



## RAPPORTEUR REPORT

### 2020 ABUJA FORUM SUSTAINING CHINA-AFRICA COOPERATION POST-COVID-19

**Date:** October 15, 2020  
**Time:** 10h00-13h45 West Africa Time (WAT)  
**Venue:** Online Zoom Webinar

#### 1. INTRODUCTION OF CO-HOSTS

- 1.1 The Gusau Institute (GI) was founded by Lt Gen Aliyu Gusau Mohammed (rtd), former Nigerian National Security Adviser (NSA) and Honourable Minister of Defence (HMOD), with the view of contributing qualitative inputs to security management and good governance in Nigeria, Africa, and the global community. The Center for Nigerian Studies at the Institute of African Studies, Zhejiang Normal University (ZJNU) in China appointed General Gusau as a senior adviser in August 2017. The GI and ZJNU at the time also signed a memorandum of understanding that provides a framework for programmes of exchange and collaboration in areas of interest and benefit to both institutions.
- 1.2 The Abuja Forum (AF) was subsequently established in 2018 as a bi-annual conference (hosted jointly by the GI and the Center for Nigerian Studies at the Institute of African Studies, ZJNU) that seeks to enhance collaboration between Africa and China in achieving common goals in the spheres of defence and security, development and capacity-building, economy and trade, and technology. The first conference took place in June 2018, and the 2020 webinar was the second joint event to be hosted in support of this agreement.

#### 2. RATIONALE FOR THE CONFERENCE

- 2.1 The current Coronavirus Disease 2019, simply referred to as COVID-19 which is caused by the Severe Acute Respiratory Syndrome, Coronavirus 2 (SARS-COV-2), has reverberated through every corner of the globe – taking lives, destroying livelihoods, changing everything about how we live, interact with each other, how we work and communicate, and how we move around and travel. With 39,633,011 million people affected globally at the time when the webinar was hosted, having resulted

in 1,109,833 deaths,<sup>1</sup> COVID-19 has unmasked the vulnerabilities of worldwide public health and left a trail of global economic losses in its wake.

- 2.2 While Africa has not recorded the number of COVID-19 deaths and infections as seen in other continents, African nations are, however, lurching under the COVID-19 socio-economic impacts. For instance, the World Bank predicts that when compared with pre-crisis forecasts, COVID-19 could push 71 million people into extreme poverty in 2020 under the baseline scenario, and 100 million under the downside scenario.<sup>2</sup> Out of the projected 71 million people pushed into extreme poverty, World Bank report claims that 23 million people are projected to be in the continent of Africa.<sup>3</sup> Meanwhile, McKinsey & Company anticipates that more than 100 million jobs could be lost in Africa's formal and informal sectors.<sup>4</sup>
- 2.3 The COVID-19 pandemic does not only present African nations with new challenges and responsibilities, but also holds serious implications for China-Africa relations, specifically pertaining to the trade deficit, debt crisis and people-to-people relations. The important question now is how China and Africa can collaborate during and after the pandemic in such a manner that diplomatic and economic relations are strengthened, and not harmed, and that goodwill is maintained?
- 2.4 To try and answer this question, the Abuja Forum brought together diplomats who have worked in or on China, private sector experts, academics, government officials, civil society representatives and journalists from Africa and China to exchange ideas and experiences as well as discuss the various options available to mitigate the socio-economic impact and effect of the COVID-19 pandemic on Sino-Africa cooperation.
- 2.5 The 2020 conference had two goals: The first goal was to showcase the latest research on Sino-Africa relations by bringing together scholars who have been engaged in research on the topic, and whose work focuses on the Africa-China debt crisis, Africa-China trade, Africa-China people-to-people relations and other related issues such as cultural perceptions in Sino-Africa relations. The second goal was to promote, support and expand the ongoing constructive China-Africa dialogue, and to further the development of collaborative networks in all sectors.

### 3. PARTICIPATION

- 3.1 The introductory keynote remarks were delivered by the Hon. PM Raila A. Odinga from Kenya, who currently serves as the African Union (AU)'s High Representative for Infrastructure Development in Africa. Three panel discussions followed where each topic was presented from both an African and a Chinese perspective. Four experts also contributed short inputs to enrich and stimulate discussions. The event was moderated by Amb Ahmed Magaji, a GI Steering Committee member. Prof Liu Hongwu, Director of the Institute of African Studies, ZJNU introduced some books on Sino-Africa relations before delivering the vote of thanks.

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<sup>1</sup> <https://www.worldometers.info/coronavirus/>

<sup>2</sup> Projected poverty impacts of COVID-19 (coronavirus). World Bank, June 8, 2020. Retrieved July 10, 2020 from <https://www.worldbank.org/en/topic/poverty/brief/projected-poverty-impacts-of-COVID-19>

<sup>3</sup> The impact of COVID-19 (Coronavirus) on global poverty: Why Sub-Saharan Africa might be the region hardest hit. World Bank. April 20, 2020. Retrieved July 10, 2020 from <https://blogs.worldbank.org/opendata/impact-COVID-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest>

<sup>4</sup> Finding Africa's path: Shaping bold solutions to save lives and livelihoods in the COVID-19 crisis. McKinsey & Company. April 17, 2020. Retrieved July 10, 2020 from <https://www.mckinsey.com/featured-insights/middle-east-and-africa/finding-africas-path-shaping-bold-solutions-to-save-lives-and-livelihoods-in-the-COVID-19-crisis#>.

3.2 The following panellists and experts participated in the event:

3.2.1 SESSION 1: PEOPLE-TO-PEOPLE RELATIONS

*The COVID-19 pandemic has brought unwelcome prejudices in Africa-China relations to the fore. Since the outbreak of the pandemic, African citizens in China as well as Chinese citizens in Africa have been victims of maltreatment due to mistrust. Discussions focused on how to enhance and rebrand the people-to-people relations amid and beyond the COVID-19 pandemic to achieve a better understanding of each other, and to ensure positive collaboration.*

Dr Ahmed Muhammed Salik, Development Economist

Dr Xu Wei, Deputy Director of the Institute of African Studies at ZJNU

3.2.2 SESSION 2: DEBT CRISIS

*China is Africa's single largest creditor. Scholars at Johns Hopkins University estimate that from 2000 to 2018, 49 African nations owe China USD 148 billion. China now owns a projected 17 to 24 percent of the continent of Africa's external debt. Due to the magnitude of these debts, China has a special role to play in the debt relief campaign for African nations worst hit by the COVID-19 pandemic. Discussions focused on how to solve the debt crisis by way of Sino-Africa cooperation amid and beyond the COVID-19 pandemic.*

Dr Huang Yupei, Associate Professor of the College of Economics and Management at ZJNU

Dr Suleyman Ndanusa, CEO of Global Mandate Consulting Ltd

3.2.3 SESSION 3: TRADE RELATIONS

*The coronavirus is delivering a double blow to the world economy, laying it low for months to come. From one side, the pandemic is hammering the capacity to produce goods as swathes of Chinese factories remain shuttered and workers housebound. That is stopping production of goods there and depriving companies elsewhere of the materials they need for their own businesses. That supply shock was initially viewed as a short-term disruption. Those predictions are now in tatters because demand is slumping too. As a result, the African continent is confronted with a "twin supply-demand shock" arriving in three successive waves: first from China, followed by OECD nations (initially Europe, and now the United States), and lastly a likely intra-African wave. Discussions focused on the best way forward for Sino-Africa trade relations amid and beyond COVID-19.*

Alhaji Mohammed Hayatu-Deen, Founder, Alpine Investment Services Ltd

Dr Michael Ehizuelen, Executive Director of the Center for Nigerian Studies, the Institute of African Studies at ZJNU

3.2.4 EXPERTS

*Experts voiced their views on people-to-people relations from their different perspectives.*

Mr Kabiru Yusuf, Chairman, Media Trust, and publisher of Daily Trust newspaper

Mr Shen Shiwei, International News Editor and Columnist Commentator, CGTN English, China Media Group

Ambassador Wale Oloko, former Nigerian Consul-General in Guangzhou, China

Mr Zhang Guanglei, Special Advisor of Chinese Business Community Association of Nigeria

3.3 The webinar was followed by 55 participants from Nigeria, China, Kenya, South Africa, India, and the UK directly via the Zoom link, and 143 followed the proceedings on Facebook. ZJNU lecturers and students followed the proceedings on internal screens.

## 4. METHODOLOGY

- 4.1 The webinar was a three-and-a-half-hour meeting hosted on the Zoom platform and it was livestreamed on Facebook. The event formally commenced with the moderator, Amb Ahmed Magaji, welcoming all tuned in, and H.E. PM Raila Odinga giving introductory keynote remarks. The six panellists then presented their papers, followed by the four experts, after a brief introduction of each speaker by the moderator. The presentations were followed by a Q&A session and final remarks by the panellists. Prof. Liu Hongwu then delivered the vote of thanks and did a book launch. The moderator made the concluding remarks, signalling the end of the event. The proceedings were conducted in English.

