

# China-Africa Cooperation: Economic and Geopolitical Implications

FOCAC Summit Convenes in South Africa

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*Beijing and African Union states to enhance 'win-win' partnerships*

*A recently-held gathering on December 5-6 of African Union (AU) member-states and the People's Republic of China under the banner of the Forum on China-Africa Cooperation (FOCAC) has placed strong emphasis on greater collaboration between the two regions based on mutual benefit. This meeting was held in Johannesburg, South Africa under the theme "China-Africa Progressing Together: Win-Win Cooperation for Common Development."*

Chinese President Xi Jinping emphasized during his speech before the FOCAC Summit that Beijing has become Africa's principal cooperation partner in several significant areas. By the conclusion of 2014, the volume of Chinese investment in Africa reached \$101 billion U.S. dollars, represented by more than 3,100 Africa-based enterprises. During 2014, bilateral trade reached \$221.9 billion. (Xinhua, Dec. 5)

It was announced by Xi that China was offering \$60 billion in funding, including \$5 billion of grant assistance and interest-free loans, \$35 billion in preferential loans and export credits on more favorable terms, \$5 billion in additional capital for the China-Africa Development Fund and the Special Loan for the Development of African SMEs (small- and medium-sized enterprises) each, and a China-Africa production capacity cooperation fund with an initial capital fund of \$10 billion.

AU Commission Chairperson Dr. Nkosazana Dlamini-Zuma, said of the address delivered by the Chinese leader at the FOCAC Summit that "President Xi Jinping's speech was great in the sense that it identified areas where Africa is interested in and which are in our agenda 2063. Those are areas we are going to cooperate on and take this relationship to new heights." (Xinhua, Dec. 7)

Dlamini-Zuma was referring to the fifty year plan (2063) of development and unification outlined at the 2013 AU Summit in Addis Ababa, Ethiopia which commemorated the five decades anniversary of the formation of the Organization of African Unity (OAU), the predecessor to the AU. The state-of-the-art AU headquarters in Addis Ababa was actually constructed by the Chinese in recent years.

The AU chair also said "We are going to cooperate with China whether in modernizing agriculture, infrastructure, energy, training of the young people and culture. The cooperation with China will enable us to implement the three network projects which include highways, railways and aviation."

Over the course of the Africa tour of Chinese President Xi Jinping to both Zimbabwe and neighboring South Africa earlier in the week, some twenty-six agreements were signed. The thrust of these projects center around the construction and strengthening of infrastructural development that will result in what Xi called “win-win cooperation.”

Held in Johannesburg, South Africa and hosted by the African National Congress (ANC) ruling party President Jacob Zuma, the gathering represented a continuation of a decades-long relationship dating back to the early years of the Chinese Revolution which paralleled the emergence of the national independence movements on the continent. During the course of various political and military struggles against colonialism, China under the leadership of the Communist Party has provided material and political support.

In the current period, China through its role as a permanent member of the United Nations Security Council has blocked the imposition of even more draconian western sanctions against the states of Sudan and Zimbabwe. Beijing also deploys its troops as participants in peacekeeping operations in the Darfur region of Sudan and in the Horn of Africa state of Djibouti.

#### FOCAC Continues Strong Over Fifteen Years

The South African gathering is the latest in a series of such meetings since 2000. There have been five other ministerial conferences with the first being held in Beijing.

Subsequent ministerial conferences were held in 2003 in Beijing, 2006 also in Beijing which was the third ministerial conference and the first FOCAC Summit, 2009 in Egypt, and 2012 in Beijing.

This meeting was officially described as the second FOCAC Summit and was treated as a major event in both geo-political regions. Deliberations over the two days and its preliminary meetings leading up to the gathering, placed the Summit within the context of the world economic crisis which has impacted both China and the African continent.

Xi Jinping visited Zimbabwe, led by the AU rotating Chair President Robert Mugabe, prior to the FOCAC Summit where he signed additional agreements with the leadership of that country still undergoing sanctions by the U.S. and other imperialist countries. Zimbabwe's state media gave lead coverage to the visit of President Xi and his large delegation which spent two days inside the country prior to crossing over into South Africa.

The Zimbabwe Herald reported on the “Landmark deals worth \$4 billion signed between Zimbabwe and China on Tuesday (Dec. 1) which will convert provisions of the Government's economic blueprint, Zim-Asset, into programs of action. The two nations signed 12 investment agreements covering different sectors of the economy. The deals include financing for the expansion of the Hwange Power Station, construction of a new parliament building and a pharmaceutical warehouse, expansion of a national fiber optic broadband project and provisions of wildlife monitoring equipment.” (Dec. 2)

These agreements are being signed between Beijing and Harare while Zimbabwe is still overwhelmed with debts to the global capitalist financial institutions. An attempt to re-schedule the obligations to the western banks and their subservient lending agencies will prove to be formidable in light of the declining commodity prices which the Southern African state depends upon to earn foreign exchange revenue known as hard currency.

This same above-mentioned article in the Herald says “Zimbabwe has, for over 15 years, been unable to secure long-term loans to fund infrastructure because it is in arrears with global lenders — the IMF and the World Bank. However, the multi-lateral institutions might resume financial support to Zimbabwe after a deal was struck with international creditors on how the country intends to repay its arrears. Zimbabwe intends to clear its arrears to the three multinational institutions, the IMF, (\$110 million), the World Bank (\$1.15 billion) and the AfDB (\$601 million) by the end of April 2016.”

In South Africa, Xi signed agreements worth \$6.5 billion with the ANC-led government. These agreements are mainly designed to build infrastructure in the continent’s most industrialized nation.

Also during this visit, South Africa’s President Jacob Zuma championed the relations between South Africa and China as being at there “best ever” after the two leaders held discussions concentrating on the boosting of investments.

“China and South Africa relations are at a new historical level. We want to build it into a model for relationships between China and other emerging economies,” Xi told media representatives after the initial talks. (TVC, Dec. 3)

In response to the criticism leveled by the western imperialist states including the U.S. over allegations that Africa-China relations represent a new form of “colonialism”, Kenyan President Uhuru Kenyatta rejected this categorization saying that both regions are benefiting from the burgeoning partnerships. “China is ready to help us develop and meet our socio-economic objectives without imposing its agenda on us. This is the outstanding aspect of our cooperation with China,” Kenyatta said at the FOCAC Summit.

Xinhua news agency noted in Kenyatta remarks that “China is doing what the colonialists failed to do in the past: help Africa out of poverty, the president said. This marked a strong contrast with what colonialists were doing before, he stressed. Relations between African countries and China are entering a critical phase as both sides focus attention on areas that generate real benefits to citizens,” Kenyatta said. (Dec. 5)

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