

CHINA-AFRICA TRADE AND ECONOMIC RELATIONSHIP TOWARD A NEW STRATEGIC PARTNERSHIP

Farah RAHAL, Maître de conférences, HEC

Abstract: China's remarkable trade and economic growth rate has seen the nation emerge to world leadership rank, causing numerous researchers to think about its national and international goals and ambitions. China's incomparable status among the countries means that it is possible to balance between the developed and the developing worlds. Over the years, China has changed its intention from opposition to cooperation, from revolution to economic improvement and from isolation to international commitment. Its investment is revolutionary now, principally oil and other raw materials imports and a market for its manufactured goods.

Keywords: Sino-African economic and trade relations, strategic partnership, implications, challenges.

1. Historical background between China and the African continent:

Under the new situation in the world economy to globalization, international political development, Africa has drawn increasing concerns around the world. African lands and agricultural resources, rich underground of mineral resources, unique cultural and tourism resources are the development of economic and trade potential markets. Commodity sales market, raw materials and favorable investment location are playing a significant strategic position in Africa.

Relationships between China and Africa were officially established in the 1950 but trade and collaboration dates back over hundred years. Lately, as China's economy has continued to grow and affect the country into a major global competitor in all spheres, it has become obvious that China increasingly is in need to secure reliable sources of resources to maintain its economic development. The establishment of the People's Republic of China has opened up a new era of Sino-African economic and trade relation. In order to develop the Sino-African cooperation more deeply in twenty first century, China and Africa create a new form of cooperation the Forum on China-Africa Cooperation. The FOCAC Summit witnessed the birth of the establishment of a new type of strategic partnership between China and

Africa featuring political equality and mutual trust, economic win-win cooperation and cultural exchanges (IAN, 2006).

Africa is important to China as an immense source of resources to provide for its developing manufacturing basis, and a source of energy security too. Furthermore, China sees Africa as a significant destination for its inexpensive industrialized goods. China is trying to locate itself as an important power in the international system and, in so doing, encourage its own views and policies within international multilateral organisations. With a history of external exploitation, not quite successful economic experimentation and more modern and rapid market-based growth, China is in an exceptional position to understand the challenges and difficulties facing Africa. In doing trade in Africa and setting up a development framework, one is opposed with many options. It is consequently contested that China's presence on the African continent shows both opportunities as well as threats, even though African governments need to be pro-active so as to exploit the potential opportunities. In this context, Sino-African cooperation is seen as an important factor of a strategy to address the challenges and developing menaces facing the region. It also procures an opportunity for African countries to bring around technological change, transform the structure of their economies and arrange the foundation for high and sustained growth.

2. The development of Sino-African economic and trade relations

The development perspective in Africa is emerging, with new countries especially from the global South which are having an even significant supporting role as suppliers of much required expertise and fund for the improvement and progress of the continent. China has been the most distinguished rising partner, and Chinese companies have boosted their investment and business ties with African homologous by a factor of more than ten over the past decade. The increasing investment and trade connections are usually endorsed by concessional loans or grants from China's authorities, as part of the country's going out policy. This successfully improved commitment is in some measure the result of the expanded economic role and power of China on the global stage, and somewhat the outcome of China's interest in African's affluent natural resource mostly on fuel rushing its economic system. Certainly, a considerable part of China's investment and trade has been affiliated to extractive industries and relevant infrastructure. Moreover, infrastructure development is an obvious urgency on the African continent, as advancement towards strong, supported and administered improvement

relies on the private sector getting a high quality infrastructure service at internationally competitive prices. With an annual infrastructure investment break in Africa of about fifty billion US dollars (JOSEPH, 2006), China's charitable donation to lowering the power, transport and telecommunication shortages on the continent is a warmly received counterpart to the efforts by private investors, national authorities and the donor society. Furthermore, the impact of China on African economies has begun to catch up beyond tight infrastructure for resources agreements and now goes upon an extensive pattern of areas and development problems. For instance, the conception of Chinese conducted Special Economic Zones in various African nations has the ability to afford a marked advance to the industrial capacity of numerous African countries. In these circumstances, it is in good time to consider Sino-African relationship and explicate the advantages and difficulties for both sides.

In the last decade, economic and trade relations between China and the countries on the southern and eastern coasts of the Mediterranean have enlarged admirably.³⁵ It is consequential to point out that, with the difference of the pertinence specified to the Mediterranean Sea as a transit route for its exports to Europe, the Middle Kingdom does not show any particular international policy against the continent. Comparatively to the United States, but unlike the European Union³⁶, there is neither Chinese policy modeled for the Mediterranean region nor is this a special sector. While for the time being China's presence in the Mediterranean region is importantly compelled by economic interests, political contexts will materialize in reaction to the permutation performed by actual circumstances in the Mediterranean area.

The improving of the Chinese trade ties with Mediterranean nations originates from its business interest in natural resources. The enormous actual and anticipated Chinese demand for energy has caused to the prioritization of economic relations with primary oil and gas producers.³⁷ This is a bent that, in the Middle East and North Africa (MENA), has essentially considerate Gulf countries, but was consecutively enlarged to Mediterranean nations (Algeria, Egypt, Libya, and around them).

35 Encyclopédie Wikipédia, *Économie de la République Populaire de Chine*, http://fr.wikipedia.org/wiki/Économie_de_la_République_populaire_de_Chine, consulté le 10/05/2016 à 12h03.