## 5. PRESENTATIONS

- 5.1 **Keynote Remarks: Honourable PM Raila A. Odinga, Kenya**  
*African Union (AU)'s High Representative for Infrastructure Development in Africa*



- 5.1.1 **Short Introduction:** *H.E. Raila Amolo Odinga is a well-known Kenyan politician who served as the Prime Minister of Kenya from 2008 to 2013, and has since been the Leader of the Opposition in that country. He started his political career as the Member of Parliament (MP) for Langata in 1992. Before becoming Prime Minister, he served in the Cabinet of Kenya as Minister of Energy from 2001 to 2002, and as the Minister of Roads, Public Works and Housing from 2003 to 2005. He was the main opposition candidate in the 2007 presidential election. Following a violent post-electoral crisis, Odinga took office as Prime Minister in April 2008, serving as supervisor and coordinator of a national unity coalition government for the next five years. He is the son of the first Vice President of Kenya, Jaramogi Oginga Odinga. Alongside his father, Odinga is respected as one of the leading forces of the democratization process in Kenya, particularly during the lead-up to the adoption of Kenya's new Constitution in 2010 that re-affirmed many formerly neglected fundamental rights. He is popularly known to his supporters as Agwambo (meaning the "Mysterious One"), Tinga (Luo and Swahili for "tractor"), Baba RAO, (an abbreviated form of "Raila Amolo Odinga") and Jakom ("Chairman"). Raila is a towering figure in Kenyan politics; his name and influence in the Kenyan political scene remains formidable. PM Odinga was appointed High Representative for Infrastructure Development at the African Union Commission in 2018.*
- 5.1.2 **Transcript: Views on Sino-Africa Engagement towards Durable Peace and Common Prosperity**  
China and Africa share a long history that is not much mentioned in today's geopolitics. As long ago as the 8<sup>th</sup> century China was a trading partner of Africa. Chinese coins dating back to the 9<sup>th</sup> century have been discovered in several East African countries, including Kenya, Zanzibar, and Somalia.

During the Ming Dynasty, some 300 ships made voyages across the Indian Ocean, landing on the Eastern African coast.

- 5.1.3 The victory of the Communist Party revolution in 1949 led to a large number of Chinese migrating to Africa. By the 1950s it was estimated that over 300,000 Chinese were living in Mauritius, Madagascar, and South Africa. The People's Republic of China was a major player in the era of decolonialization and supported numerous liberation movements on the continent.
- 5.1.4 Zhou Enlai was the Chinese Prime Minister during that time and 1963-1964 was a turning point for Sino-Africa diplomatic ties. It was followed by the large deployment of Chinese medics to Africa and investment in infrastructure. One of the outstanding developments is the Tanzam railway line, or the Tazara Railway. It is 1,860 km long and was completed in 1976. It links the port of Dar-es-Salaam to the interior of countries like Zambia.
- 5.1.5 Perhaps the greatest significance of Sino-Africa relations is the fact that between 1981 and 2015 China lifted more than 850 million Chinese out of extreme poverty. This in a period of only 35 years, a single generation. Furthermore, China in 2015 set a goal of bringing one million people out of impoverishment every month. Africa, through the Africa Union (AU) Agenda 2063, has the aspiration of a prosperous Africa, based on inclusive growth and sustainable development. A well-educated and skilled population, a healthy and well-nourished population, a transformed economy, and good governance, are all contributors and determinants for much needed peace and stability on the continent.
- 5.1.6 Africa has now had 43 years to achieve what China had achieved in 35 years and to learn lessons from China on implementation of targeted poverty alleviation as prerequisites for peace and prosperity. Today, China is Africa's biggest trading partner and the leading investor on the continent. But Africa remains an insignificant trading partner to China. Only 3.5 percent of China's trade is with Africa compared to 16 percent with the EU, and 10 percent with Japan.
- 5.1.7 China's growing shortage of raw materials to drive its industrialisation and growth could be Africa's opportunity for industrialisation and prosperity. China needs access to raw materials and natural resources which exist in abundance on the African continent. China needs oil, wood, copper ore, bauxite for aluminium manufacturing, iron ore, and so on for its industries.
- 5.1.8 China and Africa must examine together opportunities that are presented by initiatives such as the African Continental Free Trade Area (AfCFTA), the Belt and Road Initiative, and the Forum on China-Africa Cooperation (FOCAC). This kind of cooperation will enable Africa to add value to some of its raw materials while also still exporting the surplus to China. It will help Africa to create jobs for its young, growing population here while China will also receive raw materials from Africa. Therefore, these efforts will be complementing each other.
- 5.1.9 Africa's population of 1.3 billion is comparable to China's population of 1.4 billion, but Africa is gifted the land area that is almost three times that of China, and it is a significant portion of the remaining arable land in the world. The two therefore can leverage their respective resources and strengths to achieve China's ambition to be a global industry leader, and Africa's aspiration of inclusive growth and sustainable development.

- 5.1.10 China has demonstrated unique capacity and capability to support Africa's infrastructure development, and address the continent's infrastructure gap, a prerequisite for inter-continental trading, and integration. Africa and China's common prosperity needs to be planned and it will be driven by a strategy agreed on by the two.
- 5.1.11 A starting point could be the alignment of the AU Agenda 2063, and China's long-term plan and strategy for Africa. Most of the times in international fora, when people discuss Africa and the rest of the world, the elephant in the room is always the role of China. There have been some allegations that China is exploiting Africa, China is re-colonizing Africa, and so forth. I would say that nothing could be further from the truth.
- 5.1.12 The interests of China and Africa are complementary to each other. As I have mentioned, China requires raw materials for its growing and vast industries, and Africa requires capital to be able to develop its raw materials. So, therefore these interests are actually complementary to each other. Africa is the richest continent as far as raw materials is concerned, but then the paradox is that African people live in very poor conditions. So, this is the part that we must resolve, and cooperation with China will enable African countries to do just that.
- 5.1.13 Today the African youth are migrating, risking their lives to go to countries in Europe, some of them drowning in the process, in search of greener pastures. We can stem this tide by creating a conducive environment which will retain the youth in Africa if they have gainful employment on our continent. This can be done, and I can see that this cooperation between Africa and China will help to achieve this.
- 5.1.14 I want to conclude with my message of the African lion. The African lion is sending a message to the Asian tiger and he is saying that our interests are complementary, and that we will be able to live together and work together for the benefit of our people.  
I thank you.

5.2 **Panellist 1, People-to-People Relations: Dr Ahmed M. Salik**  
*Development Economist*



- 5.2.1 **Short Introduction:** *Dr Ahmed Salik is a development consultant, an entrepreneur, and a politician. After working more than two decades in academics, banking, and development finance he entered partisan politics in 2002. He represented Dala Federal Constituency of Kano State in 2003 and 2007. Between 2003 to 2005 he served as the Minority Leader of the House of Representatives and in that capacity, he was part of President Obasanjo's delegation on a state visit to the People's Republic of*

*China in the summer of 2005. Since the end of his tenure of the House of Representatives, he has devoted his energy in providing consultancy services to both government and private companies. He is also a regular presenter of papers on development, governance and legislation at seminars, conferences and think tanks, both locally and internationally.*

- 5.2.2 **Transcript:** Good morning, everybody. I first of all wish to thank the Gusau Institute for extending this invitation to me to speak at this forum. Thank you, Mr Moderator for the introduction.
- 5.2.3 I think it is pertinent to congratulate the leaders of the People's Republic of China for being able to provide leadership through the Communist Party of China over the last 70 years, and for the numerous successes they have recorded both at the level of the economy and the level of science and technology, and the level of military prowess. I believe the successes they have recorded over the last 70 years have a lot to do with the style of leadership adopted by the political leaders of China, and the instrumentality of the Communist Party, which has always been based on meritocracy, which is the idea of selecting the best people to place in positions of leadership. I believe African countries have a lot to learn from this model of leadership in China which is based on meritocracy. Rather than what is often the case in African countries, where leadership is based on cronyism, and even nepotism. I will seize this opportunity to recommend the style of leadership of the Chinese to the entirety of African leaders.
- 5.2.4 Mr Moderator, may I start with a definition of what my topic is supposed to be based on. The topic of my contribution is on people-to-people ties between the African people, and the Chinese people. By people-to-people ties my understanding is it refers to the relationship that is established at the level of ordinary citizens between two countries, that is outside official diplomatic relations. This relationship can be in different formats, although there must be some modicum of government involvement, even if it is only by providing visas, travel documents, and granting landing rights for airlines for travel between the two countries. However, outside of this official contribution, people-to-people contact, or relationships develop on their own, and they can come in various forms or patterns.
- 5.2.5 They can come through education, educational institutions and the exchange of students, business relations between chambers of commerce of countries, etc. For e.g. in Nigeria we have the Nigeria-China Chamber of Commerce, and there is a lot of trading activities going on between African traders and Chinese businessmen which are not sanctioned by official government intervention. Also, such ties can be in the form of cultural ties, and friendship ties between the citizens of two countries. An important aspect of people-to-people relations or ties is entertainment through actors, singers, musicians. Equally, it could take the form of sporting activities which are brought about by the participation of sportsmen and sportswomen. So, these are the various aspects of people-to-people relations that could be taking place between ordinary citizens of two countries.
- 5.2.6 This has to be distinguished from the official relationship. They are running on two separate parallels. Official relationships are diplomatic relationships, and political relationships between political parties like the Communist Party of China and ruling political parties in African countries. They are outside people-to-people relationships.
- 5.2.7 People-to-people relationships, although they require official sanctioning as a starting point by way of provision of visas and travel documents, differ from diplomatic relations. Once that minimal has

been provided for by the governments, the rest is what the ordinary people who interact make of the relationship without any official engagement or intervention or guidance or directions. It therefore follows that you could have official diplomatic relationships that are operating on a different plane from people-to-people relationships. In other words, you could have a very good diplomatic relationship between two countries without necessarily having very good relationships between the ordinary citizens. However, it might not be possible to have good people-to-people relationships without an underlying good diplomatic or political relationship between two governments.

