

# **China-Africa Economic and Trade Cooperation**

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## **Foreword**

China is the largest developing country in the world, and Africa is home to the largest number of developing countries. The combined population of China and Africa accounts for over one-third of the world's total. Promoting economic development and social progress is the common task China and Africa are facing.

During their years of development, China and Africa give full play to the complementary advantages in each other's resources and economic structures, abiding by the principles of equality, effectiveness, mutual benefit and reciprocity, and mutual development, and keep enhancing economic and trade cooperation to achieve mutual benefit and progress. Practice proves that China-Africa economic and trade cooperation serves the common interests of the two sides, helps Africa to reach the UN Millennium Development Goals, and boosts common prosperity and progress for China and Africa.

In the 1950s, China-Africa economic and trade cooperation centered on bilateral trade and China's aid to Africa. Through joint efforts of both sides, cooperation has been developed in ever-expanding fields and with increasingly richer contents. Especially since the Forum on China-Africa Cooperation (FOCAC) was established in 2000, economic and trade cooperation has been further enhanced and revitalized; trade, investment, infrastructure and capacity building have been pushed forward in an all-round way; and cooperation in finance and tourism has been gradually expanded, thereby forming a multi-tiered and wide-ranging cooperation pattern on a new historical starting point.

China-Africa economic and trade cooperation is a major component of South-South cooperation, infuses new life into the latter, and elevates the political and economic status of developing countries in the world, playing a significant role in promoting the establishment of a fair and rational new international political and economic order. China would like to work with other countries and international organizations to enhance consultation and coordination with African countries, participate in the construction of Africa, and jointly promote peace, development and progress in Africa.

### **I. Promoting Balanced Development of Trade**

Trade was the earliest form of China-Africa economic and trade cooperation. With the development of China-Africa relations and increased exchanges between China and African countries, the scale of China-Africa trade has increasingly expanded. China-Africa bilateral trade volume was only US\$12.14 million in 1950, it rose to US\$100 million in 1960, and exceeded US\$1 billion in 1980. After reaching the US\$10 billion mark in 2000, China-Africa trade has maintained a momentum of rapid growth ever since. In 2008, China-Africa bilateral trade volume exceeded US\$100 billion, of which US\$50.8 billion is China's exports to Africa and US\$56 billion is imports from Africa. The average annual growth rate of China-Africa trade between 2000 and 2008 reached 33.5%, with its proportion in China's total foreign trade volume rising from 2.2% to 4.2%, and its proportion in Africa's total foreign trade volume increasing from 3.8% to 10.4%. Although China-Africa trade volume dropped to US\$91.07 billion in 2009 as a result of the international financial crisis, China became Africa's largest trade partner that year for the first time. As the global economy recovered, China-Africa trade also maintained a favorable recovery and development momentum. From January to November in 2010, China-Africa trade volume reached US\$114.81 billion, a year-on-year growth of 43.5%.

With the expansion in the scale of trade, the China-Africa trade structure has been gradually optimized, and advantageous products have successively entered each other's market. During the 1980s and 1990s, China's exports to Africa were mainly light industrial products, food, chemical products, native produce and animal by-products. Since 2000, the export of machinery, automobiles and electronic items has been dramatically increasing, with product quality and technology markedly improved. Currently, the proportion of machinery and electronic products accounts for more than half of China's exports to Africa. Africa's major export products to China used to be cotton and phosphate, among other primary products. In recent years, steel, copper, chemical fertilizers and electronic items produced in Africa have successively entered China's market. In addition, Africa's export of agricultural products to China has been increasing rapidly. Local specialties such as oranges from Egypt, wine from South Africa, cocoa beans from Ghana, coffee from Uganda, olive oil from Tunisia and sesame from Ethiopia have become familiar to and popular among Chinese consumers. Because of the impact of the international financial crisis, China saw its imports from Africa dropped in 2009, but import of agricultural products increased by 25%.

