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Boston University African Presidential Center

Boston University
China’s Africa Envoy discusses China-Africa relations

To an overflow crowd at Boston University on September 21, 2012, Ambassador Zhong Jianhua, Special Representative on African Affairs for the People’s Republic of China, clarified China’s position on Africa and called on the international community to “be fair” in its assessment of China’s investment in the continent. In his role as Special Envoy, Ambassador Zhong oversees and manages China’s ever-expanding relationship with Africa.

During his twenty-five minute address and the extended Q&A that followed, Ambassador Zhong went into detail explaining China’s political, economic, and humanitarian agenda on the continent. He started his talk by positioning China’s interest in Africa within the context of Africa’s expanding importance in the global economy. He said: “In the first decade of the twenty-first century, Africa’s annual economic growth rate averaged 5.7 percent. Six of the ten fastest growing economies in the world were on the African continent. At this time, most African countries have recovered from the global financial crisis. In 2011, Africa’s economies grew by 3.6 percent and the IMF predicts that seven out of the ten fastest growing economies over the next five years will be in Africa.”

He went on to explain how China is pursuing increased opportunities in light of Africa’s expanding potential. In terms of bilateral trade Zhong said, “For three years in a row, China has been Africa’s single largest trading partner country. From 2000 to 2011, bilateral trade with Africa increased from $10 billion (USD) to $166.3 billion (USD), while Africa’s exports to China increased from $5.6 billion (USD) to $93.2 billion (USD) over the same period.” Moving beyond policy to his personal experiences in Africa, Zhong concluded that there are some similarities between the African and Chinese experiences. Just as China saw profits and rewards to investment, he opined that we would probably “see a similar cycle of development in Africa.”

Zhong also highlighted the contribution China has made to humanitarian efforts in Africa, saying, “Over the past three years China’s development assistance has more than doubled. Most of that assistance has been directed to the areas of poverty reduction, disaster preparedness and mitigation, and capacity building. China has built new schools, hospitals, roads, bridges, and water supply facilities all across the continent as well as sending a large number of agricultural specialists and medical personnel. We have provided training for 21,000 African personnel in various fields.”

Commenting on Zhong’s presentation, African Presidential Center Director Charles Stith said, “On a subject that has generated more heat than light, Ambassador Zhong’s remarks and responses to questions shed real light on the China-Africa connection, and provided insight into the nuances of Chinese thinking on a range of subjects. While conceding China’s engagement in Africa is not perfect in every sense, Ambassador Zhong’s sense of the good that China does is consistent with my conversations with African leaders.”

Ambassador Zhong has a wealth of experience serving the government of the People’s Republic of China. In addition to his work with Africa, he has served in the Chinese Embassy to the United Kingdom, as well as serving as the Consul General to the United States. Most recently, Ambassador Zhong spent several years as the Ambassador Extraordinary and Plenipotentiary of the People’s Republic of China to the Republic of South Africa.

In addition to responding to questions from the Boston audience, Ambassador Zhong also answered questions from participants from Morehouse College, Elizabeth City State University, and North Carolina A&T State University, who participated in the discussion via videoconference as part of APC’s American-African Universities Collaborative Issues Forum. This was Ambassador Zhong’s first address in the U.S. on China-Africa relations since becoming Special Envoy on African Affairs.
“Thank you, Ambassador Stith for the invitation to be here and the kind introduction.

I feel really honored to be here. I am most humbled to come back to Boston, which I consider a second home. A really, really, long, long time ago, I was a student at the Fletcher School at Tufts University. In addition to the time devoted to my studies, I also enjoyed the many interesting places that make Boston unique. I remember cycling around the city. Of course, it is sad that I’m probably too old to cycle around the city now. But, it is good to be back anyway.

I was asked to talk about how China is involved in Africa; or, what China is doing in Africa. I have prepared a speech to do just that. I will first start by explaining the official position on China’s involvement in Africa. Afterwards, I will talk about Africa based on my personal experience when I served as the Ambassador to South Africa. And finally, I will also be very glad to answer any questions you may have, which will probably be the most enjoyable part of the evening.

We see Africa as a very hopeful and important part of the world, politically and economically. In the first decade of the twenty-first century, Africa’s annual economic growth rate averaged 5.7 percent. Six of the ten fastest growing economies in the world were on the African continent. Currently, most African countries have recovered from the global financial crisis. In 2011, Africa’s economies grew by 3.6 percent. The continent’s impressive growth rate looks likely to continue. The IMF predicts that seven out of the ten fastest growing economies in the next five years will be in Africa.

