

Statement

By

H.E. Hailemariam Dessalegn

Prime Minister

of the

Federal Democratic Republic of Ethiopia

at

Beijing Foreign Studies University

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Professor Han Zhen, President of Beijing Foreign Studies University,

Mr. Yang Xueyi, Chairman of the University,

H.E. Mr. Zhai Jun, Vice Minister of Foreign Affairs

H.E. Mr. Hao Ping, Vice Minister of Education,

Distinguished African Ambassadors to China,

Distinguished BFSU staff and students,

Distinguished members of the Academic and Research Community,

Excellencies,

Ladies and Gentlemen,

It is an honor, indeed a privilege, to be here today to speak about a topic that we cherish so much both as the chair of African union as well as the leader of a country that attaches great significance to its strategic partnership with China.

BFSU is not only one of the most outstanding institutions of higher learning but, it is an anchor to China's diplomatic and people to people relations with the rest of the world.

We are happy to be associated with such a prestigious institution that teaches over 50 foreign languages of which 2 are African and 2 more African languages are on the pipe line; including Ethiopia's working language "Amharic".

I congratulate BFSU on its success.

During the last decade, Africa has achieved remarkable economic growth amidst the global economic crisis. Among the ten fastest growing economies in the world, six are from Africa, and this year's economic projection also indicates this trend will indeed continue. The robust economic growth that Africa has been registering is all the more impressive as it has helped lift millions of citizens out of poverty.

Africa's potential is quite enormous. Africa now has nearly one billion people with a growing middle class—a huge market in its own right. Over 60 percent of the world arable uncultivated land is to be found in Africa, and it still enjoys an abundant wealth of natural resources. In the light of the young and easily trainable labor force that we have in abundance in the continent, Africa simply represents a wide array of opportunities for international

investors that will certainly guarantee a higher return on investment. As the youngest continent, Africa has a great deal to offer and the prospect for success is nothing short of astounding.

Africa is indeed growing. As you may all know, Africa's traditional growth story was mainly characterized by rising prices for primary commodities, which had long proved neither sustainable nor inclusive, instead rendering the African State a virtual predatory institution. What is so reassuringly different about current growth spiral, however, is that there is more and more economic diversification, with many small and micro enterprises engaged in productive sectors of the economy thereby contributing to an equitable growth. There is every reason to believe that Africa is indeed the next growth pole.

Excellencies,

Ladies and Gentlemen,

What Africa and China have today is a new type of strategic partnership. It is new because unlike partnerships that Africa had in the past this one is based on mutual respect and benefit; and strategic because it focuses primarily on structural transformation of African economies, from agrarian to industrial, and from fragmented to integrated markets.

In the last few decades, Chinese support to Africa has brought about significant changes in the economies of individual African countries. Many have undertaken huge infrastructural projects thanks to China's strategic partnership which is not only predictable, but also win-win. The rapid economic growth in China has also fuelled an increase in the price of commodities thereby helping increase the revenues of many African countries. Many Chinese companies are also in Africa working in a number of projects. Needless to say Chinese presence in Africa has had a benign influence in more ways than one.

There is, however, more to Africa-China strategic partnership than the traditional relations that many other countries also have had with Africa. Our strategic partnership with China is rather about China's place in Africa's newfound growth narrative and the contribution China has made and continues to make in ensuring that this is indeed a mutually beneficial partnership.

This is also justified by the traditional friendship between China and Africa. China had always been on the side of Africa during the trying times of anti-colonial struggles. It is also a source of satisfaction to note that China is working so closely with Africa in its struggle against poverty and underdevelopment. FOCAC is such an exemplary and unique framework of partnership between China and Africa.

It is true that over the last few decades, Africa has had relations with other countries that had for large part been based on the exploitation of natural resources and the provision of handouts in the form of humanitarian aid and development support attached to political strings, conditionalities based, as it were, on double standard and matrix of selectivity. Africa's relations with western financial institutions was largely characterized by an overly politicized dictation of terms that saw many African States abdicating functional authority and policy autonomy in the name of policies that were meant to promote orthodoxies of market fundamentalism. The reforms pushed by these institutions did, if anything, contribute to the de-industrialization of African economies. Relations were based on inequality and what little was done for Africa paled in comparison to what was done to it. It is in this context that Africa-China strategic partnership takes on exceptional significance changing as it does the nature of the relationship from one of dictation of terms to one that is based on mutual respect and the promotion of common interest. What this relationship brought about was a change in the mindset that for a long time treated Africa as a terminal aid recipient and beneficiary of external charity.

