



China in Africa and China in Latin America

Professor Deborah Brautigam

UNAM, Mexico City

May 31, 2016



1984: Liberia



1984: Liberia



OXFORD

THE DRAGON'S GIFT

THE REAL STORY OF CHINA IN AFRICA

CHINESE AID AND AFRICAN DEVELOPMENT

EXPORTING GREEN REVOLUTION

DEBORAH BRAUTIGAM



INTERNATIONAL POLITICAL ECONOMY SERIES
GENERAL EDITOR: TIMOTHY M. SHAW

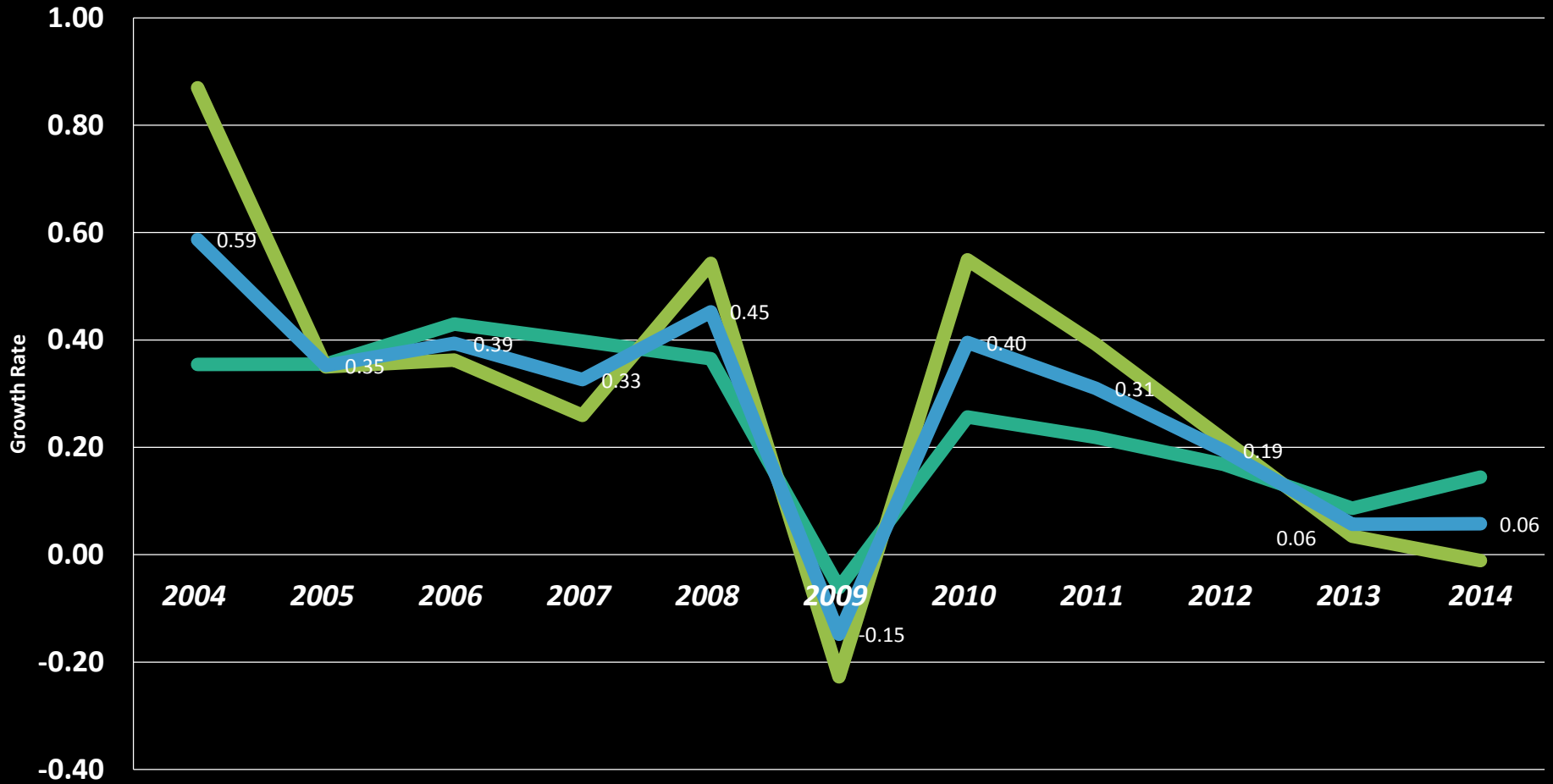


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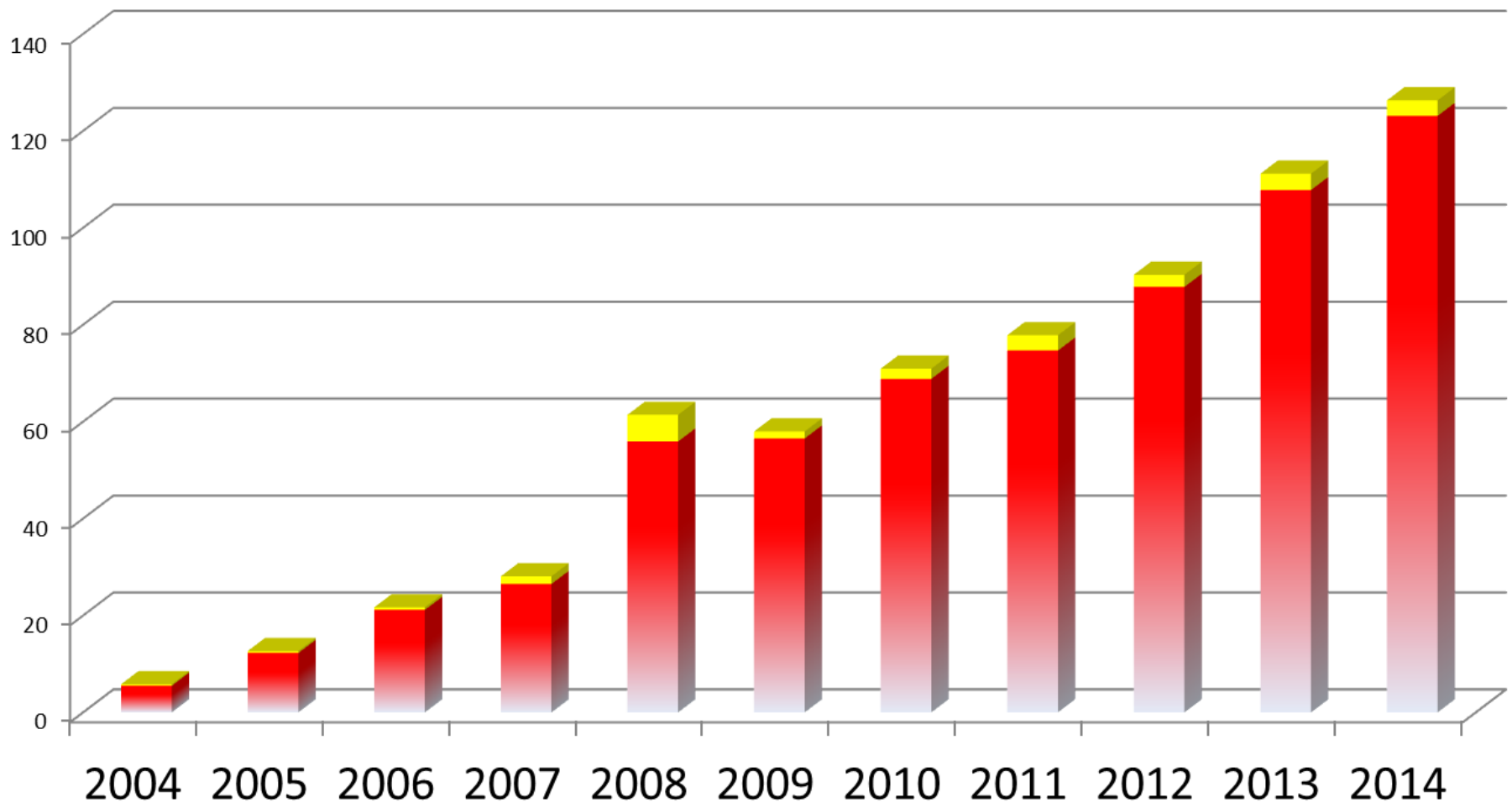
WILL AFRICA FEED CHINA?

Change in Growth Rate, China-Africa Trade



- Chinese exports to Africa Growth rate
- African exports to China Growth rate
- Total Trade Growth rate