- 5.2.8 However, a strain in people-to-people relations could impact negatively on the diplomatic relationship. This seems to what have nearly happened during the COVID-19 pandemic, especially at the height of the pandemic, in the People's Republic of China whereby certain discriminatory practices were been observed in especially the city of Guangzhou in April and May 2020. Based on an allegation that some African people were the main carriers of the COVID-19 virus, we saw that there was an increase in discrimination and discriminatory practices against African people in Guangzhou. To that so many diplomats, in fact there was a Nigerian diplomat who sent a video recording of an instance whereby some Nigerian citizens were being unfairly treated during quarantine.
- 5.2.9 Similarly, on the African continent there was the case of some Chinese citizens who were even killed in Lusaka, Zambia's capital, sometime in April or May of this year as a result of allegations of unfair treatment of Zambian citizens in their employ in factories. What I am trying to say is that despite the cosy relationship between virtually all African governments and the Chinese government, the tension that was generated during the pandemic has started to impact negatively on the people-to-people relationship between the African people and the Chinese people. This is very important, because of the cosy relationship between the African governments and the Chinese government, it did not impact significantly on diplomatic relations. However, there were a lot of complaints and agitations among the elite of the African continent and ordinary people on the need for either reprimand of the Chinese government or taking other diplomatic actions to bring an end to the discrimination against the African people in China.
- 5.2.10 I would like to round up by saying that the experience of the pandemic, and how it impacted on the attitudes of the people of China and the people of Africa, showed clearly that people-to-people relations could be impacted negatively by pandemics and diseases and people's reaction to it. What is required is official intervention, both in Africa and in China, to ensure that such perceptions and attitudes are changed through more education, more cultural exchanges, and participation in sporting events to amend the negative attitudes that seemed to have crept in during the COVID-19 pandemic. Lastly, this is not going to be a one-off thing, so we will need a continuous exercise to restore the Africa-China people-to-people relations to where it was before the pandemic, and it could even be taken to higher levels.  
Thank you.

- 5.3 **Panellist 2, People-to-People Relations: Dr Xu Wei**  
*Associate Professor and Vice-Dean of the Institute of African Studies, ZJNU*





- 5.3.1 **Short Introduction:** *Dr Xu Wei is an Associate Professor and Vice-Dean of the Institute of African Studies, Zhejiang Normal University, with a PhD in anthropology. Her research interests include African racial and ethnic relations, African overseas Chinese, African anthropological theories and methods, and related issues.*
- 5.3.2 **Transcript:** Hello, everyone. It is an honour to have this opportunity to participate in the forum. My presentation is “Suspension, intervention and integration”, which represents research on Community Governance of African Students in China. Take ZJNU as an example. As we all know, China has become a new gathering place for Africans in the world - more and more African students regard China as their first choice for studying abroad. The number of African students is increasing day by day, and it has also shown a growth trend in recent years.
- 5.3.3 At ZJNU, for example, 60 percent of the nearly 3,000 international students come from African countries. During the process of research, we found that there is a lack of attention and research on the group of African students, and there is a lack of research on the governance and services of the communities where the students live. Studying the relationship between African students and community governance has greater practical policy guiding significance, promoting the benign governance of the university and local communities for international students, improving the service quality of Chinese communities for immigrants, and helping immigrants adapt and integrate into Chinese society and culture.
- 5.3.4 The field point is located to east of ZJNU. Since 2015, the African students have begun to live in the community near the university, and the number grew to about 100 in 2017. The service centre for overseas personnel was established in 2018. So far, the number of international students has stabilized at about 220. Through fieldwork and interviews, we found that most African students live in suspended state in the community. From dormitory to rental house, their living space becomes larger and cleaner, meanwhile they are floating outside the social culture of China, and many students live their African time and lifestyle in rental housing.
- 5.3.5 Compared with other immigrant groups, the international students are more stable, with a smaller range of activities and fewer external contacts. In terms of policy, new visas need to be applied for every year; in terms of life and study, there is no necessary connection with ordinary Chinese people. They are “suspended” above the Chinese social situation and not embedded in the local community, becoming a “suspended” group.
- 5.3.6 How can we help students change this status and integrate more actively into Chinese society? As university or community staffs, we have made many attempts and innovations, the most

representative of which is the establishment of the six-party cooperation mechanism. As mentioned before, the overseas personnel management service centre was established in 2018, which is an entity of the “six-party cooperation mechanism”. The six parties, including university, police station, street offices, resident’s committee, landlords and residents and foreign student volunteers, they clarify the responsibilities of each party, and form a solid and multi-party cooperation management network model. During the COVID-19 pandemic, this mechanism played a great role. However, I am not going to expand on the roles due to time constraints.

- University: Education management, daily inspection (main part).
- Police station: Basic information collection, accommodation registration management, volunteer service guidance, fire safety supervision and inspection, handling of illegal and criminal ACTS, publicity, and education (main part).
- Street offices: Construction of management station for overseas personnel in the community, evaluation of rental houses, fire safety supervision and inspection (support).
- Resident’s committee: Security precautions, rental housing registration and filing, daily management of overseas personnel.
- Landlords: Dealing with tenants (coordinate).
- Student volunteers: Promote Chinese laws and regulations, assist in daily management, and assist in community services (coordinate).

I use a picture to represent the six-party cooperation and the relation between them.

- 5.3.7 The Chinese society under the COVID-19 pandemic, each community has established closer social ties, and for African students, they have opened new contacts with people around them. Policemen and community workers who seldom meet at ordinary times began to measure their body temperature and ask about the trip door-to-door to ensure the health of each international student; landlords, who seldom communicated with each other before, would tell them to go out less by means of WeChat or door-to-door, and at the same time help solve the problem of buying vegetables and shopping. Some landlords would also give their home-grown vegetables to students. Teachers and volunteers would regularly send masks, alcohol and other protective equipment to international students who live off campus. On behalf of the institute I visited all the international students living on and off campus, I also delivered milk and masks to them.
- 5.3.8 In fact, in the face of COVID-19, the common enemy of humanity, whether a Chinese citizen, or an African student in the community, whether you are a policeman, a village head, a landlord, a university leader, a student, ordinary people, they have quickly rebuilt a new and closer social relationship. Instead of distinguishing each other as Chinese and Africans, they are distinguished by those who have not gone out and those who need to be isolated after returning. African students and the community have more close interaction and communication.
- 5.3.9 In the face of the global spread of COVID-19, China has become one of the safest countries in the world. There has not been a case of infection in our University. The epidemic is testing the social governance capabilities, responsibility, and courage of those in power in various countries. Our African students have written many articles in their mother tongue to show the world China’s successful experience in fighting the pandemic. I believe that through this pandemic, the African people will have a better understanding of the Chinese people. The Chinese people would like to pursue cultural diversity and world peace; let us build our global village together. (共筑地球村)  
**(Note: PowerPoint slides with full presentation, details and figures attached as Annexure A.)**

#### 5.4 **Panellist 3, Debt Crisis: Dr Huang Yupei**

*Associate Professor of the College of Economics and Management at ZJNU*



- 5.4.1 **Short Introduction:** *Dr Huang Yupei is an Associate Professor at the China-Africa International Business School, Zhejiang Normal University. His research focuses on Sino-Africa Economic and Trade Relations, African Debt Sustainability, Development Studies, and related issues. He obtained his Doctorate (African Studies) in 2016. He has also published more than 20 academic papers and more than 10 op-eds domestically and internationally. His research took him to several African countries including Kenya (where he was a Visiting Fellow at the Kenyatta University in Nairobi in July 2018), South Africa (where he spent time at the University of Stellenbosch and the University of Cape Town in July 2017), and Tanzania (where he spent time at the Dar es Salaam University in June 2016). He also was a volunteer Chinese teacher at the Confucius Institute of the University of Marien N'gouabi in Brazzaville, Republic of Congo between 2014 and 2015, and he was an exchange student at the University of Botswana in Gaborone in 2012.*
- 5.4.2 **Transcript:** Your Excellency, PM Raila Odinga, Professor Liu Hongwu, good morning/evening, ladies and gentlemen, my name is Huang Yupei from China-African International Business School Zhejiang Normal University. It is a great honour for me to attend the 2020 ABUJA online FORUM. I am grateful for the opportunity to present “Sino-Nigeria Debt Dilemma Amid and Beyond COVID-19”.
- 5.4.3 We should be concerned right now about whether African countries have enough room in their budgets to pay for all the higher costs they are facing due to COVID-19. The good news is that the G-20 – the group of the 20 wealthiest countries in the world, including China – have stepped in to say they will help 77 countries, including 40 in Africa, to postpone the debts they owe to the G20 up to the end of 2020, and possibly longer. That debt is estimated at USD 20 billion in total, but it will still leave a remainder of over USD 56 billion to pay.
- 5.4.4 As for Nigeria, the Debt Management Office (DMO) put the nation’s total public debt stock at N31.009 trillion or USD 85.897 billion, as at June 31, 2020, representing a 8.3 percent rise from N28.628 trillion in March 2020. Nigeria's debt has become the talking point even as the country celebrated its 60<sup>th</sup> anniversary on October 1, 2020. Now the talk is on whether the money borrowed had helped or burdened the country. External Debt in Nigeria increased to 31477.14 USD million in the second quarter of 2020 from 27665.66 USD million in the first quarter of 2020. The DMO said it expected the Public Debt Stock to grow from the expected disbursements by the World Bank, African Development Bank and the Islamic Development Bank arranged to finance the 2020 Budget.

