

The rise of china and India in Africa; From an economic perspective

By

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Abstract :

In recent years, China and India have become the most important economic partners of Africa and their footprints are growing actively, transforming Africa's international relations in a dramatic way. The two giants have rapidly modernizing industries and flourished middle classes with rising incomes and purchasing power. These societies are demanding in addition to natural resource-extractive commodities, agricultural goods, and other traditional African exports, but also diversified, non-traditional exports such as processed commodities, light manufactured products, household consumer goods, and tourism.

For its labor-intensive capacity, Africa exports these nontraditional goods and services competitively to the average Chinese and Indian consumer and firm keeping these rising trends. The two most vital emerging economic powers have come forward to enhance their economic partnership with African region in a number of forms; trade, investment and official development assistance. This paper offers a critical analysis of the role of the two "Asian Economic Giants" within the continent with respect to trade and Foreign Direct Investment in the process of development of African region.

Key words; China- India- Africa- Trade- Foreign direct investments

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Introduction :

In recent years, China and India have become the most important economic partners of Africa and their footprints are growing rapidly, transforming Africa's international relations in a dramatic way. Although the overall impact of China and India's engagement in Africa has been positive in the short term, partly as a result of higher returns from commodity exports were nourished by excessive demands from both countries, no enough researches were done.

China and India, as new players in the international arena, are became two massive and talented powers in Africa, although they are not modern in the continent, and their presence and engagement in Africa became more rotted. China and India's renewed engagement with Africa have come at a moment when the context of commerce has enhanced across Africa and the interest in Africa as a fresh marketplace has grown-up. India and China are not new comers in Africa; they have a long-standing history of relations. Links and deal connecting the two sides have been noted away from the English colonialism. Next to self-government, India maximizes its position in the global scheme as a Key player who promoting the struggles of anti-colonialism and antiracism. Similar to China, India played a vital position in the Bandung Conference of 1955 which led to the appearance of the NAM (Non-Aligned Movement) and used the event to encourage and sustain Asian–African solidarity.

The two most vital emerging economic powers have come forward to improve their profitable corporation and relations with African region in the form of trade, investment, and official development assistance.

From this point, this paper will first examine the China- India's relations with Africa in the earlier period, mainly among the 1950s and the 1990s. Then it will analyze the two giants' fresh conditions of appointment with the African continent in 1990s, through focusing on the trade and industry aspect, and attempts to carve out the role of the two "Asian Economic Giants" within the continent with respect to trade and Foreign Direct Investment in the process of development of African region.

Historical background about the China-India relations with Africa

Considering the historical background as a method to strengthen present-day dealings with Africa, the two continents Asia and Africa are not new. India's trade with Africa's eastern and southern regions dates backside to at least the time of the Silk Road, and China has been concerned on the continent since it in progress investing near, mostly in transportation, during the postcolonial period.

In the 19th century, India and China's relations with Africa were tied by migration and commerce; especially the economic relations between the two continents go back to the fourteenth century, when unearthed the "Mohenjo-Daro" coins in Egypt, and the finding of the port of Lothal in Gujarat, dating backside to those times, which involve some buy and sell in sea between the shore of India and the earliest African civilizations as early as 4,000–5,000 years ago ⁽¹⁾. It is through years that there have been a number of populations' exchanges between the two sides. Starting the thirteenth to the beginning of the eighteenth century, some of the Africans (habshis) were

performing vital roles in the government, and in the royal courts, and this is well documented. By the colonial times, British facilitated India's existence in Africa through sending thousands of them as indentured servant and laborers to work in plantations in a number of African countries like; South Africa, Mauritius, and others.

China also, like India, with Africa shared a common struggle against Western hegemony. China assisted Africa in diverse ways ⁽²⁾; supporting nationalist movements fighting colonization, by initiating large construction projects (like the Tazara Railway) by dispatching medical teams to Africa, and also finally by offering scholarships to African students who wish to study in China.

From the 1950s to 1970s, China's foreign policy to Africa started to grow up, mainly because China wanted to break global isolation, displace Taiwan as the internationally recognized government of China and replace it with Beijing policy ⁽³⁾. On 15 January 1964 Premier Zhou Enlai visited fourteen African countries, and announced principles to Africa, which include ⁽⁴⁾; Africa's local capacities built by Chinese technical assistance, and Chinese experts working in Africa should have an equal standard of income as the native experts, economic cooperation should promote self-reliance and not dependency, and respect for the recipient's sovereignty should mean imposing no "political or economic conditions" on recipient governments. In addition the five aid principles that set out by him during the India-China negotiations; common esteem for independence and territorial integrity, common non-aggression, non-interference in each other's internal affairs, equality and shared benefits, and peaceful coexistence.

