ISTANBUL TICARET UNIVERSITY

GRADUATE SCHOOL OF FOREIGN TRADE
MASTER’S THESIS IN INTERNATIONAL TRADE

Bridging Continents: Exploring the Dynamics and Impacts of China-Africa Trade Relations

MASTER THESIS

Hanane Legsir
200027377

ISTANBUL, 2024

ISTANBUL TICARET UNIVERSITY

GRADUATE SCHOOL OF FOREIGN TRADE

MASTER'S THESIS IN INTERNATIONAL TRADE

Bridging Continents: Exploring the Dynamics and Impacts of China-Africa Trade Relations

MASTER THESIS

Hanane Legsir

200027377

Advisor: Assoc. Prof. Cihat Köksal

ISTANBUL, 2024

Ethics Statement

I dedicate all the required information in this title “Bridging Continents: Exploring the Dynamics and Impacts of China-Africa Trade Relations “which has been written following academic manners and ethical commitment. I would clarify that all the materials, sources, data, and extra inputs have benefited well throughout the writing procedure of this thesis. All matters contained in this thesis are my opinion and do not reflect the official view of Istanbul Ticaret University.

Hanane Legsir

Abstract

This study examines the evolving China-Africa trade relationship over the past two decades, focusing on trade, investments, and big projects made by China, the major development partnerships and their implications for African nations through the lenses of the Forum on China-Africa Cooperation and the Belt and Road Initiative. The study explores the evolution of China-Africa trade relations, identifying key drivers and assessing the economic, and social impacts on African countries. It compares the objectives, implementation, and outcomes of FOCAC and BRI, highlighting their contributions to infrastructure development, economic growth, and regional integration. The analysis reveals both the opportunities and challenges posed by these initiatives, including issues of debt sustainability, environmental impact, and local economic participation. This study also explores the dimensions of China's economic ties with Africa and assesses the benefits and challenges for African countries. The investigation conducted in this study is not just around the trade transactions between the two nations but also around the implications of China's expanding economic connections with Africa and the degree to which these links help African nations. The research reveals the potential and problems that are inherent in the dynamics of commerce between China and Africa by closely examining trade patterns, investment flows, loans, aid, and infrastructure projects. The findings highlight the complexities of global economic integration and underscore the importance of fostering sustainable partnerships between China and Africa.

Keywords: China-Africa trade, Investments, Geoeconomics relations, Economic impacts, Infrastructure development, Global economic integration, Sustainable partnerships.

Özet

Bu tez çalışması, son yirmi yılda gelişen Çin-Afrika ticaret ilişkisini incelemektedir ve ayrıca ticarete, yatırımlara ve Çin tarafından yapılan büyük projelere, büyük kalkınma ortaklıklarına ve bunların Afrika ülkeleri için etkilerine Çin-Afrika İşbirliği Forumu ve Kuşak Yol Girişimi merceğinden odaklanmaktadır. Çalışma, Çin-Afrika ticari ilişkilerinin gelişimini araştırmakta olup, temel itici güçleri tanımlamakta ve Afrika ülkeleri üzerindeki ekonomik ve sosyal etkileri değerlendirmektedir. FOCAC ve BRI'nin hedeflerini, uygulamalarını ve sonuçlarını karşılaştırarak altyapı gelişimine, ekonomik büyümeye ve bölgesel entegrasyona katkılarını vurgulamaktadır. Yapılan analiz sonucunda, borç sürdürülebilirliği, çevresel etki ve yerel ekonomik katılım konuları da dahil olmak üzere bu girişimlerin ortaya çıkardığı fırsatları ve zorlukları ortaya koymaktadır. Bu tez çalışması aynı zamanda Çin'in Afrika ile ekonomik bağlarının boyutlarını da araştırmakta ve Afrika ülkeleri için faydaları ve zorlukları değerlendirmektedir. Bu çalışmada yürütülen araştırma sadece iki bölge arasındaki ticari işlemlerle ilgili değil, aynı zamanda Çin'in Afrika ile genişleyen ekonomik bağlantılarının sonuçları ve bu bağlantıların Afrika ülkelerine ne ölçüde yardımcı olduğuyla da ilgilidir. Araştırma, ticaret modellerini, yatırım akışlarını, kredileri, yardımları ve altyapı projelerini yakından inceleyerek Çin ile Afrika arasındaki ticaret dinamiklerinin doğasında olan potansiyeli ve sorunları ortaya koymaktadır. Bulgular, küresel ekonomik entegrasyonun karmaşıklığını vurgulamakta ve Çin ile Afrika arasında sürdürülebilir ortaklıkların geliştirilmesinin öneminin altını çizmektedir.

Anahtar kelimeler: Çin-Afrika ticareti, Yatırımlar, Jeoekonomik ilişkiler, Ekonomik etkiler, Altyapı gelişimi, Küresel ekonomik entegrasyon, Sürdürülebilir ortaklıklar.

Acknowledgment

I would like to express my deepest gratitude to Prof. Cihat Köksal, my thesis advisor, for their time, guidance, and understanding in helping me succeed in my studies. Their expertise, patience, and insightful feedback have been instrumental in shaping this work. I would also like to acknowledge everyone at Istanbul Ticaret University for providing the necessary resources and facilities for this research. My sincere thanks to their generosity and encouragement, my time spent studying and living in Türkiye has been truly rewarding. To conclude, I'd like to thank my family and loved ones for making this experience as memorable as it is. It would have been impossible to finish my studies without their unwavering support over the past few years.

TABLE OF CONTENT

Page

CHAPTER 1 INTRODUCTION

1.1. Background and Context:

China-Africa trade relationship has grown tremendously in the last two decades, so it is important to review the background of this important growth and assess key policies and strategies that will help shaping their future ties. The relationship between the two nations has a rich background and historical context with centuries of cultural exchanges, trade networks and diplomatic interactions. Historically, there have been records which indicated that the China-Africa trade relationship history dates as early as the Tang Dynasty[1] (617-907 AD) where the Chinese traders and explorers had established the ancient maritime routes that linked China with many African regions in the Tang Dynasty that facilitated the trade between the two nations and was also the beginning of this trade journey that will last decades after (Chinaafrica.org, "China and Africa: Ancient connections). Then came the Silk Road that was established by the Han Dynasty in 130 B.C by the Emperor Wu (Hansen,2012) that also encouraged the cultural exchanges and the flow of goods and services between the two regions, fostering mutual understanding and economic growth for both China and Africa. However, the formal diplomatic relation between Africa and China began to take shape until the mid-20th century. Continuing the historical side of the context, The Bandung Conference of 1955 that was held in Indonesia, served as a pivotal moment in shaping and developing China-Africa trade relation. The conference laid the foundation for diplomatic ties between China and several African nations including Ghana, which established relations shortly after the conference. These diplomatic efforts helped paving the way for important trade agreements and economic cooperation between China and Africa (Zheng Yongnian and Xu Jin,2008). The Bandung Conference also strongly promoted the principle of non-alignment to encourage African countries on maintaining their independence from Western and Eastern bloc influences and therefore it helped tremendously creating a healthy, safe and conductive environment for trade partnerships between China and Africa as it offered a platform free from Cold War dynamics (A. Ritchie Ovendale,2012).

One of the most iconic symbols of China-Africa cooperation in the 1970th was the construction of the Tanzania-Zambia Railway (Tazara), an 1860-kilometer railway connecting

[1] Tang Dynasty: An imperial dynasty of China 618-907

landlocked Zambia to the port of Dar es Salaam in Tanzania. With the assistance of China, the railway was done and ready by 1976. This construction showed the early commitment of China in helping African development. This railway helped providing a vital transportation link for Zambia's copper exports to reach international markets (Nyang'oro,2007). The construction of Tazara not only showed Chinese commitment in supporting Africa's development through infrastructure investments but also deepened diplomatic ties between the two nations by showcasing as a symbol of solidarity and friendship especially during the Cold War era. (Gittings, 2008). The railway has facilitated the trade between China and Africa by providing a more efficient and cost-effective transportation route for goods. It also reduced reliance on colonial-era transportation routes and allowed for increased trade volume between China and African countries, particularly in natural resources such as copper from Zambia (Nyang'oro, 2007).

During the cold war, China-Africa trade relation has benefited from the non-aligned stance adopted by many African countries, allowing them to pursue partnerships based on their own interests rather than ideological affiliations (Alden, 2007). Here, China's status as a non-aligned power resonated with African nations seeking alternative partnerships, leading to the development of diplomatic and trade relations that were less constrained by Cold War dynamics (şigam, 2008). This alignment facilitated by non-alignment was further strengthened by China's diplomatic support for African nations in their struggles for independence and against colonialism and apartheid, fostering closer ties between China and Africa (Taylor, 2010). Additionally, China's support for infrastructure development projects in Africa, such as the Tanzania-Zambia Railway (TAZARA), provided essential transportation links that facilitated trade between the two regions (Taylor, 2010). These projects not only promoted economic development in Africa but also created opportunities for increased trade with China, contributing to the deepening of Africa-China trade relations during the Cold War era.

The end of Cold War, Post-Cold War era marked a new refreshing chapter of the Chinese African trade relation, mainly characterized by new economic reforms, globalization, and China's rapid economic ascent. China's economic reforms under Deng Xiaoping in the late 20^{th} century led to the opening of Chinese economy to the world and increased engagement with Africa. China's focus on economic cooperation, trade liberalization, and infrastructure development resonated with Africa's development aspirations and as a result, it created new opportunities for collaboration.

One of the most significant milestones of China-Africa's trade relation was in 2000 when the Forum on China-Africa Cooperation (FOCAC) was established. This forum was a major project in the early 20th, it helped boost the productivity between the nations and enhance their trade relation. The FOCAC also helped providing a platform for regular high-level dialogue inviting big diplomats from all over China and Africa to cooperate and look for solutions to enhance African development (Alden, 2007). African nations participating in FOCAC have been able to directly engage and voice their issues with China with a mutual interest which is moving forward after the damages caused by the Cold War that divided the continent ideologically (Brautigam, 2008). The negotiations of trade agreements have been easier than ever after the implementation of FOCAC leading to the start of big projects and investments in Africa where the trade volume have also increased as a result and the economic cooperation (Taylor, 2010). FOCAC has given a huge importance to infrastructure development, capacity building and people-to-people exchanges, this resulted in a huge expansion of trade networks and market accessibility between Africa and China (Taylor, 2010). Overall, FOCAC has played a crucial role in deepening Africa-China trade relations by providing structured framework for dialogue between the countries involved, cooperation, and partnership.

Another valuable insight of the background of Africa-China's trade relation is the launch of the Belt and Road Initiative in 2013 by Xi Jinping that served as a central pillar of China's policy and economic diplomacy. The main aim of the BRI was to revive and even expand the ancient routes of trade, connecting Asia, Europe and Africa through new and advanced infrastructure development and economic cooperation projects. And that said, Africa was going to be the bigger winner with increased trade, investments, and connectivity with global markets around the world which was impossible in the Cold War era where geopolitical tensions served as obstacles for African trade routes (Brautigam, 2018). Through the BRI, African countries have been able to negotiate infrastructure projects, such as ports, railways, and energy facilities, which not only improve local connectivity but also enhance trade links with China and other BRI participant countries (Breslin, 2018). The initiative's emphasis on connectivity and economic side aligns with what Africa is foreseeing in the future of their development priorities which facilities their integration into global value chain and promotion of a sustainable and durable development (Gallagher & Irwin, 2019).

In recent years, trade and investment between Africa and China have experienced significant growth, driven by a combination of factors including diplomatic engagement, infrastructure development, and economic cooperation initiatives. Unlike the Cold War era, where geopolitical tensions often hindered international trade, the evolving dynamics of globalization and China's rise as a global economic powerhouse have created new opportunities for mutually beneficial partnerships between Africa and China (Brautigam, 2018). China's expanding presence in Africa, fueled by initiatives such as the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI), has facilitated increased trade flows and investment activity (Breslin, 2018). African countries have become important markets for Chinese goods and services, while China has emerged as a key investor in Africa's infrastructure, energy, and manufacturing sectors. This growing economic interdependence has deepened trade relations between Africa and China, with trade volumes reaching new heights in recent years (Gallagher & Irwin, 2019). Moreover, the diversification of trade and investment beyond traditional sectors has contributed to the resilience and sustainability of Africa-China economic ties. Overall, recent years have witnessed a flourishing of trade and investment relations between Africa and China, reflecting the evolving dynamics of globalization and the increasing importance of Africa in China's global economic strategy.

1.2. Problem Statement

The last decades have witnessed the vast growing of China-Africa trade relations. However, many of the existing research often focus on isolated aspects of this relationship, such as trade volume or investment flow, FDIs without providing a deep and comprehensive analysis of its broader dynamics. Moreover, the rapid expansion of China's presence in African countries has raised questions about the potential economic and politic consequences and the sustainability of such relationship and engagement. This research is supposed to close this gap by closely examining China's interactions with Africa in the last two decades, encompassing trade patterns, investment dynamics, economic impacts, and policy implications.

1.3. Research Question(s)

This study aims to address the following research question:

- What are the key drivers and patterns of China-Africa trade relations over the last two decades?
- How have the Forum on China-Africa Cooperation and the Belt and Road Initiative influenced the economic development and trade dynamics of African countries?
- To what extent does Africa benefit from the trade relationship with China, and what challenges and opportunities does this relationship present for their economic development?