Chinese FDI Flows to Africa, % of China's Global FDI



Eight Differences

1. History
2. Geopolitics
3. Soft Power
4. Investment
5. Infrastructure
6. Finance
7. Migration
8. Agriculture

1. HISTORY

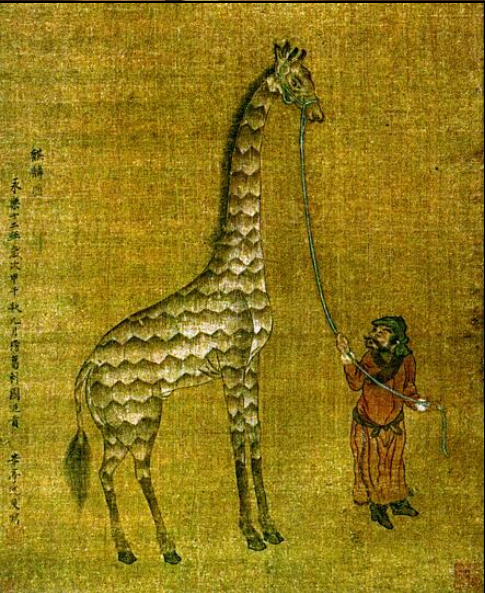


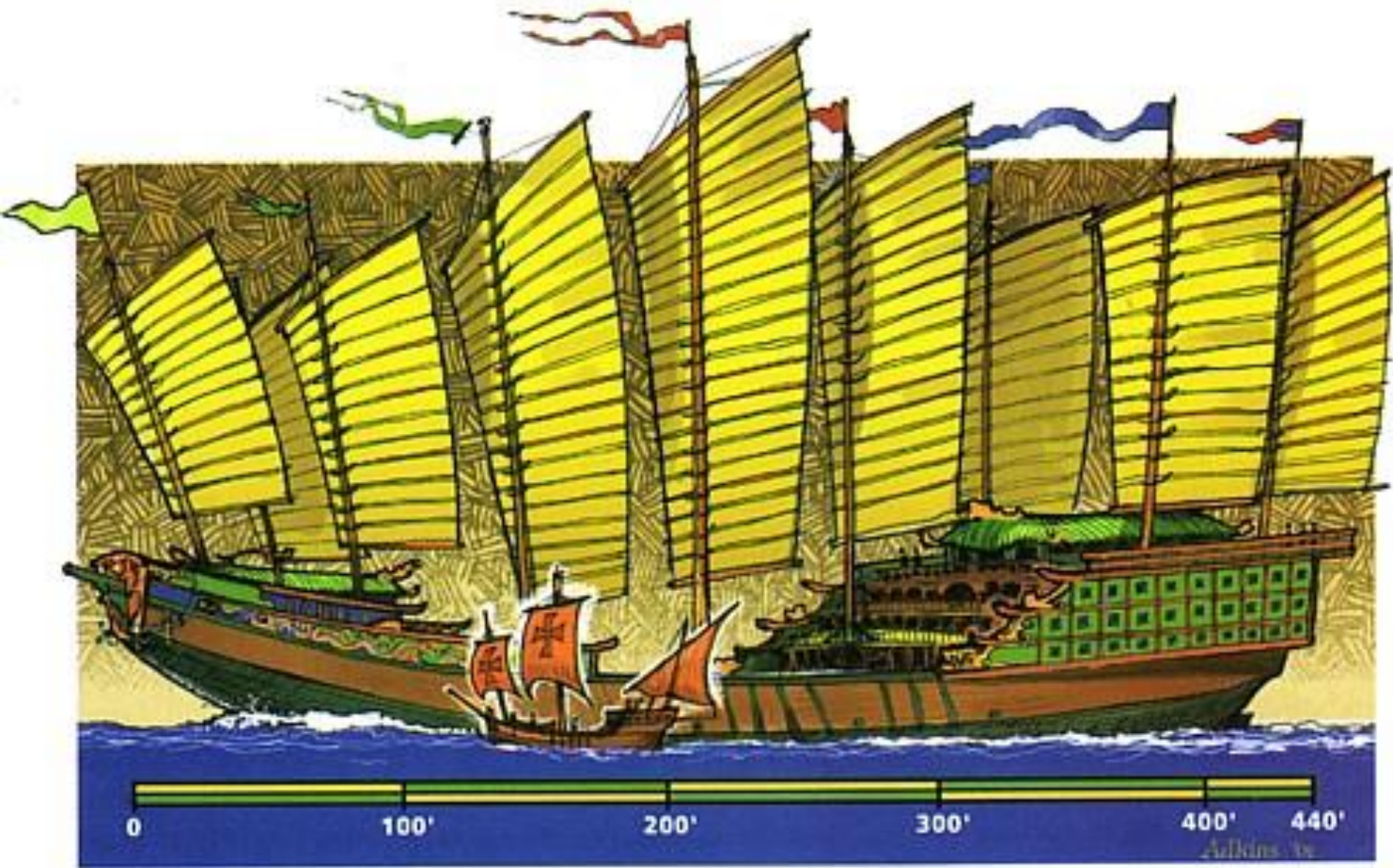
e

MING CHINA 1368 - 1644

- 1368 Ming dynasty est. at Nanking
- 1421 Capital moved to Peking
- 1522 Mongol incursions and to Japanese sea pirate attacks
- 1566

China 1400
China 1644





0

100'

200'

300'

400'

440'

Adkins Art

East Wind Blows in Africa: 1950s & 1960s



China in 1975







CHINESE LEADERS
Visits to Africa, 1995-2009

Premier Li Peng
1995, 1997

President Jiang Zemin
1996, 1999, 2000, 2002

Premier Zhu Rongji
2002

Premier Wen Jiabao
2003, 2006

President Hu Jintao
2004, 2006, 2007, 2009

-
-
- ▲
- ◆
- ★

2. GEOPOLITICS



The Economist

MARCH 15TH-21ST 2008 www.economist.com

London v Paris
The Fed and the credit crunch
Eliot Spitzer and the hypocrites' club
Economics and the rule of law
How to shrink traffic jams

The new colonialists

A 14-PAGE SPECIAL REPORT ON CHINA'S THIRST FOR RESOURCES







FOCAC versus CELAC FORUM

- Forum on China Africa Cooperation (FOCAC): 2000, 2003, 2006, 2009, 2012, 2015
- CELAC Forum: 2015

3. SOFT POWER and PUBLIC OPINION

Table 2: Percent Favorable Opinion of China (2015)

Ghana	80	Chile	66
Ethiopia	75	Peru	60
Burkina Faso	75	Venezuela	58
Tanzania	74	Brazil	55
Senegal	70	Argentina	53
Nigeria	70	Mexico	47
Kenya	70		
Chile	66		
Uganda	65		
South Africa	52		
Average	70	Average	58