From 1973 to 1979, the total amount of the countries that had signed trade and industry and technological cooperation protocols with China around forty four.

After India's independence in 1947, a new policy with Africa started by the first Indian Prime Minister Jawaharlal Nehru, calling for opposition to imperialism, racism, military colonialism, economic and cultural colonialism, and all forms of foreign violence, domination, occupation, intervention or dominion – principles that mirrored the hopes and aims of the recently independent states of Asia and Africa ⁽⁵⁾. Nehru played a vital role in promoting the African struggle through the Non-Aligned Movement (NAM), which reflected the troubles, views, and dreams of the Third World.

Africa was playing a major responsibility in Prime Minister Nehru's idea of establishing the new international order of the new independent states. India and Africa seemed likely to turn into important partners in the cold war era, especially With India pushing for the independence of African states from foreign hegemony.

Booth of them faced the challenges of growth and development, which in the 1960s and 1970s were results from the conditions of worldwide deal, which were seen as being formed mainly by the developed North states, so they established the set of 77.

The India- Africa relations were established basically on ideological and idealistic values and were principally political, and by the closing stages of the cold war, and by the beginning of India's trade and industry new plan early on the 1990s, India's external relations has changed away from Nehruvian non-alignment and Gandhi-

an idealism to extra realistic relations of attracting more and more agreements with Africa in various fields.

India was keen on acquiring full supply of vital power and raw objects from Africa was to increase its upward market and decrease poor quality in the extended run. But the level of trade linking India and Africa was low down for the reason that India, like the most recent dependent African countries, faced the challenges of growth and development, and to maintain its market, its trade was directed to the North development countries, mainly to the earlier industrial nations as well as the United States and, gradually more, the Soviet Union ⁽⁶⁾.

On the other side, China also before the 1990s and especially after the Bandung conference 1955 started its aid to Africa and other developing countries. At the Conference, Zhou Enlai pointed out that, both African and Asian states to overcome the past legacies of imperialism and colonialism have to expand their trade and cultural collaboration. And also, he called for the cultural collaboration which was documented in the final announcement of the Conference. The importance of the cultural exchange initiatives are in promoting the way for the establishment of official dealings between China and a growing number of recently self-governing African states ⁽⁷⁾.

By 1980s and under Prime Minister Deng, China's foreign policy became greater, guided by profitable than ideological factors. And the policy of promoting a common economic strategy began to be given less priority and there was a tendency to the policy of modernization and economic, which persuade the essential aims and targets of growth assistance to the developing states.

On 1983, Prime Zhao Ziyang set out eight principles for the Sino-Africa economic-technical co-operations, which were interested in; equal opportunity, common benefit, pursuing practical consequences, adopting a diversity of means, and looking for common growth. As a result, through the time of 1980s, china supported more number of projects in Africa, especially in the field of infrastructure, and the number of projects were almost more than two hundred projects. In total, the number of projects in Africa and West Asia exceeded 2,600, amounting to \$5.6 billion and employing a number of eight thousand Chinese laborers ⁽⁸⁾.

With economic liberalization and the process of multi-polarity democracy in the 1990s, China announced about two new policies on overseas area ⁽⁹⁾, which goal was to promote new skilled Chinese corporations to play a part in abroad trade and industry collaboration and practical support projects.

Similar to China, and in the post –cold-war era, India’s foreign policy was became more pragmatic and has been associated with the values of non-alignment and South–South collaboration at the same time. Reacting in opposition to the one-sided nature of the post-cold-war global system, India has pressed for a many-sided world system. And, just as in the past, dealings with south countries and Africa are at present based on common joint interests in struggle against the inequity of the international system.

India’s policy-makers realized the value of a foreign policy that resonated with its profitable wills, and the opening policy to abroad investment also meant to enhance external dealings that could assist

to recognize its political and economic potential. The aim of this was to make the underdevelopment and shortage as an outcome of an unequal universal economic order ⁽¹⁰⁾, and also to seek the profitable and growth aims of finding overseas markets, and attracting overseas investment and technical knowledge.

