Chinese FDI stock to Africa with respectively 32%, 25% and 13% (Figure 8). Contrary to 2015 where mining was sharing the largest part of FDI with 28%, we can see that in recent years the construction sector has emerged in the first place.

This growth in the Chinese FDI flow in Africa is explained by the fact that in recent years, most of its countries have shifted from foreign aid recipients to FDI beneficiaries since the FDI requires an open economic policy, minimum state regulation and economic integration. Also, when we look at FDI stock by sector, we see that infrastructure construction is the leading sector. There is no doubt that China focuses on this sector because it has understood the need for infrastructure in most of the African countries for their economic development. The World Bank 2018’s report “Lifelines: The Resilient Infrastructure Opportunity” highlighted the different challenges faced by fragile countries and their communities from infrastructure disruptions (Hallegatte et al., 2019).

Similarly, the African Economic Outlook (AfDB 2018) estimates Africa’s need for infrastructure about \$130 and \$170 billion per year, with an annual shortage of about \$68 and \$108 billion. And especially because China’s infrastructure assistance to Africa is not a recent thing (Cheung et al., 2010: 5), we can in this regard, assume that this is one of the positive aspects of the Chinese presence in Africa. It is even argued that infrastructure was one of the very first sectors in which China invested in Africa even back in the 1970s (Cheung et al., 2012: 5; Renard 2011: 20). This can be seen today though all over Africa, whether in terms of the industries developed or in terms of competitive services executed in the public sector by building large infrastructural projects, such as railways, roads, and diverse other infrastructures

rehabilitation and construction (Moyo, 2016: 64). All over the continent, more than 35 countries are having official infrastructural contracts with China, with however the largest in terms of need being Nigeria, Angola, Sudan, and Ethiopia (Pairault, 2014: 20).

### 3. Chinese Foreign Aid

China's relationship with Africa, as seen below has seen a lot of development since the founding of the PRC in 1949 and especially in the last two decades. China who was once in the top countries receiving international aid has shifted from being a recipient to a successful donor (Manning, 2006, Woods, 2008 quoted in Tan-Mullins et al. 2010: 860). This change in the international system has created a kind of divergence in the way development assistance was provided because this new aid donor's structure came with several features (Erşan, 2017:15). Contrary to the DAC donors, the recently emerged donors and particularly China, while refusing to use the term "Donor" (Chaponnière, 2009: 57), want their assistance to be seen as a 'partnership'. As result, China's aid initiatives in Africa in the form of economic or technical cooperation have increased remarkably in the last decades. This is because, with the advent of South-South cooperation, the global South wants its cooperation to be based on mutual benefit in which it sees its economic and technical assistance as win-win instead of one party receiving from another party named donor. After the second FOCAC forum in Addis Ababa in January 2006, the Chinese government released a white paper on China's Africa policy emphasizing the need for a win-win attitude in the development of their cooperation (Chaponnière, 2009: 60). During the third FOCAC Forum, the Chinese government announced that its aid to Africa would double between 2006-2009 through the increase in soft loans and other social projects (Chaponnière, 2009: 56).

Although the Chinese aid, unlike the DAC donor is provided in the form of concessional loans, we should, however, recognize that the other features constitute its aid structure because its modus operandi gives it an advantage in regards to the Western donors to the extent that whereas the poor state of Africa's infrastructure is widely recognized to be a major constraint on its development, only a small proportion of Western aid is devoted to infrastructure improvement. Another thing about China's aid is that it does not emphasize political conditions, and this strategy is by far more attractive to African countries in regard to the Westerns (Assefa, 2018: 92). However, Wang and Ozanne (2010: 11) argued that the unconditionality of Chinese aid does not mean that it comes with no strings attached. It simply means that they perceive it as a self-interest feature that gives the opportunity to the needy countries to have access to its aid. Except that, the unconditionality policy is also usually perceived as rooted in China's foreign policy which is founded with the non-interference principle as a core pillar. Since the formulation of the Five Principles of Peaceful Coexistence in 1950s, this principle has been the basis of its foreign policy. However, China is also attacked by its detractors for its own human rights record, plus its political system which has nothing in common with the Western donors and thus makes it difficult to impose political conditions on others. But China always responds by arguing that a country's political development is endogenously determined by its level of economic development and therefore, democracy should be promoted once this country reaches a certain level of development (Wang and Ozanne, 2010: 11).