ON THE FRONTLINE *Chinese Peacekeepers
in Africa*

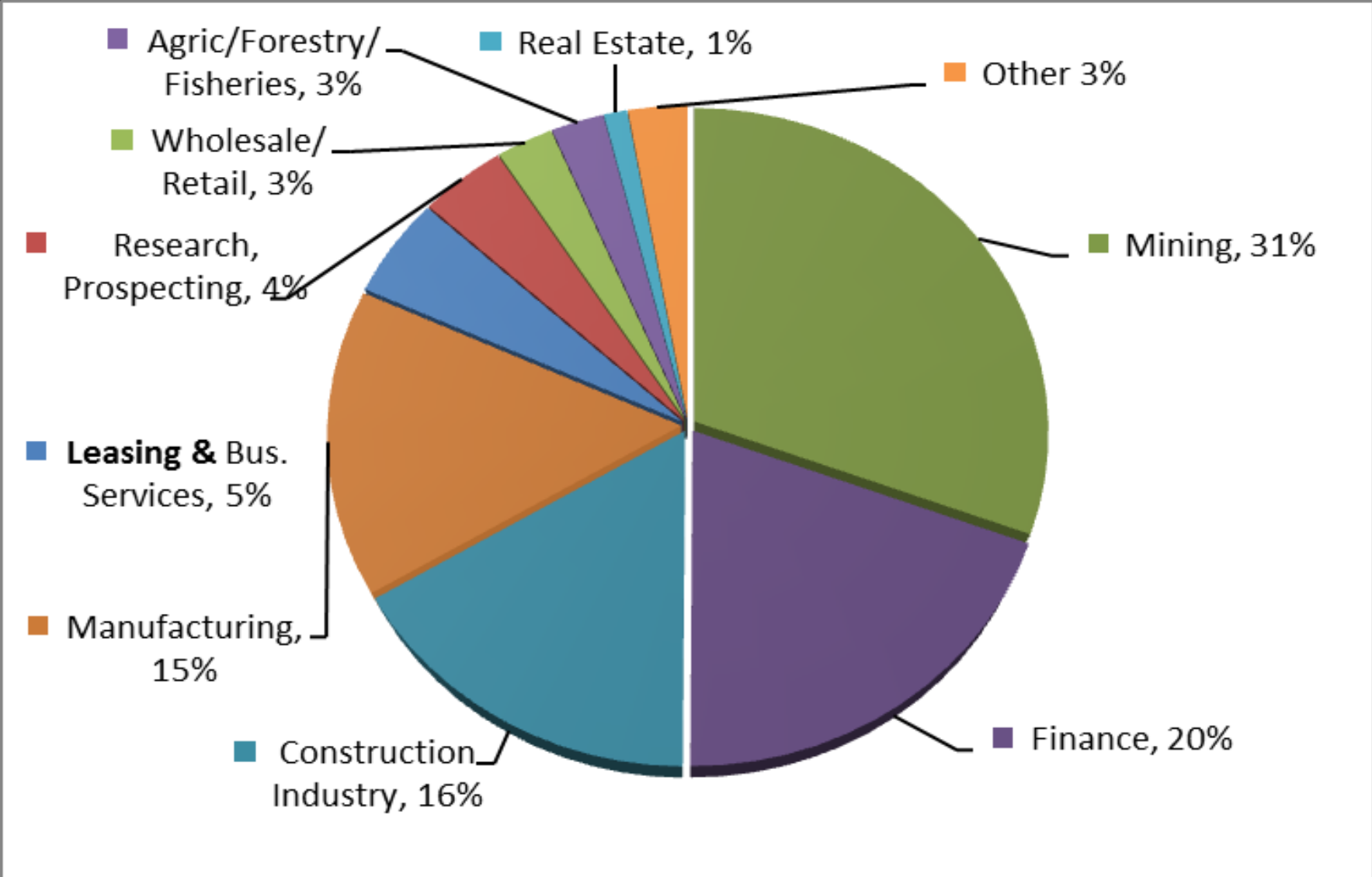
CCTV
AFRICA





4. INVESTMENT

Chinese FDI Stock (%), Africa (2011)



Source: Xinhua, 2013 http://news.xinhuanet.com/english/china/2013-08/29/c_132673093_2.htm