The ties between China-India policy with Africa has been a major shift in the earliest decades of the twenty-first century. The two giants and Africa are organized extra than ever to restore financial and political co-operations to encourage their shared benefit.

On the one side, China's modern dealings with Africa are motivated by four elements ⁽¹¹⁾: protection of natural resources, requirement for fresh opportunities in marketing and investments, emblematic mediation, increasing assistance and collaboration, and forging premeditated friendships. And on the other side, there are important events occurring in the India's foreign policy towards Africa by 2003⁽¹²⁾. First; the announcement of refusing any more foreign aid from western governments, except from a small number. This was followed by the refund of about Rs 75 billion (\$1.6 billion), that are payable to fourteen two-sided donors. Second, India announced the founding of the it's Development plan to organize growth support to all the south countries including Africa, which granted debit deletion to a number of Heavily Indebted Poor Countries (HIPCs): Mozambique, Tanzania, Zambia, Guyana, Nicaragua, Ghana and Uganda.

Also by 2005 India refused to receive any foreign help for Tsunami support reliefs and started showed its ability to have a superior role as a supporter by announcing that would be providing \$22.5 mil-

lion for the countries that affected from Tsunami, and aims to make reconstructions programs.

India Also played an important role in its relations with Africa through the mutual forms and many-sided relations, within the Commonwealth countries through the Commonwealth Foundation, Association of Commonwealth Universities, and Commonwealth Parliamentary Association, and also, like Tata is gradually more active, especially in Ghana, Mozambique, Nigeria, South Africa and Uganda. India implicit the chair of the Kimberley Process (KP) for 2008, reflecting the respect of its social order and communal regime as some million Indians are working in the diamond area all over the country⁽¹³⁾.

Actually, china is not playing the same role as India in the Kimberley Process, for it was concerned in the sort of mineral imports from alluvial diamond producers such as Angola and Congo. The relations between Africa and China climaxed in the main Beijing summit in November 2006, this paying attention in mutual development aspects and cooperation objectives that take place in the Africa Policy Paper (2006).

The six-day occasion was attended by 40 African heads of countries. Chinese President Hu Jintao mentioned that “China will evermore be an excellent friend, partner, and brother of Africa” And put five “images” to form the relations with Africa⁽¹⁴⁾; first its image as the fresh look of globalization, second its position in African growth achievement, third as a reflection of the West, fourth as a colleague, and at last as a responsible stakeholder. And the main points of china’s policy in Africa today are⁽¹⁵⁾:

1. Adhere to the Five Principles of Peaceful Co-existence, respect the choice of the political system, no interference in the internal affairs, support African countries in struggle in safeguarding national independence, sovereignty, and territorial integrity and maintaining internal stability and national unity.
2. Support the African countries in their effort to strengthen their cooperation, and solve their differences and dispute through peaceful settlement, without interfering in domestic affairs.
3. Strengthen and promote a long-term stable relationship with the African countries.
4. Support African countries in participating and playing a positive role in international system

Beside these main points of China's foreign policy in Africa, the china's economic rapid growth need for resources and securing the long-term energy supplies, needed to sustain its industrialization, searching for secure access to oil supplies and other raw materials around the globe, especially in Africa.

From this point, Africa, with unlimited resources, was seen as a best partner and a potential marketplace for China's low-value manufactured supplies. On the other level, oil became the main African export to China. In addition, Chinese companies started to invest in African infrastructure, including factories ⁽¹⁶⁾.

In fact, China's investment in the oil and mining sectors and infrastructure, manufacturing, telecommunications, and agricultural

sectors without interference in the domestic African affairs which faced criticism from Western and African civil societies for not promoting or securing the governments or human rights.

China is considered as the largest trade partner for Africa in 2009. The main exports of Africa to China are comprised of mineral fuels, lubricants, and correlated resources; it also exports iron ore, metals, and additional supplies, as well as little amounts of food and agricultural products. China exports a variety of machinery, transportation, communications equipment, as well as manufactured supplies to African states.

As A result, India-Africa relations climaxed at the India-Africa Delhi meeting in April 2008, attended by 14 African states. The main target was to promote bilateral relations in the center areas of trade, power and on worldwide issues such as UN improvement, violence and climate change.