1.4. Objectives of the Study

The main objectives of this research are as follows:

- To analyze the dynamics and patterns of China-Africa trade relations and assess the economic, social, and political impacts of this relationship.
- To examine the perceptions and responses of African countries towards China's continuous growth in their continent's economy.
- To identify the opportunities as well as the challenges that come with the deepening of the China-Africa trade relationship and propose strategies for enhancing mutual benefits and sustainable development.

1.5. Hypothesis

- Increased engagement between China and Africa in the last two decades, facilitated by the BRI and FOCAC, will lead to greater economic growth, infrastructure development, and industrialization of African countries.
- Chinese investments and economic activities in Africa may increase debt dependency, environmental degradation, and social inequalities leading to a possible economic imbalance and social tensions in African societies.

1.6. Significance and Scope of the Research

This research holds significant implications for understanding the evolving dynamics of trade and investment between Africa and China in the contemporary global context. By examining the impact of initiatives such as the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI), this study sheds light on the multifaceted nature of Africa-China economic relations and their implications for global economic governance. The findings of this research contribute to a deeper understanding of the factors driving trade and investment flows between Africa and China, as well as the opportunities and challenges associated with these interactions. Furthermore, by exploring the scope of recent trade and investment trends, this research offers valuable insights into the potential pathways for enhancing economic cooperation and sustainable development between Africa and China in the years to come (Brautigam, 2018; Breslin, 2018; Gallagher & Irwin, 2019).

CHAPTER 2 LITERATURE REVIEW

2.1. Historical Evolution of China-Africa Trade Relation

For centuries, China-Africa trade relations have been evolving until what we have today, one of the most important and tightest trade relations in the world. This historical evolution reflects a dynamic relationship that was initially facilitated through ancient maritime and overland trade routes like the Silk Road[2]. This road connected China with Africa via intermediaries in Central Asia and the Middle East. (Abu-Lughod,1989). However, direct trade relations between China and Africa had their best years in that time and flourished during the medieval period[3], with the establishment of the trade routes between the East African Coast and Chinese ports such as Guangzhou (Zheng,2012).

During the colonial era, China's trade with Africa was limited due to the European colonial dominance in the African continent and China's own internal challenges. However, following China's independence and the decolonization of Africa in the mid 20th century, trade relations between the two nations began to gain momentum. One of the turning points at that time was the Bandung Conference in 1955, the first large scale Asian-African Conference that was held in Java, Indonesia. Where representatives from 29 governments of Asian and African nations gathered to discuss peace and the role of the Third World in Cold War, economic development, and decolonization fostering solidarity between China and newly independent African nations and laying the groundwork for future trade relations (Zheng,2007).

Following that, the establishing of Forum on China-Africa Cooperation (FOCAC) in the year 2000 further accelerated the growing trade relation between China and Africa. FOCAC helped provide a platform where all the countries taking part in the cooperation had regular high-level dialogues that helped increase the trade volumes and investment flows between the two nations (Taylor,2010).

Moreover, China's Belt and Road Initiative (BRI) which was announced a decade later, in 2013, has opened a new era of trade between China and Africa with plenty of new opportunities

[2] Silk Road:The network of paths connecting the East and West
[3] Medieval period: Middle Ages around 476 A.D.

for trade and infrastructure development further deepening the economic ties. (Brautigam,2018).

In the last two decades, China has become Africa's largest trading partner, with a volume surpassing those of traditional partners such as the United States USA, and the European Union EU (Alden & Alevs,2018). The historical evolution of China-Africa trade reflects a complex interplay of economic cooperation between the two regions.

2.2. Theoretical Frameworks and Conceptual Perspectives

The analysis of China-Africa trade relations encompasses numerous theoretical frameworks and conceptual perspectives that offer insights into the dynamics of this complex relationship like the economic dependency theory, world system theory, political economy perspectives, economic diplomacy, resource extraction, and development assistance.

Dependency theory is where underdeveloped countries are economically dependent on more developed nations, forming a cycle of unequal exchange and exploitation. In the context of this study, the China-Africa trade, dependency theory suggests that African countries may become dependent on Chinese investments and aid potentially leading to an economic vulnerability and limited development (Hopkins & Wallerstein, 1979). The World System theory examines global economic relations as a complex network of interdependencies, and in the China-Africa trade, world systems theory helps elucidate the power dynamics and uneven distribution of benefits, with China viewed as a rising core nation and Africa as a part of the periphery (Wallerstein, 1974).

Political economy perspectives focus more on the interaction between political and economic forces in shaping China-Africa trade relations and highlight the role of state-led economic policies, geopolitical interests, investment patterns, development outcomes, and power dynamics in influencing trade agreements between the two nations (Gibbon & Ponte,2005).

Economic diplomacy in this research involves trade agreements, investment deals, and development assistance that is aimed at strengthening political ties and securing access to resources (Taylor,2010). These resources involve the extraction of natural resources such as oil, minerals, and timber that is often exported. China's engagement in resource extraction with Africa has been a thing for centuries and has been a significant driver for their trade relation with Chinese firms investing in African extractive industries in exchange for access to these resources (Brautigam,2018).

China's position of development assistance to African countries is most of the time made under the form of infrastructure projects, aid, and concessional loans that emerged as a key component of China-Africa trade relations by shaping patterns of investment and future development (Alden & Alves, 2018). This review of the literature aims to offer useful insights into the theoretical frameworks and conceptual perspectives that helped foster this tight and strong trade relationship between China and African countries in the last two decades.

2.3. Key Factors Influencing China-Africa Trade Dynamics

The trade between China and Africa is influenced by multiple factors from the economic to political, socio-political, geographic, and cultural dimensions as the involvement of a lot more external actors. Trade policies and investment patterns play an important role in shaping this relationship between the two nations. China's policies which are mainly characterized by a focus on market access and resource acquisition have driven its trade dynamics with Africa. China's investment patterns especially are infrastructure and natural resource extraction have influenced the volume of trade between both nations (Brautigam,2018). To leverage their growing economic power, African countries have been seeking more and more economic development and market access by negotiating new trade agreements and investment deals with China (Alden & Alves 2018).

Diplomatic relations and geological interests have also been a markable influence on China-Africa trade relations in the past two decades. China's diplomatic engagement with African countries has strengthened after the inauguration of platforms like the Forum on China-Africa Cooperation FOCAC (Taylor,2010). China's strategic interests in securing access to natural resources and expanding its global influence shape its trade policies and investment priorities in Africa (Brautigam, 2018). Socio-cultural factors, such as cultural exchange and migration, contribute to the depth and complexity of China-Africa trade relations. Cultural exchange initiatives, facilitated through programs like the Confucius Institutes, promote mutual understanding and cooperation between China and African countries (Alden & Alves, 2018). Additionally, migration flows between China and Africa, driven by labor demand and business opportunities, create linkages that influence trade patterns and economic interactions (Brautigam, 2018).

There have also been external factors that influenced China-Africa trade relations dynamics such as cultural exchange and migrations that contributed to the depth of these relations. Western powers, wary of China's growing influence in Africa, may seek to influence trade relations through diplomatic pressure or competitive investment strategies (Taylor, 2010). International organizations, such as the World Bank and the International Monetary Fund (IMF), may provide financial assistance and policy advice to African countries, influencing their trade and investment decisions vis-à-vis China (Alden & Alves, 2018).

2.4. Empirical Studies on China-Africa Trade Patterns

This rapid China-Africa expansion has been shed light onto in a McKinsey report (2017) where the company conducted field interviews with over 1000 Chinese companies across 8 African countries[4] to provide valuable insights into the patterns, trends, and dynamics of this partnership. The report showed the remarkable growth that the China-Africa trade relationship witnessed in the last decade and examined the drivers of trade growth of China in Africa, the role of Chinese investment in Africa's development, and the potential opportunities and challenges that both sides faced and will face in the future.

Buur & Malmberg (2014) examined the geographical patterns of Chinese investments across the African continent by exploring the way China distributed its firms, industries, and projects in different regions of African countries. The authors highlighted how factors like geographic proximity, infrastructure availability, political stability, and market conditions have influenced China in deciding where to invest in Africa which also explains why China has chosen coastal cities for some major investments in Africa. Hai and Cohen (2017) discussed the significant economic ties between China and Africa, providing valuable insights into the evolving dynamics of China-Africa economic relations and their implications. Their analysis highlights China's significant economic presence in Africa and the impacts left as the continent's largest trading partner and investor. The authors also show some of the major factors that drove China's economy. Engagement with African countries including resource extraction, infrastructure development, and market access opportunities.

The political dimensions of China-Africa trade relations have received growing attention in recent years. Alden et al., (2018) have explored how China's economic engagement in Africa influences governance structures, political stability, and sovereignty considerations

[4] Zambia, Angola, Kenya, Nigeria, Cote d'Ivoire, South Africa, Ethiopia and Tanzania.

within African countries. Naim (2007) also examined the role of Chinese investment, trade finance, and infrastructure projects in promoting economic development and structural transformation in Africa. Chin & Taylor (2015) delved into the geopolitical dimensions of China-Africa trade relations by examining the implications for global governance, regional integration, and great power competition. The authors analyzed how China's rise as a global economic power and its strategic interests in Africa intersect with the interests of other major powers, such as the United States of America, the EU, and emerging economies.

Yu Zheng (2016) analyzed the Chinese foreign direct investment (FDI) and explored the influence of sociohistorical factors on them. The author proposed that past foreign aid initiatives have contributed to the accumulation of social capital which as a result made it become a valuable resource for investors in the present and the future, shaping their preferences for host countries. The author also mentioned the top 15 destinations Yu Zheng (2016) analyzed data on China's historical aid delivered to Africa and found a significant correlation between China's past aid programs in Africa (1956-1999) and contemporary investments by Chinese companies (2000-2015).

Brautigam (2011), the modern era of China-Africa trade relations gained momentum in the last 20th century, coinciding with China's economic reforms and its quest for resources, markets, and strategic partnerships beyond its borders. Brautigan (2011) also traced the historical roots of China-Africa relations back to ancient trade routes such as the Silk Road, highlighting centuries-old interactions between the two regions.

Grace Wang (2020) has explored how China had a big role in shaping Africa's energy landscape. The author highlighted China's significant investments in Africa to direct it towards a sustainable country with sustainable energy projects. However, one of the key concerns raised by Wang (2020) is the issue of debt sustainability associated with large-scale infrastructure projects financed by China. There is a major risk that the borrowing countries may struggle to repay their debts, leading to potential asset seizures or another form of economic distress that will not be beneficial to either party. These complications have raised major questions about the long-term implications of China's financial assistance and infrastructure investments in Africa.

2.5. Research Gaps and Future Directions of China-Africa Trade Research

The literature on the China-Africa trade relations reflects the growing interest and scholarship on the subject, however, more research is needed to offer more diverse perspectives and insights into this complex and dynamic relationship. And to contribute to a deeper understanding of the opportunities and challenges associated with China's engagement in Africa we conducted more research and case studies on this paper.

Further research is also needed to explore the environmental and social implications of China-Africa trade, particularly in the context of resource extraction and infrastructure projects. Studies could help assess the environmental footprint of Chinese investments and their socio-cultural effects on local communities and indigenous populations (Gibbon & Ponte 2005). Future research is also needed to help the quality of infrastructure and to assess its effectiveness for long-term development and its impact on African economic growth and poverty reduction (Brautigam 2018).

Research could delve into the governance structures and policy frameworks governing China-Africa trade relations. This includes examining the role of institutions like FOCAC in shaping trade policies and the effectiveness of regulatory mechanisms in promoting equitable and sustainable trade practices (Taylor, 2010).

Furthermore, while previous studies and research have provided insights into China-Africa trade relations and its impact on both regions, further in-depth analyses are required to fully examine this topic and enrich our understanding of China-Africa trade dynamics and also inform policy decisions aimed at maximizing the benefits of trade for African countries.

CHAPTER 3 RESEARCH. METHODOLOGY

3.1. Research Design

This research employs a mixed-methods approach to comprehensively analyze the China-Africa trade relationship and its economic implications over the last two decades. Choosing to combine both qualitative and quantitative methods has several reasons too. Firstly, China-Africa trade relations are multifaced and multifarious, involving a wide range of economic, political, and socio-cultural factors that cannot be fully captured by any single methodological approach. So, by integrating qualitative methods such as previous interviews, case studies, and document analysis, the study aims to capture the nuanced perspectives and narratives of key stakeholders involved in this China-Africa trade research. Additionally, quantitative methods such as statistical analysis and data mining are used to analyze large-scale trade data, identify trends, patterns, and correlations, and also to provide empirical evidence to support the qualitative findings used with the qualitative data collection methods.

This mixed-method approach allows for complementarity and validation of findings across different data sources and analytical techniques, enhancing the credibility of the research outcomes. It also enables a more holistic and nuanced exploration of the research questions, capturing both the breadth and depth of China-Africa trade relations from different angles and perspectives. Overall, the mixed-method approach is well suited to address the complexity of such a study, providing a comprehensive and nuanced understanding of China-Africa ‘s dynamic and evolving economic partnership.

3.2. Data Collection Methods

A mixed methods approach has been used in this study to ensure a thorough investigation of the China-Africa trade relation in the last two decades which are:

Case Studies: This method will involve gathering detailed information and insights on the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI) through different and various sources like official documents, reports, academic literature, and media coverage. These case studies will help offer an in-depth exploration of both the BRI and FOCAC allowing for rich insights and detailed analysis. FOCAC and BRI are two of the most significant initiatives that have had a deep impact on Chinese-African trade relations, making them two ideal subjects for detailed case study analysis for this research.