Chinese Manufacturing Projects in Africa (total as of end 2014)*

Nigeria	123
Ethiopia	84
South Africa	82
Ghana	48
Tanzania	48
Angola	37

*approved by MOFCOM



FAW Auto assembly, South Africa



Hisense, South Africa



China Africa Overseas Tannery, Ethiopia



George Shoes, Ethiopia



Pittards Gloves, Ethiopia

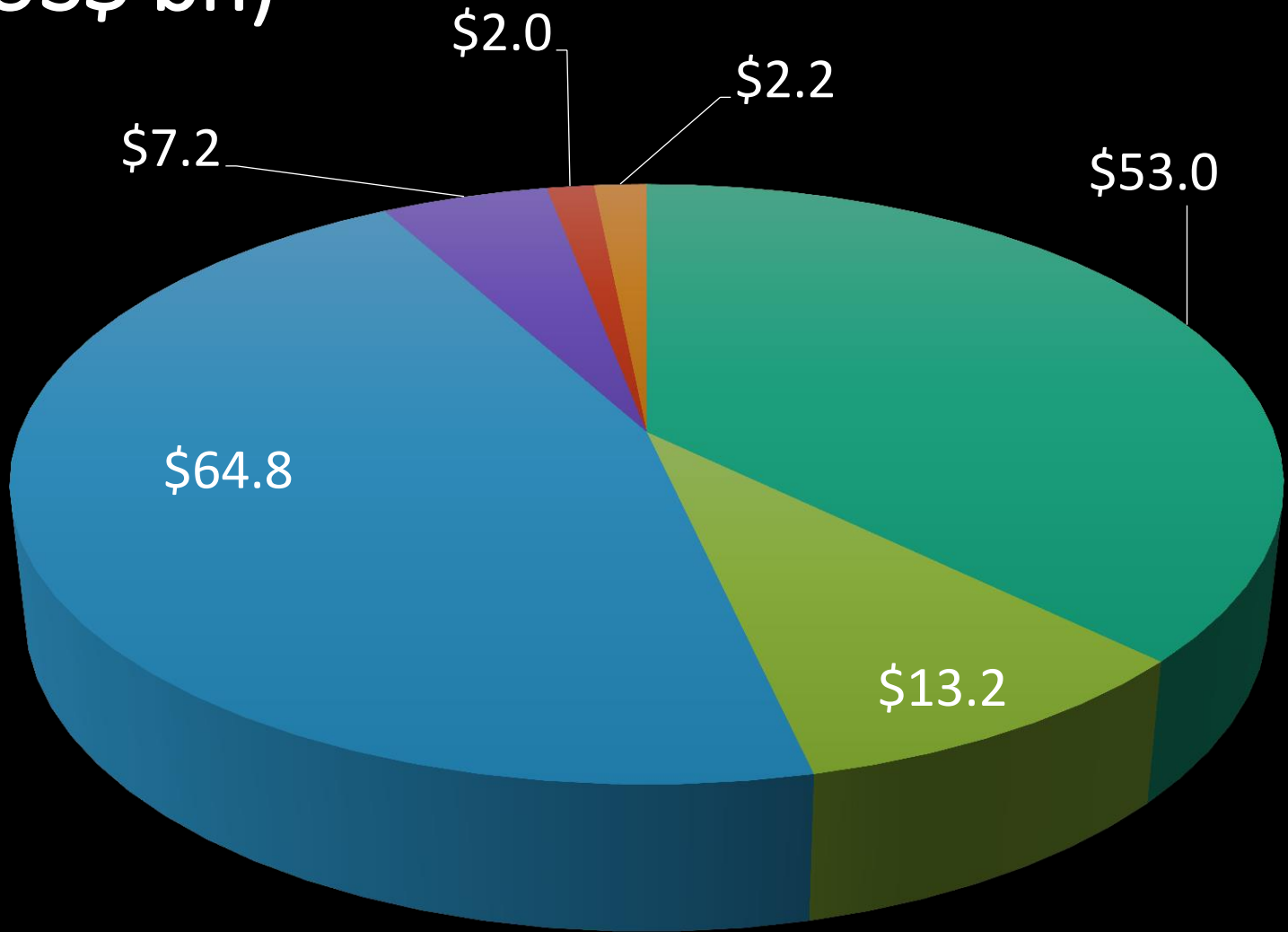


Friendship Textile, TZ



5. INFRASTRUCTURE

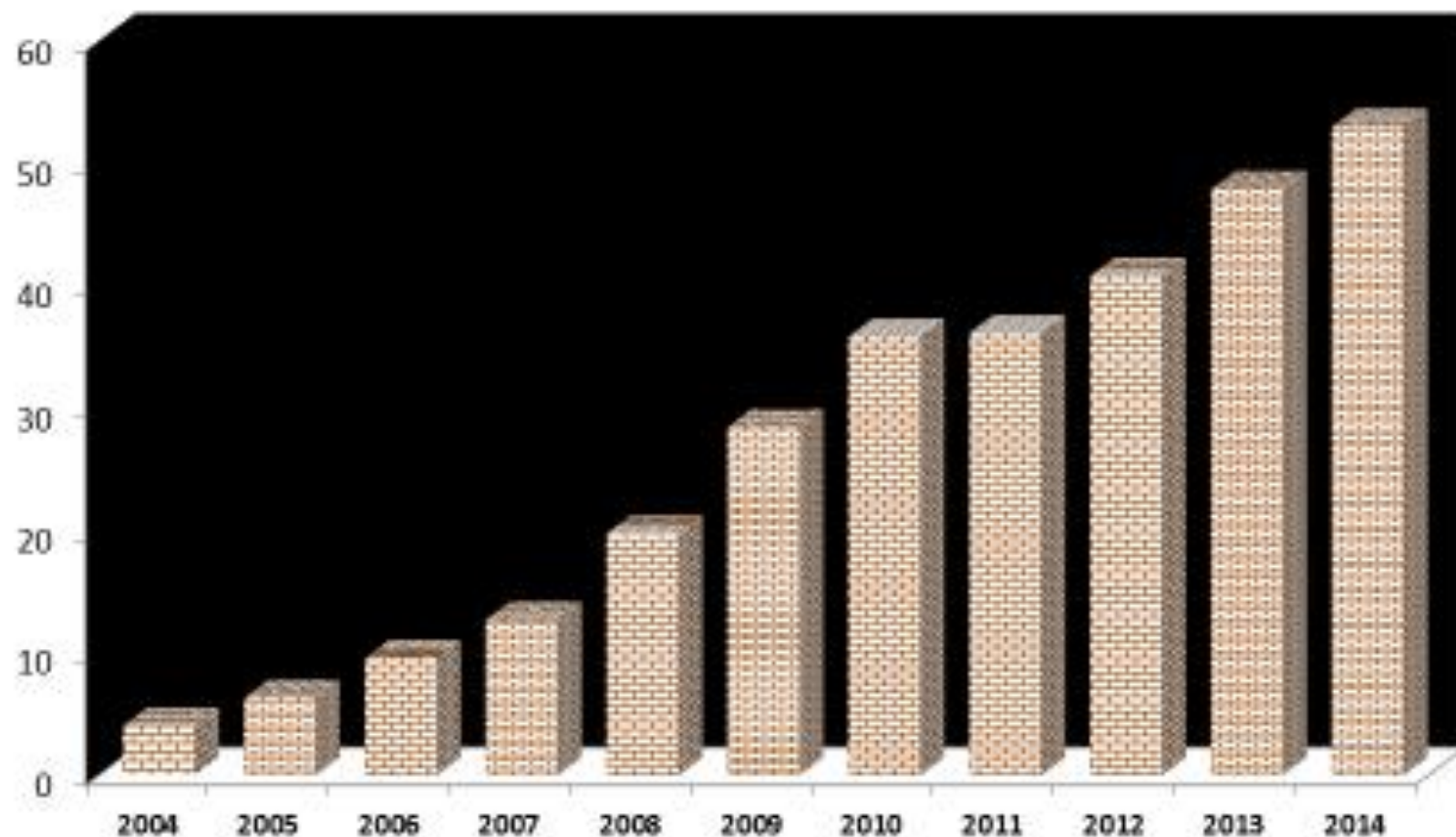
Chinese Engineering Contract Turnover 2015 (US\$ bn)



■ Africa ■ LAC ■ Asia ■ Europe ■ N. America ■ Oceania

Chinese infrastructure contracts, Africa

(Turnover: US bil \$)