The Delhi announcement and the structure for collaboration, both of which emerged from the meeting, set out to improve communal growth ⁽¹⁷⁾; First, they comprise a political document on communal mutual, regional and worldwide concerns (UN improvement, climate change, WTO and international violence). Next, they make a spotlight on collaboration in most important areas like, education, knowledge and skills, agricultural production and foodstuff security, manufacturing development, communications and healthiness to stimulate development.

India's recent distant policy dealings with the African countries are about reinventing and rejuvenating the previous relationship. At the same time as China can argue that it has never imperialism or occupied Africa, India can also establish its connection with the continent on the equal honest high position. And India's modern Africa strategy is associated with a confluence of benefits concerned with fairness in the international system, that meant to improve the weight and authority of their respective international positions and fostering a new international system ⁽¹⁸⁾.

The situation to be adopted by Africa in cooperation to China and India in the present day, would stress and represent on that common past understanding, including; the trade and industry support, security and military maintenance extended by the People's Republic of China and India to Africa in the anti-colonial and state liberty struggles for the period of 1960s and 1970s and into the 1980s, to have an active role on economic development in line with its new 1990s liberalization strategies, and throughout the first and second decades of the twenty once century, that became extra practical, with economic growth as the main goal.

Although, Africa has strong relations with the two most and fastest growing countries china and India, but those former were partial to interstate economic dealings, while those with the latter engage non-state actors like; civil societies and private capita, the relations were depending on the mutual support to the libration movements.

China-India economic relations with Africa; an overview

Over the last 15 years, China has become one of a main economic partner of African states. And the total commodities trade between China and Africa jumped from \$9 billion in 2000 to \$166 billion in 2012, making China Africa's major trade colleague. Also, India is considered as Africa's fourth-major trading partner after the EU, China and the US, and an important investor through the continent. Mutual trade hit \$ 57 billion in 2011, at present, India accounts approximately 5.8% of Africa's trade ⁽¹⁹⁾.

For expanding its trade, political and strategic presence in Africa, India is investing seriously in the resource-rich continent. India and Africa have a deep and wealthy history of relations marked by cultural, economic and political exchanges based on South-South cooperation and communal developmental challenges.

India has established a number of motivations through the last ten years to assist economic dealings between both regions. The Indian Government launched the "Focus Africa" program in 2002 that aimed at strengthening trade co operations with the African states. The program extends about to the African continent and the main objective is to raise bilateral dealings by identifying potential areas for bilateral trade and investment.

India-Africa Trade from 1991 to 2017

The trade between India and Africa increased from \$967 million in 1991 to approximately \$25 billion in 2007. Indian exports to

the continent enlarged from \$393.3 million in 1990/91 to over \$10 billion in 2006/07. For the same duration, the Indian imports from Africa enlarged from \$573 million to more than \$14 billion.

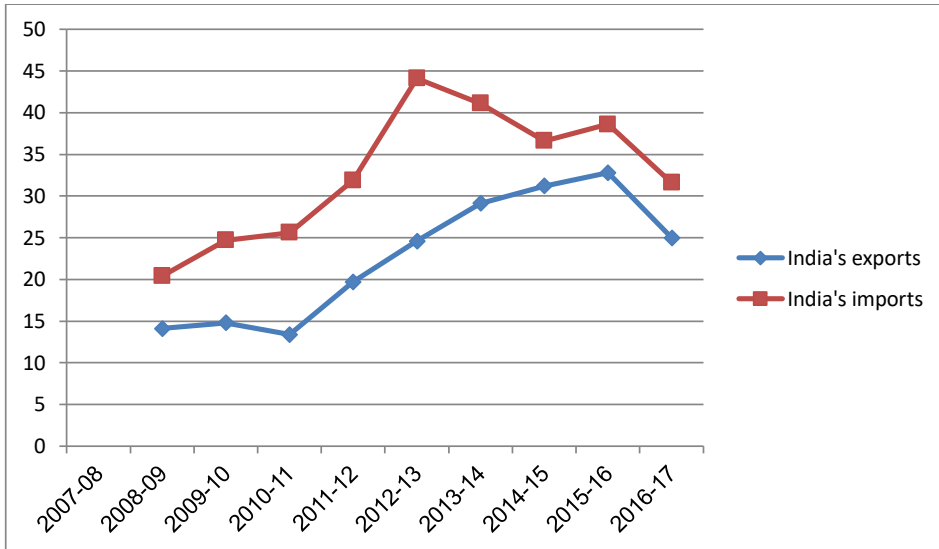
The Indian exports to Africa contains mainly of; industries stuff (49 per cent), chemicals (11 per cent) and machines and transportation tools (10 per cent) ⁽²⁰⁾.