- 5.4.5 Since 2007, SAIS-CARI researchers have collected, gleaned, and analysed open-source data to create a database on Chinese lending to Africa. Data sources include official government documents, contractor websites, fieldwork, interviews, and media sources. Between 2000 and 2018, they estimate that Chinese financiers signed 1,076 loan commitments worth USD 148 billion with African governments and their state-owned enterprises. The figures are not equivalent to African government debt, as we do not track disbursement or repayment. This data is updated regularly, and it was last updated on July 1, 2020.
- 5.4.6 In terms of regions, southern Africa area is the region where China has more loans to African countries. In terms of countries, Angola, Ethiopia, Kenya, Zambia, and Sudan are the countries with more loans from China to African countries. As for Nigeria, it is not China's largest debtor in Africa, with 12 loans of USD 6.2 billion. (*According to their data, this is Chinese loans to Nigeria: Annual Loan Value by Year. Chinese Loans to Nigeria mainly happened in the year of 2013 and 2017.*)
- 5.4.7 Please note that our figures reflect loan commitments, and they should not be regarded as equivalent to African government debt, as a portion of signed loans are not disbursed, and a significant portion have been repaid as scheduled. (*This is Chinese Loans to Nigeria by Lender.*) As you know, there are two Chinese policy banks— Export-Import Bank of China (Exim bank) and China Development Bank (CDB)—are responsible for lending, Chinese Exim bank is a major loan provider.
- 5.4.8 However, from the World Bank (WB) data, Official Bilateral level, China loans to Nigeria are relatively small. Only around USD 112 million in September 2020. Because the CARI DATA do not track disbursement or repayment, so the data from WB seems more reasonable. This is the loan relationship: it is very complex. It includes all mainland Chinese loans to Africa, which may come from a variety of sources, including:
- Chinese Ministry of Commerce (MOFCOM)
  - The two Chinese policy banks— Export-Import Bank of China (Eximbank) and China Development Bank (CDB)
  - Chinese private/commercial banks—Industrial and Commercial Bank of China (ICBC), China Construction Bank (CCB), Bank of China (BoC), China CITIC, Agricultural Bank of China (ABC), China Merchant Bank (CMB), etc.
  - Chinese state-owned enterprises (SOEs) or private businesses providing suppliers credits or investment loan financing
  - People's Bank of China - the central bank of China, who is a relatively new lender in Africa comparing to the Chinese policy banks.
- 5.4.9 China Policy Bank and Chinese Ministry of Commerce MOFCOM loans will always have a framework agreement that identifies the terms. Framework agreements are not signed loans. The loan agreement is separate (see Figure 1 in Annexure B). However, sometimes a framework agreement refers to an umbrella agreement that may eventually finance many projects.
- 5.4.10 What is more well-known is the two preferential loans of the export import bank. Government Concessional Loan and Preferential Buyer's Credit. The past decades had witnessed China's Financial Measures to African countries, from FOCAC 3 in 2006, a series of measures were taken to promoting China-Africa financial cooperation, especially for infrastructure projects and production capacity cooperation programme.

5.4.11 China's Debt Relief for African Countries, FOCAC summit and UN High-Level Conference on Financing for Development, during the period 2000 to 2020, a large number of debts from African countries were cancelled. Here I got these data from public source.

Under the framework of FOCAC, China has taken positive financial measures for African countries, implemented debt relief for relevant African countries, and formed an aid system with Chinese characteristics for Africa, reflecting the "action oriented and pragmatic" in China Africa cooperation.

5.4.12 Chinese Measures for Dealing with Debt Issues:

- Before making the loan: make a full feasibility analysis
  - Determine the sufficient solvency of the borrower.
  - Make a strict distinction between aid and commerce projects.
  - Optimize the debt structure, reduce the financing large-scale engineering and infrastructure projects, and appropriately increase manufacturing-related investment.
  - Actively cooperate with WB, IMF, AfDB, Paris Club and other institutions to co-finance projects in African countries.
- Strengthen debt management and build a debt risk early warning system
  - Strengthen Debt Management. Figure out the size, revenue, project progress and loan refundable of the financing projects to avoid over finance and investment, implementation of investment, construction, and business integration cooperation mode.
  - Improve China's External Debt Sustainability Framework. Keep track of the debt data of major debtor countries and issue relevant DSA reports regularly.
  - Assess risk level of China's financing projects and improve financing efficiency.
- In case of default: properly deal with bad debts, avoid debt crisis
  - Strengthen international cooperation
  - Gradually participate in global debt governance
  - Defer debt payment
  - Relief of interest-free loan debt
  - Debt restructuring
  - Debt equity swap

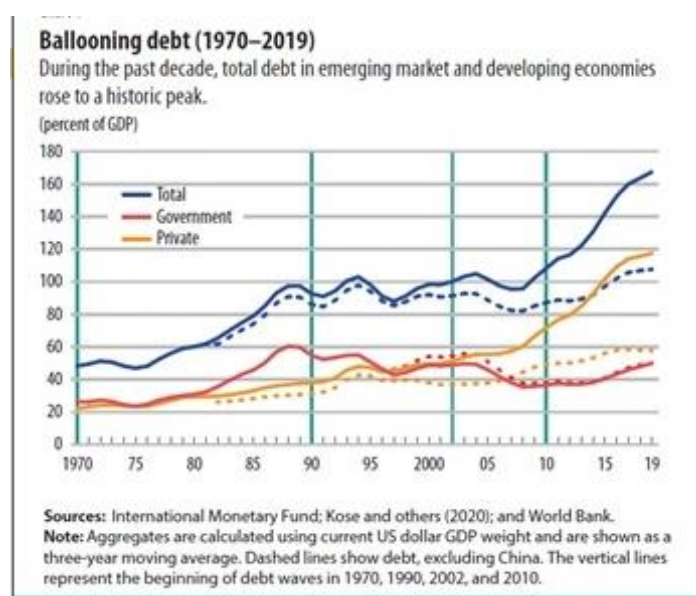
Thank you.

***(Note: PowerPoint slides with full presentation, details and figures attached as Annexure B.)***

5.5 **Panellist 4, Debt Crisis: Dr Suleyman Ndanusa**  
CEO of Global Mandate Consulting Ltd



- 5.5.1 **Short Introduction:** *Suleyman Abdu Ndanusa is the Chief Executive Officer of Global Mandate Consulting Limited, Abuja; a multidisciplinary consulting firm providing services in corporate governance, risk management, economic research, financial services sector and advisory on policy formulation. He is a banker, lawyer, economist, certified national accountant, stockbroker and chartered secretary. He obtained several degrees in Nigeria and is also a graduate of the prestigious Advance Management Program (AMP) of Harvard Business School, USA and the Advanced Leadership Programme (ALP) from Judge Business School, Cambridge University, UK. He is a holder of PhD MGMT (Corporate Governance) from the University of San Juan, and he also holds a PhD in Security and Strategy from Nasarawa State University. He served on the Board of Directors of various corporations and was a Director, Economic Intelligence Office of the National Security Adviser (NSA) 2005-2011. Ndanusa was the President/Chairman of Council of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) 2013-2015. He is a fellow of the Association of National Accountants of Nigeria (ANAN), an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (CIBN), and served as a co-opted member of Council of the institute, a fellow of Chartered Institute of Stockbrokers, a fellow of Institute of Chartered Secretaries and Administrators (UK and Nigeria), and a fellow of the Institute of Directors.*
- 5.5.2 **Transcript:** I would like to thank the organizers for inviting me to share this moment with you and to contribute to this important conversation. The remit of my paper, Sino-Africa Debt Crisis Amid and Beyond COVID-19 in the context of the theme (Sustaining Africa-China Cooperation Post-COVID-19) is both timely and relevant. The COVID -19 pandemic remains a global phenomenon that has fuelled global recession, a crash in commodity prices, and a reversal of capital flows. African countries are exposed to the severe consequences of the pandemic.
- 5.5.3 Prior to the COVID-19 outbreak, African countries were already experiencing debt crises as their total debt rolled from 60 percent of GDP in 2010 to over 170 percent of GDP in 2019. The external debt stock for sub-Saharan Africa stood at USD 583 billion in 2018. This figure represents a 150 percent and 94 percent increment from the values recorded in 2008 and 2010 respectively. As of 2018, 22 percent of the total Chinese public and publicly guaranteed debt was to Africa.



#### 5.5.4 Now, why are Chinese loans so attractive to African countries?

- i. It is said that Chinese loans do not have too many conditionalities, and therefore their loans are considered 'soft'. They do not have conditions such as structural reforms that interfere with political ways, and then of course countries can organize their economies in accordance with the circumstances in each of the countries themselves. They are based on home-grown policies: they do not interfere.
- ii. The second attraction is quick-service delivery of Chinese loans. They do not take time, or years, to make those loans available.
- iii. China has an alternative development model which is quite attractive to Africans. If you imagine what His Excellency Odinga said, the Chinese were able to lift about 850 million of their citizens out of poverty, and therefore it is an attractive prospect for African countries to partner with China in the hope that China can help them to do the same.
- iv. China has a different debt sustainability model from the ones of World Bank and IMF. According to China's debt sustainability framework, they do not see debt or debt distress as an obstacle to giving loans. According to their debt sustainability framework, they believe investing in production while increasing debt ratios in the short run can guarantee economic growth in the long run, which can also lower debt ratios.

#### 5.5.5 Chinese loans however carry commercial terms close to those in private capital markets. The loans are backed by collateral or secured by revenue. Examples include:

- Ghana-Bui Dam: secured by Ghanaian Marketing Board for Cocoa Export and China off-take agreement for Power Purchase Agreement (PPA) with Electricity Company of Ghana. Commodity secured loans account for about 25 percent of the loan commitment.
- Angola secured its loans by oil exports.
- Same model in Republic of Congo, Democratic Republic of Congo, Sudan and Equatorial Guinea.
- Kenya loan is secured by an escrow-account from a 1.5 percent Railway Development Levy imposed on all imports.
- Chad loan is secured with the refinery.