Following the principle of mutual benefit and reciprocity, China has been promoting trade facilitation, and all-round, comprehensive and balanced China-Africa trade for years. China has signed bilateral trade agreements with 45 African countries, and enhanced cooperation in customs, taxation, inspection and quarantine, so as to create favorable conditions for China-Africa trade development. In support of African countries' export expansion to China, the latter has offered the Least Developed Countries (LDCs) of Africa that have diplomatic relations with China zero tariffs on some of their exports to China since 2005. By July 2010, African products that enjoy zero-tariff treatment had increased to 4,700 taxable items, and are expected to cover 95% of the total taxable items mentioned in the Regulations of the People's Republic of China on Import and Export Duties. Thanks to this zero-tariff policy, the export of African products to China that are free from Chinese customs duties has been growing rapidly. From 2005 to the end of June 2010, China had imported African products with an accumulated value of US\$1.32 billion under zero-tariff terms, including agricultural products, leather, stone materials, textiles and garments, machine spare parts, base metals and wood products. China has also been helping African enterprises enter the Chinese market by holding African commodity exhibitions, establishing African products exhibition centers, and offering free stalls or reducing stall rents and other preferential terms.

Now China and Africa are both in the process of industrialization and urbanization, a time characteristic of great market demand, hence China-Africa trade has great potential. For China, Africa's exports of crude oil, minerals, steel and agricultural products plays an active role in promoting China's economic development and improving the Chinese people's livelihood. For Africa, China's products and technology meet the need of Africa's development, while the vast Chinese market provides wide space for African products. Especially, China's continued rapid economic growth has created a stable export market for Africa's resource products. Similarly, good-quality and reasonably-priced Chinese commodities entering Africa help to improve African people's standard of living and help some African countries to constrain and relieve inflation.

## **II. Expanding Mutual Investment Fields**

China began to invest in African countries in the 1980s, and on a small scale at the beginning. In the 1990s China kept expanding its investment scale, widening the fields

of investment and diversifying investment approaches in Africa. Since 2000, driven by the FOCAC, China's investment in Africa has been growing rapidly, gradually forming a pluralized investment pattern. Meanwhile, Africa has also become active in its investment in China, and the business of a number of African enterprises is fast growing in the Chinese market.

In recent years, China's investment in Africa has shown new characteristics. First, rapid growth. By the end of 2003 China's direct investment in Africa had reached US\$490 million, rocketing to US\$9.33 billion by the end of 2009. Second, wide distribution. China's investment in Africa is distributed in 49 African countries, and most of which is in South Africa, Nigeria, Zambia, Sudan, Algeria and Egypt. Third, wide range of areas. China's investment in Africa covers mining, financing, manufacturing, construction, tourism, agriculture, forestry, animal husbandry and fisheries. Fourth, multiform methods. In addition to sole proprietorship and joint-venture ownership, investment methods are also being increasingly diversified, such as equity participation, merger and acquisition, and joint-venture cooperation with third-country enterprises for resources development. Fifth, diverse investors. State-owned large and medium-sized enterprises, private enterprises and individuals have all invested and started business in Africa, complementing each other with their own advantages.

The Chinese government encourages and supports Chinese enterprises with strength and good reputation to expand their investment in Africa, and has adopted necessary measures to guide them in this respect. The result is satisfactory. First, a favorable investment environment has been created by signing agreements and other approaches. So far, China has signed bilateral agreements with 33 African countries regarding the promotion and protection of investment, and it has signed agreements with 11 African countries on avoiding double taxation, thereby creating favorable conditions for China-Africa enterprise cooperation. Second, China has set up the China-Africa Development Fund. This is a stock equity fund created by China's financial organizations to give special support to Chinese enterprises when they invest in Africa. Over the three years since its establishment, the fund has approved investment in over 30 projects, covering agricultural development, machinery manufacturing, electric power, building materials, industrial parks, mining and port logistics, among other fields. Now the arrangement of the first-stage fund of US\$1 billion has been completed, and the fund is expected to be increased to US\$5 billion. Third, China has been pushing forward the building of overseas economic and trade cooperation zones in Africa. Supported by governments of the two sides, Chinese enterprises take charge of infrastructure construction in the operation zones, and attract Chinese and foreign enterprises to move in and gradually form industrial clusters. At present, China is building six economic and trade cooperation zones in Zambia, Mauritius, Nigeria, Egypt and Ethiopia, having invested US\$250 million in infrastructure construction. The Zambia-China Economic and Trade Cooperation Zone was the first overseas economic and trade cooperation zone launched by China. So far 13 companies have moved in; they engage in mining, prospecting, nonferrous metals processing, chemical engineering, and construction, having made investment worth US\$600 million, and providing more than 6,000 jobs for local people.