Indian imports from Africa, on the other hand, jumped from \$ 20 billion in 2007-08 to \$ 28 billion in 2016-17 to achieve almost 7.5 percent of whole Indian imports. Indian imports from Africa improved at a complex annual growth rate of around 4 per cent, reaching in the period 2011-12 at \$ 44 billion ⁽²¹⁾.

Total trade between the two sides during 2005-06 and 2015-16 increased almost five-fold, and stood at \$ 52 billion in March 2016-17. India's exports to Africa improved from \$ 14 billion in 2007-08 to \$ 23 billion in 2016-17, accounting an impressive compound annual increase rate of 5.6 per cent, and the Indian exports to Africa were at the top in 2014-15 at \$ 32 billion.

The trade amount reached \$53.3 billion in 2010–11 and \$62 billion in 2011–12. This marks a quick growth from a meager \$3 billion in 2001. In 2011, India considered as Africa's major trading colleague after; China, the EU, and the US, while Africa became India's sixth major trading colleague following; the EU, China, UAE, US and ASEAN ⁽²²⁾. And the Indian companies have been playing a major role in the investments field, especially in copper mining, as in Zambia, and iron ore and milling, as in Liberia and Nigeria.

Figure 1: India's Trade with Africa (in \$ billions)



Source; Department of Commerce, Government of India.

In recent years, the India-Africa Forum Summits played a major initiation by India which has been held since 2008, and the third India-Africa Forum Summit was held in New Delhi in October, 2015. The Summit brought almost 41 African heads of state and government to India with the aim of strengthening the relationship and engagement between the two regions.

In 2009, India established the Pan African e-Network Project (PAENP), conceived by ex- President of India, A.P.J Abdul Kalam. The project, with a financial plan of around \$ 125 million, is totally funded by India and aims to afford satellite connectivity, Tele-education and Tele-medicine services to the African states. It also supports e-commerce, e-governance, infotainment, supply mapping and various other services, and the project has presently been commissioned in 47 countries.

India's Investment Relations with Africa

For strengthening its strategic partnership, India has undertaken major investment initiatives in recent years, and has grown to be one of the major investors in Africa. The most important investors include; Indian Multinational Enterprises (MNE's), Indian building and telecommunications companies, and a number of auto industry majors. These investors have been participating in various fields including; telecommunications, power, computer services, automobile, infrastructure, etc. in Africa.

The investments from India to Africa improved to be amount-
ed \$ 54 billion during the period; April 1996 to March 2016. Along
with the African nations, Mauritius is the top state in terms of receiv-
ing main FDI inflows, followed by Mozambique, Sudan, Egypt and
South Africa.

Adding to a number of investments in diverse sectors -mentioned
above-, EXIM Bank of India has in position Lines of Credit (LOC)
extended to a number of institutions/agencies in Africa ⁽²³⁾. The over-
all number of functioning LOCs to Africa stood at 154 as on Decem-
ber 31st, 2016 amounting to \$ 7.7 billion as extended to 44 countries.

According to the latest common information by the Confed-
eration of Indian Industry (CII) and the World Trade organization
(WTO), India's contemporary total investments in Africa amount to
more than \$50 billion.

Africa's enormous resources attracted FDI from India, in addition
to oil and gas, Africa, as the world's second leading continent, has

huge deposits of gold, silver, copper, iron, uranium and diamonds ⁽²⁴⁾. According to the CII-WTO report, on the whole trade between India and Africa grew at 32.4 percent between 2005 and 2011.

In conditions of the major sell overseas partners, South Africa features importantly, with trade calculation of more than \$2 billion for the period 2006/07 and accounting for 22 per cent of whole exports to Africa. This was followed by another four countries; Kenya with \$1.3 billion, Nigeria at \$901 million and Egypt at \$739 million and Mauritius with \$539 million. On the other side, Africa's imports to India are generally depending on prime supplies, and the oil accounting for the biggest share, followed by gold and additional mineral commodities.

Through the period 2006/07, Nigeria was considered India's main import partner, accounting for around \$7 billion or 47.6 per cent of total imports from Africa. This was followed by South Africa by \$2.4 billion, Egypt by \$1.7 billion and Algeria by \$749 million and Morocco by \$491 million ⁽²⁵⁾.