36 Encyclopédie Wikipédia, *Économie de l'Afrique*, http://fr.wikipedia.org/wiki/Économie_de_l'Afrique, consulté le 10/05/2016 à 12h45.

37 Forum sur la Coopération Sino-Africaine, *La Chine ne pratique pas le néocolonialisme en Afrique*, <http://www.focac.org/fra/zfgx/dfzc/t653213.htm>, consulté le 15/11/2016 à 18h15.

3. China and Africa strategic cooperation: Implications and challenges:

The burgeoning cooperation between African countries and other developing countries is a fluctuating growth finance perspective and has great capacity to provide and share to sustained development and poverty reduction in the continent. It should be pointed out that drawing attention to the large number of possible initiatives and platforms is not meant to give the impression that all doors are open to bilateral, trilateral and multilateral exchange with developing countries about development in Africa.

China can be considered an opportunity and a threat for Africa. It cannot be assumed that Africa is going to stand with only agriculture and mining; despite of these sectors can create the money required for the improvement of the rest of the economy. Nevertheless, other areas like tourism, agriculture and agro-based industries must be developed too.

China has a profoundly past in Africa. Its enriched presence compels it way harder for China to cease from impeding in local conditions. China's interests have increased because of the investments made and the number of Chinese people living in Africa. At this time the presence of China in the region has changed into a much more multi-sided, it cannot potentially be positive in all aspects. There are though some disagreements that cannot be unlocked, for instance: 1) Being a developing country and at the same time desiring to be an empire; 2) Going for long run variable and fixed low prices for African goods and guaranteeing that the nation involved as well gains from price increases in the future; and 3) China is still being given aid and assistance itself and theretofore is changing into a principal contributor in Africa. The concept of being an emerging country is hard to conciliate with one of an important power. China is conscious of its economic interests, but likes to show its business affairs as a symbol of solidarity between emerging nations. One of the issues commonly increased regards to Chinese firms and projects bringing a considerable number of Chinese workers to Africa. If China is opposed to transfer technology, or if it employs primarily its own management and workers, this lead to a no transfer of technology and there is no improvement of local ability. Likewise, the principle of non-interference is not easy to consolidate with defending more than a million Chinese living in Africa. Additionally, China has accomplished long-term contracts with some African countries like Angola for the purchase of oil. Yet, if these are agreements with prices way below the world market prices then these contracts do not benefit Africa like Angola, Congo or Sudan, and then China is acting just like a neocolonial nation (LI, 2007). The case of China's implications in Africa is a regular argument calling attention to problems such as: what really motivates the Chinese to compete such an

active role in the region and who really benefits from it? We can say that China is not very different from the other superpowers in the sense that it is looking after its own interests first. That signifies it requires Africa's raw materials to maintain its industrial sector profitable and it requires markets for its final goods.

On one hand, the Chinese investment in the continent consist of financing considerable infrastructure projects like railways and roads, as a strategy in order to place manufacturing factories in African nations, to reduce its dependency on national firms settled in China. On the other hand, the development of Chinese economy gives new market advantages for the nations of the Mediterranean sector. Apart from energy, there are conceivable possibilities that are left unexamined, like petrochemicals, crude materials, agricultural products, and a number of industrial products for which the continent has powerful comparative advantages. As an answer to the whole market requirement, the North African region can concentrate into supplementary sectors, like renewable energies, considering that there is interdependence between the resources and the needs of the region. Yet, in spite of the distinct contracts signed along the years, North Africa area is still not actually competitive, primarily caused by trade and logistical limitations.

There is another side to the coin. Nowadays, despite China's actions in Africa, a new segment may come into reality, between nations relying on Western assistance and those preferring the Chinese plan to development. The last would then be represented by: 1) Less regard to democracy, and more concentration on political stability; 2) Supporting a high-handed kind of leadership, as, for instance, in Ethiopia, and Zimbabwe; 3) Featuring a significant function for the country in the economy, but on the same plane with a function for the global market and especially the private sector; 4) A choice for growth cooperation approach with no strings attached, believing that this is feasible; and 5) No interference in other countries' affairs, and no intercessions.

4. China and Africa strategic cooperation: Challenges and opportunities:

In light of these trends as well as the overall effects of China's involvement, there are a number of steps that could be taken to ensure a cooperation between China and the continent that not only benefits both, but that also counterparts and reinforces global advancement efforts. China has begun to realize that it has much to gain from such a partnership, not only through direct economic profits for example expanded African market size,

but also socially. The challenge will be to encourage this achievement in the suitable Chinese circles while at the same time supporting the African side in building up urgently needed capacity and willingness to administer the Chinese interest in a more transparent and rise-friendly way. While it is clear that actual Chinese activities in Africa have a great potential to contribute to African growth it is necessary to employ a sense of proportion about the developing Sino-African relations. Although it is developing fast, the total Chinese involvement is still considerably smaller than that of the United States. Western countries and firms are still the biggest actors on the African continent and many of them raised about the Chinese commitment are valid for them too.

Finally, how do Africans themselves see this active role of China in their continent? Of course they are quite aware of what is happening, but some accentuate the opportunities and some warn of the risks. The challenge is for Africa to find approaches to tackle and manage these relationships for better development repercussions (LAFARGUE, 2016). This demands the selection of powerful strategies illustrating national and regional interests. It likewise needs confirming that the developing partnerships with emerging countries supplement rather than substitute for relations with habitual partners.

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