#### 5.5.6 The other issue we have with Chinese loans to Africa is the fear of non-disclosure of the terms of these loans. It is said a lot of Chinese loans are not even known, and about 50 percent of Chinese loans are actually not disclosed. The burden of debt service is also an issue with Chinese loans. If you look at Angola and Djibouti, they have about 50 percent of the total debt service by African countries to Chinese loans in 2020. These are some of the issues with Chinese loans to Africa, without prejudice from African countries that need the loans. Still, there are issues to be resolved.

#### 5.5.7 HOW DO WE RESOLVE THE SINO-AFRICA DEBT CRISIS, AND WHAT IS THE WAY FORWARD?

To solve the debt crisis on a win-win basis, the following points should be taken into account:

- **Need for a payment moratorium on debt owed by Africa:** With per capita income of USD 10,153 in 2019 (which is below the average of USD 45,447 for the top seven major economies), China can still be seen as an emerging economy. Just like every investor, the country is expected to make economic returns on its investment. However, for a mutually beneficial relationship amid synchronous financing needs by African governments, a payment moratorium (not debt cancellation) on debt owed by Africa should not be ignored by Chinese lenders. In view of the

above, the paper noted that the planned suspension of both principal repayments and interest payments as confirmed by the Chinese Foreign Ministry is a welcome development. The planned suspension is in line with the G-20 Debt Service Suspension Initiative for Poorest Countries. This would ease the debt burden and free resources to fund urgent crisis response policies.

- **Need for more responsible lending:** Even with debt relief, many African countries will remain deeply indebted to China for decades. For instance, Zambia is yet to pay off the Mao-era Tazara railway built in the 1970s. Given that debt crises pose risks to borrowers and lenders alike, future lending should follow the G-20's Operational Guidelines for Sustainable Financing (2017). This would require stipulating credit limits for borrowing countries. Currently, the Operational Guidelines are only binding on traditional creditors (excluding China).

#### 5.5.8 TIMELINESS OF DEBT RELIEF FRAMEWORK

Chinese Foreign Minister Wang Yi confirmed the preferred approach through which China will pursue debt relief for African countries. According to the Minister this will happen bilaterally after country-specific sustainability analysis. It is pertinent to restate that virtually all African countries are commodity dependent. They may find it difficult to service their debt currently due to the distortions in the global commodity markets. This suggests that a case-by-case approach may not lead to the desired results. As recommended by the IMF/World Bank, the first step is to develop a quick and simple debt standstill framework. Doing this would avail Africa some funds to finance urgent crisis response policies (without worsening their debt burden) pending country-specific debt sustainability analysis.

#### 5.5.9 STRENGTHENING DEBT REPORTING AND TRANSPARENCY

Timely, comprehensive, and accurate debt data is a precondition for minimizing risk associated with debt crises. When debt data are not properly reported, the debtor countries may have an incomplete picture of how much they have borrowed and under which conditions. Despite this, it has been argued that Chinese financiers do not provide data on the loans they offer to overseas borrowers. This underscores the recent questioning of Chinese loans by African activists and policymakers. For instance, lawmakers in Nigeria reviewed Chinese loans and noted that they were unfavourable. In Kenya, activists are asking their government to disclose the terms of Chinese credit used to build a 470-kilometer (292-mile) railway. The Tanzanian President also questioned the agreement his predecessor signed with China to build a USD 10 billion port and economic zone. This could negatively alter the growing Sino-Africa cooperation since China has become a major economic player on the continent.

#### 5.5.10 STRATEGIC ALIGNMENT OF THE SINO-AFRICA DEVELOPMENT AGENDA

Beyond financial aid and debt relief, there is another scope for fostering Sino-Africa cooperation amid and beyond the COVID-19 pandemic. Efforts should be geared towards aligning the Chinese development agenda with that of Africa. This is necessary given that, by helping the sustainable development of Africa, China would realize better development domestically. Thus, alignment of the Sino-Africa strategies should be encouraged as Africa stands to benefit from the advantage of Chinese technology, equipment, and finance.

- 5.5.11 So, we are expecting a win-win relationship between Africa and China and it should be measurable so that both sides feel that they are benefitting from the relationship. My conclusion is very simple: I would like to conclude with a quote by President Xi Jinping during his speech titled 'Work together



for Common Development and a Shared Future' at the 2018 summit of the Forum on China-Africa Cooperation (FOCAC).

*"China will implement eight major initiatives with African Countries in the next three years (2019 – 2021) and beyond, covering Industrial Promotion, Infrastructure Connectivity, Trade Facilitation and Green Development."*

Distinguished ladies and gentlemen, I leave you to imagine my excitement at the prospect of a continuing mutually beneficial Sino-Africa cooperation.

Thank you.

**(Note: PowerPoint slides with full presentation, details and figures attached as Annexure C.)**

## 5.6 **Panellist 5, Trade Relations: Alhaji Mohammed Hayatu-Deen**

*Founder, Alpine Investment Services Ltd*



5.6.1 **Short Introduction:** *Prior to his establishing Alpine Investment Services, Mr Hayatu-Deen was the Pioneer Managing Director/Chief Executive Officer, FSB International Bank Plc (1990-2001), a distressed government savings institution that Mr Hayatu-Deen was able to transform into a major commercial bank in Nigeria. It arguably represents the best case of turn around management and privatization in Nigeria. He was Chairman/CEO FSB International Bank Plc (2001-2004); and Group Managing Director/Chief Executive Officer, New Nigeria Development Company (1983-1988). The New Nigeria Development Company was the single largest diversified holding company in Nigeria. As Group Chief Executive, Mr Hayatu-Deen provided leadership, direction, and oversight to 140 subsidiary and associate companies under the group portfolio. Mr Hayatu-Deen has served as Chairman/ Director of several organisations, and he has been involved in numerous extra-curricular and national assignments. He founded the Alpine Group in 2005 – a project development company focused on intervening in high growth sectors of the economy through direct investments. Alpine's flagship project, the Ado Bayero Mall in Kano, which has just been commissioned, is currently the largest shopping mall in operation in West Africa. In recognition of his services to the nation, Pres Obasanjo bestowed the national honor of Officer of the Order of the Niger (OON) on him in 2000.*

5.6.2 **Transcript:** I would like to thank the organizers for inviting me to this very important summit. I think this is a very propitious moment to discuss this particular subject given the enormous amount of devastation arising from the COVID-19 pandemic. There is clearly a need for sober reflection on both sides.

5.6.3 Historically, Sino-African trade had been built along three dominant themes:

1. Government-to-Government collaboration
2. Economic cooperation (infrastructure development)

### 3. Trade in goods/services

5.6.4 Under the government-to government relationship, the major Chinese institution which has served as a locomotive for driving this relationship is the Exim Bank of China (Eximbank) which has a significant footprint overseas, in Africa as well, and it is fully backed by the Government of China.

5.6.5 Under the area of infrastructure development, the Chinese government links its trade activities with Africa by supporting major projects. China is particularly active in the infrastructure space, over a broad spectrum of initiative, even military arms and equipment. Areas of economic cooperation where China is most active in Africa include:

- Infrastructure (railways, roads, seaports, aviation, power, military arms and equipment and telecommunications)
- Social projects (hospitals, government offices, stadiums, schools)

In addition, China supports trade activities with Africa in the form of credits:

- Preferential export credits
- Market-rate export buyers' credits, etc.

5.6.6 The third major area is in relation to trade in goods and services. Just think for a moment that in the year 2000 trade between China and Africa was only USD 10 billion dollars. In a short period of 14 years this had ballooned to USD 220 billion. China has executed bilateral trade agreements with over 40 countries in Africa. By 2009 China had beaten the US to become Africa's largest trading partner. However, it is important to note that this trade relationship is characterized by a high concentration of resource exports from Africa and non-resource imports from China. In 2018 alone, natural resources accounted for more than 70 percent of Africa's exports to China.

#### 5.6.7 COVID-19 AND ITS STRUCTURAL DIMENSIONS

COVID-19 has created unprecedented challenges to the global economy. No nation has been spared the devastating social and economic consequences. Beyond the severe health crisis, the pandemic has had colossal impact on:

- Finance sector: Financial Institutions under stress due to liquidity squeeze and pressure across industries (especially in highly leveraged/indebted organizations). Therefore, credit flow to real sector including SMEs has reduced dramatically.
- Manufacturing and service sector: On the supply side, there has been a sharp decline in access to imported goods and inputs, shorter business hours, business closures, and worker absenteeism due to illness or quarantines.
- Hospitality and tourism: Due to pervasive lockdowns and restricted travels, the global hospitality and tourism industry has taken an unprecedented hit and is dead in the waters.
- Primary commodities: Oil prices collapsed from USD 61.05 in Dec 2019 to USD 23.20 in March 2020 effectively tanking the economies of oil producing countries Infrastructure.
- Many large infrastructure projects in Africa have been stranded due to travel restrictions, supply chain and funding constraints.
- Other fiscal challenges: Many African countries' tax revenues have been eroded as domestic industries cut down production due to
  - Fall in aggregate demand
  - Lack of access to imported inputs
  - Shorter business hours, among others.

5.6.8 **HOWEVER, WE CAN SEE SOME SILVER LINING:** African countries have only recorded a small fraction of the COVID-19 infections and deaths seen in Europe, the Americas, and Asia.