Content Analysis: This will be performed on official policy documents, reports, academic literature, and media sources. The potential, problems, and impact of the commerce between China and Africa will be closely examined as a result of this process. The data will be collected from both Chinese and African perspectives to provide a comprehensive understanding of the discourse surrounding China-Africa trade. Content analysis of the study here allows for the systematic examination of large volumes of data, enabling researchers to identify patterns, themes, and trends within the discourse on China-Africa trade by analyzing a diverse range of sources, content analysis provides valuable insights into this study.

This study strategy ensured a thorough investigation of China-Africa trade relations and its economic impact in the last two decades with two case studies about FOCAC and BRI. The combination of these case studies and content analysis offers a comprehensive approach to the data collection of the study.

3.3. Data Analysis / Validation

The collected data are analyzed using both qualitative and quantitative methods, and to ensure the validity of the findings, a thematic analysis would be the one used to know about the interpretation of the themes and patterns used in the collection of the qualitative and quantitative data. Therefore, the process lets the comprehensive study regarding these collected data be proved by the number of case studies that will be conducted in this study to prove the data's validity and reliability.

For the case studies on FOCAC and BRI, thematic analysis will be used to identify key themes, patterns, and insights emerging from the data. Additionally, a comparative analysis will be conducted as well to draw parallels and contrasts between the two initiatives by highlighting similarities, differences, and potential implications for the China-Africa trade relationship. The combination of qualitative and qualitative analysis in this study will be utilized to analyze the textual data. Qualitative content analysis will provide insights into attitudes, perceptions, and discourses surrounding China-Africa trade and on the other hand, quantitative content analysis will involve statistical techniques to analyze the frequency and distribution of specific keywords or concepts across the textual data, allowing for a quantitative assessment of trends and patterns.

Through these rigorous data analysis and validation processes, this study aims to generate robust and credible insights into the dynamics and impacts of China-Africa trade relations.

CHAPTER 4 ANALYSIS

4.1. Introduction

This chapter aims to provide an in-depth analysis of China-Africa relations, focusing on the key drivers, patterns, and impacts of these interactions over the last two decades. The relationship between the two nations has grown significantly, marked by increased trade volumes and strategic investments. Central to this growth is the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI), which have shaped the economic landscape of numerous African countries through substantial infrastructure projects and financial engagements.

The chapter is structured to address three core research questions: the key drivers and patterns of China-Africa trade relations, the influence of FOCAC and the BRI on African economic development and trade dynamics, and the benefits, challenges, and opportunities this relationship presents for Africa. By examining case studies from Ethiopia and Kenya, the chapter illustrates specific examples of how these initiatives have impacted individual countries.

In Ethiopia, the Addis Ababa-Djibouti Railway, a major project under FOCAC, has significantly enhanced trade logistics and contributed to economic growth (Alden & Jiang, 2019). In Kenya, the Mombasa-Nairobi Standard Gauge Railway (SGR) under the BRI has improved transportation efficiency, facilitating trade and economic activities, albeit with concerns about debt sustainability (Benabdallah, 2020).

This chapter will explore the broader implications of these developments, considering both the positive outcomes and the challenges African countries face in their engagement with China. It will highlight the complexities of these relationships, including debt sustainability issues, local economic participation, and environmental and social impacts while identifying opportunities for diversification and technological transfer. The analysis aims to provide a nuanced understanding of the multifaceted nature of China-Africa trade relations and their implications for the future economic development of the African continent.

4.2. Key Drivers and Patterns of China-Africa Trade Relations

4.2.1. Economic Growth in China

China's rapid economic growth has been a pivotal driver of its trade relations with Africa. Since the early 2000s, China's GDP has grown at an average annual rate of over 9%, propelling it to become the world's second-largest economy (World Bank, 2023). This meteoric rise has been fueled by an insatiable demand for natural resources, many of which are sourced from Africa. For instance, Africa supplies over 20% of China's oil imports, with Angola, Nigeria, and Sudan being major contributors (International Energy Agency, 2020). Additionally, minerals such as copper from Zambia and the Democratic Republic of Congo, and cobalt, essential for electronics and electric vehicles, have seen substantial increases in export volumes to China. Beyond raw materials, the burgeoning Chinese middle class has also increased the demand for diverse consumer goods, including agricultural products like tea, coffee, and fruits from Africa.

The economic synergy is evident as China's manufacturing prowess relies on these African raw materials, creating a loop of dependency and mutual benefit. China's investments in African infrastructure—ports, roads, and railways—have further facilitated the export of these resources, creating a robust supply chain that supports continuous economic growth on both sides.

4.2.2. Strategic Investments and Policy Framework

Strategic investments and policy frameworks have significantly bolstered China-Africa trade relations. The Belt and Road Initiative (BRI), launched in 2013, aims to enhance global trade routes, with Africa being a critical component. By 2020, China had invested over $200 billion in African infrastructure, covering key projects like the Mombasa-Nairobi Standard Gauge Railway in Kenya and the Addis Ababa-Djibouti Railway (China-Africa Research Initiative, 2021). These projects not only facilitate trade but also boost local economies by creating jobs and improving logistics.

The Forum on China-Africa Cooperation (FOCAC), established in 2000, serves as a vital platform for diplomatic and economic dialogue. During the FOCAC summit in 2018, China committed $60 billion in financial support to Africa, encompassing investments, grants, and concessional loans (FOCAC, 2018). This financial package supports various sectors including infrastructure, agriculture, manufacturing, and human resource development. China's policy frameworks emphasize non-interference and mutual benefit, which resonate well with African countries looking for investment without stringent political conditions.

4.2.3. Trade Volume and Commodity Patterns

Trade volume between China and Africa has seen exponential growth, solidifying China's position as Africa's largest trading partner. The trade volume increased from a mere $10 billion in 2000 to $187 billion in 2020 (UNCTAD, 2021). This surge is characterized by Africa exporting raw materials like oil, copper, and cobalt, and China exporting manufactured goods such as machinery, electronics, and textiles. The complementary nature of this trade is clear: African countries leverage their rich natural resources, while China supplies affordable consumer and capital goods.

Specifically, oil exports from countries like Angola, Nigeria, and Sudan are pivotal, with China importing over 4 million barrels per day by 2019 (International Energy Agency, 2020). In terms of minerals, Zambia and the Democratic Republic of Congo are major suppliers of copper and cobalt, crucial for China's industrial and technological sectors. On the flip side, China's exports to Africa include a wide range of manufactured goods that support local industries and consumer markets. These goods, ranging from construction machinery to household electronics, are vital for Africa's development and economic diversification.

4.2.4. Evolution Over Two Decades

Over the past two decades, China-Africa trade relations have evolved from a focus primarily on resource extraction to a more diversified and sustainable partnership. Initially, the relationship was heavily centered on Africa supplying raw materials to feed China's growing industrial sector. However, there has been a significant shift towards a more balanced trade relationship that includes manufacturing, agriculture, and services.

One notable evolution is the increase in Chinese Foreign Direct Investment (FDI) in Africa, which reached $46 billion by 2020, up from less than $1 billion in 2003 (China-Africa Research Initiative, 2021). This investment is not limited to extractive industries but extends to manufacturing plants, agricultural projects, and service industries. For example, Chinese firms have established numerous special economic zones (SEZs) in countries like Ethiopia and Nigeria, fostering local manufacturing and job creation.

Furthermore, China has emphasized the transfer of technology and skills, contributing to capacity building in African countries. This approach aims to promote local economic development and reduce dependency on raw material exports. Projects like the construction of the African Union headquarters in Addis Ababa and various vocational training centers across the continent exemplify China's commitment to sustainable development in Africa.

4.3. Influence of FOCAC and BRI on Economic Development and Trade Dynamics

4.3.1. Impact of FOCAC

4.3.1.1. Infrastructure Development

The Forum on China-Africa Cooperation (FOCAC) has significantly contributed to infrastructure development across Africa, fundamentally transforming the continent's landscape. Through various summits and action plans, FOCAC has mobilized substantial financial resources and technical expertise to support large-scale projects. These projects were in different sectors, from transportation to energy, telecommunications, and urban development and every one of these projects played a critical role in enhancing activities and improving the quality of life of African countries. This next paragraph will cite some notable infrastructure projects that were impactful after the inauguration of FOCAC starting with:

Transportation infrastructure:

Addis Ababa-Djibouti Railway, the modern electrified railway, financed by Chinese loans and constructed by China Railway Group and China Civil Engineering Construction Corporation, spans 750 kilometers and connects the Ethiopian capital Addis Ababa to the Port of Djibouti. This project has drastically reduced travel time from three days to about 12 hours, facilitating the efficient movement of goods and people. It has become a vital trade corridor, boosting Ethiopia's export capacity and integrating the region into global trade networks (China-Africa Research Initiative, 2021). In Nigeria, the construction of the Lagos-Ibadan Standard Gauge Railway, funded by a $1.5 billion loan from the Export-Import Bank of China, represents a significant upgrade to the country's transportation infrastructure. Completed in 2021 by the China Civil Engineering Construction Corporation, this railway connects Lagos, Nigeria's economic hub, to Ibadan, an important city in the southwest. This project aims to decongest traffic, reduce road accidents, and enhance the efficiency of goods transportation, thereby fostering economic growth in the region (Federal Ministry of Transportation, Nigeria, 2021). Another flagship project is the Mombasa-Nairobi Standard Gauge Railway in Kenya. This $3.2

billion project, financed by China Exim Bank and constructed by the China Road and Bridge Corporation, has reduced travel time between Mombasa, the largest port in East Africa, and Nairobi, the capital city, from over 12 hours to about four hours. This railway has improved the movement of goods and passengers, boosted tourism, and significantly reduced transportation costs (World Bank, 2021).

Energy Infrastructure:

The Bui Dam project, funded by a $622 million loan from the Export-Import Bank of China and constructed by Sinohydro, has added 400 megawatts of hydroelectric power to Ghana's national grid. Completed in 2013, the dam has not only increased the country's power generation capacity but also provided water for irrigation and fishing, contributing to the local economy (Bui Power Authority, 2013). Kariba South Hydro Power Station in Zimbabwe, an expansion project, completed by Sinohydro with a $533 million loan from the Export-Import Bank of China, added 300 megawatts of electricity to Zimbabwe's grid. The increased power capacity has alleviated frequent power cuts, supporting both industrial activities and household needs, thereby contributing to economic stability and growth (Zimbabwe Power Company, 2018).

Telecommunications Infrastructure:

National Optical Fiber Backbone Infrastructure Project (NOFBI) in Kenya: This project, financed by China Exim Bank and implemented by Huawei, involves the laying of over 5,000 kilometers of fiber-optic cables across Kenya. The project aims to enhance internet connectivity, promote digital inclusion, and support e-commerce, e-government, and e-learning initiatives. Improved connectivity has spurred economic activities and innovation, particularly in the technology and services sectors (Kenya Ministry of Information, Communications and Technology, 2020). Ethio Telecom Expansion Project: In Ethiopia, the Ethio Telecom Expansion Project, executed by Huawei and ZTE, aims to expand and upgrade the country's telecommunications infrastructure. The project includes the deployment of 4G networks in major cities and the enhancement of mobile and internet services nationwide. This expansion has improved communication, facilitated business operations, and contributed to the digital economy (Ethio Telecom, 2019).

Urban Development:

African Union Headquarters in Addis Ababa, funded and constructed by China for $200 million, the African Union headquarters is a symbol of the strong ties between China and Africa. Completed in 2012, the facility provides a modern venue for AU meetings and international conferences, enhancing Africa's diplomatic and administrative capabilities (African Union, 2012). Eko Atlantic City in Nigeria which although primarily funded by private investors, this ambitious urban development project has seen significant involvement from Chinese construction companies such as China Communications Construction Company (CCCC). The project aims to create a new financial hub in Lagos, addressing issues of overpopulation and coastal erosion while providing modern infrastructure and housing (Eko Atlantic, 2021).

These examples illustrate the wide-ranging impact of FOCAC on Africa's infrastructure development. By improving transportation networks, enhancing energy production, expanding telecommunications, and supporting urban development, FOCAC initiatives have laid the foundation for sustained economic growth and integration into the global economy.

4.3.1.2. Industrial Growth and Job Creation

FOCAC has played a crucial role in promoting industrial growth and job creation across the whole continent. Consequently, there has been a significant transformation of the African economy. FOCAC has laid the groundwork for sustainable industrial development by facilitating investments, establishing special economic zones (SEZs), and fostering skills transfer. This section delves into several key examples and insights that show the impact of FOCAC on industrial growth and Job creation starting with:

Establishment of Special Economic Zones (SEZs):

The Eastern Industrial Zone, located near Addis Ababa, is one of the most prominent examples of FOCAC's influence on industrial growth. Established in 2009 with Chinese investment, the EIZ has attracted over 100 companies, primarily in textile and garment manufacturing. The zone has created more than 20,000 jobs, significantly contributing to local employment and economic development (Brautigam, 2020). Moreover, it has facilitated technology transfer and skill development, with Chinese firms providing extensive training to local workers. The Lekki Free Trade Zone, developed with substantial Chinese investment and expertise, is another flagship project under FOCAC. Covering an area of about 16,500 hectares, LFTZ aims to create a major industrial and logistics hub. By 2020, the zone had attracted over 300 businesses, generating thousands of jobs in sectors such as manufacturing, logistics, and services (Nigeria Export Processing Zones Authority, 2020). The zone's infrastructure, including roads, power, and water supply, has been significantly upgraded to support industrial activities.