This modus operandi has been for a long time a source of polemic and disagreement between analysts about the nature of China's ODA and most importantly the motives it chooses one country as its main recipient rather than another country (Bräutigam, 2011, p. 203). As Brautigam highlighted it, the international financial architecture is constituted of numerous kinds of flows. Although she argued that knowing more about the Chinese development aid is crucial in understanding its foreign policy and statecraft (Bräutigam, 2011: 203), she recognized unlike Chaponnière (2009: 56) that the lack of transparency of China's official aid program hampers the possibility of understanding the difference of its foreign aid from the ODA as defined by the OECD DAC (Brautigam, 2011 quoted in Carter, 2017: 4). However, it has been widely accepted that China's equivalent of ODA is generally provided in the form of three instruments namely grants, interest-free loans, and concessional loans (State Council, 2011-2014;

Carter, 2017: 2; D. Bräutigam 2011: 204). It is worth recalling that the grants and interest-free loans are managed by the MOFCOM which is in charge of the state finances while the concessional loans are managed by the Exim Bank. China does provide it aids as financial, technical assistance, with an emphasis on the development of the agricultural sector by training farmers in Chinese institutions (Jian-Ye, 2007: 9), and educational programs etc. According to the SAIS-CARI estimations, the Chinese governments, banks, and contractors granted about US\$ 148bn loans or a total of 1,077 of commitments carried out without financial transfer and affected towards the building of infrastructure in most of the countries that benefit from it. Throughout the continent, Chinese investment is largely concentrated in transport and energy. Some of the countries that benefited much in these sectors are Nigeria, Kenya and Ethiopia. Until today, the major sectors financed by the Chinese loans are transportation (44.2%), energy (37.8%) and mining (18.6%).

There are so many examples of Chinese investment in Africa like mentioned and even, more and more the number is growing. From that, it can be seen that in only a few years, China has become one of the main loaners of the continent. But the problem is that the level of debt in some countries keeps climbing. In Zimbabwe, the indebtedness increased from 48% of the GDP in 2013 to 82% in 2017. And in Mozambique in the same period, it doubled to reach 102% of the GDP. In total, according to the World Bank <sup>7</sup>, 27 countries of Africa had a worrying increase in the level of their debt in 2017. By receiving more loans than all the other countries, Angola has been Africa's larger loan receiving country from China followed by Ethiopia and Zambia (See figure 9).

This makes some observers worry that many of the African countries won't be able to pay back these debts, maintaining them in what has been called the "debt trap". The Jubilee Debt Campaign, campaigning for poor countries debts to be cancelled, estimated that about 20% of debt held by African governments is owned by China. Aware of that, the Chinese government added, concessional loans with the aim to favour bilateral aid which was until 1995 in form of donations. In fact, the role of interest-free loans and concessional aid has led China to carry out regular debt relief <sup>8</sup>. In this perspective, and at the occasion of the first FOCAC in 2000, was announced a debt cancellation of \$1.2bn of debt or an equivalent of two years overdue obligations (Jian-Ye, 2007). After this first cancellation, was followed in November 2006 by an announcement of another 1.3bn cancellation in debt provided by the end of 2005 as interest-free government loans owned by 33 of the heavily indebted and least developed countries.

#### 4. Chinese ODI to Africa

Except from the three instruments mentioned so far, has to be added another important instrument, most of the time overlooked, yet is seen as an important channel through which China interacts with Africa (Cheung et al., 2010: 6). In fact, the Chinese private enterprises, investing in terms of ODI, also play an important role in the African countries economy and therefore should not be neglected while assessing the effect of the Chinese in Africa since they are under the direct supervision of the Chinese government (Pairault, 2013: 261).

In this regard, a recent study has been conducted in 2018 by W. Chen, Dollar and Tang on the analyse of the "sectoral pattern of the ODI from China to Africa, with no surprising conclusions. Having covered a total number of 2005 deals at the firm level within 49 African countries, the authors found that the top five destinations of the Chinese ODI were Nigeria, South, Zambia, Ethiopia and Egypt.