Also, external FDI flows to Africa during 2000–07 amounted to \$2.96 billion, with an increase of 836 per cent compared with 1990–99. Interestingly, the manufacturing sector has been amounted 56 per cent of such FDI (chemicals, rubber, plastic and transport equipment were the top sectors), followed by 32 per cent in the service industry, with no more than 18 per cent in the raw materials primary sector. Most of the FDI targeted towards the raw materials sort was in the extractive area of natural gas and petroleum ⁽²⁶⁾.

As an economic supporting tool from Indian government to the African countries, the India's export-import (EXIM) Bank extended a \$30 million credit line to the African Export-Import Bank to funding India's exports to the latter's members. As a part of the EXIM bank, the Focus Africa Program (FAP) was launched through 2002-2007 strategy ⁽²⁷⁾. Through this program the Indian government provides financial support to different trade promotion organizations, export encouragement councils and umbrella trade relations in the structure of Market Development Assistance.

In November 2005 the EXIM Bank, in concert to the CII, organized a council on India–Africa Partnership Project entitled “Expanding Horizons”, meant on deepening economic relations with the continent, around 160 delegates came from thirty-two African states, and above seventy projects, expected at more than \$5 billion, were discussed. This was followed by an additional summit, which took position in October 2006, where over than 300 African delegates and 375 Indian businesses community attended and discussed more than 300 projects value \$17 billion. amongst the 350 member African delegation visiting the 2006 council meeting, Togo achieved the top of the list of investment seekers requesting with \$4.6 billion, followed by South Africa's \$4 billion demand, Ghana's \$3.7 billion, and Nigeria's \$2.6 billion ⁽²⁸⁾.

In 2007, the council Partnership Project was extensive to three regional agreements in Africa, which took place in Côte d'Ivoire, Mozambique and Uganda. According to this program, Mauritius is the major investor in India with approximately total FDI inflows of \$

64.17 billion. Mauritius accounts for 40% of total FDI inflows India, a few estimates suggest that over 50% of US companies path their investments to India by the way of Mauritius, for taking benefit of an exception in capital gains clause. Morocco and South Africa are following as largest investors in India with investments from \$ 137 to \$ 112 million ⁽²⁹⁾.

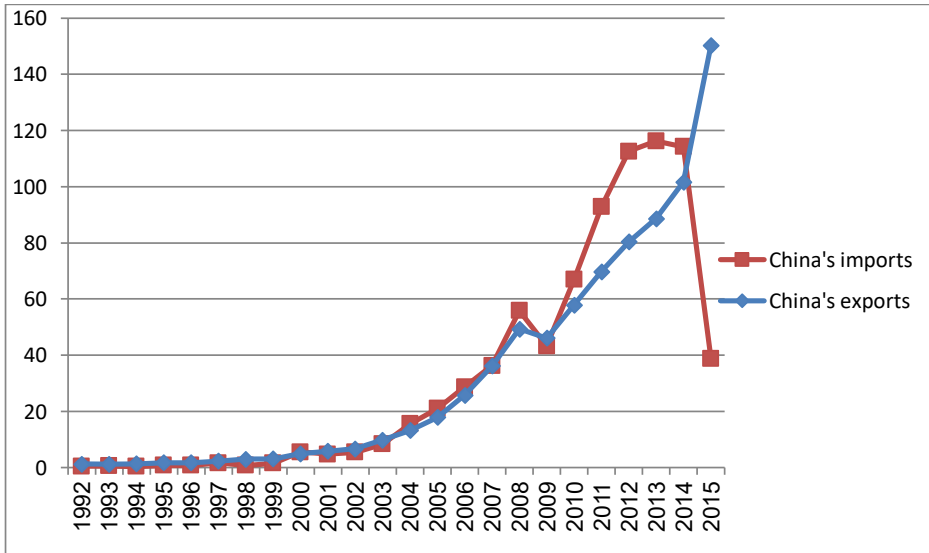
In addition to this program (FAP), there is India's two-sided aid program, that is complemented by a mutual plans whereby the government supports and dealings with African local institutions, as; the Africa Union, NEPAD and the five regional economic communities⁽³⁰⁾. This program is estimated to promote India's trade cooperation with the African countries through involvement in regional plans that are permitted by NEPAD and the local economic communities.