Manufacturing and Agro-Processing Industries:

The Huajian Group, one of China's leading shoe manufacturers, established a factory in Ethiopia's Eastern Industrial Zone in 2011. This factory has created over 7,000 jobs and produces shoes for global brands such as Guess and Tommy Hilfiger. The Huajian factory is a prime example of how FOCAC has facilitated the entry of Chinese manufacturing firms into Africa, boosting local industrial capacity and generating employment (BBC News, 2017). Another significant investment is the Sun Paper Plant in Ethiopia, a project valued at $1.8 billion. The plant, which began operations in 2019, produces pulp and paper products and has created thousands of jobs. It sources raw materials locally, thus supporting the agricultural sector and promoting agro-industrial linkages (Ethiopian Investment Commission, 2019).

Mining and Resource Processing:

Sino-Zimbabwe Cement Plant: In Zimbabwe, the Sino-Zimbabwe Cement Company, a joint venture between the Industrial Development Corporation of Zimbabwe and China's Sino Cement Corporation, has been instrumental in the country's industrial growth. The plant produces over 400,000 tons of cement annually, supporting construction and infrastructure projects. It has also created hundreds of jobs and contributed to skill development in the local workforce (Zimbabwe Investment Authority, 2020).

Chambishi Copper Smelter in Zambia: The Chambishi Copper Smelter, a Chinese investment in Zambia's Copperbelt province, processes copper concentrates and produces high-quality copper products. The smelter, which began operations in 2009, has created over 1,500 jobs and enhanced Zambia's copper processing capacity. It also provides critical infrastructure and technology transfer, supporting the broader mining industry in the region (China-Africa Research Initiative, 2021).

Textile and Apparel Manufacturing:

The Jiangsu Sunshine Group, a Chinese textile giant, established a textile and apparel manufacturing facility in Kenya’s Athi River SEZ. This facility, which employs thousands of Kenyans, produces high-quality textiles for export markets. It has contributed to the revitalization of Kenya’s textile industry, which had been in decline for decades. The facility also provides extensive training to its workers, enhancing their skills and productivity (Kenya Export Processing Zones Authority, 2020). In Rwanda, C&H Garments, a Chinese textile company, set up operations in Kigali’s Special Economic Zone. This investment has created over 1,500 jobs, primarily for young women, and produces garments for export to the United States and Europe. The company also emphasizes skill development, with Chinese experts training Rwandan workers in modern garment manufacturing techniques (Rwanda Development Board, 2019).

Technology and Skills Transfer:

Training Programs and Technical Assistance: Chinese companies operating in Africa under FOCAC initiatives often provide comprehensive training programs for local employees. For example, the China National Petroleum Corporation (CNPC) conducts extensive training for its staff in Sudan and South Sudan, covering areas such as engineering, management, and health and safety. These programs not only enhance the skills of local workers but also ensure the sustainability and efficiency of industrial operations (CNPC, 2020). University Partnerships and Scholarships: FOCAC has also facilitated educational exchanges and scholarships, enabling African students to study in China. These programs, such as the Chinese Government Scholarship, have supported thousands of African students in fields like engineering, agriculture, and medicine. The knowledge and skills acquired by these students contribute to their home countries' industrial and technological development upon their return (FOCAC, 2018).

4.3.1.3. Debt Relief and Economic Stability

The debt relief initiatives under the Forum on China-Africa Cooperation (FOCAC) have been instrumental in promoting stability across African countries. FOCAC is one of China’s broader strategies used in strengthening economic ties with Africa while fostering sustainable development. By providing debt relief, restructuring loans, and offering concessional financing, FOCAC has helped alleviate the financial burdens of African countries, allowing them to reallocate resources toward critical development projects. This next section will provide detailed examples and insights into how FOCAC's debt relief measures have contributed to economic stability in Africa.

Debt Relief Initiatives:

Debt Cancellations, during the 2018 FOCAC summit, China announced the cancellation of interest-free loans owed by the least developed African countries that were maturing by the end of 2020. This initiative affected several countries, including Ethiopia, Rwanda, and Guinea, providing them with immediate financial relief (FOCAC, 2018). By canceling these debts, China helped these countries free up financial resources that could be redirected toward essential public services, infrastructure development, and social programs. In addition to outright cancellations, China has engaged in debt restructuring agreements with African nations. For instance, in 2019, China restructured $3 billion of debt owed by Angola, allowing the country to extend repayment periods and reduce the financial strain. Such restructuring agreements provide debtor countries with more manageable repayment schedules, reducing the risk of default and fostering economic stability (China-Africa Research Initiative, 2020). FOCAC has facilitated the provision of concessional loans to African countries, which come with lower interest rates and longer repayment terms compared to commercial loans. These loans are often used to finance infrastructure projects, such as roads, schools, and hospitals, which are crucial for economic development. For example, in Kenya, concessional loans from China have funded the construction of the Standard Gauge Railway, which has had a transformative impact on the country's logistics and trade capabilities (World Bank, 2021).

Impact on Economic Stability:

Debt relief measures have alleviated the financial burden on African countries, allowing them to focus on economic growth and development. For instance, debt cancellations and restructuring agreements have enabled countries like Ethiopia and Zambia to allocate more resources towards healthcare, education, and infrastructure, fostering a more stable and prosperous economic environment. In Ethiopia, debt relief has supported the government's efforts to expand access to education and improve healthcare services, contributing to social and economic stability (Ethiopian Ministry of Finance, 2020). Supporting Sustainable Development, by reducing debt burdens, FOCAC initiatives have supported sustainable development in African countries. With less financial pressure, governments can invest in sustainable projects that promote long-term economic growth. For example, in Tanzania, debt relief from China has allowed the government to invest in renewable energy projects, such as the construction of hydroelectric dams and solar power plants. These investments not only provide reliable energy but also contribute to environmental sustainability and economic resilience (Tanzania Ministry of Energy, 2019).

Debt relief and restructuring initiatives have improved the creditworthiness of African countries, making them more attractive to international investors. By demonstrating a commitment to managing their debts responsibly and fostering economic stability, countries like Ghana and Mozambique have been able to attract foreign direct investment (FDI) in key sectors such as mining, agriculture, and tourism. This influx of investment has spurred economic growth and job creation, further enhancing stability (UNCTAD, 2020). FOCAC's debt relief measures have often been accompanied by encouragement for economic reforms. By working closely with African governments, China has promoted policies that enhance fiscal discipline, improve governance, and foster a better business environment. In Angola, for instance, China has supported economic diversification efforts, encouraging the government to reduce its dependence on oil exports and invest in other sectors like agriculture and manufacturing. These reforms have helped stabilize the economy and reduce vulnerability to external shocks (Angola Ministry of Finance, 2020).

Ethiopia and Kenya Debt Relief Examples:

- **Ethiopia:** In 2018, China canceled interest-free loans owed by Ethiopia, which significantly reduced the country's debt burden. This relief allowed the Ethiopian government to reallocate funds to crucial sectors such as infrastructure, education, and healthcare. The debt cancellation also provided the Ethiopian government with the fiscal space needed to implement economic reforms aimed at enhancing productivity and competitiveness (Ethiopian Ministry of Finance, 2020). Additionally, Ethiopia has benefited from concessional loans to finance major infrastructure projects, such as the Addis Ababa-Djibouti Railway, which has enhanced trade connectivity and economic integration.

- **Kenya:** Kenya has also reaped substantial benefits from FOCAC's debt relief and concessional financing initiatives. The construction of the Mombasa-Nairobi Standard Gauge Railway (SGR), funded through a $3.2 billion concessional loan from China Exim Bank, stands out as a transformative project. The SGR has not only reduced travel time between Mombasa and Nairobi but has also lowered transportation costs, boosted trade, and created thousands of jobs (World Bank, 2021). Moreover, China has provided debt relief by restructuring some of Kenya's loans, easing the country's financial strain and allowing it to invest in other critical sectors such as healthcare and education (Kenya National Treasury, 2021).

4.3.2. Impact of the BRI

4.3.2.1. Connectivity improvement

The Belt and Road Initiative (BRI) has significantly improved connectivity in Kenya and Ethiopia, enhancing trade and economic activities in both countries. In Kenya, the Mombasa-Nairobi Standard Gauge Railway (SGR) stands as one of the most prominent BRI projects. Completed in 2017, this railway was funded by a $3.2 billion concessional loan from China Exim Bank and constructed by the China Road and Bridge Corporation. Spanning 480 kilometers, the SGR has reduced travel time between Mombasa, East Africa's busiest port, and Nairobi, the capital city, from over 12 hours to just four hours. This improvement has not only enhanced the efficiency of goods transportation but also reduced transportation costs by approximately 30%, benefiting both local businesses and international trade (World Bank, 2021). The SGR has also increased Kenya's cargo handling capacity, boosting trade volumes and economic growth.

Moreover, the BRI has facilitated the expansion and modernization of the Port of Mombasa, significantly increasing its capacity and efficiency. This includes the construction of a second container terminal, which has enhanced the port's ability to handle larger volumes of cargo, reducing waiting times for ships and facilitating smoother trade flows (Kenya Ports Authority, 2020). Improved port facilities have not only boosted Kenya's trade capabilities but also strengthened its position as a regional trade hub.

In Ethiopia, the Addis Ababa-Djibouti Railway is a flagship BRI project that has transformed the country's connectivity. This 750-kilometer electrified railway, financed by Chinese loans and constructed by China Railway Group and China Civil Engineering Construction Corporation, connects Addis Ababa to the Port of Djibouti. The railway has reduced transportation time from three days to about 12 hours and handles 90% of Ethiopia's imports and exports, playing a pivotal role in the country's economic activities (China-Africa Research Initiative, 2021). This project has not only improved trade logistics but also enhanced

Ethiopia's integration into global trade networks. Complementing the Addis Ababa-Djibouti Railway, the Modjo Dry Port has been developed with Chinese assistance. This inland terminal eases congestion at the Port of Djibouti and speeds up the movement of goods. It has significantly reduced the time and cost associated with importing and exporting goods through Ethiopia, thus enhancing trade efficiency (Ethiopian Ministry of Transport, 2020).

4.3.2.2. Digital Silk Road and Technological Development

The Digital Silk Road, a key component of the BRI, focuses on enhancing digital connectivity and technological development in Kenya and Ethiopia. In Kenya, Chinese companies such as Huawei and ZTE have played a significant role in expanding the country's telecommunications infrastructure. The installation of extensive fiber-optic networks has vastly improved internet connectivity, supporting the growth of the digital economy. The Eastern Africa Submarine Cable System (EASSy), partially financed by China, links several East African countries to global internet networks, enhancing digital connectivity and supporting e-commerce, e-government, and e-learning initiatives (Xinhua, 2020). Additionally, Huawei has been instrumental in deploying 4G networks across Kenya, providing high-speed internet access to urban and rural areas. The ongoing deployment of 5G networks is expected to further enhance digital connectivity, fostering innovation in sectors such as fintech, e-commerce, and education (Huawei, 2021).

In Ethiopia, the Ethio Telecom Expansion Project, executed by Huawei and ZTE, aims to expand and upgrade the country's telecommunications infrastructure. The project includes the deployment of 4G networks in major cities and the enhancement of mobile and internet services nationwide. This expansion has improved communication, facilitated business operations, and contributed to the digital economy (Ethio Telecom, 2019). Furthermore, the Digital Silk Road initiatives in Ethiopia have also focused on fostering innovation and technology transfer. Chinese companies have established partnerships with Ethiopian universities and research institutions, promoting technological development and capacity building. These collaborations have supported the growth of tech startups and the development of digital solutions tailored to local needs (Ethiopian Ministry of Innovation and Technology, 2020).

4.3.2.3. Special Economic Zones and Industrialization

The establishment of Special Economic Zones (SEZs) under the BRI has played a crucial role in promoting industrialization in Kenya and Ethiopia. In Kenya, the Athi River SEZ, developed with substantial Chinese investment and expertise, aims to create a major industrial and logistics hub. This zone has attracted numerous businesses in sectors such as manufacturing, logistics, and services, creating thousands of jobs and boosting industrial output. The SEZ's infrastructure, including roads, power, and water supply, has been significantly upgraded to support industrial activities, promoting economic growth and development (Kenya Export Processing Zones Authority, 2020). Additionally, Chinese investments have supported the development of manufacturing and agro-processing industries in Kenya. For example, the establishment of manufacturing plants and agro-processing facilities in the SEZs has created employment opportunities and fostered technology transfer. These industries not only enhance Kenya's industrial capacity but also promote value addition to agricultural products, supporting rural development and economic diversification (Kenya Investment Authority, 2021).

In Ethiopia, the Eastern Industrial Zone (EIZ), located near Addis Ababa, is one of the most prominent examples of BRI-driven industrialization. Established in 2009 with Chinese investment, the EIZ has attracted over 100 companies, primarily in textile and garment manufacturing. The zone has created more than 20,000 jobs, significantly contributing to local employment and economic development (Brautigam, 2020). Moreover, it has facilitated technology transfer and skill development, with Chinese firms providing extensive training to local workers. Another significant investment in Ethiopia is the Huajian Group's shoe factory, established in 2011 in the EIZ. This factory has created over 7,000 jobs and produces shoes for global brands such as Guess and Tommy Hilfiger. The Huajian factory exemplifies how the BRI has facilitated the entry of Chinese manufacturing firms into Ethiopia, boosting local industrial capacity and generating employment (BBC News, 2017).

