

Changes Underway in Africa As FOCAC Convenes

by Dean Andromidas

Sept. 8—The heads of state and other leaders of 53 African countries participated in the summit of the Forum on China-Africa Cooperation (FOCAC), an unprecedented turnout that demonstrates how the Belt and Road Initiative (BRI) is transforming relations between Africa and China. The latter committed to invest another \$60 billion of concessionary funding in African infrastructural, industrial, and agricultural projects, in its win-win approach to economic and political relations. What do these words mean for the countries of Africa? Are they seen by African leaders as merely nice promises? A look at statements and economic agreements, and a sampling of representative cases from among participating nations at the summit demonstrates that the opposite is the case, that Africa is, indeed, welcoming China's expanding role in the development of Africa.

The *Chronicle* of Zimbabwe published an editorial at the close of the summit titled, "Sino-Africa Relations to Scale New Heights after FOCAC." After documenting the falseness of the claim that China is forcing Africa into a debt trap, the editorial states,

However, contrary to this assertion, China's assistance to Africa is actually yielding tangible results, and instead of trapping African economies in debt, China-Africa co-operation under the framework of China's Belt and Road Initiative is intended to target the continent's major development bottlenecks so as to realize tangible benefits for both peoples... On a continent where more than 600 million people still have no access to electricity, 40% of the Chinese loans go for power generation and transmission. An-

other 30% seek to modernize Africa's transport infrastructure....

It is rather ironic that Western countries are cautioning Africa against Chinese "neo-colonialism" when their own colonial past impoverished the continent by literally sucking it dry of its natural resources.

Speaking at the summit, President Emmerson Mnangagwa of Zimbabwe declared:

Today the Road and Belt Initiative has taken everybody on board so that our economies can talk to each other, so that our economies can help each other modernize and mechanize. We are getting connected and benefiting from each other.

Enumerating the issues discussed at the summit, Mnangagwa continued:

The issue of transportation, the issue of infrastructure development in our countries ... we believe that with this relationship under FOCAC where the rest of Africa is making conversations with China, and China [is] helping Zimbabwe and Africa to go up. And when that happens, it creates the integration of marketing in China and Africa, so we are happy that we are part of this global vision.

Mnangagwa added that China is helping Zimbabwe—

to become a middle-income country. As a result of that helping hand we leapfrog and go into a modern economy. Left alone it will take us more



years to develop with our domestic investment, but given the technology, given the assistance, the financial know-how, we leapfrog and become an important cog in the global economy.

It can be said that this sentiment is near universal among the African nations now participating in the BRI. Indeed the president of the African Development Bank (AfDB), Dr. Akinwumi Adesina, told Xinhua on the sidelines of the summit, “Let me be very clear that Africa has absolutely no debt crisis; African countries are desperate for infrastructure. The population is rising, urbanization is there, and fiscal space is very small.” The AfDB president added, “They are taking on a lot more debt, but in the right way.”

Credits for Development

The Chinese are not heaping debts on African countries, but credits for development. A debt trap is what the European Union and the International Monetary Fund has forced on Greece, where they loaded a country of some 10 million people with over 340 billion euros of new debt, increasing its debt to Gross Domestic Product ratio from 100% to 185%. The entire sum went to German, French, British and other European banks, who themselves were more bankrupt than Greece! The austerity forced on Greece has crushed the economy, reducing economic output by one third, increasing unemployment to over 30%, and putting the country under surveillance of its



Xinhua/Yan Yan

Chinese President Xi Jinping (right) welcomes Zimbabwean President Emmerson Mnangagwa to the FOCAC Summit, Sept. 3, 2018.



Xinhua/Li Xin

Akinwumi Adesina, President of the African Development Bank.



Xinhua/Zhang Baoping

The light rail train arriving at the airport in Abuja, Nigeria, the first of its kind in West Africa, July 12, 2018.

creditors until 2060. Even the IMF, which was party to this travesty, admits the debt is unsustainable. That is a debt trap.

By contrast almost 100% of Chinese loans have gone to financing real productive investment. Statements made by African leaders at the summit reveal where the \$60 billion in new investments is going. A few examples:

- Nigerian President Muhammadu Buhari told TVCNews that the loans have gone to fund infrastructure projects that “are perfectly in line with Nigeria’s Economic Recovery and Growth Plan. Some of the debts, it must be noted, are self-liquidating. Nigeria is fully able to repay all the loans as and when due, in keeping with our policy of fiscal prudence and sound housekeeping.”