African countries possess rich resources, hence cooperation in resource development is a significant part of China-Africa investment cooperation. In recent years, in accordance with the principle of mutually beneficial cooperation and development, a number of Chinese enterprises have actively involved in the development of African resources, and have been assisting African countries to develop resource processing industries to

increase the added value of their resources, so as to convert resource advantages into driving forces of social and economic development. In the course of cooperation, Chinese enterprises strictly stick to universally acknowledged rules, adopt open, transparent and multiform ways of cooperation to jointly exploit and utilize resources with African countries and international enterprises against monopoly and exclusiveness. The investment by Chinese enterprises in this field has expanded the financial sources for African development, raised the value of such resources, and facilitated local infrastructure construction and economic development, thus winning the approval and support of local governments and people. For instance, Chinese and Malaysian enterprises have cooperated with Sudan in oil exploitation, and helped that country establish a modern petroleum industry featuring integrated upstream and downstream operation, which substantially increased Sudan's financial revenue and played an essential role in improving the livelihood of the local people.

Chinese enterprises operating in Africa pay special attention to good relations with the local people, by operating within the rule of law, adhering to credibility, and enhancing resource conservation and environment protection. They are localizing their operations by employing a large number of local workers, and making efforts to strengthen the African countries' capabilities to develop without outside help, thus contributing to the economic development of Africa while accelerating their own growth. For example, a Chinese mining enterprise in Zambia has invested in setting up metallurgical plants to improve the utilization efficiency of local copper resources. After the outbreak of the international financial crisis, it promises that it "will not slash production, not lay off workers and not reduce investment," thus becoming the only one that doesn't reduce either production or staff among the seven foreign-invested mining enterprises in Zambia.

In recent years, as the African economy develops and China's market potential grows, African enterprises have been investing more vigorously in China. Mauritius, South Africa, Seychelles, Nigeria and Tunisia are the major African countries investing in China. A beer joint venture started by a South African enterprise in China is operating nearly 70 breweries. A chemical fertilizer joint venture formed by Tunis and Chinese enterprises has become a leading compound fertilizer producer in China. By the end of 2009 African countries' accumulated direct investment in China amounted to US\$9.93 billion, covering petrochemical engineering, machinery and electronics, transportation and telecommunications, light industry and household appliances, garments and textiles, bio-pharmaceuticals, agricultural development, entertainment and catering, real estate, and other sectors. Africa's investment in China features mutually complementary advantages, thereby promoting China's exports to Africa and other regions.

### **III. Attaching Importance to Infrastructure Construction**

As backward infrastructure is the bottleneck that hinders the development of many African countries, infrastructure construction is one important aspect of China-Africa economic and trade cooperation. China attaches importance to giving support to African countries to improve their infrastructure, helping them build houses, roads, bridges, railways, airports, ports, telecommunications, power networks, water supply and drainage systems, and hospitals through means such as assistance, project contracting, investment cooperation, and expanding channels of financing, which have positive effects on the development of Africa. China encourages and supports its enterprises to participate in the infrastructure construction of African countries, asking them to finish the projects with guaranteed quality and on the basis of

honoring contracts and upholding a fine reputation.

China has helped African countries build a large number of infrastructure projects over the years. In the 1970s China, despite its own economic hardship, provided assistance for the construction of the 1,860-km-long Tanzania-Zambia railway, which is historical evidence of China's selfless help to Africa. The Cairo International Conference Center, aided by China, covers a floor space of 58,000 sq m and hosts more than a hundred international meetings and exhibitions each year, promoting the development of local business and tourism. By the end of 2009, China had provided assistance for the construction of over 500 infrastructure projects in Africa. Other large projects include the Belet Uen-Burao Highway in Somalia, the Friendship Harbor in Mauritania, the Mashta al Anad-Ben Jarw Canal in Tunisia, and the National Stadium in Tanzania. The Convention Center of the African Union and a few other projects are under construction now.