These examples highlight the profound impact of the BRI on connectivity improvements, digital development, and industrialization in Kenya and Ethiopia. By enhancing infrastructure, expanding digital connectivity, and fostering industrial growth, the BRI has facilitated trade, promoted economic development, and improved the quality of life in these countries.

4.4. Benefits, Challenges, and Opportunities for Africa

4.4.1. Economic Growth and Infrastructure

The Belt and Road Initiative (BRI) and the Forum on China-Africa Cooperation (FOCAC) have significantly contributed to economic growth and infrastructure development across Africa. Through extensive investments in transportation, energy, and telecommunications infrastructure, these initiatives have addressed critical bottlenecks and enhanced economic productivity. For instance, the construction of the Mombasa-Nairobi Standard Gauge Railway in Kenya and the Addis Ababa-Djibouti Railway in Ethiopia have improved connectivity, reduced transportation costs, and facilitated trade. These infrastructure projects have also attracted foreign direct investment (FDI) and boosted regional integration, driving economic growth (World Bank, 2021; China-Africa Research Initiative, 2021)

Table 1: Key Infrastructure Projects under BRI in Kenya and Ethiopia

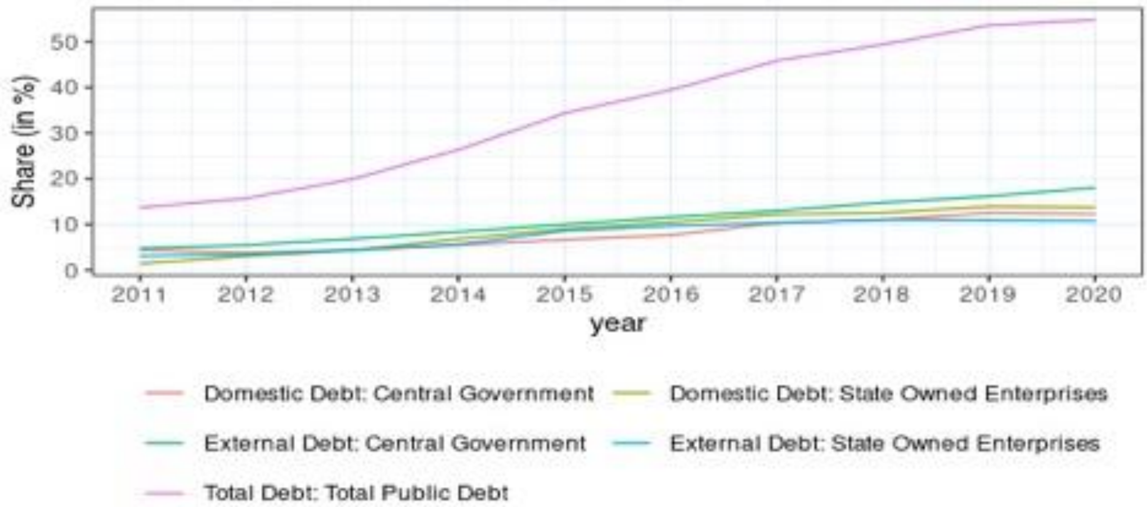
Project	**Country**	**Sector**	**Investment (USD)**	**Impact**
Mombasa-Nairobi Standard Gauge Railway	Kenya	Transportation	3.2 billion	Reduced travel time, increased trade efficiency
Addis Ababa-Djibouti Railway	Ethiopia	Transportation	4.5 billion	Enhanced connectivity, boosted imports/exports
Modjo Dry Port	Ethiopia	Logistics	200 million	Reduced congestion, improved trade logistics
Bole International Airport Expansion	Ethiopia	Aviation	345 million	Increased capacity, improved connectivity
Eastern Industrial Zone	Ethiopia	Industrial	500 million	Job creation, industrial growth, technology transfer

Source: China-Africa Research Initiative. (2021). "Data: Chinese FDI to Africa."

4.4.2. Debt Sustainability and Financial Challenges

While the BRI and FOCAC have brought significant benefits, they have also raised concerns about debt sustainability and financial challenges. Many African countries have accumulated substantial debt to finance infrastructure projects, leading to worries about their ability to repay loans. For instance, Kenya's public debt has risen sharply due to borrowing for the SGR project. The challenge for African countries is to balance the benefits of infrastructure investments with the need to maintain sustainable debt levels. Debt relief and restructuring initiatives, such as those facilitated by FOCAC, can provide some relief, but long-term financial planning and prudent management are crucial (China-Africa Research Initiative, 2021; FOCAC, 2018).

Figure 1: Ethiopia's Debt as a Share of GDP



Source: Source: UNCTAD

This figure can be related to the financial challenges of the Belt and Road Initiative (BRI) and the Forum on China-Africa Cooperation (FOCAC) in the context of China-Africa trade. The BRI, launched by China, aims to enhance global trade and stimulate economic growth across Asia and beyond by developing infrastructure and broadening trade links. Many African countries are part of this initiative, involving substantial infrastructure investments funded by loans from China. The graph highlights the increasing public debt, which can be linked to debt sustainability. The rising total debt indicates potential challenges for African countries in sustaining debt, particularly when large-scale projects are funded by borrowing. Increasing debt can strain public finances, especially if economic returns from BRI projects are delayed or fall short of expectations (He, 2021).

Moreover, the upward trend in both domestic and external debt suggests a growing risk of debt distress. If African countries continue to borrow heavily without proportional economic growth, they may face difficulties in meeting debt obligations, leading to financial instability. The BRI’s ambitious infrastructure projects, while potentially beneficial in the long run, may exacerbate these issues if not carefully managed (Brautigam, 2020).

FOCAC, which focuses on strengthening China-Africa ties through economic and trade cooperation, involves various forms of financial aid, investment, and trade agreements. The graph’s data reflects increased financial dependence, with the growing external debt, particularly from central governments, underscoring the reliance on foreign loans, including those from China. This dependence can lead to vulnerabilities, where economic conditions in lending countries or changes in their policies can significantly impact debtor nations (Chen, 2020).

In the context of long-term economic impact, while FOCAC aims to boost trade and investment, the associated debt might lead to long-term economic challenges if not managed prudently. High debt levels can limit fiscal space, reducing the ability to invest in other critical areas like healthcare, education, and social services. Effective debt management strategies and ensuring that investments lead to substantial economic growth are crucial for mitigating these challenges. The data suggests that without such strategies, the benefits of initiatives like the BRI and FOCAC might be undermined by the growing burden of debt (Sun, 2021).

4.4.3. Job Creation and Trade Facilitation

The Belt and Road Initiative (BRI) and the Forum on China-Africa Cooperation (FOCAC) have significantly facilitated job creation and trade expansion in Africa. Infrastructure projects under these initiatives have generated thousands of jobs during both the construction and operational phases, contributing substantially to local employment and income generation. For instance, the development of Special Economic Zones (SEZs) has been a notable success. The Athi River SEZ in Kenya has led to the creation of over 20,000 jobs, providing a significant boost to the local economy (Kenya Export Processing Zones Authority, 2020). Similarly, the Eastern Industrial Zone in Ethiopia has created more than 30,000 jobs, significantly contributing to local employment and stimulating industrial growth (Brautigam, 2020).

Furthermore, the improved transportation networks and port facilities resulting from BRI and FOCAC projects have enhanced trade efficiency, thereby increasing Africa's export volumes and competitiveness in global markets. For example, infrastructure improvements under BRI, such as the expansion of Mombasa Port in Kenya, have increased the port's capacity by 50%, leading to a 20% increase in trade volume through the port (Kenya Ports Authority, 2020). Additionally, the development of transportation and logistical networks has contributed to a 15% increase in Africa's export volumes, improving the continent's competitiveness in global markets (Brautigam, 2020).

Table 2: Job Creation by BRI and FOCAC Initiative in Ethiopia and Kenya

Year	Project	Country	Jobs Created	Phase
2010	Addis Ababa-Djibouti Railway	Ethiopia/Djibouti	5,000	Construction
2012	Nairobi-Mombasa SGR	Kenya	30,000	Construction
2014	Eastern Industrial Zone	Ethiopia	10,000	Operational
2015	Athi River SEZ	Kenya	5,000	Construction
2016	Lamu Port-South Sudan-Ethiopia Transport Corridor (LAPSSET)	Kenya	15,000	Construction
2017	Lekki Free Trade Zone	Nigeria	10,000	Construction
2018	Ethiopia-Djibouti Oil & Gas Pipeline	Ethiopia/Djibouti	3,000	Construction
2019	Mombasa Port Expansion	Kenya	2,000	Construction
2020	Eastern Industrial Zone Expansion	Ethiopia	20,000	Construction and Operational

Source: A critical look at Chinese 'debt-trap diplomacy': the rise of a meme.

The table illustrates the significant impact of the Belt and Road Initiative (BRI) and the Forum on China-Africa Cooperation (FOCAC) on job creation in various African countries from 2010 to 2020. These initiatives have facilitated large-scale infrastructure projects, such as the Addis Ababa-Djibouti Railway, the Nairobi-Mombasa Standard Gauge Railway (SGR), and several

Special Economic Zones (SEZs) like the Athi River SEZ in Kenya and the Eastern Industrial Zone in Ethiopia. These projects have not only created thousands of jobs during their construction and operational phases but have also laid the foundation for long-term economic growth. The development of critical transportation corridors and industrial zones has enhanced trade efficiency, reduced transportation costs, and improved access to global markets. For instance, the Nairobi-Mombasa SGR has streamlined cargo movement between Kenya's largest port and its capital, significantly boosting trade volumes. Similarly, the Eastern Industrial Zone has attracted investment and stimulated industrial production in Ethiopia. Overall, the BRI and FOCAC have played pivotal roles in fostering economic development, facilitating trade, and creating employment opportunities across Africa, thereby contributing to the continent's broader socio-economic progress.

4.4.4. Local Economic Participation and Impact

Ensuring local economic participation and maximizing the impact of the Belt and Road Initiative (BRI) and Forum on China-Africa Cooperation (FOCAC) projects is vital for sustainable development in Africa. While Chinese investments have created jobs and developed infrastructure, there is often criticism regarding the employment of Chinese workers and the limited involvement of local businesses. To enhance the benefits for African economies, it is crucial to implement local content policies and capacity-building initiatives.

Chinese companies involved in BRI and FOCAC projects have been encouraged to employ local workers. For instance, the construction of the Mombasa-Nairobi Standard Gauge Railway (SGR) in Kenya employed over 30,000 Kenyans during its construction phase (Kenya National Bureau of Statistics, 2019). However, a significant proportion of the workforce still consisted of Chinese nationals, leading to calls for greater local employment. Ensuring a higher percentage of local employees can help in skill transfer and economic empowerment.

Partnerships between Chinese firms and local companies can facilitate technology transfer and skills development. In Ethiopia, the Eastern Industrial Zone (EIZ) has seen Chinese firms provide extensive training to local workers. For example, the Huajian shoe factory, part of the EIZ, not only created over 7,000 jobs but also offered training programs that improved the skills of Ethiopian workers (Brautigam, 2020).

Local businesses' involvement in BRI projects' supply chains can amplify economic benefits. Local sourcing of materials and services increases economic participation and growth. For example, the Lekki Free Trade Zone in Nigeria, developed with Chinese investment, encourages local businesses to participate in construction and operational activities, fostering local entrepreneurship and economic growth (Nigeria Export Processing Zones Authority, 2020). The table below summarizes this section, showing these numbers discussed and proving that local employment is indeed encouraged by the Chinese firms.

Table 3: Employment and Local Content in BRI Projects

Project	Country	Local Employment (%)	Chinese Employment (%)	Local Content (%)	Chinese Investment (USD)
Mombasa-Nairobi SGR	Kenya	70	30	40	3.2 billion
Eastern Industrial Zone (EIZ)	Ethiopia	90	10	60	500 million
Lekki Free Trade Zone	Nigeria	80	20	50	1.5 billion

Source: National Bureau of Statistics 2019-2020

4.4.5. Environmental and Social Issues

The environmental and social impacts of BRI and FOCAC projects are significant considerations. Large-scale infrastructure projects can lead to environmental degradation, displacement of communities, and social disruptions. Implementing stringent environmental and social safeguards is essential to mitigate these effects.

Infrastructure projects can have adverse environmental effects if not properly managed. The construction of large dams, highways, and railways can disrupt ecosystems, cause deforestation, and affect biodiversity. For example, the construction of the Mombasa-Nairobi SGR has been criticized for its impact on wildlife migration routes in Tsavo National Park (International Union for Conservation of Nature, 2019).

Environmental impact assessments (EIAs) are conducted before project implementation to address these concerns. These assessments help identify potential environmental risks and propose mitigation measures. For instance, the Ethiopian government conducted an EIA for the construction of the Grand Ethiopian Renaissance Dam to minimize its environmental footprint (Ethiopian Environmental Protection Authority, 2020).