China-Africa trade from 1991 to 2017

China-Africa bilateral trade has been growing in the previous 16 years, punctuated by a simple retreat, then quickly recovered from the financial crisis of 2009. On the other hand, weak product prices since 2014 have deeply impacted the price of African exports to China, even while Chinese exports to Africa remained stable.

China's strategic integration inputs in Africa are mainly notable in great level infrastructural and mining projects. Chinese firms involved in extractive industries like hydrocarbons that are responsible for the recovery and exploration of oil and natural gas assets.

The do business between China and Africa surged from \$3 billion in 1995 to \$32 billion in 2005 and about \$55 billion in 2007, even though Africa makes up only 2.3 per cent of China's totally trade⁽³¹⁾.

Figure 2: China's Trade with Africa (in \$ billions)

Source: Johns Hopkins SAIS China Africa research initiative

By 2011, China's trade with Africa increased 33 per cent from the previous year to \$166 billion. Chinese imports from Africa consisted mostly of mineral ores, fuel, farming products, and exports to Africa were primarily manufactured goods. Imports from Africa were up 25.5 per cent to \$49.6 billion during this period, at the same time the exports of Chinese-made machinery, electrical and customer supplies, clothing and footwear enlarged by 17.5 per cent (\$30.9 billion) ⁽³²⁾.

China's imports from Africa in the period (2010-2016) were (\$ billions 66.94- 92.87- 112.60- 116.25- 114.21- 38.81- 39.96), compared to the exports to Africa in the same period (\$ billions 57.87- 69.81- 80.34- 88.62- 101.70- 150.39- 88.01) ⁽³³⁾.

This means that, the trade between the two sides has been rising at 40% per year, with over 480% increases in clothing imports from China between 2003 and 2014 ⁽³⁴⁾.

According to the World Bank, China surpassed the United States, as Africa's largest trade partner in 2009. China is a specified place for 15 to 16 percent of sub-Saharan Africa's exports and the source of 14 to 21 percent of the region's imports. While the majority of Africa's exports to China are comprised of mineral fuels, lubricants, and related materials, it also exports iron ore, metals, and other commodities, as well as small amounts of food and agricultural products. China exports a range of machinery, transportation, communications equipment, and also manufactured goods to African countries ⁽³⁵⁾.

China's investment relations with Africa

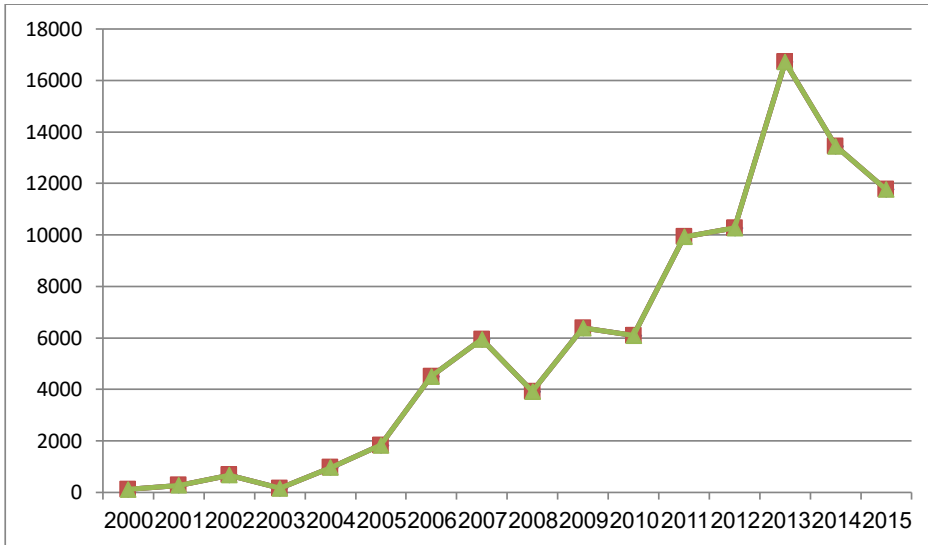
Over the past decade, The Chinese FDI annual flows to Africa, or OFDI ("Overseas Foreign Direct Investment"), have fluctuated, and the majority modern white paper on China-Africa Trade and Economic relations noted that, between 2009 and 2012, China's direct investment in Africa jumped at an annual rate of 20.5%. The rate reached in 2008 at \$5.5 billion (while this was a purpose of the purchase of 20% of the shares of Standard Bank in South Africa). 2008 was also the single year in the last ten years where Chinese FDI flows to Africa exceeded those from the U.S. The top 5 African countries of Chinese FDI in 2014 were; Algeria, Zambia, Kenya, Republic of Congo, and Nigeria, and Algeria accounted for more than 20% of all Chinese FDI flows to Africa in 2014 ⁽³⁶⁾.