Typical foreign engineers & experts housing in Africa

Chinese



Western



Engineering Firms in Top 250

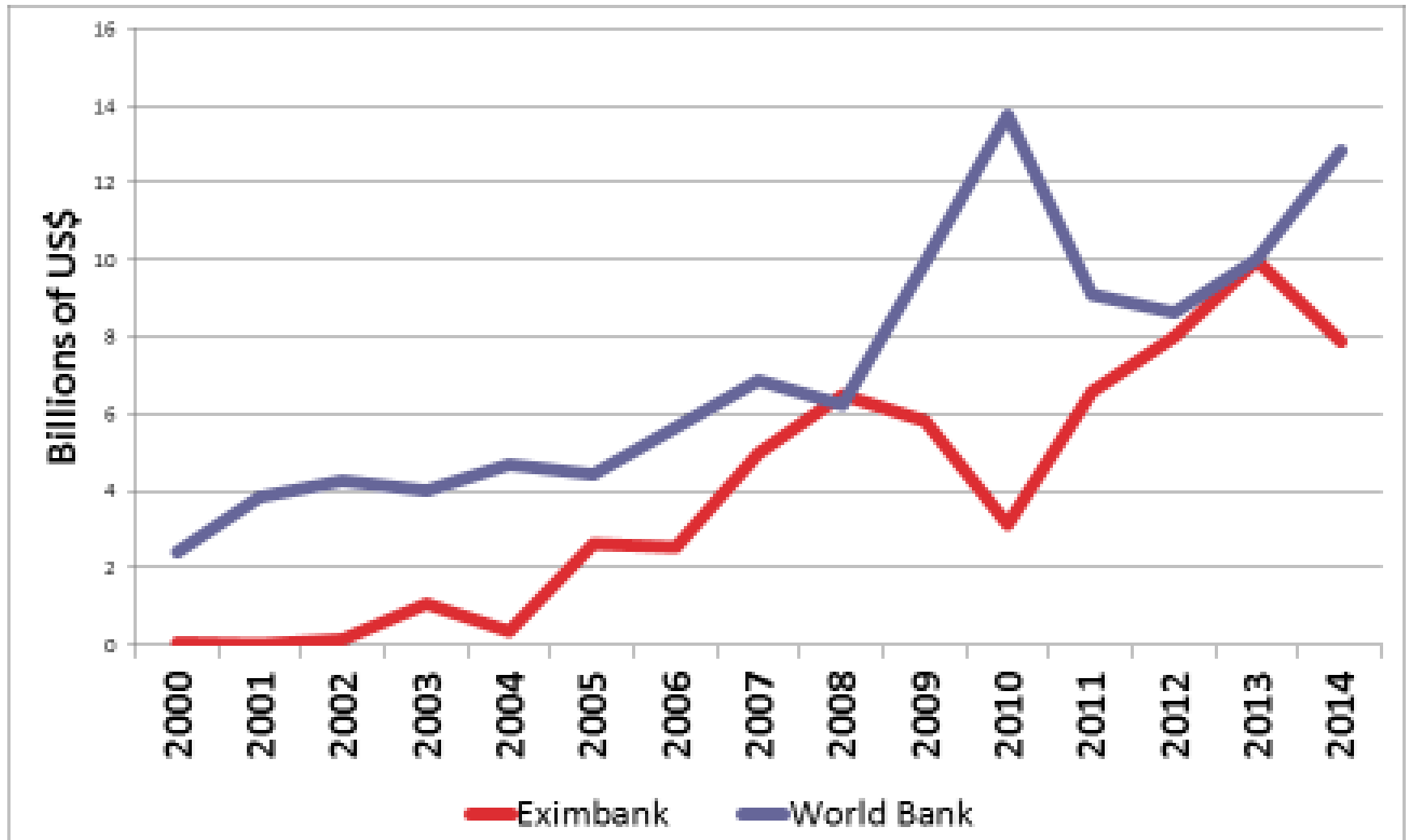
- Latin America: 4 (2 Brazil, 1 Chile, 1 Peru)
- Africa: 4 (all Egypt)
- China: 65

6. FINANCE

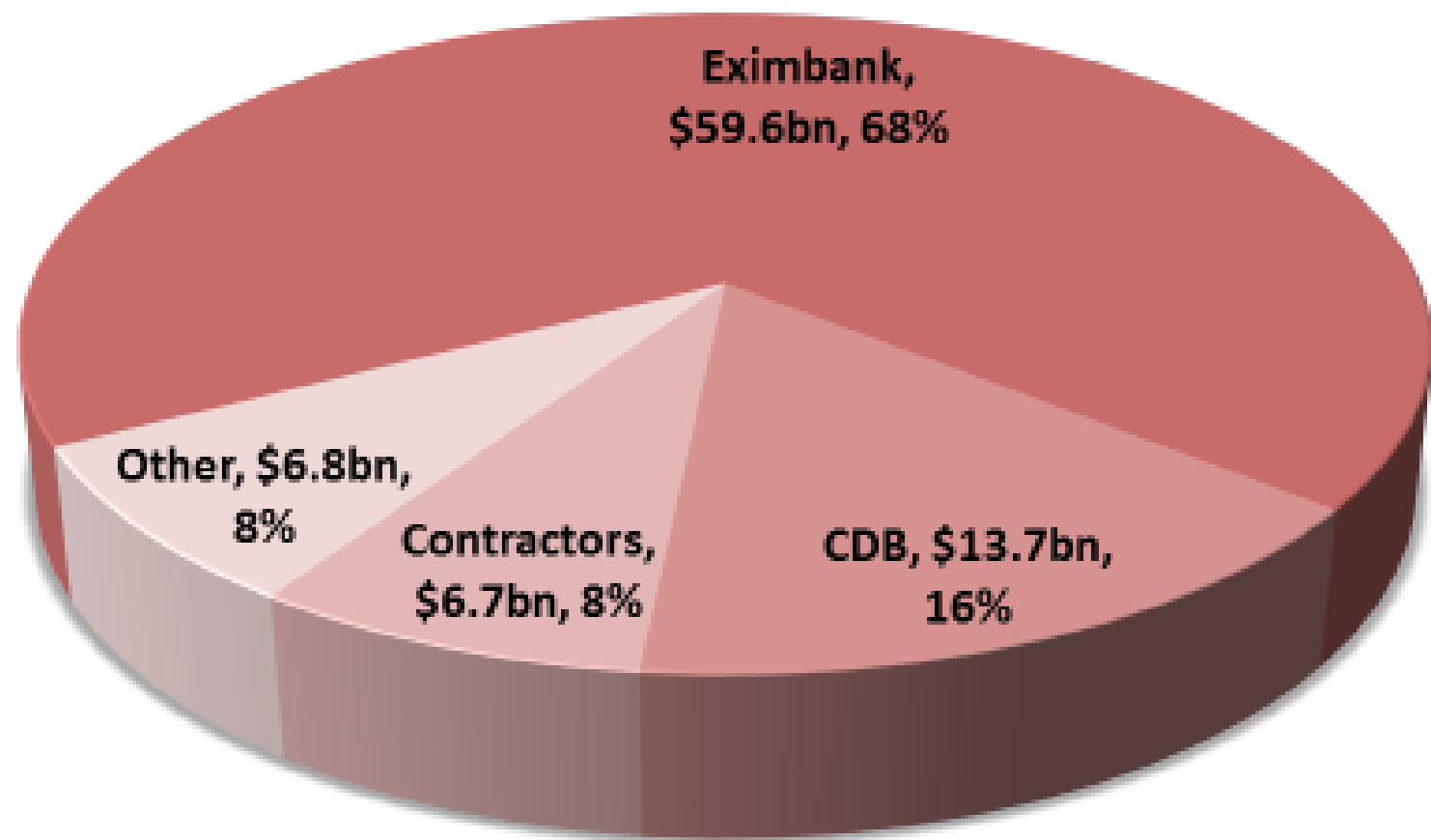
Who is Financing Chinese Contracts?