Social impacts, such as displacement and loss of livelihoods, are critical issues associated with large infrastructure projects. The displacement of communities for the construction of projects like dams and highways can lead to social unrest and economic hardship. Ensuring fair compensation and resettlement plans is essential to address these issues.

In Kenya, the Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor project faced social challenges due to the displacement of local communities. With support from Chinese investors, the government developed comprehensive resettlement plans to mitigate the social impact (Kenya National Land Commission, 2020).

Implementing stringent environmental and social safeguards is essential to mitigate the adverse effects of infrastructure projects. Environmental impact assessments, community consultations, and adherence to international standards can help ensure that projects are sustainable and socially responsible

4.4.6. Opportunities for Diversification and Technological Transfer

Despite the challenges, the BRI and FOCAC present significant opportunities for diversification and technological transfer in Africa. By investing in various sectors, including manufacturing, agriculture, and services, African countries can reduce their dependence on raw material exports and develop more diversified economies. Additionally, the influx of Chinese technology and expertise can spur innovation and enhance productivity. For instance, the development of digital infrastructure under the Digital Silk Road initiative can support the growth of Africa's digital economy and foster technological advancements (Huawei, 2021; Ethiopian Ministry of Innovation and Technology, 2020). In the next section, this study will dive more through the opportunities for diversification and technological transfer focusing on the two countries Ethiopia and Kenya.

4.5. Case Studies

4.5.1. Ethiopia: FOCAC and Addis Ababa-Djibouti Railway

4.5.1.1. Project Review

China’s investment in the Addis Ababa-Djibouti Railway is the most important project that Ethiopia has seen after its integration with the FOCAC initiative. Before this project, Ethiopia had a corridor that linked it with Djibouti which was built in 1917 during the colonial period. However, it had deteriorated due to inadequate maintenance and management. As Ethiopia transitioned to a landlocked nation following its independence from Eritrea, Djibouti emerged as its primary port in the early 2000s, underlining the critical need for efficient transportation links (Tovar, 2017).

According to the Ethiopian Minister of Transport, Ahmed Shide, and Chinese Ambassador to Ethiopia, Tan Jian, the Addis Ababa-Djibouti Railway stands as a cornerstone for revitalizing Ethiopia's economy and infrastructure (Xinhua, 2018). This railway, the first fully electrified cross-border route in Africa, connects landlocked Ethiopia to maritime trade routes in the Gulf of Aden and the Red Sea. This strategic investment has transformed the corridor, providing Ethiopia with a crucial outlet for foreign trade, thus fostering its industrialization and economic diversification.

Construction of the railway commenced in 2011 and was officially inaugurated in 2016, with commercial operations beginning in January 2018. Extending approximately 756 kilometers (470 miles), it links Ethiopia's capital, Addis Ababa, to the Port of Doraleh in Djibouti, at a total project cost of $4.5 billion. Funding for the project was facilitated through concessional loans from China's Export-Import Bank (EXIM), China Development Bank, and Industrial and Commercial Bank of China, amounting to nearly $3.3 billion. The remaining funds were provided by the Ethiopian and Djibouti governments (Dreher et al., 2017).

The construction of the Addis Ababa-Djibouti Railway was overseen by the China Railway Group (CREC) and the China Civil Engineering Construction Corporation (CCECC). The CREC, established in 2007, focused on infrastructure development projects, managing construction from Sebeta to Mieso in Ethiopia, under a contract valued at $1.4 billion. In contrast, the CCECC, founded in 1979, handled construction from Mieso to Ethiopia's border with Djibouti, with a contract worth $579 million (Dreher et al., 2017). This collaborative effort underscores China's commitment to bolstering Ethiopia's infrastructure and enhancing its integration into global trade networks.

Table 4: Key Financial Details of the Addis Ababa-Djibouti Railway Project

Project Component	Details
Total Project Cost	$4.5 billion
Financing Sources	Nearly $3.3 billion
Concessional Loans from China	$3.3 billion
Government Contributions	
Length of Railway	Approximately 756 kilometers (470 miles)
Construction Contractors	CREC: $1.4 billion; CCECC: $579 million
CREC Contract Value	$1.4 billion
CCECC Contract Value	$579 million

Source: Benabdallah 2020, FOCAC 2020

The table provides a clear breakdown of the financial and operational components of the Addis Ababa-Djibouti Railway project, facilitating easy comprehension of its key aspects. The substantial total project cost of $4.5 billion underscores the significant investment involved in this infrastructure endeavor. The reliance on nearly $3.3 billion in concessional loans from China demonstrates the pivotal role of Chinese financing in the project's realization. Additionally, the division of construction responsibilities between the China Railway Group (CREC) and the China Civil Engineering Construction Corporation (CCECC) is noteworthy, with each contractor handling specific sections of the railway. The allocated contract values for CREC ($1.4 billion) and CCECC ($579 million) offer insights into the distribution of resources and responsibilities within the project. Overall, the table effectively summarizes the essential details of the Addis Ababa-Djibouti Railway project, providing a comprehensive understanding of its financial and logistical dynamics.

4.5.1.2. Economic and Trade Impacts

The economic and trade impacts of the Addis Ababa-Djibouti Railway have been substantial. By drastically reducing the travel time for freight from multiple days to a few hours, the Addis Ababa-Djibouti Railway has improved the efficiency of Ethiopia’s trade logistics. The table below shows the before and after the Railway indicating the travel time, export volume, and the same key factors for both Pre and Post Railway.

Table 5: Trade Impact Data, Pre and Post Addis Ababa-Djibouti Railway

Aspect	Pre-Railway	Post-Railway
Travel Time	3 days	12 hours
Export Volume (2016)	$2.4 billion	$3.1 billion (2018)
Key Exports	Coffee, Textiles, Leather	Coffee, Textiles, Leather

Source: World Bank 2019

However, the Addis Ababa-Djibouti Railway has not only improved the transportation of goods through and out of the country but also attracted significant foreign direct investments (FDI) to Ethiopia where is the last two decades, between 2010 and 2020, the country saw a magnificent increase in FDIs, mainly in sectors related to manufacturing and infrastructure that are driven by improved logistics and trade infrastructure as it is indicated in the table below:

Table 6: FDI Inflows in Ethiopia (2010-2020)

Year	FDI Inflows (in billion USD)
2010	0.25
2015	2.2
2020	3.6

Source: UNCTAD World Investment Report (2020)

The railway has also enhanced Ethiopia's export capacity. The ease of transporting goods to the Port of Djibouti has enabled Ethiopia to increase its export volume, particularly for key commodities such as coffee, textiles, and leather. For instance, coffee exports rose from $2.4 billion in 2016 to $3.1 billion in 2018 (World Bank, 2019). This boost in exports is crucial for Ethiopia's economy, given that agriculture accounts for a significant portion of the country's

GDP and employment. Additionally, the railway has spurred growth in related industries, such as construction and manufacturing, contributing to job creation and economic diversification. Chinese investments in these sectors have created thousands of jobs, further stimulating the local economy. For example, the Huajian Shoe Factory, a Chinese-owned enterprise, has become one of the largest employers in Ethiopia's industrial parks, providing jobs to over 4,000 Ethiopians (FOCAC, 2020). However, with all these positive impacts, the railway project has faced many challenges and financial sustainability remains one of the major concerns for African countries in this case study, Ethiopia where its debt to China, particularly from loans to fund the railway, has contributed to a significant increase in the country's external debt whereby 2020, Ethiopia's external debt reached approximately $28 billion (IMF, 2020). Other challenges faced were technical maintenance and effective management where the Ethiopian government has had to navigate some complex operational dynamics like training the local staff to maintain the railway infrastructure effectively. Another one is that social and environmental concerns related to displacement and ecological impacts have been significant challenges where over 30,000 people were displaced during construction (FOCAC,2020).

4.5.2. Kenya: BRI and the Mombasa-Nairobi Standard Gauge Railway

4.5.2.1. Project Overview

The Mombasa-Nairobi Standard Gauge Railway (SGR) is one of Kenya's most important projects under China's Belt and Road Initiative (BRI). It was completed in 2017 and it is a 472 km railway connecting the port of the city of Mombasa with Kenya's capital, Nairobi. The total cost of the project is $3.8 billion where China funded around 90% of it by China's Exim Bank and the remaining 10% by Kenya's government (World Bank, 2019). The table below will show the discussed financial details of this project.

Table 7: Key Financial Details of the Mombasa-Nairobi SGR Project

Aspect	Details
Total Cost	$3.8 billion
Chinese Loan	$3.42 billion
Kenyan Contribution	$0.38 billion

Length	472 km
Completion Year	2017

Source: World Bank (2019). Kenyan Railways Corporation (2018)

The Mombasa-Nairobi Standard Gauge Railway (SGR) exemplifies modernization with its use of a standard gauge track measuring 1,435 mm. This track is significantly more efficient than the old narrow-gauge track of 1,000 mm, allowing the railway to handle higher speeds and heavier loads. The SGR provides services for both passengers and freight, demonstrating its versatility. Passenger trains on this railway can travel at impressive speeds of up to 120 km/h, drastically cutting down the travel time between Mombasa and Nairobi. For freight, the trains operate at 80 km/h, ensuring the efficient and timely movement of goods. This dual functionality underscores the SGR's role in transforming Kenya’s transportation infrastructure, making it both a rapid transit option for people and a reliable logistics solution for businesses. Before the construction of the SGR, comprehensive environmental and social impact assessments were conducted to identify potential impacts and mitigation measures. These assessments were crucial in addressing concerns related to displacement of communities, environmental degradation, and wildlife conservation, particularly because the railway passes through the Tsavo National Park, one of Kenya's largest wildlife reserves. However, during the construction phase of the SGR, there have been several challenges, including land acquisition issues, delays due to weather conditions, and logistical hurdles in transporting construction materials. Despite these challenges, the project was completed within the planned timeline and has since become a pivotal component of Kenya’s transportation infrastructure. The economic justification for the SGR includes its potential to significantly lower the cost of transporting goods, enhance the competitiveness of Kenyan products in regional and global markets, and promote economic integration within the East African Community (EAC). The SGR is expected to reduce road traffic congestion, decrease the wear and tear on roads, and cut down on greenhouse gas emissions by shifting a significant amount of freight transport from road to rail (World Bank, 2020) The Mombasa-Nairobi SGR is part of a larger vision to connect Kenya with neighboring countries through a standard gauge railway network extending to Uganda, Rwanda, and South Sudan. This regional connectivity aims to facilitate trade and economic cooperation within the East African region, fostering economic growth and integration.

4.5.2.2. Economic and Trade Impact of the SGR

Kenya's economy after the launch of the Mombasa-Nairobi Standard Gauge Railway (SGR) has seen a significant impact. This section of the research will delve into these impacts focusing on the improvements in transportation efficiency, trade volume, foreign direct investment (FDI), and other economic benefits. Starting with transportation efficiency, the SGR has drastically reduced the travel time for both passengers and freight transport by road took approximately 12 hours, while the SGR has reduced this to about 4.5 hours. This improvement has led to remarkable cost savings in logistics and transportation, making Kenyan goods more competitive in the regional and global markets.

Table 8: Comparison of Transportation Efficiency Pre- and Post-SGR

Metric	Pre-SGR (Road)	Post-SGR (Rail)
Travel Time (Hours)	12	4.5
Cost per Ton (USD)	2000	1500
Annual Freight Volume (Million Tons)	5	9

Source: World Bank (2020)

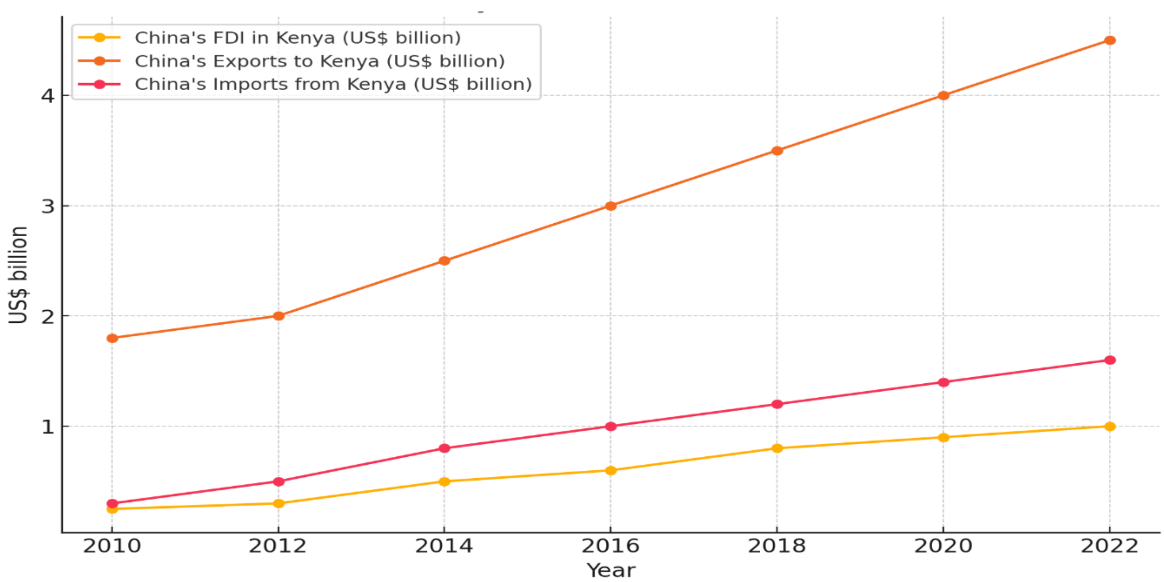
The efficiency gains from the SGR have translated into increased trade volumes. Export volumes from the Port of Mombasa have grown significantly, facilitated by the enhanced capacity and reliability of rail transport. The SGR has particularly boosted the export of key commodities such as tea, coffee, and horticultural products. The export growth has increased in the last two decades from $5,500 million in 2015 to $6,000 million in 2017 to $8,000 million in 2020 (Kenya National Bureau of Statistics, 2020.