The bottom line is that COVID-19 has taken a huge toll on Africa:

- Increased extreme poverty
- Declining fiscal revenues
- Soaring prices of goods and services
- Currency depreciation
- Debt crisis etc.

#### 5.6.9 UNDERLYING STRENGTHS AND WEAKNESSES OF SINO-AFRICA TRADE

As partners we must speak the truth to each other, not with the view to criticizing, but with the view of making this relationship enduring and durable for the long term. No doubt, China and Africa have established a robust mutually productive and beneficial long-term relationship. Like any partnership, it has its high and low points. The underlying strengths and weaknesses are the following:

##### 5.6.9.1 **Strengths**

- **Development Support:** Like H.E. Raila Odinga and Dr Ndanusa have said, China has provided large scale funding, technology, and expertise to roll out vast infrastructure projects so badly needed by Africa.
- **Supply of Essential Goods:** China has also supplied Africa with durable goods and consumer products on a vast scale.
- **Abundant Resources:** Africa has contributed substantially to China's large appetite for natural resources especially minerals and hydrocarbon to turbocharge various industries. China for e.g. relies on Africa for 33 percent of its total oil imports.
- **Population:** By 2050, Africa's 1.1 billion population is slated to double - with 50 percent of this growth happening in cities.
- **Burgeoning Economy:** Make no mistake, Africa is well on its way to becoming a USD 5 trillion economy by 2025 and is therefore important to the world, and important to China.

##### 5.6.9.2 **Weaknesses**

- **Two Distinct Export Goods:** This is where the misalignment comes. China exports to Africa high value-added goods while Africa exports to China natural resources with little value addition.
- **Debt-Trap:** There is a growing concern that Africa is being tied up in a debt-trap diplomacy. Some Examples are pertinent:
  - USD 4 billion Addis-Ababa-Djibouti railway ended up costing Ethiopia nearly 25 percent of its 2016 budget.
  - Kenya's Chinese financed railway from Mombasa to Nairobi has gone 4 times over budget, costing the country over 6 percent of its GDP.
  - China holds 72 percent of Kenya's bilateral debt, and 77 percent of Djibouti's bilateral debt. These are mind-boggling figures.
- **Trade Imbalance:** African countries with few natural resources frequently experience large trade deficits with China (e.g. Benin, Egypt, Ethiopia, Ghana, Liberia, and Morocco). Though, some resource exporters in Africa (e.g. Equatorial Guinea, Republic of Congo, Angola, Libya, and Gabon) enjoyed surpluses in the past. However, the crash in commodity prices arising from COVID-19 has further compounded the trade imbalance for the entire African continent.
- **Dumping:** Chinese imports were highlighted as a material threat to a number of South African industries, according to reports by Who Owns Whom. Unfortunately, the Record of

Understanding signed with China in 2006 makes it difficult for South African to impose anti-dumping tariffs on Chinese imports.

#### 5.6.10 THE PATH TO A STRONGER SUSTAINABLE PARTNERSHIP

- Support Africa's health systems: The COVID-19 pandemic is a wake-up call requiring significant investment in the African health space in partnership with China. While Africa has made tangible progress in reducing communicable diseases (malaria, measles, and HIV/AIDS) which have long constituted the most prominent contributors to disease burden in the region, problems prevail. The increasing lack of capacity to manage trauma victims from accidents, maternal care and chronic diseases continue to drive mortality especially among children and the aged population. This calls for support regarding investment in e-health technologies, Research & Development, and technical assistance to create robust health systems in the region. This is a win-win for both Africa and China.
- Develop local/regional markets: There is a powerful lesson to be learned from the pandemic. The trade-related impacts of the pandemic present African countries a unique opportunity to domesticate production rather than over-dependence on imported goods. Therefore, full implementation of the African Continental Free Trade Area (AfCFTA) would be a great motivator. It is important to note that a regional supply chain cannot be built on poor or non-existing infrastructure/logistics. China has a large role to play in closing this gap.
- Reduce bureaucracy in accessing Chinese markets: Observations have shown that African firms often struggle with laws and regulations in China. In a recent global business survey, 31 percent of firms cited bureaucracy as their number one concern in doing business with China. Consequently, many Chinese sponsored projects suffer long delays in implementation with concomitant high cost overruns. Therefore, strenuous efforts should be made to streamline the afore-mentioned red tape to facilitate seamless transactions in a timely manner.
- Diversify exports while increasing value addition to export products (this is on the part of Africa): We need to expand our range of exports, but in so doing, rather than relying on primary commodities, we need to add value to the production process.
- Reduce trade deficit between China and Africa: It is obvious that the trade relationship between China and its African partners is largely lopsided - the dice is loaded against Africa. The trade deficit is staggering as African traders do not have the same economic power and access to the market compared to tens of thousands of Chinese migrants that are doing business on the continent. We need a more balanced, more fair, more just relationship.
- Keep Sino-Africa supply chains for essential goods: We need to move very quickly to de-bottleneck the supply chains. In case there are more pandemics coming, we need to be very pro-active to counter problems. It is in the interest of both partners. Therefore, there is need for coordinated action amongst Sino-Africa governments and the private sector to find solutions to the logistical constraints affecting the ability to get essential goods.
- Adherence to Best Practice: Clearly, Chinese companies need to improve the quality of their EPC contracts and manufactured goods to world-class standards. They should also remember that European and other countries on other continents are waking up to the fact that China is increasingly a dominant player in Africa, and China should be aware it will face competition. What we want is a relationship with China that will endure for a 100, 200, 500 years and China should defend themselves by overcoming some of the weaknesses that have been pointed out.
- More international trade agreements needed: Finally, Africa needs more trade agreements to support its growing but still fragile export sectors.

Thank you for listening.  
**(Note: PowerPoint slides with full presentation, details and figures attached as Annexure D.)**

## 5.7 **Panellist 6, Trade Relations: Dr Michael Ehizuelen**

*Executive Director of the Centre for Nigerian Studies at the Institute of African Studies, ZJNU*



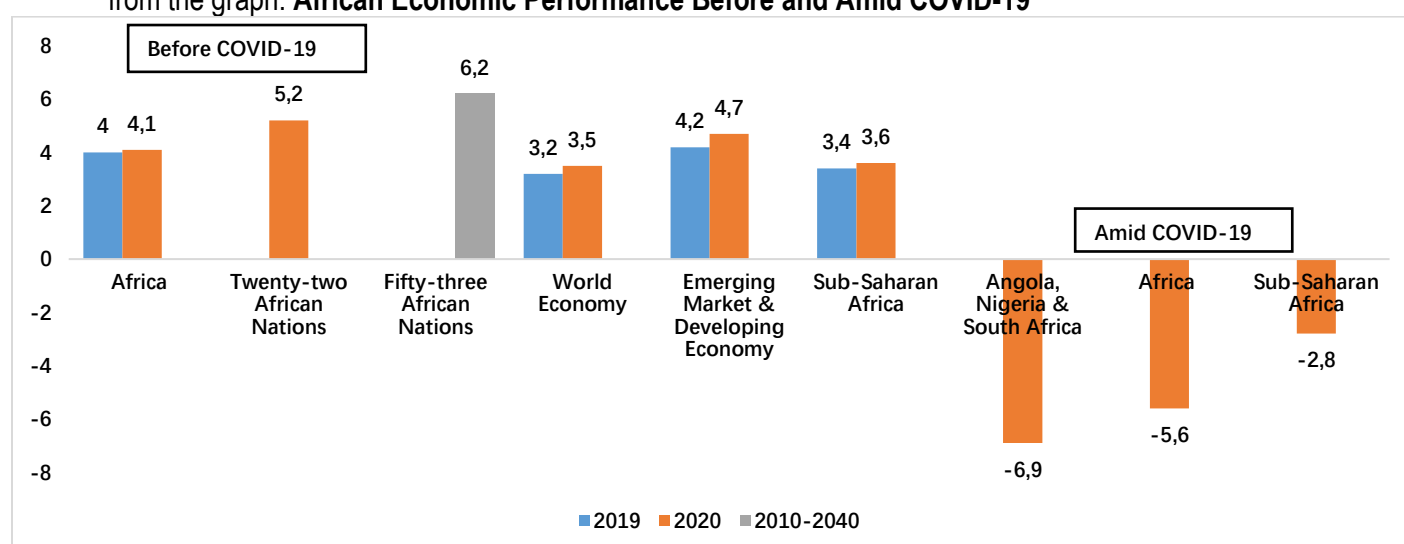
5.7.1 **Short Introduction:** *Ehizuelen Michael Mitchell Omoruyi obtained both his Master of Chinese Political Economy and PhD in World Economics at Xiamen University, China, and obtained his Bachelor of Science in Economics and Statistics at the University of Benin, Nigeria. He is a researcher/lecturer and the Executive Director of the Centre for Nigerian Studies under the Institute of African Studies, Zhejiang Normal University, China. Michael established the first “Student Publication System” in his university, a system whereby students can act as the voice to the voiceless through their publications. His current research focuses on foreign aid, Chinese trade, manufacturing, skills transfer, FDI and China’s Belt and Road Initiative. He has published over 40 academic papers and over 50 op-eds in the above field. He is responsible for expanding his university’s academic collaboration programme in Nigeria. He is currently working on 5 books on China-Africa economic engagement and a book on the Great Benin Kingdom. His book was recently selected to be published by the Chinese government under the Chinese Culture Translation and Studies Support. He has given presentations at top conferences in China, Africa, and Europe. He has peer-reviewed some manuscripts for some international journals that are published under SAGE, such as the Asian Journal of Comparative Politics and those that are published under Taylor and Francis, such as the Journal of Chinese Economic and Business. He intends to act as a “bridge” between Africa and China.*

5.7.2 **Transcript:** Good morning from Nigeria and evening to my Chinese friends. Thank you, Moderator, for the introduction. My topic is “Investing in Skills for Trade: Issues, Challenges and Prospects”.