- World Bank and African Development Bank
- Bilateral Donors
- *African Governments*
- Private Businesses (Chinese and non-Chinese)
- Chinese Government (20-25%)

Eximbank Loans vs. World Bank Loans to All Africa, 2000-2014



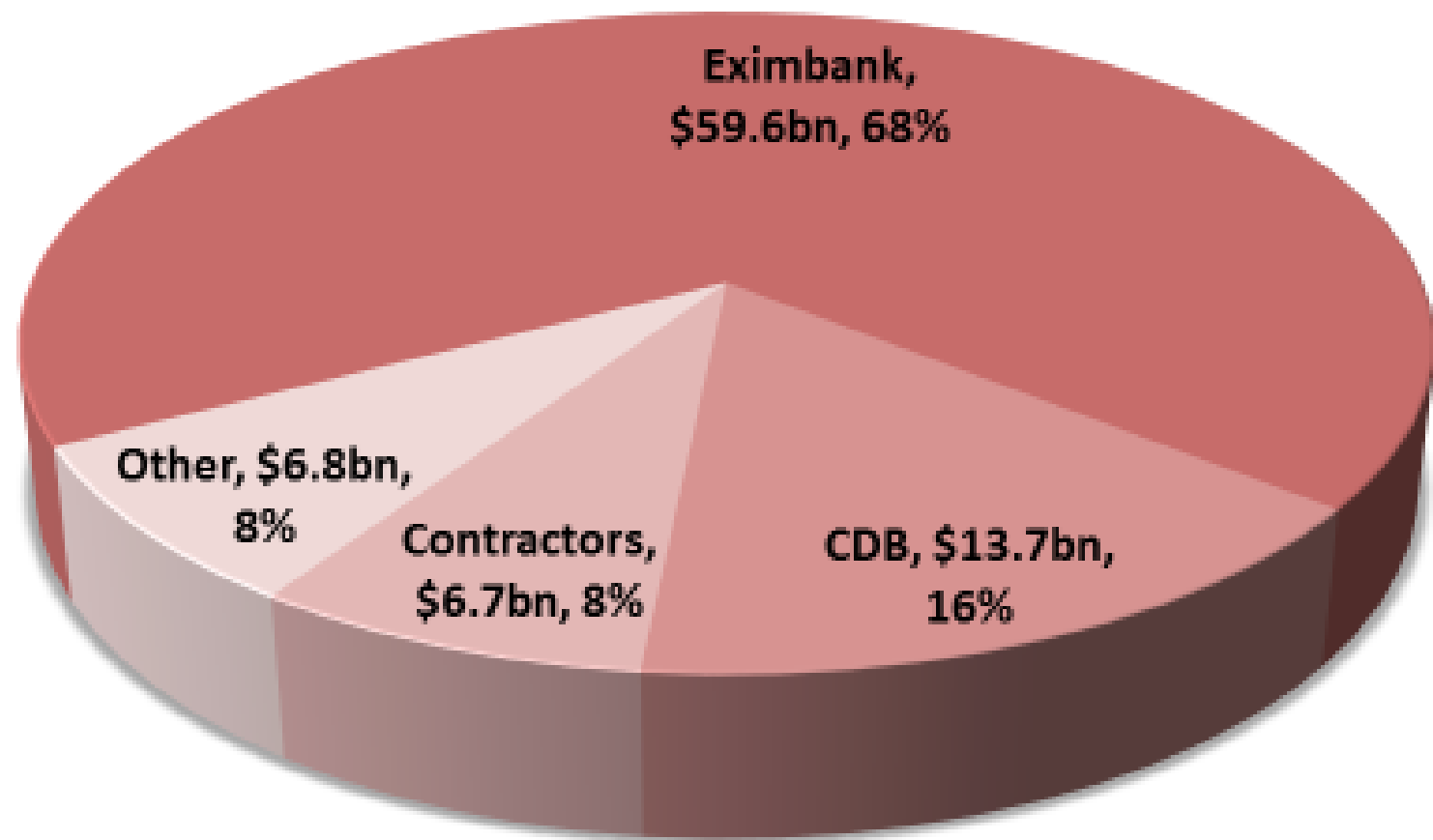
Chinese Financiers' Contribution to African Loans, 2000-2014