As shown in Table 1, with a total number of 240 deals or 12%, Nigeria is the lead followed by South Africa and Zambia with respectively 152 and 125. Furthermore, the study showed that about 72 % of the

<sup>7</sup> International DEBT Statistics 2017 available on <https://datatopics.worldbank.org/debt/pdf/ids-2019.pdf>

<sup>8</sup> At the China-Africa Forum of 2000, China cancelled 1.4 billion debts for 31 countries.

total ODI investment are in service sectors, while 15 per cent of the projects are in manufacturing sectors, with the remaining portion almost divided among agriculture and natural resources (W. Chen et al., 2018: 621).

Table 2 shows that the two sectors that received the most Chinese Outward Direct Investment (ODI) in terms of the number of projects are business services (1053 projects) and import and export (539 projects). The results of this study aren't so different from another study conducted just some years before. Although the stock of the Chinese ODI to African countries only represented about 0.6% of its global FDI stock, the authors however found that the destination of these ODI was not identical to those receiving the Chinese FDI. According to this study, the top recipients of the Chinese ODI was South Africa, Nigeria, Algeria, Sudan, Zambia and Angola (Pairault, 2013: 269). These countries accumulated a total percentage of 75% out of the total flow between 2003-2009 with only South Africa receiving 50%.

Nevertheless, contrary to Pairault (2013) who explained the large amount of FDI to those countries, Chen (2018) in the straight line of Brautigam (2009), refuted this popular perception according to which a large amount of the Chinese private ODI is only engaged in natural resource-related countries (W. Chen et al., 2018: 621).

### Discussion and Conclusion

Contrary to Western engagement in Africa, what we've seen above is that the Chinese involvement with Africa does not implicate any kind of political manoeuvres, at least to the best of our knowledge. Even if China is seen in the words of Hufbauer et al (1990, quoted in Levitsky and Way, 2010: 28) as part of the "Black knights" whose aim resided in using soft power to spoil the western efforts in promoting democracy as argued by some (Ambrosio, Bader et al, Tolstrup, Kavalski quoted in Börzel 2015, 520), the truth remains that this group of countries seen as "the illiberal rest" still constitute a source of incredible support to the global south's development. Having emerged from that group, China has developed a unique strategy that allows it to become a success story in Africa. The latest evidence of this evolvement as a success story can be the decision of Burkina Faso in 2018 to sever its diplomatic ties with Taiwan and establish relations with China<sup>9</sup>. This is because China sees Africa as a marketplace where as a partner, both can develop and entertain win-win relations.

Moreover, as Brautigam argued, the strong engagement of China with Africa is somehow based on its belief that economic development can be the cure of conflict and instability (Brautigam 2009 quoted in Erşan, 2017: 65). While the western partners are responsible for conflicts and economic destabilization in Africa (Nielsen et al., 2011: 220; Nunn & Qian, 2014: 21), Beijing brings infrastructures such as bridges, roads and dams. Contrary to traditional donors who explicitly show assistance for democratization by providing aid supposed to improve political institutions and support different types of interest groups (Carothers, 2009 quoted in Ziaja, 2020: 2), China with its reputation of being an autocracy found it more preferable to engage itself in a business perspective with its partners in general and African in particular. Its policy of non-interference has granted China the trust of the African governments which have progressively seen it as more objective than any partner that they ever had. Moreover, as discussed in the third section of this chapter, one of the most important factors in China's success is undoubtedly the institutionalization of its relation with Africa by launching in late 2000 the FOCAC as a mechanism to deal with Africa as a whole with the exception of countries that entertain diplomatic relations with Taiwan. However, it is worth recalling that although China entertains a relationship with almost all of the African countries, the impact of this relationship varies, and evaluating it necessitates to take into account a diverse number of factors whether it is trade, FDI or Aid and their quantity. It has been argued that China goes to

<sup>9</sup> FRANK CHING, Africa is China's success story, 2018. Accessible at <https://www.businesstimes.com.sg/opinion/africa-is-chinas-success-story>