Africa has become an important partner to some of the world’s major economies. Because of greater internal peace and stability, a majority of African countries have taken measures to accelerate development, improve the environment, and strengthen economic ties with other nations. Other developing countries and emerging economies are optimistic about Africa’s prospects. They see increased cooperation with Africa, especially in trade and investment, as bringing them all closer.

As Africa’s global standing rises, it plays a more prominent part in international affairs. Because of Africa’s expanding place in the global economy, it stands to play an important role in promoting reform of how international economic assistance is structured and given. They are having success in increasing their representation in international financial institutions and galvanizing support and coordination on global issues, such as the international financial crisis, climate change, the WTO Doha Development Round negotiations, and sustainable development.
“THE CHINA-AFRICA RELATIONSHIP: CHINA AND THE U.S. IN AFRICA”
September 21, 2012
However, Africa still faces major challenges in its development.

An unjust and troubled international economic order continues to impact on world peace and development, which keeps Africa in a weakened position in the world economy. Africa’s unsolved structural problems also contribute to its disadvantaged position in the global economy. Those structural problems include: weak economic fundamentals; a dependence on foreign assistance; uneven development; high unemployment; and population growth rates that exceed economic opportunities.

The number of uncertainties and destabilizing factors in Africa means that peace and security remain tenuous. A prime example is the turbulence in Western and Northern Africa. Beyond this, the global financial crisis is still spreading and deepening, and the world economic situation remains grim.

China’s commitment to a comprehensive and cooperative relationship with Africa is based on several principles: enhancing our friendship; treating each other as equals; extending mutual support; and promoting common development. It is our view that a relationship based on these principles will also help Africa strengthen its capacity for self-development.

Bilateral trade between China and African countries has grown rapidly. For three years in a row China has been Africa’s single largest trading partner. From 2000 to 2011, bilateral trade with Africa increased from $10 billion (USD) to $166.3 billion (USD), while Africa’s exports to China increased from $5.6 billion (USD) to $93.2 billion (USD) over the same period.

Chinese investment in Africa has been an impetus for strong growth. China is the second largest developer of projects in Africa and the fourth largest source of investment dollars. By June 2012, China had invested $45 billion (USD) in Africa, including over $15 billion (USD) in direct investment. Over 2,000 Chinese companies of different types are operating in Africa, and more than 85% of their employees and staff are African.

The trade mix has been improving constantly. Notable progress has been made in cooperative financing. The international financial crisis has put African countries under huge pressure as a result of the funding shortage that ensued. As a friend, and mindful of the funding challenges Africa faces, China delivered on all of its commitments; providing $10 billion (USD) in loans of a preferential nature to Africa, as well as supporting Chinese financial institutions as they increased commercial loans to Africa.

We have also given higher priority to programs that provide social benefits. China has completed a number of projects to increase production capacity and to improve people’s wellbeing. Over the past three years China’s development assistance has more than doubled. Most of that assistance has been directed to the areas of poverty reduction, disaster preparedness and mitigation, and capacity building. China has built new schools, hospitals, roads, bridges, and water supply facilities all across the continent as well as sending a large number of agricultural specialists and medical personnel. We have provided training for 21,000 African personnel in various fields.

China has provided emergency food aid several times to countries hit by famine in the Horn of Africa and other parts of the continent, and has completed a number of agricultural projects, as well as having built demonstration centers and nearly a hundred clean energy projects in Africa. These efforts have boosted Africa’s capacity to meet challenges such as food security and climate change.

The increased cooperation between China and Africa has spurred other countries to deepen their cooperation with Africa. On that score, we have some suggestions for African economic and social development for countries watching what we’ve done and how we have done it. On the one hand, African countries must take the first step to be more attractive to public and private sector investors. Countries must be politically stable, and more measures must be taken to increase trade, attract foreign investment, develop infrastructure, and improve governmental efficiency to optimize the development environment. On the other hand, the international community should respect African countries’ rights and wishes to choose their own pathway for development, and believe that Africa is capable of crafting African solutions to African problems.

