

## The growing China-Africa partnership

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Africa is the youngest continent on the world economic horizon, but with proper utilization of its abundant human and material resources it is heading firmly towards economic and human development. It is effectively establishing strong partnerships with other regions to help meet its huge needs of infrastructure, technology transfer and capital, and consumer goods. It has established exemplary partnerships with the booming economies of Asia, notably China, which continue to grow at the strongest pace. China is one of the closest partners for Africa. It maintains very close cooperation with Africa; it pays and continues to pay significant attention to the continent in order to keep it as a close development partner. The China-Africa strategic partnership is continuing to develop rapidly in this second decade of the new century with frequent high-level visits and successful expansion of political, economic, and cultural cooperation. The broadened economic cooperation and trade relations between China and Africa in recent years have pushed the economic development of both to provide tangible benefits to their respective peoples. It has provided the means to help African countries plan for economic diversification, and adapted and shared technologies for developing economies in Africa.

China's non-financial direct investment in Africa is now growing at a rate of 87%, year-on-year. China-Africa cooperation projects can be seen in almost every African country, and these projects, covering agriculture, mining, manufacturing, infrastructure, trade flows and similar areas, typically fit the priority needs of Africans. During 2011, Sino-Africa cooperation has also been gradually broadening with development in such areas as financial institutions, telecommunications, tourism, shipping and other industries. Another major focus of China-Africa cooperation has been infrastructure. Currently such projects as roads, railways, bridges, ports, hospitals, communications, dams and electric power generation plants are being constructed by Chinese enterprises in many African countries. Others have been completed and are already operative. These have not only improved living standards and quality of life significantly; they have helped local employment opportunities, improved skills of local professionals and promoted the progress of related industries.

China has become the largest trading partner of Africa, and the continent is now China's fourth largest investment destination. The latest data indicate that China-Africa trade has reached a year-on-year growth rate of 30%. The total trade volume between China and Africa is now believed to have reached between US\$150 and 160 billion in 2011, up from US\$126.9 billion in 2010. It is expected to exceed US\$300 billion a year within the next three to five years.

Chinese goods, which cover a wide range of options to meet different consumption levels in African markets and needs, have helped to boost production capacity and development needs in Africa. Equally, significant amounts of African products are increasingly favored by Chinese consumers.

While deepening political trust and expanding its economic and trade cooperation with Africa, China has also continued to share the effects of its own changes and reforms and its experiences with the countries of Africa. It's setting up six economic and trade cooperation zones in different African countries including Ethiopia, Egypt, Mauritius, Nigeria and Zambia. These have helped to improve investment environment, attract foreign direct investment and create jobs. Such zones will play a vital role in changing Africa's economic structure, optimizing the export structure of African goods, and promoting local manufacturing and industrialization.

Several China-Africa Summits have been convened to expand the levels of partnership both in quality and scope. The most recent of these was convened in November 2009 at [Sharm-el-Sheikh](#) in Egypt. Previous summits were held in October 2000 in [Beijing](#), December 2003 in [Addis Ababa](#), and November 2006 in Beijing. During the 2006 Beijing Conference of the Forum on China-Africa Cooperation (FOCAC), Chinese President Hu Jintao pledged eight measures China would implement to further consolidate its partnership with Africa. The eight measures included China's pledge to double its 2006 level of assistance by 2009, the provision of US\$3 billion of preferential loans and US\$2 billion of preferential buyer's credits to Africa, and the establishment of a development fund of US\$5 billion to encourage Chinese firms to invest in Africa. Debt cancellation was another major measure.

Reports during the Fourth Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) indicated that these eight measures for China-Africa cooperation had been implemented and achieved. The provision of the loans had been fully implemented by the end of 2009, and debt cancellation procedures for 154 debt payments with 33 countries have been completed so far. This marks the beginning of a new historic phase of China-Africa's strategic partnership, and since then China's aid to Africa has steadily been expanding.

The newly built US\$200 million AU Headquarters in Addis Ababa, financed by the Government of China, is another significant manifestation of the growing China-Africa partnership. The construction of a new conference center for the AU was another of eight measures President Hu pledged in 2006, with a view to forging a new level of China-Africa strategic partnership and strengthening bilateral cooperation in more areas and at a higher level. Prime Minister Meles Zenawi who visited the new AU headquarters on January 11<sup>th</sup> said the building is indicative of the close and growing

partnership between Africa and China, and of China's keen interest to work together with Africa in the years to come. Ethiopia also made a significant contribution to the construction of the new building, granting 130,000 sq meters of land for the building and exempting materials imported for the construction of the building from taxes. Ethiopia also worked with the AU to lobby the Chinese government to build the new headquarters. The 20-storey complex will be inaugurated tomorrow, January 28<sup>th</sup>, a day before the opening of the AU Summit of Heads of State and Government. It contains a 2,500 person-capacity conference center, briefing and smaller conference rooms, media center, shops and libraries and 350 offices. As the gift of China to the African people it has taken full consideration of African culture and African opinions into account. It will be widely welcomed, accepted and enjoyed by the people of Africa.

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