Table *9:* The Growth of China's FDI in Africa – Kenya in the last decade

Year	China's FDI in Kenya (US$ billion)	China's Exports to Kenya (US$ billion)	China's Imports from Kenya (US$ billion)
2010	0.25	1.8	0.3
2012	0.30	2.0	0.5
2014	0.50	2.5	0.8
2016	0.60	3.0	1.0
2018	0.80	3.5	1.2
2020	0.90	4.0	1.4

Source: UNCTAD (United Nations Conference on Trade and Development 2010-2020)

Figure *2* China's FDI in Kenya and Trade Volumes 2010-2022



Source: UNCTAD (United Nations Conference on Trade and Development 2010-2020)

- **China's FDI in Kenya (US$ billion):** This line represents the steady increase in Chinese foreign direct investment in Kenya from 2010 to 2022.

- **China's Exports to Kenya (US$ billion):** This line shows the growth in Chinese exports to Kenya, which have increased significantly over the years, reflecting the deepening trade relationship.

- **China's Imports from Kenya (US$ billion):** This line indicates the increase in Chinese imports from Kenya, which, although growing, are at a slower pace compared to exports. This highlights a trade imbalance that is common in Chinese-African trade relations.

The opportunities that the BRI initiative has brought to Kenya are numerous. However, Kenya faces several challenges too, particularly concerning debt sustainability, economic dependency, and socio-economic impacts. The significant debt accrued from Chinese infrastructure projects raises concerns about long-term financial burdens and potential debt distress (Brautigam, 2018; Shinn, 2020). Economically, Kenya's reliance on exporting raw materials to China can lead to vulnerability due to global price fluctuations and limits diversification, necessitating a greater focus on industrialization and developing local manufacturing capabilities for sustainable growth (Alden & Alves, 2019; Whitfield et al., 2015). Additionally, large-scale infrastructure projects have caused environmental degradation, including deforestation and pollution, while labor practices in Chinese-operated projects have raised issues regarding the treatment of local workers and the importation of Chinese labor, leading to social tensions (Large, 2017; Taylor, 2019).

At last, the trade relationship between China and Africa through BRI, as exemplified by Kenya, presents a complex interplay of benefits, challenges, and opportunities. Infrastructure development, increased trade, and FDI inflows offer significant advantages, but issues related to debt sustainability, economic dependency, and socio-economic impacts require careful management. Moving forward, strategies focused on diversification, industrialization, and sustainable development will be crucial in maximizing the benefits of this relationship for African countries. BRI has contributed to deepening China-Africa trade relations and enhancing economic cooperation, with trade volumes reaching new highs every year. BRI has supported and still is supporting African infrastructure development, industrialization, and poverty reduction efforts and building the new “One Africa” while promoting people-to-people exchanges and cultural understanding between China and Africa.

Table 10: Employment Impact in Key Sectors Post-SGR

Sector	**Employment Increase (20017-2020)**
Manufacturing	+25,000
Logistics	+10,000
Services	+8,000

Source: Kenya Investment Authority (2020)

The SGR has spurred the development of industrial parks and SEZs, such as the Naivasha Industrial Park. These zones have attracted both local and international investors, leading to the establishment of new manufacturing plants and logistics hubs. This development has created thousands of jobs and contributed to Kenya’s industrialization goals.

The economic benefits of the SGR extend beyond transportation and trade. The railway has facilitated regional integration within the East African Community (EAC), enhancing Kenya's role as a regional trade hub. It has also contributed to economic diversification by fostering industrial growth and reducing dependency on traditional sectors. In addition to these economic impacts, the SGR has environmental benefits. By shifting a significant amount of freight transport from road to rail, the SGR reduces road congestion and lowers greenhouse gas emissions, contributing to Kenya's environmental sustainability goals.

Table 11: Environmental Impact of SGR

Metric	**Pre-SGR (Road)**	**Post-SGR (Rail)**
CO2 Emissions (Million Tons per Year)	4	2

Fuel Consumption (Million Liters per Year)	1.2	0.8

Source: Kenya Railways Corporation (2020)

In summary, the Mombasa-Nairobi SGR has had profound economic and trade impacts on Kenya. It has enhanced transportation efficiency, increased trade volumes, attracted substantial FDI, and fostered industrial growth, all while contributing to environmental sustainability. These benefits underscore the significance of the SGR as a transformative infrastructure project within Kenya and the broader East African region.

4.5.3. Challenges and Lessons Learned from Ethiopia and Kenya

The experiences of Ethiopia with the Addis Ababa-Djibouti Railway and Kenya with the Mombasa-Nairobi Standard Gauge Railway (SGR) offer valuable insights into the challenges and lessons learned from large-scale infrastructure projects under the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI).

Both projects faced significant financial challenges, primarily related to the heavy reliance on Chinese loans. Ethiopia and Kenya incurred substantial debt to finance these railways, raising concerns about debt sustainability. In Ethiopia, the Addis Ababa-Djibouti Railway project cost approximately $4 billion, with a significant portion financed through Chinese loans (Alden & Jiang, 2019). Similarly, Kenya's SGR project, costing around $3.8 billion, was financed 90% by a loan from China’s Exim Bank (Kenya Railways Corporation, 2018). This reliance on external financing has led to increased debt levels, prompting concerns about repayment and financial stability.

Operational challenges have also been significant. In Ethiopia, issues such as frequent power outages, technical difficulties, and lack of skilled personnel hindered the railway's efficiency. Maintenance and operational costs have been higher than anticipated, impacting profitability. In Kenya, the SGR faced logistical hurdles during construction, including land acquisition issues and delays caused by weather conditions. Post-construction, challenges included managing the high operational costs and ensuring sufficient cargo volumes to make the railway financially viable.

Both projects aimed to boost economic growth and regional integration but encountered mixed results. While the Addis Ababa-Djibouti Railway has enhanced connectivity and trade between Ethiopia and Djibouti, the expected economic benefits have been slow to materialize due to operational inefficiencies and financial strains (World Bank, 2019). In Kenya, the SGR has improved transportation efficiency and stimulated industrial growth along its corridor, but the high costs and debt burden have posed significant economic challenges.

Environmental and social concerns have also been prominent. In Ethiopia, the railway construction led to the displacement of communities and environmental degradation, necessitating comprehensive mitigation measures. Kenya's SGR project faced similar issues, especially given its route through the Tsavo National Park, raising concerns about wildlife conservation and environmental impact (FOCAC, 2020).

The key lessons learned from these projects include the importance of sustainable financing, effective project management, and addressing environmental and social impacts. Both Ethiopia and Kenya have realized the need for better financial planning and diversified funding sources to avoid excessive debt burdens. Effective project management, including thorough planning and skilled personnel, is crucial for operational success. Moreover, addressing environmental and social impacts through comprehensive assessments and mitigation strategies is essential for the long-term sustainability of such projects.

Based on these lessons, several policy recommendations emerge. African countries should pursue diversified funding strategies, including public-private partnerships (PPPs) and regional funding mechanisms, to reduce dependency on single external creditors. Strengthening institutional capacities and investing in technical training can enhance project management and operational efficiency. Additionally, integrating environmental and social considerations into the planning and execution phases can mitigate negative impacts and ensure community support for infrastructure projects.

In conclusion, the experiences of Ethiopia and Kenya with their respective railway projects highlight the complexities and challenges of large-scale infrastructure development under FOCAC and the BRI. By learning from these experiences and implementing strategic policy recommendations, future projects can achieve greater success and sustainability.

CHAPTER 5 CONCLUSION

5.1. Summary of Findings

The exhaustive analysis conducted in this comprehensive study illuminates the intricate tapestry of China-Africa trade relations, unearthing several profound insights. Firstly, the historical trajectory reveals a profound evolution characterized by China's meteoric economic ascent, strategic investments, and the nuanced evolution of trade patterns over the past two decades. The imprint of flagship initiatives such as the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI) looms large, exerting a transformative influence on economic development and trade dynamics across the continent. While the influx of Chinese investments has catalyzed tangible benefits such as robust economic growth, infrastructure modernization, and the creation of employment opportunities, it has also precipitated complex challenges, including concerns over debt sustainability, financial burdens, and environmental ramifications. Case studies, notably the Addis Ababa-Djibouti Railway in Ethiopia and the Mombasa-Nairobi Standard Gauge Railway in Kenya, provide vivid illustrations of the multifaceted impacts of these initiatives on local economies and communities, further enriching our understanding of the dynamics at play.

The analysis revealed that the key drivers of China-Africa trade relations include China's economic growth, strategic investments, and policy frameworks, such as FOCAC and BRI. These frameworks have significantly influenced the economic development and trade dynamics of African countries by providing substantial infrastructure investments and enhancing trade connectivity.

The case studies of Ethiopia and Kenya demonstrated both the benefits and challenges of China-Africa trade relations. In Ethiopia, the Addis Ababa-Djibouti Railway improved connectivity and trade but faced operational and financial challenges. Similarly, in Kenya, the SGR enhanced transportation efficiency and industrial growth but raised concerns about debt sustainability and environmental impacts. Both cases underscored the importance of sustainable financing, effective project management, and addressing environmental and social impacts.

The insights gained through the examination of China-Africa trade relations provide a foundation that scholars, policymakers, and researchers can build upon. More quantitative analysis, research, and a better comprehension of the trade relationship and FDI for a better understanding of the China-Africa relationship. This work also sheds invaluable light on

China's journey amidst trade impediments, positioning the nation as an active architect of its economic fate on the global stage, rather than a passive bystander. It offers valuable insights into the complexities of economic cooperation between these two regions, highlighting the opportunities and challenges that accompany such engagements. The study also delves into the implications of China’s growing projects in Africa, while examining the impact on economic development, investments, loans, and regional integrations.

While this study offers valuable insights into China-Africa trade relations, it is not without limitations. One of the limitations is the availability of data, especially in certain sectors and regions in Africa or even China where data collection is challenging. Additionally, the study’s focus on quantitative analysis may overlook the qualitative aspects of the China-Africa relationship, such as cultural factors or political dynamics, which could also shape trade patterns.

This study proposes a set of policy recommendations aimed at optimizing the benefits and mitigating the challenges of China-Africa trade relations through FOCAC and BRI where African governments should strengthen negotiation capacities by investing more in training for government officials to enhance their negotiation skills and understanding of international trade agreements and partner with international trade experts and legal advisors to ensure fair and favorable terms in agreements with China, diversify economic engagement by encouraging local enterprise participation and promoting sectoral diversification, and enhance transparency and accountability. Additionally, they should leverage regional cooperation and ensure sustainable debt management mainly by promoting regional infrastructure projects and exploring alternative financing options, including multilateral development banks and private sector investments, to avoid excessive dependence on Chinese loans. The Chinese government should promote mutual benefits by investing in local capacity building, ensuring environmental and social standards, and enhancing financial transparency. International organizations and NGOs can provide technical assistance, promote sustainable practices, and monitor compliance, while academic and research institutions should conduct independent research, disseminate findings, and foster academic collaboration to inform policy development. By implementing these recommendations, the benefits of China-Africa trade relations can be maximized while minimizing potential risks and challenges. These measures will foster a more balanced and sustainable partnership, contributing to the long-term development goals of African nations.

5.2. Recommendations

Considering the multifaceted findings, a series of pragmatic recommendations emerge, delineating actionable pathways for both African governments and Chinese stakeholders. African governments are enjoined to pursue astute negotiation strategies aimed at securing favorable terms in trade agreements and investment contracts with China, prioritizing the alignment of projects with sustainable development imperatives and the enhancement of local value addition. Concurrently, efforts to fortify regulatory frameworks, institutional capacities, and risk management mechanisms are deemed imperative to navigate the complexities inherent in Chinese investments effectively. Chinese stakeholders, conversely, are impelled to embrace a proactive stance towards fostering inclusive partnerships characterized by knowledge transfer, capacity building, and environmental stewardship, thereby nurturing a conducive ecosystem for shared prosperity and sustainable development

5.3. Limitations of the Study

While the study highlights the dynamics of the trade between China and Africa and its economic impact in the last two decades, there are a few limitations that could be acknowledged to provide a more holistic understanding of the topic. While the data presented demonstrates the railway's positive effects on export volumes and travel time reduction, it would be beneficial to delve deeper into the qualitative aspects of these impacts. Understanding how these changes have affected local communities, job creation, and income distribution could provide a richer narrative of the railway's socio-economic implications. And while foreign investment has undoubtedly been attracted to Ethiopia following the railway's construction, further exploration into the specific sectors and regions benefiting most from this investment could offer valuable insights. Additionally, analyzing the sustainability and long-term viability of these investments would be a pertinent avenue for future research

REFERENCES

Abu-Lughod, J. L. (1989). Before European Hegemony: The World System A.D. 1250-1350. Oxford University Press

African Development Bank (2018) "Africa Is the Place to Be", African Development Bank President Tells Chinese Business Leaders at the China-Africa Forum. Retrieved from: https://www.afdb.org/en/news-and-events/africa-is-the-place-to-be-african-development-bank-president-tells-chinese-business-leaders-at-the-china-africa-forum-18457 Accessed on: 20/02/2024.