Africa for the natural resources of some of its countries and therefore only focus its presence on those countries. Yet it has been observed that it has been considering investing in some countries such as Kenya, Zambia or Namibia. This suggests that although the energy sector represents a crucial role for the Chinese involvement in Africa, other resource-based engagements such as cotton plantation, infrastructures, telecommunications or textile manufacturing are also playing an important role. This large number of possibilities that offer African countries in terms of business probably explain why China is more present in a country than in another one. Nevertheless, the complexity in assessing the Chinese influence in African countries seems to be caused by some other factors such as their incapacity to properly develop their institutional capacity, legal and political framework necessary to their development. Although China is seen as a reliable partner capable of financially supporting Africa in investment and new technologies, the truth is that, if its African partners do not seize this opportunity to foster their economic development, their relationship with China won't be much different as that of the Westerners. In order to avoid this situation, it's therefore important for African countries to realize that the need to fix the terms of their cooperation with China because this latter is not in a position of knowing what is needed for African countries. Moreover, African countries should work to improve their business environment in order to benefit from Chinese foreign investment, because it has appeared that only an economic relationship with China does provide an alternative to the African dependence on western countries.

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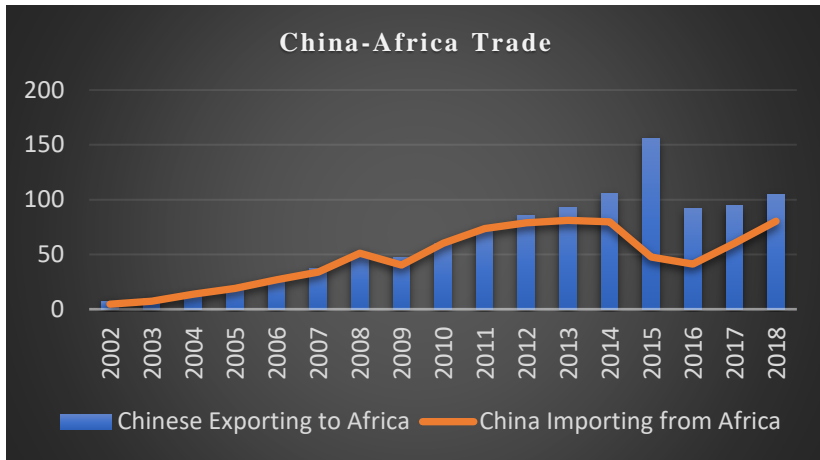


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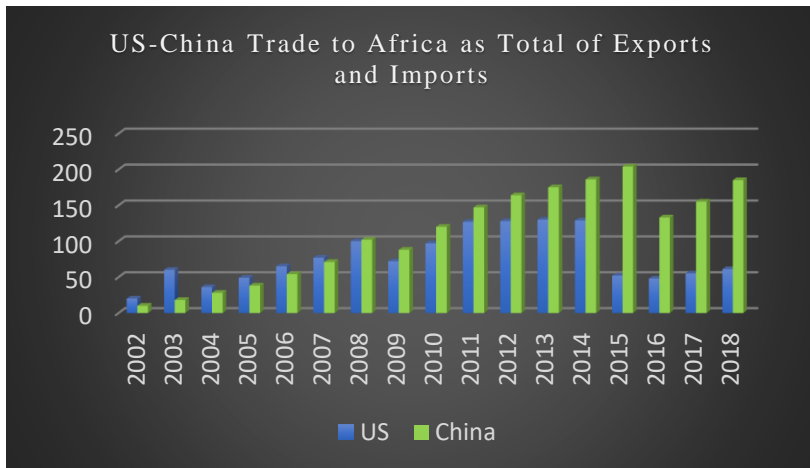
**Figures and tables**

**Figure 1:** Evolution of the China Trade with Africa.



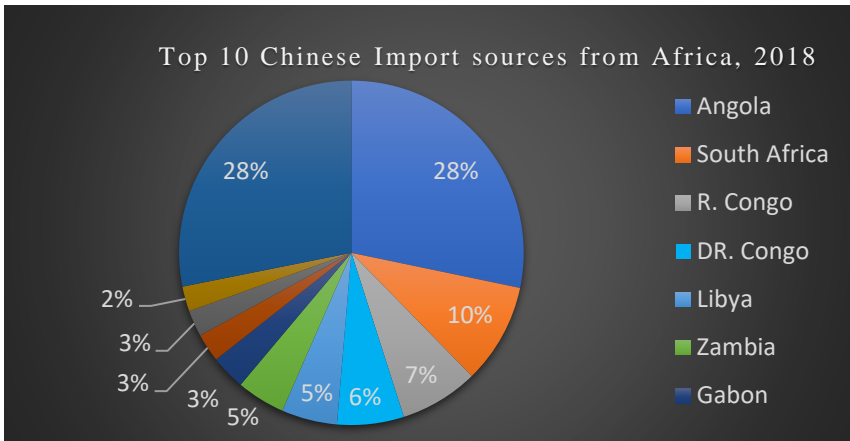
Source: John Hopkins China-Africa Research Initiative