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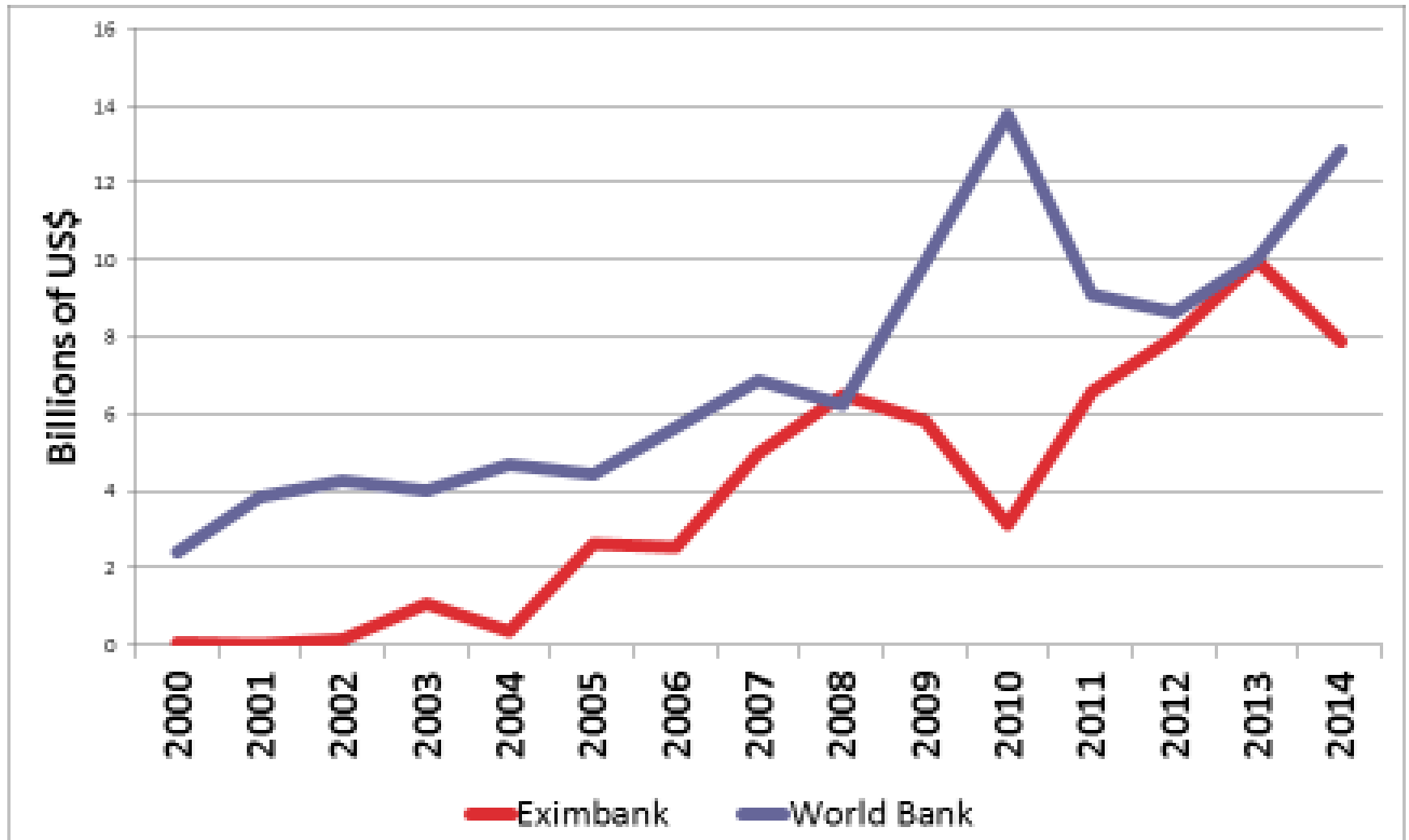
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Chinese Financiers' Contribution to African Loans, 2000-2014



Source: SAIS China Africa Research Initiative

Eximbank Loans vs. World Bank Loans to All Africa, 2000-2014



CHINA DEVELOPMENT BANK & CHINA EXIMBANK COMPARED

LAC

CDB: 37 Loans/LOC,
\$100.6 bn

Eximbank: 31
loans/LOC
\$24 bn

(2000-2015)

Africa

CDB: 59 Loans/LOC,
\$13.9 bn

Eximbank: 453
loans/LOC
\$59.3 bn

(2000-2014)

7. MIGRATION









Chinese Workers Abroad, 2014

	#	%
Total	1005732	
Asia	634584	63%
Africa	259385	26%
LAC	61538	6%
Europe	30457	3%
Other	19768	2%

Peer Reviewed Journal Articles, Abstracts (Proquest)

- China, Africa, Migration = 90
- China, Latin America, Migration = 10

8. AGRICULTURE





Hindustan Times

NEW DELHI • METRO • Rs 2.50

SPORT: MESSI MAGIC

Goals sink Madrid P18



Weather today: Breezy morning and hot afternoon. High 40°C, low 26°C, R.H. 48%

Coldest City: **Belgaum** 29°C | Hottest City: **Nagpur** 47°C p6

hindustantimes.com

WORLD: ABOUT TO DIVORCE

Berlusconi's wife wants out P14

India joins race for land in Africa, China way ahead

Indian firms invest Rs 10,000 crore in Ethiopia; latest trigger is worldwide spike in food prices

Arnab Hazra
New Delhi, May 3

AFTER YEARS of competing for overseas oil and mines to fuel their still-growing economies, India and China are silently scouring the world for their next great need: farmland to grow food.

The destination: Africa, where economies are poor and land is cheap.

Buying farmland abroad is

not new, but it has gained urgency after a worldwide spike in food prices through 2007 and 2008.

So, more than a dozen companies from India, backed by the government, invested about \$2 billion (Rs 10,000 crore) in leasing land and installing plants in Ethiopia last year to produce sugar, tea and several other crops. That number is expected to double to \$4 billion this year, said

Gurjit Singh, India's ambassador to Ethiopia.

While India is just warming up, China and rich Gulf states that face graver land and water shortages have been aggressively acquiring land across Africa and some parts of Asia, said a report prepared by the Washington-based International Food Policy Research Institute (IFPRI).

There are others.

Continued on Page 12

Land worth between \$20 billion and \$30 billion was bought in Africa and Asia over the past three years. **JOACHIM VON BRAUN**, director general, IFPRI

SECURING FOOD SUPPLIES



INDIA: Spent \$2 billion in leasing land in Ethiopia last year for sugar, tea and several other crops. Likely to spend double that amount this year

CHINA: In 2007, bought 2.8 m hectares in Congo for biofuel oil palm plantation. In 2008, spent \$800 m in Mozambique to expand rice production

UAE: Has bought 3,78,000 hectares in Sudan

Qatar: Has bought 40,000 hectares in Kenya

S Korea: Has bought 6,90,000 hectares in Sudan

Target countries
Investor countries

SOURCE: IFPRI; GRAPHIC: SANJAY KAPOOR

Power may grid

Overdrawing warn of July

Anupama Airy
New Delhi, May 3

THE COUNTRY could into darkness as state northern and southern continue to draw extra from the national grid

Fearing that the extra electricity could a grid collapse, Power Corporation of India (PGCIL)—which operates national grid—has issuing "strict warning states for

Agricultural Exports to China

- LAC -- 18% of total exports
 - soybeans & oilseeds
- Africa -- less than 2%
 - Cotton, tobacco, oilseeds, rubber, cocoa