The global community must continue to give high priority to enhancing peace and development in Africa and...
increasing inputs in this area. Countries must honor their commitments to help Africa meet the Millennium Development Goals at the earliest date possible. Reforms are needed in the existing international economic and financial systems to truly increase the voice and representation of developing countries in international financial institutions and the international monetary system. China will make full use of the bilateral channels between China and African countries, such as FOCAC (The Forum on China-Africa Cooperation), to expand mutually beneficial economic cooperation, balance trade with Africa, increase assistance to Africa, and redouble efforts to help African countries develop the capacity for self-development.

China will continue to speak out for African interests and concerns in the G20, the WTO, and the IMF and will continue to urge international agencies to give priority to legitimate African demands and requests.

What I have outlined are some of the initiatives my country has pursued in Africa as well as the policy framework out of which those initiatives have risen. Not only do I believe these policies and programs are right in an objective sense, I think what my country is doing is consistent with my understanding based on my experience. Let me get a bit more personal in the rest of my remarks.

I feel Africa’s time is now. My feelings reflect the personal experiences I’ve had in Africa. My experiences suggest that Africa’s story going forward could well parallel China’s. Ten years ago, or so, when you talked about the future of the world economy, you had to talk about China because China was emerging as a very important part of the world economy at that time. If you didn’t talk about China in a discussion about the global economy most people would assume you didn’t have much to say.

My sense is that Africa is on a similar trajectory. I was in Addis Ababa in May for the World Economic Forum (WEF). Every year there are three sessions of the WEF. In the beginning of the year, usually in January or February, they hold a session in Davos, Switzerland. The second one is in the spring, usually in May. It is in either Cape Town or another African city.

Then there is the summer session, called Summer Davos. That is in China. The latest one was two weeks ago in Tianjin, China. Davos is the home of the WEF; so it is logical to meet in Switzerland. Where the other two sessions are held, I think, indicates where people see the future of the global economy. That future is clearly linked to two parts of the world. One is China. The other is Africa. As it relates to Africa, I started to see its potential when I was in South Africa. The trend is very clear. More and more people are talking about Africa more and more.

When China began to pursue its reform and openness policy, we saw resources as the most important thing. This is logical because without resources, your economy cannot develop very fast. You will be (or can be) actually restrained by the lack of resources, as initially was the case with China.

As important as resources are, I think today people really have to consider that there is another important factor driving development in developing countries. Demand could be an even more important factor. Without demand, you can have all of the resources in the world but if no one wants them, you just have resources. That demand can be external or internal, but there must be demand.

When talking about the future of African development and its place in the world economy, the trend relative to external demand is clear. But, the most significant engine for growth could well be internal demand.

Bear in mind, with a billion people, more than half of them under the age of thirty-five, future demand in Africa is potentially huge. It is not just because of the age and number of people that future internal demand in Africa is potentially transformative. There is also a dramatic increase in domestic living standards and development.

In terms of external demand we see some important similarities in the China-Africa experiences. As I said earlier about China, we regard the Chinese reform and openness policy as being the bedrock for prosperity in China.

But at the same time, the Chinese economy and Chinese development brought even greater growth to the global economy. That was because of external demand and the trade opportunities that resulted from it.
If you produce a pair of jeans in China, we make about a dollar profit in China. When the same pair of jeans is sent to the American market, the wholesaler and retailer probably make $50 profit off that pair of jeans. When we celebrate our development and success, on the other side, the investors get even more than what we have earned. Are we angry with that? No, we understand that it’s fair trading. Even the Chinese villagers understand that. It is not uncommon to see a slogan on their walls that says, “You have your profit, and I have my development.”

My point is we will probably see a similar cycle of development in Africa. The same story probably will repeat itself. That is, the investment in Africa will probably yield good profits and rewards. At the same time, African countries will develop. At least, that’s the hope. If that cycle does repeat itself in Africa we could well see the same results the world has seen in China. That’s the reason we encourage Chinese companies to go to Africa. It is, in part, the Chinese response to Africa’s development challenges, and at the same time it is an opportunity to secure market share in a growing area of the global economy. This is what I saw transpiring in South Africa. Assuming this trend continues, we are quite confident that over the next few years we will continue to see the growth of the African economy.

Africa still has its challenges, as I mentioned previously. But who doesn’t? Go back thirty years, no one expected China to arrive at the stage of development that it has reached today. We had a lot of troubles in those days. We had a lot of frustrations. But with the right strategies, progress can be made. The challenges faced by African countries today are no bigger than those China faced thirty years ago. So, personally, I’m pretty confident that Africa will have its time - that it is Africa’s time.

Thank you very much. I welcome your questions.”
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