**Figure 2:** US and China’s Trade with Africa.



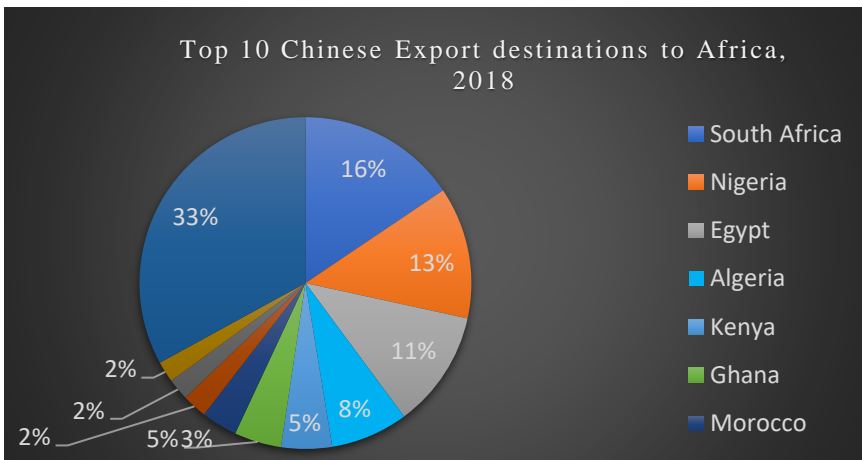
Source: Author’s composition from the John Hopkins China-Africa Research Initiative’s data

**Figure 3:** Chinese import from Africa.



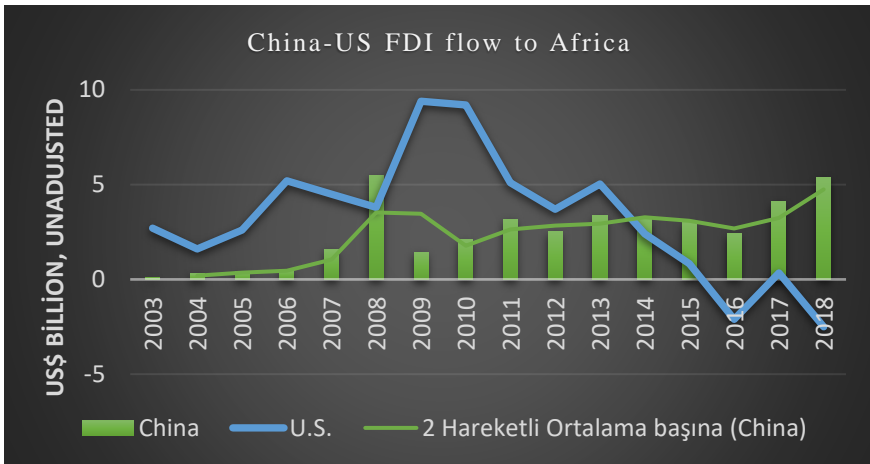
**Source:** Johns Hopkins China-Africa Research Initiative