China has also been supporting a number of African governments economically, through providing loans as a major instrument of growth, which is considered the second important reform of China policy to grant importance free of charge loans and subsidized export credits in order to support Chinese trade and investment in Africa.

And the first favorable credit plan was signed with Zimbabwe in July 1995, and by three years China had signed additional fifty-six treaties on favorable conditions with forty-three states, counting twenty-three African states ⁽³⁷⁾. These loans as a significant source of foreign direct investment from China go to resource-rich states, like Angola, invest in farming and develop particular trade and economic collaboration zones in several states, including Nigeria, Ethiopia, and Zambia ⁽³⁸⁾. These types of loans and credit are provided by the People's Bank of China, the China Development Bank, the Export-Import Bank of China, and the China-Africa Development Fund.

In the period from 2000 to 2015, the Chinese government, banks and contractors extended \$94.4 billion worth of loans to African governments and state-owned enterprises (SOEs). Angola receives the majority of Chinese loans, with \$19.2 billion in growing loans over 15 years, nearly a fifth of all Chinese loans. The top recipients of Chinese loans were; Uganda, Kenya and Senegal ⁽³⁹⁾.

Figure 3: China's loans to Africa (in \$ billions)



Source; Chinese Loans to African governments. Version 1.3 May 2017.

- Johns Hopkins SAIS, China Africa research initiative, at www.SAIS-CARI.org

The presence of China in Africa is huge. It has over than 900 projects, and 800 companies which are in service in different states. It has sent 16,000 medical staff to number of African countries, presented scholarships to 20,000 African students, and skilled a great number of African professionals. While India became a regional main member of the African Development Bank two years prior to China (in 1982), China at present holds more shares in the bank and has a superior voting influence.

Around 800 Chinese corporations have business in Africa, and the majority of them are private companies, that have investments in the fields of; infrastructure, energy and banking.

Conclusion

- This paper has provided an overview of China and India's arrangements with Africa, and the re-emerging as great economies in the international system and a return of history.
- China and India are seeking permanent interests and friendship in Africa by the logic of constituency economics like all other independent states.
- The global economic shifting from Euro-American to East Asia, especially with the growth of china and India, and the new trilateral forms like; BRIC, IBSA, offer challenges and opportunities for the African countries.
- The friendship between the two growing Powers and Africa varies harshly between states, depending on their economic, political, and past contexts, targets and strategies.
- Bilateral trade activity between Africa and Asia is flourishing like never before.
- At the national and the regional level, the priorities of African states, at diverse levels of development, should form the nature of agreements, dialogues, and mission plans in conventional and "new" fields in relations to the national and the international market. At the international level, African countries have to monitor the gradual change in power towards the growing Powers and the behavior in which this impacts their possess prospect improvement.
- China and India often spend their money in totally different ways,

with India preferring to leave it to private companies, and China favoring the state-led approach.

- African states have to increase and promote strong economic and political strategies within and beyond the region in order to track their own policies. This has to be set in the framework of inter- and intra-colonial and post Cold War political tensions and conflicts, which impose on growth.
- It is of grand main benefit to Africa that the appearance of China and India and thus the shifting international trade and industry scheme and influence administration resolve the problems and put an end to the bipolar globe of the cold war era. It will also end the attempted 'Unipolarity' system of hegemony that the USA has since been trying to force on the break of the world. There will hereafter be a much more multifaceted multi-polar scheme of economic and political hegemonies that will offer many calculated opportunities and strategic varieties for all the developing countries and for Africa.
- African governments need to recognize the essential importance of uniting and formulating common policies in order to exploit their influence in counterbalancing or 'playing off' the diverse powers and in order to avoid themselves from being separated and played off in opposition to one another in such a much more multifaceted rising global situation. The capability – and the political will – of African administrations to estimate and act jointly on any of the above scenarios is the supreme confront that is in front of Africa.

Endnotes

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