Alden, C. (2013). China and Africa: A New Development Partnership. London: Zed Books.

Alden, C., & Wu, Y.-S. (2020). Africa in China's One Belt One Road: A Critical Analysis. https://content.csbs.utah.edu/~mli/Econ%205420-6420-Fall%202018/Zhao-Africa%20in%20Belt%20and%20Road%20Initiative.pdf Accessed on: 21/02/2024.

Alden, C., & Jiang, L. (2019). China's Global Policy and Africa: Contemporary Dynamics of a Complex Relationship. Journal of Current Chinese Affairs, 48(2), 1-10.

Alden, C., & Alves, A. C. (2019). China in Africa: New colonialism or new cooperation? Journal of African Development, 20(1), 3-27.

Alden, C. (2007). China in Africa. Survival, 49(3), 163-186.

Alden, C., & Alves, C. (2018). The South in World Politics. Palgrave Macmillan.

Anshan, L. (2013). China and Africa: Policy and Challenges. London: Lynne Rienner Publishers.

Brautigam, D. (2008). China's African aid: Transatlantic challenges. Survival, 50(3), 151-164.

Brautigam, D. (2010). The Dragon's Gift: The Real Story of China in Africa. Oxford University Press

Brautigam, D. (2011). Chinese Development Aid in Africa: What, Where, Why, and How Much? In Rising China: Global Challenges and Opportunities (pp. 203-223). Brookings Institution Press

Brautigam, D & Hwang, (2016) Eastern Promises: New data on Chinese loans in Africa, 2000 to 2014, Johns Hopkins University SAIS-CARI working paper 4.

Brautigam, D & Xiaoyang (2011), “African Shenzhen: China’s special economic zones in Africa,” Journal of Modern African Studies, volume 49, 1.

Brautigam, D. (2011). The Dragon’s Gift: The Real Story of China in Africa. Oxford University Press. https://global.oup.com/academic/product/the-dragons-gift-9780199550227?cc=us&lang=en& Accessed on: 31/05/2024.

Brautigam, D. (2018). The Chinese “Belt and Road Initiative” and Africa. SAIS Review of International Affairs, 38(2), 93-103.

Breslin, S. (2018). China's Belt and Road Initiative: Mapping the world's new development landscape. Chinese Journal of International Politics, 11(4), 455-488

Brautigam, D. (2018). Will Africa Feed China? Oxford University Press

Carmody, P. (2013). The Rise of the BRICS in Africa: The Geopolitics of South-South Relations. London: Zed Books.

Chen & Nord (2018) China and Africa: Whither the Belt and Road? International Centre for Trade and Sustainable Development, Bridges Africa, Analysis and News on African Trade and Sustainable Development, volume 7, 7.

Chen, W. (2018). China’s Role in Infrastructure Development in Africa: The Case of the Kenya Standard Gauge Railway. SAIS Review of International Affairs, 38(2), 141-155.

Cheru, F., & Obi, C. (Eds.). (2010). The Rise of China and India in Africa: Challenges, Opportunities and Critical Interventions. London: Zed Books.

Corkin, L. (2011). Uneasy Allies: China's Evolving Relations with Angola. Journal of Contemporary African Studies, 29(2), 169-180.

Corkin, L. (2013). Uncovering African Agency: Angola’s Management of China’s Credit Lines. Routledge.

Corkin, L. (2015). Uncovering African Agency: Angola's Management of China's Credit Lines. Routledge

Crisafulli, G. (2018) China-Africa Trade to Benefit from Growing Economic Cooperation. China Briefing.

China Economic.net (2019) Chinese Companies in Africa Create Great Development Opportunities. http://en.people.cn/n3/2019/0307/c90000-9553322.html Accessed on: 25/04/2024

Chambers, I., Development, Deposits, And Debts: A Decade of BRI in Africa — International Relations Review (2024)." International Relations Review. IR Review (International Relations Review) (The Reporter Ethiopia) Accessed on: 06/04/2024

FOCAC. (2020). Forum on China-Africa Cooperation 2020 Action Plan. http://www.focac.org. Accessed on: 05/06/2024

French, H. W. (2014). China's Second Continent: How a Million Migrants are Building a New Empire in Africa. New York: Knopf.

Gadzala, A. W. (Ed.). (2015). Africa and China: How Africans and Their Governments are Shaping Relations with China. London: Rowman & Littlefield.

Gittings, J. (2008). The railway that China built. China Economic Quarterly, 5, 13–16

Gallagher, K. P., & Irwin, T. (2019). China’s Belt and Road Initiative: Five years later. China Economic Review, 58, 101312

Gibbon, P., & Ponte, S. (2005). Trading Down: Africa, Value Chains, and the Global Economy. Temple University Press

Gu, J., & Carty, A. (2014). China and African Development: Partnership or Hierarchy? IDS Bulletin, 45(4), 1-11.

Hanson, S. (2008). China, Africa, and Oil. Council on Foreign Relations, 10(2), 1-17.

Hopkins, T. K., & Wallerstein, I. (1979). World-Systems Analysis: Theory and Methodology. Sage Publications

International Monetary Fund (IMF). (2020). Ethiopia: Staff Report for the 2020 Article IV Consultation.

Kenya Railways Corporation. (2018). Annual Report. http://www.krc.co.ke. Accessed on: 04/06/2024

Kenya Investment Authority. (2020). Annual Report. http://www.invest.go.ke. Accessed on 23/05/2024

Kenya National Bureau of Statistics. (2020). Economic Survey 2020. http://www.knbs.or.ke. Accessed on 23/05/2024

Kragelund, P. (2009). Part of the Disease or Part of the Cure? Chinese Investments in the Zambian Mining and Construction Sectors. European Journal of Development Research, 21(4), 644-661.

Large, D. (2008). Beyond 'Dragon in the Bush': The Study of China-Africa Relations. African Affairs, 107(426), 45-61

Large, D. (2017). China and the Contradictions of ‘Non-interference’ in Sudan. Review of African Political Economy, 38(130), 184-198.

Lyons, M., Brown, A., & Li, Z. (2013). ASR Forum: Engaging With African Informal Economies. African Studies Review, 56(3), 23.

McKinsey & Company. (2017, June). Dance of the Lions and Dragons: How Are Africa and China Engaging, and How Will the Partnership Evolve? https://www.mckinsey.com/~/media/mckinsey/featured%20insights/middle%20east%20and%20africa/the%20closest%20look%20yet%20at%20chinese%20economic%20engagement%20in%20africa/dance-of-the-lions-and-dragons.pdf Accessed on: 01/02/2024

Michel, S., & Beuret, M. (2009). China Safari: On the Trail of Beijing's Expansion in Africa. New York: Nation Books.

Mhaka, S., & Jeke, L. (2018). An evaluation of the trade relationships between South Africa and China: An empirical review 1995-2014. South African Journal of Economic and Management Sciences, 21(1), 15.

Mthembu-Salter, G. (2020). Africa in China's One Belt One Road: A Critical Analysis. University of the Free State.

Mlambo, C., Kushamba, A., & Simawu, M. B. (2016). China-Africa Relations: What Lies Beneath? The Chinese Economy, 49(4), 21.

Mlambo, D. N., Mlambo, V. H., & Mubecua, M. A. (2018). The Rise of Chinese Investments in Africa: For Whose Benefit? Journal of Economics and Behavioral Studies, 10(4), 7.

Monson, J., & Rupp, S. (2013). Africa and China: New Engagements, New Research. African Studies Review, 56(1), 23.

Moussa, R. K. (2019). Heteroskedasticity in One-Way Error Component Probit Models. Econometrics, 7(3), 35.

Maswana, J.-C. (2018) Revisiting the Growth Effects of Sino-African Bilateral Trade on African Economies 38(130), 184-198.

Monaghan, A. (2014) China Surpasses US as World's Largest Trading Nation. The Guardian. https://www.theguardian.com/business/2014/jan/10/china-surpasses-us-world-largest-trading-nation Accessed on: 23/02/2024.

Mohan, G., & Power, M. (2008). New African Choices? The Politics of Chinese Engagement. Review of African Political Economy, 35(115), 23-42.

Mohan, G., & Power, M. (2008). New African Choices? The Politics of Chinese Engagement. Review of African Political Economy, 35(115), 23-42.

Moyo, D. (2012). Winner Take All: China's Race for Resources and What It Means for the World. New York: Basic Books.

Nyang'oro, J. (2007). China's Foreign Policy and Africa: Case Study of Tanzania-Zambia Railway. In Challenges and opportunities (pp. 203-223). Brookings Institution Press.

Nedopil W, C. (2024). China Belt and Road Initiative (BRI) Investment Report 2023. Retrieved from https://greenfdc.org/china-belt-and-road-initiative-bri-investment-report-2023/ Accessed on: 20/03/2024.

Nyiri, P. (2010). Chinese Entrepreneurs in Africa: Patterns and Cultural Conflicts. Journal of Current Chinese Affairs, 39(4), 3-6.

Rahman, D. H. A. A., Majidi, N., Huwaina, F., Harun, N. F. A., & Kasuma, J. (2017). Economic Growth in Malaysia: A Causality Study on Macroeconomics Factors. Journal of Entrepreneurship and Business, 5(2), 9.

Rotberg, R. I. (2008). China into Africa: Trade, Aid, and Influence. Washington, D.C.: Brookings Institution Press.

Sanderson, H & Michael. F(2013), China's Superbank: Debt, oil and influence—How China Development Bank is rewriting the rules of finance, Bloomberg.

Shinn, D. H. (2018). The Impact of China-Africa Trade Relations: The African Perspective. African Affairs, 107(426), 21-41.

Shinn, D. H. (2020). China's Strategic Engagement with Africa. International Affairs, 96(3), 547-566.

Strauss, J., & Saavedra, M. P. (2009). China and Africa: Emerging Patterns in Globalization and Development. Cambridge: Cambridge University Press.

Sun, Y. (2014). China's Aid to Africa: Monster or Messiah? Brookings Institution.

Taylor, I. (2010). China's oil diplomacy in Africa. International Affairs, 86(5), 1125-1142

Taylor, I. (2019). Sino-African Relations and the Problem of Human Rights. African Affairs, 110(439), 63-80.

The World Bank (2015) Deepening African Integration: Intra-Africa Trade for Development and Poverty Reduction. https://www.worldbank.org/en/news/speech/2015/12/14/deepening-african-integration-intra-africa-trade-for-development-and-poverty-reduction Accessed on: 15/02/2024.

UNComtrade data (2024), http://comtrade.un.org/data/ Accessed on: 01/02/2024.

United Nations Conference on Trade and Development. (2022) Country Profile: Ethiopia. https://unctadstat.unctad.org/CountryProfile/GeneralProfile/en-GB/231/index.html Accessed on: 01/02/2024.

United Nations Conference on Trade and Development (UNCTAD). (2020). World Investment Report 2020. https://unctad.org/webflyer/world-investment-report-2020 Accessed on: 03/02/2024

World Bank. (2019). Ethiopia Economic Update: Strengthening Export Performance through Improved Competitiveness. http://www.worldbank.org/en/country/ethiopia/publication/ethiopia-economic-update. Accessed on: 05/06/2024

Wallerstein, I. (1974). The Modern World-System I: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century. University of California Press

Whitfield, L., Therkildsen, O., Buur, L., & Kjaer, A. M. (2015). The Politics of African Industrial Policy: A Comparative Perspective. Cambridge University Press.

World Bank. (2023). "World Development Indicators: China." https://data.worldbank.org/country/china Accessed on: 03/03/2024

World Bank. (2021). "Kenya Economic Update: Beyond Resilience - Increasing Productivity of Kenyaâ€™s Manufacturing Sector." https://www.worldbank.org/404_response.htm Accessed on: 03/04/2024

World Bank. (2019). Ethiopia Economic Update: Strengthening Export Performance through Improved Competitiveness http://www.worldbank.org/en/country/ethiopia/publication/ethiopia-economic-update. Accessed on: 04/04/2024

Yu, S., Qian, X., & Liu, T. (2019). Belt and Road Initiative and Chinese firms' outward foreign direct investment. Emerging Markets Review, 41, 100629. https://doi.org/10.1016/j.ememar.2019.100629 Accessed on: 12/01/2024.

Zafar, A. (2007). The Growing Relationship between China and Sub-Saharan Africa: Macroeconomic, Trade, Investment, and Aid Links. The World Bank Research Observer, 22(1), 103-130.

Zhai, F. (2018). China's belt and road initiative: A preliminary quantitative assessment. Journal of Asian Economics, 55, 84-92. https://doi.org/10.1016/j.asieco.2017.12.006 Accessed on: 12/01/2024.

Zoumara, B., & Ibrahim, A.-R. (2013). China-Africa Relations: Looking Beyond the Critics. Pambazuka News. p. 3. http://pambazuka.org/en/category/features/87735 Accessed on: 12/02/2024.

Zhang, Y. (2017). China's Belt and Road Initiative: A Global Model for an Evolving Power. International Affairs, 93(2), 291-310.

Zhang, Y. (2013). China's Foreign Policy in the 21st Century: Insights from China's Two Millennium Development Goals. Third World Quarterly, 34(2), 207-222.