**Figure 4:** Chinese export to Africa.



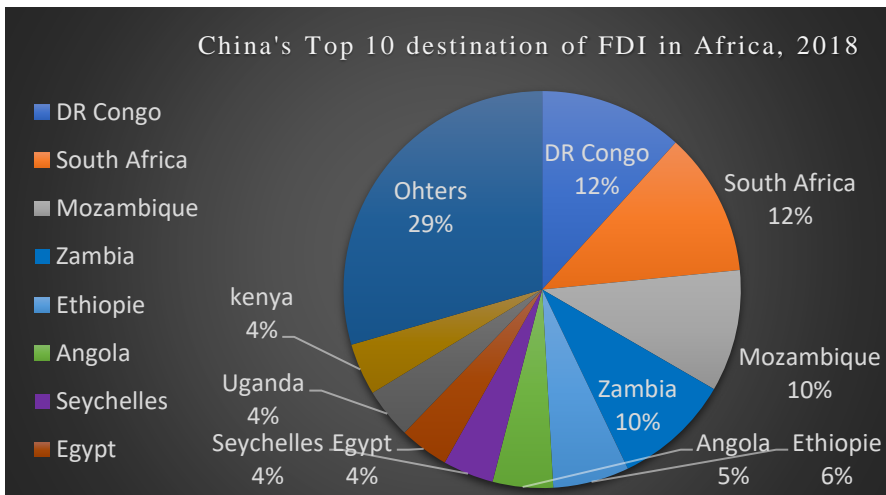
**Source:** Johns Hopkins China-Africa Research Initiative

**Figure 5:** China-US FDI flow to Africa.



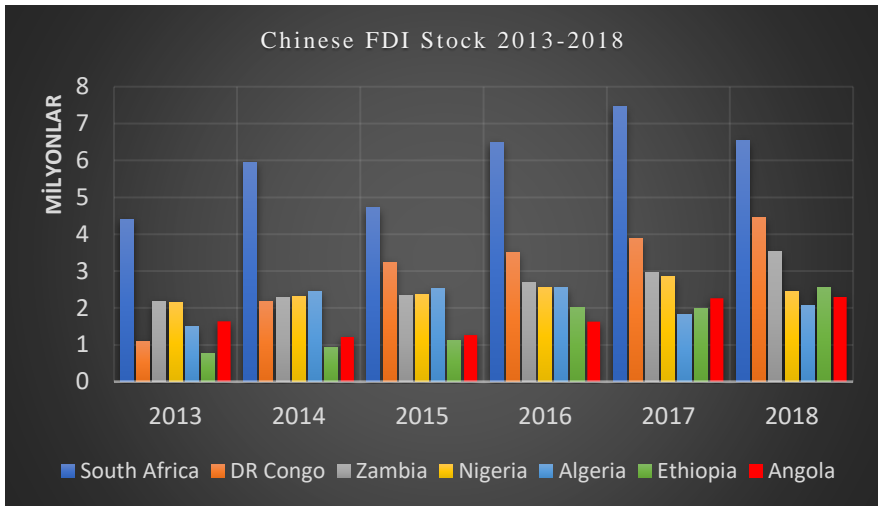
**Source:** Johns Hopkins University SAIS China-Africa Research Initiative

**Figure 6:** China's top destination of FDI to Africa.



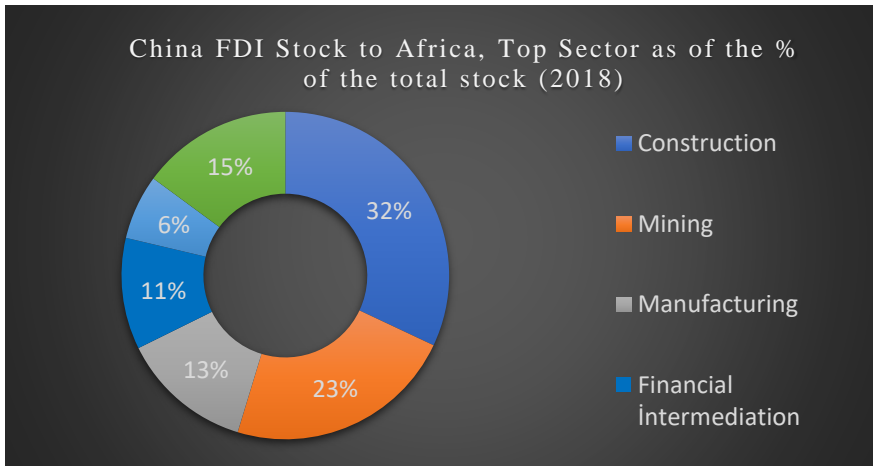
**Source:** Johns Hopkins University SAIS China-Africa Research Initiative.