In order to help African countries to improve their infrastructure, the Chinese government has offered many preferential loans, and supports its financial institutions to expand the amount of commercial loans to Africa. China has constantly intensified its efforts in financing for Africa since the establishment of the FOCAC. From 2007 to 2009, China provided US\$5 billion of preferential loans and preferential export buyer's credit to Africa. It has also promised to provide US\$10 billion of preferential loans to Africa from 2010 to 2012. These loans are to be used to finance some of the big projects under construction, such as an airport in Mauritius, housing in Malabo, Equatorial Guinea and the Bui Hydropower Station in Ghana.

Chinese engineering companies, in line with international norms, contract projects in Africa through competitive bidding, and help build many needed infrastructure projects with good quality and at low cost. Such projects as houses, roads, airports, refineries, telecommunication networks and hydropower stations are being expanded with improved technology. The Chinese enterprises, from bidding on their own to joint bidding with international businesses, display their strength in Africa and improve their capacity in international management while accumulating experiences and cultivating skilled people. The China-aided large-scale projects which have already been completed include the Sheraton Hotel in Algeria, the telecommunications network in Ethiopia and the Merowe Dam in Sudan. Projects under construction include housing in Angola, a coastal railway in Libya and a light rail in Lagos, Nigeria.

Chinese enterprises undertake social responsibilities on their own initiative, and actively participate in programs benefiting local people, which have won them appreciation of the local governments and people. They have provided funds to build roads, bridges, hospitals and schools, and to sink wells. They have also donated materials to make a positive contribution to the development of local communities. For example, the programs for the public good organized by Chinese enterprises have benefited over two million people in Sudan, the friendship schools China aided in Nigeria promoted elementary education in 300 villages, and vocational training centers in Angola and Libya turn out large numbers of skilled workers.

#### **IV. Strengthening Building of Development Capacity**

Development is one of the most urgent problems confronting Africa, but lack of technology and skills is the key element that hinders its development. The Chinese government attaches great importance to the building of development capacity in Africa,

carrying out human resource development and cooperation with African countries, and sending experts and youth volunteers to Africa to help African countries improve the ability of fostering skilled people.

Strengthening educational exchanges and cooperation. China and Africa have conducted fruitful educational cooperation, fostering large numbers of skilled people for Africa. By the end of 2009, 107 schools had been built in Africa with Chinese assistance, and 29,465 African students had received Chinese government scholarships to study in China. At present, the Chinese government offers about 5,000 scholarships to students from African countries each year. It has also intensified its cooperation with African countries in fields such as higher education, vocational education and long-distance education, building specialized laboratories for biology, computer science, analytical chemistry, food preservation and processing, horticulture and civil engineering.

Providing management and technical training programs. China helps cultivate managerial and technical skills for Africa in multiple ways. By June 2010, China had provided training programs for over 30,000 people from African countries, covering over 20 fields such as economy, public administration, agriculture, animal husbandry and fishing industry, medical care and public health, science and technology, and environmental protection. Besides, Chinese enterprises in Africa have trained for those countries large numbers of skilled technical personnel through building training centers and running on-the-job training courses, and bringing African employees to receive training in China.

Holding practical skills training courses. China has held in many African countries practical skills training courses on planting, livestock breeding, fishing, weaving, embroidery and leather processing. For example, China held many bamboo and rattan weaving courses for refugees, dropout students, and impoverished peasants in post-war Libya, which helped to promote the development of the local bamboo and rattan weaving handicraft. The trainees later could earn a monthly income of US\$150, greatly improving their living conditions.

