NEW CHINESE AMBITIONS IN SUB-SAHARAN AFRICA

UNBALANCED TRADE LINKS BETWEEN CHINA AND AFRICA

2010-2016 Bilateral trade surge
Regional trade deficit with China in 2016

IMPORTS TO AFRICA FROM CHINA
less concentrated on natural resources
- Manufactured goods
- Machinery
- Transport equipment

EXPORTS FROM AFRICA TO CHINA
natural resources
- Fuels
- Processed & unprocessed minerals
- Gold

= 90% of total African exports to China

2014
Imports to Africa from China
- $81.6 bn
2016
- $68.3 bn

2014
Exports from Africa to China
- $111.7 bn
2016
- $54.8 bn

-51%

UNDER THREAT FROM A POTENTIAL DROP IN CHINESE DEMAND
High export dependency on China across Sub-Saharan Africa

China’s economy rebalancing towards more domestic consumption
Slowdown in China’s economic activity
Drop in Chinese demand for mineral resources
Lower commodity prices

TRADE DEPENDENCY ON CHINA

-Very low
-0.1 - 0.2
-Low
-0.2 - 0.3
-Medium
-0.3 - 0.4
-High
-0.4 - 0.5
-Warmong
-0.5 - 0.6
-Very high
-0.6 - 0.7
-Extremely high

MOST EXPOSED EXPORTS
- Fuels
- Metal
- Precious stones & Minerals

Trade dependency on China

GLIMMER OF HOPE: A WIN-WIN COOPERATION?

ENLARGING AFRICA’S EXPORT BASKET TO CHINA
- despite some trade protectionism
  + high-value processed minerals
  + oleaginous fruits (sesame)
  + tobacco
  + rough wood

BOOSTING REGIONAL CONNECTIVITY AND EXPORTS
via One Belt, One Road initiative

DIVERSIFICATION OF CHINESE ODI* FLOWS AND LENDINGS

Top recipients
- Ghana $ 285 mln
- Kenya $ 202 mln
- South Africa $ 225 mln
- Tanzania $ 220 mln
- Congo $ 216 mln
- Uganda $ 204 mln

Energy
Transport
Real Estate
Metals
Agriculture
Utilities

* Outward foreign direct investments

GAMBIA
GUINEA
SOUTH SUDAN
ERITREA
CONGO
ANGOLA

REGIONAL TRADE DEFICIT WITH CHINA IN 2016

Manufactured goods
Machinery
Transport equipment