### 5.7.3 ISSUES

I would like to start my presentation by quoting Philip Emeagwali when he said: “imagine that today is May 25, 2063, the 100th anniversary of Africa Day and the last day of Agenda 2063, a time for reflecting on the continent’s successes and failures. The newspaper headline announces, “Last Remaining Oilfield in West Africa’s American Territory Dries Up.” This might sound impossible. However, a Vanguard newspaper article published on November 30th, 2011 was headlined “Nigeria’s crude oil to dry up in 37 years, except...”

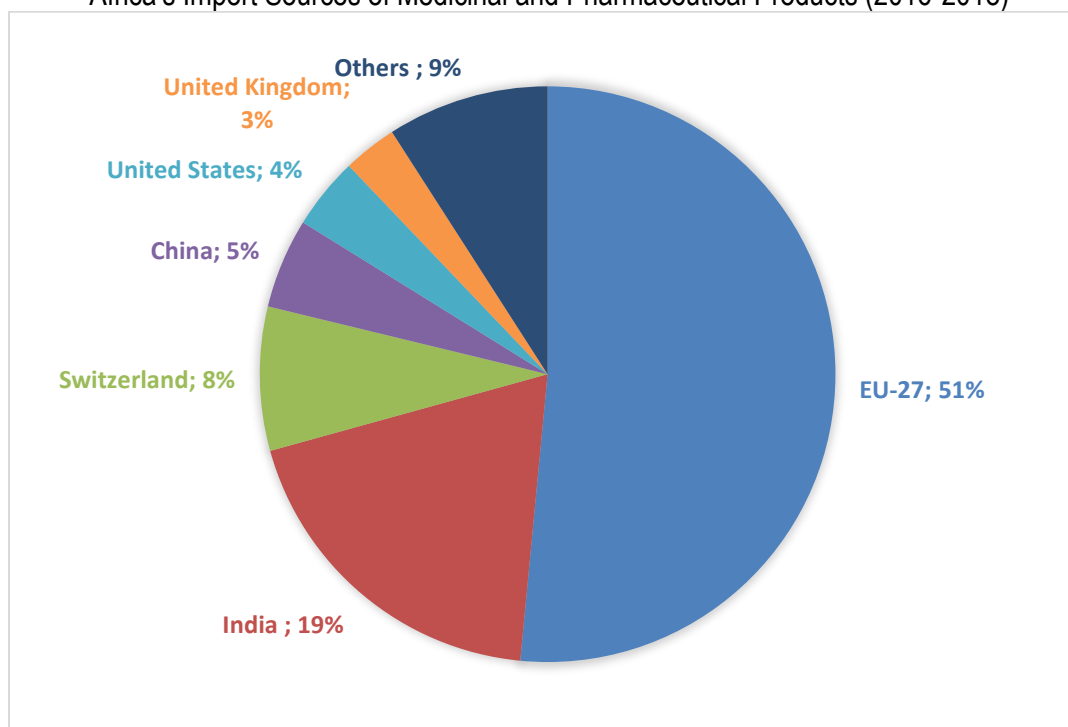
- 5.7.4 I would like to say that oil or other natural resources are not Africa's only hope. Just as studying in the UK, the United States or Europe was not my only hope. Thanks to my university, Xiamen University in China.
- 5.7.5 In Africa, raw materials make up over three-quarters of the continent's exports. Numerous African nations are resource-reliant — they depend on revenues generated from the export of oil. Five out of the top 30 oil-producing nations globally are in Africa: Nigeria, Angola, Algeria, Libya, and Egypt. Other vital oil-producing nations include Sudan, Republic of Congo, Equatorial Guinea, and Ghana. In 2019, Africa accounted for over 7.9 million barrels of exports per day, which is 9.6 percent of the world's output. This means that a drop in global demand for this African commodity affects the entire continent of Africa.
- 5.7.6 This is exactly what happened during the COVID-19 pandemic, leading to huge lockdowns from over 42 African nations. As a result, in the first quarter of 2020, oil prices fell by 50 percent. For many fuel-oriented African economies, this had considerable fiscal and exchange-rate implications. Following COVID-19, the UNECA estimates that one-month complete lockdowns across Africa would cost Africa's top ten petroleum exporting nations a minimum loss of USD 65 billion in fuel revenues and would cost the continent about 2.5 percent of its annual GDP.
- 5.7.7 That is why from the graph below we will see that before COVID-19 hit, Africa was on track to continue its economic expansion, with growth projected to rise to 4.1 percent in 2020, following growth of 4.0 percent in 2019. That growth was driven by the steady rebound of commodity prices. However, COVID-19 has put a stop to the continent's promising economic outlook, partly because of the fall in global demand for African commodities. As such, amid COVID-19, resource-rich nations like Angola, Nigeria and South Africa were significantly exposed to risk in terms of industrial commodity exports, such as oil, iron ore, and copper, to China and other nations, leading to the fall in trade volume by 8 percent for exports and around 16 percent for imports for 2020. The price of crude oil, which accounted for 7.4 percent of the continent's GDP from 2016-2018, is 58 percent lower today. This has negatively impacted the forecast for Africa's economic growth as we can see from the graph: **African Economic Performance Before and Amid COVID-19**



Sources: Compiled by the author from PIDA, 2010; AfDB, 2019, 2020; IMF, 2019; World Bank, 2020

- 5.7.8 Without a doubt, this will inevitably affect Africa's participation in trade and value chains. This is because 51 percent of Africa's exports go to nations highly impacted by COVID-19, while 53 percent of its imports originate from such highly impacted nations. Quarantines and movement restrictions further frustrate supply chains within these economies. As a result, the continent of Africa is confronted with a "twin supply-demand shock". This is the problem connected with an over-reliance on exports of primary commodities.
- 5.7.9 As for China, Africa's trade with China fell by 14 percent to USD 41.23 billion in the first three months of 2020. From January to March, China's imports fell at 17.5 percent while exports drop by 10.5 percent. I would like to say that before COVID-19, starting in 2000, the volume of trade between China and Africa had increased 17-fold. According to the China Africa Research Initiative at John Hopkins School of Advanced International Studies, in 2018, the value of China-Africa trade was USD 185 billion, up from USD 155 billion in 2017, and it surpassed USD 200 billion in 2019.
- 5.7.10 However, in August 2018, China's trade surplus narrowed sharply to USD 27.91 billion. Imports jumped by 20 percent to a record high, while exports rose at a softer 9.8 percent. What this means is that Africa imports primarily more consumer products than it exports to China by some USD 27.91 billion. My question is: Why do we have this trade deficit with China? The answer is simple. Few African nations export raw unprocessed materials to China and in return, China add value and sell manufactured products to the majority of African nations. That is, Africa's exports to China are dominated by commodities. In contrast, the continent's imports from China are diverse. About one-third comprises of capital goods including machinery and electronics, textiles, clothes, footwear, and others. As a result, 39 African nations have a trade deficit with China. For land-locked Uganda – the ratio of imports to exports to China was 22:1. Even Africa's top oil producer Nigeria, for every USD 1 dollars of exports to China, it imported USD 11 dollars. This obviously limits the ability of African nations to extract the full value of their abundant natural resources and to create employment for its people. This places China at an advantageous position in bilateral exchanges.
- 5.7.11 On the health side, trade is also a channel that affects Africa's immediate health response to COVID-19. The reason is that all African nations are net importers of medicinal and pharmaceutical products. Although Africa has 25 percent of the world's plant species, the continent manufactures 'less than 2 percent of the medicines it consumes' while importing 94 percent of its medicinal pharmaceuticals in total from outside the continent of Africa at an annual cost of USD 14.5 billion, with 51 percent coming from Europe (see the graph below), according to United Nations Economic Commission for Africa (UNECA).

Africa's Import Sources of Medicinal and Pharmaceutical Products (2016-2018)



Source: United Nations Economic Commission for Africa, April, 2020

#### 5.7.12 CHALLENGES

Since Africa depends on commodities, the current challenge is therefore twofold:

1. To raise the current growth path that has fallen as a result of COVID-19.
2. To invest in skills that will help increase value addition and balance Africa's trade with China and the rest of the world.

It is worth mentioning that when the African Continental Free Trade Area (AfCFTA) was created there were four top constraints to its success: (i) access to funds (trade finance); (ii) political instability; (iii) access to infrastructure; (iv) skills acquisition.

5.7.13 In today's rapidly changing and highly integrated world, skills for trade and economic diversification are becoming increasingly critical for performance and competitiveness and industrialization prospects. Also, investing in skills will help boost intra-regional trade. Notably, Africa's trade deficit is not of Africa's making: colonialism created this situation. Since the 15<sup>th</sup> century Africa's trade has been directed primarily outside the continent. This is what African nations are used to. As such, the main trading route during the colonial era was between African nations, European countries and the Americas - even in today's Africa. This scenario has to do with the way Africa was inserted into the global economic structure that is largely defined by foreign-led resources extraction. As a result, Africa only represents 2.4 percent of total global exports. Africa intra-trade is also not good. Intra-African trade, defined as the average of intra-African exports and imports, was around 2 percent during the period 2015–2017, and the intra-African exports were 17.7 percent of total exports in 2018, much lower compared with 68.7 percent in Europe, 59.4 percent in Asia, 55.2 percent in America. It is worth mentioning that the 17 percent of African nation exports cannot bridge the gap. This reflects



the risk of export concentration and the reason to expect that investing in skills for economic diversification will be a key driver of trade and growth in Africa.