Sending experts and youth volunteers to Africa. By the end of 2009, China had sent 104 senior agricultural technical experts to 33 African countries, helping them to map out agricultural development plans, and offering guidance and training courses on agricultural skills. It sent experts to guide the production and operation of China-aided projects, to train local managerial staff, and to help African countries to manage projects on their own. China also cooperated with the United Nations Food and Agriculture Organization, and signed the South-South Tripartite Agreement with Mauritania, Ghana, Ethiopia, Gabon, Sierra Leone, Mali and Nigeria, sending to these countries over 600 Chinese agricultural experts and technicians. By the end of 2009, China had sent 312 youth volunteers to Africa, providing voluntary services in Chinese language teaching, medical care and public health, physical education teaching, computer training and international rescue.

## **V. Helping to Improve the People's Livelihood**

If Africa is to reach the UN Millennium Development Goals it must improve its public facilities, solve food shortage problems, improve sanitary conditions and reduce the burden of foreign debt. China shows great concern for the livelihood of African people, helping African countries to build public facilities, increase their agricultural production,

improve their medical care and public health service, actively reduce their debts, and provide disaster relief and humanitarian aid.

Actively offering assistance for building public welfare facilities. China has offered assistance to African countries in building large numbers of public welfare projects such as low-cost housing, well digging for water supply, sewage treatment, radio and television and telecommunications network, playing a positive role in improving the local people' s living standards. For example, low-cost housing projects in Seychelles, Mozambique, Angola and Ethiopia have improved the dwelling conditions of the local people. The well-digging projects in Nigeria, Senegal and Equatorial Guinea, the water supply systems in Tanzania and Niger have solved the drinking-water problem for many people. The national television center in Equatorial Guinea has made the transmission and coverage of local television signals possible.

Conducting multiform agricultural cooperation. Food security is important for stable development and poverty relief efforts in Africa. Agriculture is the pillar industry of most African countries and a priority field for China-Africa economic and trade cooperation. China always regards helping Africa solve its food security problem as its ultimate goal in China-Africa agricultural cooperation. The major fields of China-Africa agricultural cooperation cover infrastructure construction, food production, breeding industry, exchange and transfer of agricultural practical techniques, and processing, storage and transport of agricultural products. By the end of 2009, China had helped to build over 142 agricultural projects in Africa such as pilot agro-technical stations, stations for popularizing agricultural techniques and farms. China has launched 14 agricultural technology demonstration centers in Africa, and provided a large amount of agricultural materials and equipment. The Chinese government also encourages its enterprises to invest in agricultural product processing and agricultural development projects in Africa.

Improving medical and health conditions in Africa. The major measures taken by China to help African countries improve their medical and health conditions include offering assistance to build hospitals, sending medical teams to Africa, and providing medicines and medical supplies. By the end of 2009, China had helped to build 54 hospitals, set up 30 malaria prevention and treatment centers, and provided anti-malaria drugs worth 200 million yuan to 35 African countries. Since 1963, China has sent medical teams to 46 African countries with a total number of 18,000 medical workers, treating as many as 200 million patients and training tens of thousands of African medical staff over the decades. They have not only cured common and frequent diseases but also created the conditions to perform challenging operations like treatment of cardiovascular and cerebrovascular diseases, re-attachment of severed limbs and removal of large tumors, saving the lives of many patients in danger and filling the medical gap in the aided countries. At present, over 1,000 Chinese medical workers are providing medical services in 41 African countries.

Reducing Africa's debts. The Chinese government has always supported African countries in their effort to reduce their debts, helped relieve their burden of debts to China. From 2000 to 2009, China canceled 312 debts of 35 African countries, totaling 18.96 billion yuan. The above-mentioned debt relief measures demonstrate China's determination and aspiration to help Africa develop, and speed up the process of debt reduction for Africa by other countries.

Stepping up efforts for disaster reduction and relief and humanitarian aid. China and Africa actively conduct personnel exchanges in disaster reduction and relief, and



promote technical cooperation and experience sharing. When African countries are hit by natural disasters or war, China always promptly offers humanitarian aid to them. With growing national strength, China has increased its humanitarian aid to Africa. In 2003, when Algeria was hit by a 6.8-magnitude earthquake, China immediately sent emergency relief supplies worth a total of US\$5.36 million, and dispatched a rescue team to the disaster-hit area. In 2004 China officially established a mechanism of humanitarian emergency response for disaster relief, which made the relief action faster and more efficient. In recent years, China has provided emergency relief supplies such as food and tents to Sudan, Madagascar, Burundi, Tanzania, Somalia, Ethiopia, Lesotho and Zimbabwe, helping these countries to increase their ability to fend off disasters and to reconstruct after disasters. Since 2004 China has provided about 150 million yuan in the form of grants to Sudan for humanitarian supplies, well-digging and water-supply projects in Darfur.