Over the last three years, projects valued at \$5 billion have been initiated, including \$500 million for West Africa’s first urban rail system in the Nigerian capital of Abuja, as well as a 180 km rail line connecting Abuja to Kaduna further north. Buhari said Nigeria is requesting Chinese funding to complete \$3.4 billion worth of additional projects, including upgrading of airport terminals, the Lagos-Kano rail line, the Zungeru hydroelectric power project, fiber cables for Internet infrastructure, and rolling stock for the newly constructed rail lines, as well as road rehabilitation and water supply projects.

On the sidelines of the summit, the China National Petroleum Corporation (CNPC) assured the Nigerian National Petroleum

Corporation (NNPC) that it is committed to securing up to 85% of \$2.8 billion to build the Ajaokuta-Kaduna-Kano (AKK) pipeline project. The pipeline will enable connectivity between the East, West and North of the country that is currently non-existent.

- On the sidelines of the summit, Egyptian President Abdel Fattah el-Sisi attended the signing of a number of agreements and contracts with Chinese companies to implement projects worth \$18.3 billion, including a \$4.4 billion agreement with a Chinese consortium, comprising Dongfang Electric manufacturing company and Shanghai Electric, with the Egyptian Ministry of Electricity and Renewable Energy, to build a clean coal power generation station, to be completed in six years. Also included is the construction of a petrochemical refinery plant in the Suez Canal Zone, a 2,400 MW pumped storage plant on Ataq Mountain, the construction of the Shaodong Roi textile complex, and a Tai Chan plant for gypsum panels.

Also, the Egyptian state-owned Banque Misr announced the signing on Sept. 5 by the China Development Bank and 15 African financial institutions, of a deal to establish a Chinese-African consortium of banks.

- President Uhuru Kenyatta of Kenya secured an economic and investment cooperation agreement worth \$45 million for the implementation of projects involving both nations. Also in discussion was Kenya’s request for financial support for the third phase of the Standard Gauge Railway. China completed the first phase of the railway between the port of Mombasa and Nairobi, which has already revolutionized the country’s transportation, dramatically reducing travel time between the two cities and increasing the throughput of the port of Mombasa by 500%. Kenya is seeking half of the \$3.8 billion cost for extending the railway up to the port of Kisumu on Lake Victoria.

Pointing to the strategic importance of the extension, Kenyatta said it would open up the economic po-

tential of other countries like Malawi, Zambia, Tanzania, Burundi, Democratic Republic of Congo, Rwanda and Uganda, as well South Sudan and Sudan, and contribute to creating a land bridge between the Indian and Atlantic Oceans.

- The President of Namibia, Hage Geingob, in his capacity as chairman of the Southern African Development Community (SADC)—the intergovernmental organization representing 16 southern African countries—appealed to China and its investment community to support the SADC region in developing its manufacturing, infrastructure, transportation, agriculture and tourism sectors.

- Gambia’s attendance marked its officially becoming a member of FOCAC. President Adama Barrow has said that Gambia’s membership will help the country attain the goals and objectives of the National Development Plan (2018-2021). Speaking at the Round Table Meeting on the second day of the summit, the President expressed appreciation to President Xi and the People’s Republic of China for the initiative to strengthen the cooperation between China and Africa for a shared community of mutual respect and benefit.

- Zambian President Edgar Lungu and a team of ministers negotiated trade and economic agreements, including a grant of \$30 million for the Lusaka East Multi-Facility Economic Zone and another \$30 million interest-free loan for the reconstruction of the Mulungushi Conference Centre, in readiness for the African Union Heads of State summit in 2022. In addition, China agreed to aid the preparation of feasibility studies for the implementation of the Lusaka Mass Transit Railway Corridor project. All of these projects will contribute to the completion of the country’s Seventh National Development Plan.¹



Xinhua/Li Xueren
Egyptian President Abdel-Fattah el-Sisi at the FOCAC round table, Sept. 4, 2018.



Xinhua/Li Xueren
Kenyan President Uhuru Kenyatta at the FOCAC round table, Sept. 4, 2018.