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Apart from the equal nature of the relationship that this strategic partnership has brought about, China's presence in Africa has also gone a long way in stimulating a continent wide expansion of infrastructure that has begun to narrow the competitiveness gap that had always stood in the way of Africa's successful entry into the global economy as an able partner that can assist in global re-balancing and in helping the world find a less volatile economic equilibrium. Africa can compete globally only if it manages to carry out massive infrastructural expansion in sectors such as telecommunication, energy generation and in building efficient transportation system. In this regard, the commitment of the Government of China in the provision of development finance in these areas is commendable. It is also worth noting that support in this sector will also help further integrate Africa through roads, railways and electric grids thus creating a multiplier effect whereby African economies boost their competitiveness even further. Today many countries in Africa, Ethiopia included, are being rebuilt from ground up with the help of Chinese finance and Chinese engineers. This will undoubtedly promote trade between African countries and create larger and integrated markets

In this connection, I would like to stress that it is no coincidence that most of the huge infrastructural projects in Africa are being undertaken by Chinese companies. This is not because most of the finance comes from China, but more importantly because no other nation in history—either in the west or in the east—has ever undertaken as massive infrastructural projects in such short periods of time as the Chinese have in the last few decades. Africa cannot afford to grow by piecemeal and it is altogether fitting that we collectively and individually tap into the Chinese potential to undertake and successfully complete large scale projects in relatively shorter duration.

What China has to do in this regard is not only to further strengthen its resolve to help Africa get its house in order but also to avoid the kind of rapacious hunt for natural resources that characterized the Africa of the 1960s and 1970s. Africa should not be a net exporter of primary commodities and net importer of capital goods whether from China or elsewhere. Our engagement with all our partners should thus lead to more, not less, industrialization. China has both the responsibility and the incentive, as it has already begun to do, to turn Africa's resource curse into a blessing that will further enhance the mutual interest of both partners.

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Another area on which our strategic partnership should focus is capacity building. Africa's growth spiral cannot be sustained without building the capacity of Africans to increase their productivity. Chinese higher learning institutions and technical support are therefore of great significance in addressing this shortfall in a manner that will ensure Africa's own ownership of its growth.

There is also a broader a paradigm shift in development perspective in Africa- not more aid but more trade and investment. The focus is less on aid and more on attracting more private investment and expanding more business ties.

We in Africa are keenly aware that Chinese foreign direct investment can and should play a vital role in the development of manufacturing sector in Africa. It is my hope and expectation that there will soon be a significant interest in not just traditional areas of investment such as in the extractive sector but also in expanding to other value-adding sectors such as manufacturing. These are sectors that not only create more jobs but also go a long way in ensuring the transfer of more skills and technology. The

Government of China can thus play a significant role in encouraging Chinese companies to pay more attention to value-adding, job-creating and technology transferring sectors such as manufacturing.

It is also worth noting here that Chinese investors have yet to set their eyes on investing in Africa's rather lucrative agricultural sector. More than sixty per cent of the world's arable land is to be found in Africa and the potential for investment by the Chinese on this sector is very huge. With the increasing food prices throughout the world, this is an area to which Chinese investors should pay much attention.

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China-Africa strategic partnership is not however merely about mutually beneficial relationship geared towards ensuring economic development. Our best of intentions notwithstanding, economic development cannot be fully achieved in a world where injustice is still rampant not only within nations but also within the international order itself. It is entirely implausible to assume that development can succeed in a context where many countries continue to find themselves at the receiving end of an unjust

economic and political order at global level. The governance of international financial institutions and supra-national institutions such as the UN should also factor in our relations with China as much as it does in our relations with our other partners in the West.

Africa and china should harmonize their efforts in areas of UN reform, climate change and sensitive peace and security issues throughout Africa and beyond in the interest of finding lasting solutions to our common problems and challenges. As a global power of increasing influence China must not shy away from playing a more pro-active role equal to its size and influence in issues that affect humanity. It is also in Africa's interest that China uses its influence in a responsible way, as I am sure it will, to tip the balance of global power in favor of justice—be it economic or political. This will go a long way in ensuring rule of law and democratization in international relations.

Close to home, China must realize that however effective its support to African countries in terms of economic development, it will not have the desired outcome if the very beneficiaries of this largesse are engulfed in conflict and crises. It would therefore be only logical that China step up its role in this regard and play a positive role in maintaining peace and security in the continent.

Excellencies,

Ladies and Gentlemen,

As the current chair of the AU Assembly, I have dedicated a good part of my statement to the current development story of Africa and the distinguishing characteristics of the strategic partnership between China and Africa. I deliberately avoided much discussion about my country in my discourse as it is simply part of the African development story. Africa is on the move, so is Ethiopia. We in Ethiopia have enjoyed a double digit growth for about a decade. China has been with us every inch of the way in this success story and greatly we treasure this partnership.

In conclusion, I wish to reiterate that the strategic partnership between China and Africa is not only key for their mutual progress but is also critical for fairness and the rule of law in the current international order.

I thank you.