## **VI. Broadening the Scope of China-Africa Cooperation**

In recent years, new areas in China-Africa cooperation, especially banking, tourism, civil aviation and environmental protection, have shown good momentum for development. Moreover, within a multi-lateral framework China and African nations have strengthened cooperation and mutual support in many areas of global concern, including actions to address climate change.

Cooperation in banking. The Chinese government supports the efforts by financial institutions of China and African countries to enhance their exchanges and cooperation, and provide comprehensive financial services for enterprises of both sides. China Development Bank, Export-Import Bank of China, Industrial and Commercial Bank of China, Bank of China and China Construction Bank are now offering services across the African continent, such as international settlement, trade and financing, and especially financing services in the fields of manufacturing, energy, telecommunications, electric power, water supply, transportation, agriculture and logistics. Chinese financial institutions have set up branches or representative offices in Zambia, South Africa and Egypt. China has joined the African Development Bank and the West African Development Bank in support of the poverty reduction and development of Africa by donating money, canceling debts and establishing funds to shore up bilateral technical cooperation projects. Meanwhile, financial institutions of African countries have also expanded their business in China. By the end of 2009 six banks of five African countries, namely Egypt, Morocco, Cameroon, South Africa and Nigeria, had set up branches or representative offices in China.

Cooperation in tourism. Tourism is one of the most important emerging industries of African countries, and a new source of growth of the China-Africa trade in services. The Chinese government actively carries out China-Africa cooperation in tourism. Since Egypt became the first country in Africa to be granted the Approved Destination Status (ADS) for tourists from China's mainland in 2002, altogether 28 African countries and regions had acquired such status by the end of 2009. In 2009 some 381,000 people from China's mainland visited Africa as the first stop of their travel, up by 18.5% over the previous year, while the number of Africans traveling to China during 2009 increased by 6% over 2008, reaching 401,000. In addition, Chinese enterprises have set up travel agencies and restaurants, and engaged in hotel building and management in Africa.

Cooperation in airline transportation. The Chinese government encourages airlines of both sides to establish and increase their cooperative ties, and open more direct air links between China and Africa for transport of passengers and freight. China had officially signed civil aviation transport agreements with some 15 African countries by the end of 2009, including Ethiopia, Angola, Zambia and South Africa, and initiated similar agreements with another six African countries, including Seychelles, Libya and Uganda. The airlines of Egypt, Ethiopia, Zimbabwe, Kenya and Algeria have opened scheduled direct flights to Beijing and Guangzhou, while Chinese airlines have direct flights between Beijing and Lagos of Nigeria, Luanda of Angola, and Khartoum of Sudan. In addition, China's civil aviation administration provides help to Africa through various channels, including the International Civil Aviation Organization (ICAO). It pledged to donate US\$100,000 per year from 2008 to 2011 to ICAO's "Comprehensive Regional Implementation Plan for Aviation Safety in Africa."

Cooperation in environmental protection. Environmental protection and tackling climate change are issues affecting the whole world. Within the framework of the FOCAC, China and African countries together held the China-Africa Environmental Protection Cooperation Meeting, implemented the China-Africa human resource training program for environmental protection, and set up the UNEP China-Africa Environmental Center. The Chinese government has proposed to form a partnership between China and Africa in addressing climate change, and strengthen cooperation in fields like satellite weather monitoring, development and use of new energy, prevention and control of desertification and urban environmental protection. China and African countries hold in-depth exchanges of views on environmental issues such as international negotiations on climate change to safeguard the common interests of developing countries. China supports the rightful claims of African countries in addressing climate change, and takes into account the concerns of African countries about long-term emission-reduction targets. The Chinese government has also promised not to contend for financial assistance with African countries, but instead will offer them, on the basis of their needs, practical assistances in funds, technology and capacity building. At present, China has formed cooperation plans in the fields of biogas technology, hydro power, solar power and wind power with some African countries.