1. For an in-depth study of the role of the Belt and Road Initiative in the development of Africa, please see the Schiller Institute’s November 2017 study, [Extending the New Silk Road to West Asia and Africa](#).

Promoting Regional Peace and Development

The momentum created by the Belt and Road Initiative in Africa has awakened a sense of optimism throughout the continent. Entire regions that have witnessed decades of both internal strife and conflicts between nations are now making peace, realizing that through a win-win approach they can participate in the great opportunities offered by the BRI. The latest example is the Horn of Africa, which just a few months ago was a region suffering from war, terrorism, and piracy. The nations there, including Ethiopia, Somalia, Djibouti, Eritrea, and South Sudan, have now embarked on the path of peace and prosperity fostered by the benevolence of the BRI.

The individual most responsible for this transformation has been Ethiopian Prime Minister Abiy Ahmed Ali, who normalized relations with Eritrea earlier this year, after almost two decades of undeclared warfare. Chinese Premier Li Keqiang held talks with Abiy in Beijing on Sept. 3, where he stated that Ethiopia is an important partner of China in Africa, and took note of the China-Ethiopia comprehensive strategic and cooperative partnership. Li also said China and Ethiopia will expand human resources development and cooperation, and promote construction of transportation infrastructure and supporting projects. China has just completed the already famous Djibouti-Addis Ababa electric railway, the landlocked country's first modern railway.

In his address to the FOCAC summit, President Mohamed Abdullahi Mohamed Farmaajo of Somalia gave fulsome praise to the role China is playing in the development of Africa through the BRI. He noted that China's lifting of 700 million people out of poverty—

holds lessons for Somalia. Somalia's coastline has historically been key to facilitating trade between China, Africa, and the Arabian Peninsula. Now, with the implementation of the Belt and Road Initiative, and our reserves of untapped resources, Somalia has the potential of becoming a driving force for regional connectivity and prosperity. By seizing these potential economic opportunities, Somalia can contribute to regional and global stability and prosperity, through win-win cooperation.

While Eritrea was not represented by its President, a high-level delegation did attend the summit. Djibouti's

President, Ismail Guelleh, also attended the summit and met separately with the Chinese President. Only last July, the two countries celebrated the opening of Djibouti's new International Free Trade Zone, built with a Chinese investment of \$370 million.

South Sudan's President, Salva Kiir, attended the summit. Only a few weeks ago he entered into a reconciliation process with the opposition groups that have been carrying out an armed struggle against the government. In his meeting with the Chinese President, the latter offered China's full support to the reconciliation process which, if successful, will allow the integration of the country with other regional economies.

The day after returning from Beijing, Ethiopian Prime Minister Abiy and Somali President Farmaajo arrived in Asmara, Eritrea for a tripartite summit with Eritrean President Isaias Afwerki. Up until only several weeks ago, the three countries were not on talking terms. This is the first summit of all three leaders. The leaders signed a tripartite agreement, committing them to foster comprehensive cooperation, including building close political, economic, social, cultural, and security ties; coordination to promote regional peace and security; and the establishment of a Joint High-Level Committee to coordinate their efforts in the framework of their Joint Declaration.

They agreed to help facilitate a resolution of the border dispute between Eritrea and Djibouti. In this effort the foreign ministers of the three countries flew to Djibouti on Sept. 6 to begin talks over Eritrea-Djibouti tensions. The visit by the three foreign ministers has borne fruit. Ethiopia's Foreign Minister, Workneh Gebeyehu, said on his Facebook page, "After a long period of separation, Eritrea and Djibouti have agreed to restore ties."

Confirming an agreement, Djibouti's Foreign Minister Mahmoud Ali Youssouf said: "With the truthful willingness demonstrated by Eritrea and Djibouti to make peace, all other pending issues will find their way to resolution."

Eritrea has been close to a failed state with its major export being migrants. Now, through its renewed ties with Ethiopia and other countries, Eritrea has been put firmly on the Belt and Road. Its two ports, Assab and Massawa will soon become major ports of entry for Ethiopia, a country of 108 million people. Symbolic of the potential transformation, is the docking on Sept. 5 of an Ethiopian merchant ship for the first time in twenty years at the port of Massawa.