**Figure 7:** Top countries with the Chinese FDI stock in the selected period.



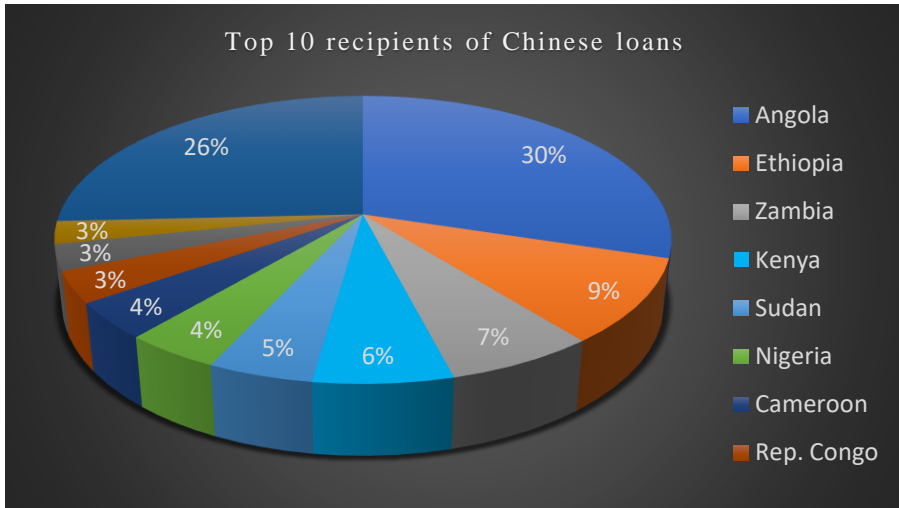
**Source:** Johns Hopkins University SAIS China-Africa Research Initiative

**Figure 8:** FDI Stock per sector in Africa.



**Source:** Johns Hopkins University SAIS China-Africa Research Initiative

**Figure 9:** Top 10 recipients of Chinese loans



Source: Johns Hopkins University SAIS China-Africa Research Initiative

**Table 1:** China ODI by country in term of the number of the projects

Country	Number of Projects	Number of firms
Nigeria	404	240
South Africa	280	152
Zambia	273	125
Ethiopia	255	114
Egypt	197	99
Congo (DRC)	193	80
Ghana	192	90
Angola	189	80
Zimbabwe	167	68

<b>Tanzania</b>	149	85
<b>Sudan</b>	148	78
<b>Kenya</b>	137	71
<b>Algeria</b>	123	75
<b>Mozambique</b>	94	41
<b>Uganda</b>	89	45
<b>Gabon</b>	71	23
<b>Mali</b>	68	33
<b>Namibia</b>	66	30
<b>Mauritius</b>	65	40
<b>Cameroon</b>	60	28

**Source:** China's Ministry of Commerce Transaction-level ODI Data in W. Chen, Dollar, and Tang (2018).

**Table 2:** Chinese ODI by sector in Africa.

Sector ID	Sector description	Nb of Deals
<b>Agriculture</b>		
<b>2</b>	Vegetable products	72
<b>1</b>	Live animals; animal products	41
<b>Manufacturing</b>		
<b>12</b>	Articles of stone, plaster, cement, etc.	96
<b>15</b>	Machinery and mechanical appliances; electrical equipment; parts thereof.	76
<b>10</b>	Textiles and textile articles	75
<b>3</b>	Prepared foodstuffs; beverages, spirits and vinegar; tobacco	64
<b>11</b>	Footwear, headgear, umbrellas, etc.	54



5	Products of the chemical or allied industries	45
13	Other manufacturing	45
16	Vehicles, aircraft, vessels and associated transport equipment	40
8	Wood and articles of wood.	35
6	Plastics and articles thereof; rubber and articles thereof	22
17	Miscellaneous manufactured articles	17
9	Pulp of wood or of other fibrous cellulosic material	15
7	Raw hides and skins, leather, etc.	9
<b>Service</b>		
21	Business service	1053
20	Wholesale and retail	693
24	Import and export	539
18	Construction, transportation, storage and postal services	392
22	Finance	68
19	Information transmission, computer services and software	14
23	Social service	12
<b>Mining</b>		
4	Mineral products	319
25	Petroleum, water and electricity production and supply	45
<b>Total</b>		<b>3841</b>

**Source:** China's Ministry of Commerce Transaction-level ODI Data (1998–2012), in W. Chen, Dollar, and Tang (2018).