## **VII. Giving Full Play to the Guidance Role of FOCAC**

Founded in 2000 by China and Africa, FOCAC has formed dialogue and cooperation mechanisms at various levels such as ministerial conferences, senior official meetings and entrepreneurs' conferences. So far, four ministerial conferences and a summit have been held within this framework. Owing to the joint efforts of China and Africa, FOCAC has become an important platform for collective dialogue and an effective mechanism for practical cooperation between China and Africa. It enhances political mutual trust, leads to cooperation, especially economic and trade cooperation, and expands and deepens China-Africa relations, and raises the level of their relations.

Since the first FOCAC Ministerial Conference in 2000, the Chinese government, focusing on the challenges and opportunities facing China and Africa, has taken a series of steps to deepen China-Africa economic relations and trade on the basis of long-term cooperation, mutual respect and consultation on an equal footing. These steps, fitting the needs of Africa, represent the practical spirit and creative endeavors of the Chinese government.

At the first FOCAC Ministerial Conference China announced it would reduce or cancel African countries' debts to China, and encouraged Chinese companies to invest in Africa and train professionals for Africa. At the second FOCAC Ministerial Conference in 2003, China pledged to increase aid to Africa, enhance cooperation in the sphere of human resources development and give zero-tariff treatment to some of the exported products from the Least Developed Countries (LDCs) in Africa with diplomatic ties with China.

At the Beijing Summit and third Ministerial Conference of FOCAC in 2006, China announced an eight-point plan for strengthening practical China-Africa cooperation and supporting the development of Africa, including increasing assistance; providing preferential loans; helping the African Union (AU) to build a convention center; raising the number of African export items to China eligible for zero-tariff treatment; setting up a China-Africa Development Fund; building overseas economic and trade cooperation zones in African countries; setting up demonstration centers of agricultural technology; and setting up malaria prevention and treatment centers. All the above-mentioned eight commitments were fully in place by the end of 2009 with the joint endeavors of China and Africa.

In 2009 China declared another eight-point plan at the fourth FOCAC Ministerial Conference, covering agriculture, environmental protection, investment promotion, debt reduction and cancellation, wider market access, education, and medical care and public health. These eight commitments, focusing on improving the living standards of the African people, enhancing cooperation in agriculture and human resource development and raising Africa's self-reliance capacity, aim to help African countries solve their current practical problems, realize sustainable growth, and further consolidate the foundation for economic and social development.

China's commitments offered through FOCAC help all African countries having diplomatic ties with China, and provide practical benefits to these countries and their peoples. In future, based on the spirit of mutual benefit and progress, friendly consultation, pragmatism and high efficiency, the Chinese government will, together with African countries, continue to strengthen the economic and trade cooperation between China and Africa within the FOCAC framework, and further develop a new-type of China-Africa strategic partnership.

## **Conclusion**

The world today is undergoing great changes and adjustments. The economic recession triggered by the international financial crisis hasn't come to an end yet. Global issues of food security, energy supply, climate change and prevention and control of epidemic diseases have become more prominent. And uncertain factors in the global economy are increasing. As developing countries, China and African countries now face good opportunities to boost their growth and also the challenges of complex global problems.

China and Africa enjoy complementarity. Their common interests are constantly expanding, and the future of their economic and trade cooperation is bright. On the principles of equality, mutual benefit and common development, China will continue to promote China-Africa economic exchanges within bilateral or multilateral frameworks, broaden the scope of cooperation, explore new methods of cooperation and share the fruits of development with the African countries.

As economic globalization progresses, the economic and trade cooperation between China and Africa will definitely gain momentum to reach a larger scale, broader scope and higher level with their joint endeavors, which can give new energy and vitality to overall China-Africa cooperation and make more contributions to building a world with long-lasting peace, common prosperity and harmony.

## **Appendix I**

### The Eight-Point Plan China Pledged at the FOCAC Beijing Summit

1. Increase assistance to African countries, and by 2009 double the size of its assistance to African countries in 2006.
2. Provide US\$3 billion in preferential loans and US\$2 billion in preferential export buyer' s credit to African countries in the next three years.
3. Set up the China-Africa Development Fund, the total amount of which will gradually reach US\$5 billion, to give encouragement and support to Chinese companies investing in projects in Africa.
4. Help the African Union to build a convention center in order to support African countries in their efforts to strengthen themselves through unity and speed up African integration.
5. Cancel the repayment of interest-free government loans that had become due by the end of 2005 to China by Heavily Indebted Poor Countries (HIPCs) and Least Developed Countries (LDCs) in Africa that have diplomatic ties with China.
6. Further open the Chinese market to Africa, and increase from 190 to over 440 the number of African export items to China eligible for zero-tariff treatment from the LDCs in Africa having diplomatic relations with China.
7. Set up three to five overseas economic and trade cooperation zones in African countries in the next three years.
8. Train 15,000 professionals for African countries in the next three years; send 100 senior experts in agricultural technology to Africa; set up in Africa 10 demonstration centers of agricultural technology with special features; assist African countries in building 30 hospitals and provide a grant of 300 million yuan to African countries that is used to buy anti-malaria drugs like artemisinin and build 30 centers for prevention and treatment of malaria; dispatch 300 young volunteers to African countries; help African countries set up 100 rural schools; increase the number of Chinese government scholarships for African students from the current 2,000 per year to 4,000 per year by the end of 2008.

## **Appendix II**

### The New Eight-Point Plan China Pledged at the Fourth FOCAC Ministerial Conference

1. China proposed the establishment of a China-Africa partnership in addressing climate change and the holding of senior official consultations on a non-regular basis to

strengthen cooperation in satellite weather monitoring, development and use of new energy, prevention and control of desertification, and urban environmental protection. The Chinese government has decided to assist African countries with 100 clean energy projects in the fields of solar energy, biogas and small hydro-power stations.

2. To intensify cooperation in science and technology, China pro-posed to launch the China-Africa Science and Technology Partnership Plan, carry out 100 joint research and demonstration projects, invite 100 African post-doctoral students to conduct scientific research in China and subsidize them when they return to their home countries to work.

3. In order to raise African countries' capacity in financing, the Chinese government will provide US\$10 billion in preferential loans to African countries. China supports the establishment by Chinese financial institutions of a special loan of US\$1 billion for the development of small and medium enterprises (SMEs) in Africa. The Chinese government will cancel debts of interest-free government loans that will mature by the end of 2009 owed by all HIPCs and the LDCs in Africa having diplomatic relations with China.

4. China will further open its market to African countries. It will gradually give zero-tariff treatment to 95% of exports from the LDCs in Africa having diplomatic relations with China. As the first step, China grants zero-tariff treatment to 60% of the exported commodities from those countries in 2010.

5. In order to further strengthen agricultural cooperation and improve African countries' capacity for food security, China will in-crease to 20 the total number of agricultural technology demonstration centers built for African countries, send 50 agricultural technology teams to Africa and help train 2,000 agricultural technicians for African countries.

6. China will continue to deepen China-African cooperation in medical care and public health service. It will provide 500 million yuan worth of medical equipment and malaria-fighting materials to 30 hospitals and 30 malaria prevention and treatment centers which have been built with China's assistance, and help African countries train a total of 3,000 doctors and nurses.

7. In order to further enhance cooperation in human resource development and education, the Chinese government will help African countries to build 50 China-Africa friendship schools and train 1,500 school headmasters and teachers; increase the number of Chinese government scholarships for African students to 5,500 by 2012; and train a total of 20,000 professionals in various sectors for African countries in the next three years.

8. To enlarge people-to-people exchanges, China proposed to implement a China-Africa Joint Research and Exchange Plan to strengthen cooperation and exchanges between scholars and think tanks, which will also provide intellectual support for better policy-making regarding cooperation between the two sides.