- 5.7.14 Let me explain with this Philip Emeagwali illustration. A USD 100 bar of raw iron is worth USD 200 when forged into drinking cups in Africa, USD 65,000 when forged into needles in Asia, USD 5 million when forged into watch springs in Europe. How can this be? European intellectual capital – the collective knowledge of its people – allows a USD 100 raw iron bar to command a 50,000-fold surge! It could be argued, therefore, that a dearth of investment in skills is the root cause of the continent's trade deficit. Without Africa investing in skills, iron and other raw materials excavated in the continent of Africa will continue to be manufactured in Europe and other parts of the world and exported back to Africa at an enormous cost.
- 5.7.15 UNESCO recommended that the education sector should not be allocated anything lower than 26 percent of a nation's national budget. In the case of Nigeria, the government allocated only 7.04 percent of the 8.6 trillion 2018 budget to education. In 2019, it allocated 7.05 percent, a marginal raise over the budgeted percentage for the education sector in 2018. In 2020, it allocated 6.7 percent to the education sector. In the Central Africa Republic, former President Bozizé replaced all skilled civil servants with inexperienced members of his Gbaya tribe in the ministry of mines, energy and water resources. In such a context, it is argued that investment in skills development is low and persists because the incentive to build local skills development is lower than elitists' interests. As such, many of the problems relating to skills acquisition and good education in SSA are leadership-related as they are partly or wholly a result of wrong decision-making and poor leadership.
- 5.7.16 According to a Basic Education Coalition (2004) study, each year of skills acquisition increases individual output by 4-7 percent, and nations that improve literacy rates by 20-30 percent have seen a surge in GDP of 8-16 percent. According to the United Nations Economic Commission for Africa, if the African Continental Free Trade Area is fully adopted with the right policy to invest in skills that will drive value addition, intra-African trade could increase by 52 percent by 2022 when compared to 13.8 percent in 2010. With that said, I will argue that Africa's trade deficit is not as a result of China, rather, it is as a result of the significant gap between demand and supply of skills required for added value created by processing and manufacturing locally. Skills development policies are key to helping firms participate in trade.
- 5.7.17 China has repeatedly said it never deliberately pursues trade surpluses with any of its partners. That was why at the 2018 Forum on China and Africa Cooperation (FOCAC), President Xi Jinping proposed four new ideas to balance Sino-Africa trade. They are: (i) To do more to promote African products in China; (ii) the Chinese government offered 50 trade facilitation programmes for Africa – that is close to one per country –and thereby increase cooperation on market regulation and customs procedures; (iii) the Chinese government offered to create a new USD 5 billion fund for financing imports from Africa. For this to be win-win...African leaders will expect home-grown African businesses to be recipients of the new USD 5 billion fund, not just Chinese-owned firms exporting to China; (iv) Chinese government committed to continue to hold free trade negotiations with interested parties –which could expand the duty-free access that it already gives to 97 percent of products from the Least Developed Countries (LDCs) in Africa to other middle-income African nations too.
- 5.7.18 However, for the four measures to have a real impact, there needs to be a major shift in Africa's manufacturing patterns. The more manufacturing there is in Africa, the more exports will start to turn

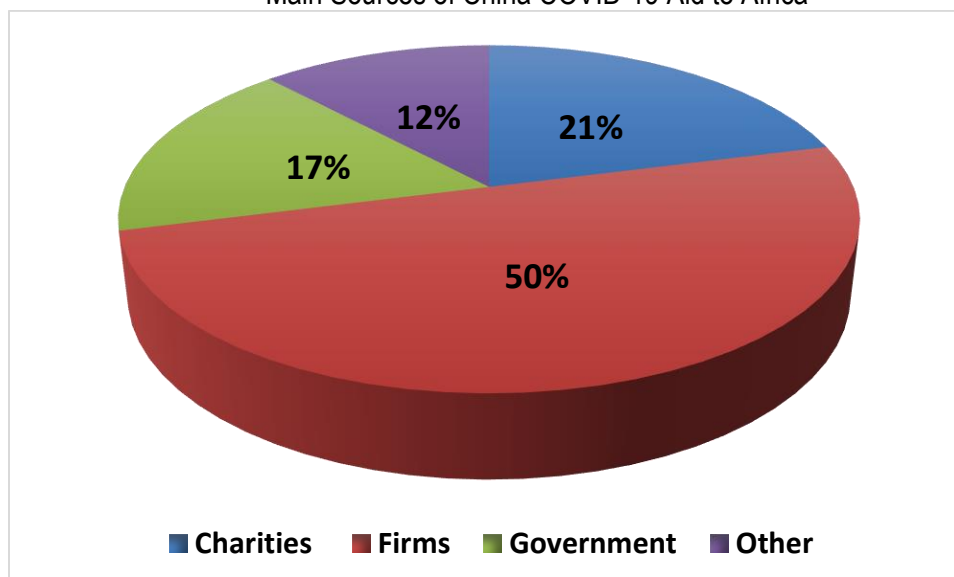
around. East Asian nations such as Singapore, Malaysia and South Korea among others used to face similar trade deficit problems. They reversed this by investing more in human capital and making goods they could use domestically and sell to the world as well.

#### 5.7.19 PROSPECTS

Looking forward, it is worth mentioning that COVID-19 has presented an opportunity for robust Sino-Africa cooperation to fight the disease and restore livelihoods. As China's economy bounced back, so too would commodity prices and China-Africa trade. As such, for Africa and China to reverse the trade deficit scenario, I proposed the following recommendations:

1. Implement export promotion policies and programmes to retain competitiveness of manufactured exports, which provides the basis for regional industrialization.
2. Africa should negotiate local value addition to raw materials as a continent and not as individual nations before exporting.
3. China can cooperate with Africa to engage in the international industry division by supporting Africa with applicable technologies, experience and financing services, enabling African nations to participate in the international production value chain by adding value rather than selling resources, this will create a substantial advancement of Africa's position in the value chain.
4. As for the fourth recommendation, the pie chart shows that as China, Africa's largest trading partner, gradually reopening its economies, Africa's trade will gradually pick up and Chinese appetite to invest in the continent of Africa may actually surge post-COVID-19. This is because, from the pie chart, Chinese aid has been outstripped by private donations. As such, the level of private involvement linked to the coronavirus pandemic relief in recent months reveals that something is changing, and that the private involvement in the Chinese response to Africa's COVID-19 pandemic may be a signal of what we need to expect in post-COVID-19 Sino-Africa cooperation. This signal implies that there will be a bigger drive from the Chinese government, not to loans, but to investment, because with the current restrictions in the United States and Europe, Chinese firms prove to have a strong motivation to invest in Africa.

Main Sources of China COVID-19 Aid to Africa



Sources: RWR Advisory Group (2020) Cited from DW (2020)

5. To enable a fair post-COVID-19 trade, Chinese firms should ensure that skills transfer patterns should place emphasis on critical thinking, problem-solving, discovery, and experiential training instead of rote learning.
6. Chinese firms can partner with educational institutions in terms of preparing a curriculum that focuses on the specific problems facing Africa such as poverty, economic diversification, unemployment, inequality, low entrepreneurship, low scientific and technological know-how, and skills shortage.
7. Building and sustaining competencies for future labour market needs. Africa must look at the world of tomorrow with the eyes of today which requires a long-term perspective, anticipating the skills that will be needed in the future.
8. Aspiration 6 of Agenda 2063, SDG 4, Forum on China and Africa Cooperation (FOCAC), the 8 initiatives proposed at the 2018 FOCAC, Chinese Belt and Road initiative all recognize that the future of Africa, in part, rests in investing in the human capital of its young citizens. So, to attain youth development targets, there is a need to build synergies among Agenda 2063, SDG 4, FOCAC, and Chinese Belt and Road initiative, that include skills transfer, in line with the growth requirements of African nations that would propel: (1) innovation; (2) investment; (3) technological change; (4) economic diversification and competitiveness.

5.7.20 In conclusion, human capital is like a crown jewel and it has increasingly become a leveraging mechanism, providing an important competitive edge that can empower a backward economy and draw that economy closer to prosperity and development. It is worth mentioning that COVID-19 did not just change the world, it also creates an opportunity, a sense of urgency, and calls for rethinking of priorities, in particular, increasing investment in human capital that will help Africa to “restart the clock” and rework the nature of Sino-Africa trade relations by adding value to their exports and using Chinese expertise to open more factories for finished products that are sustainable in creating wealth. That is the only way Africa will become more resilient to trade shocks in the future. No wonder President Uhuru Kenyatta said: “Everyone wins when African youth have the skills, technology to add value to the continent’s wealth and resources as it is the key to fair and unimpeded trade that benefits all.”

**(Note: PowerPoint slides with full presentation, details and figures attached as Annexure E.)**

## 5.8 **Expert 1: Mr Kabiru A. Yusuf**

*Founder of Media Trust Limited, publisher of Daily Trust in Nigeria*



5.8.1 **Short Introduction:** Mr Kabiru Abdullahi Yusuf is the founder of Media Trust Limited, the company that publishes Daily Trust, the largest circulating newspaper in Northern Nigeria. He is a former university lecturer who became a media mogul in Nigeria after following his passion for news reporting. His popular publications play a crucial role in shaping opinions of readers in Northern Nigeria and Hausa-speaking audiences in the country and in West Africa.

- 5.8.2 **Transcript:** From the Nigerian side of the people-to-people relations I would like to say that I spend quite some time in Kano where there is a sizable Chinese trading community, especially textile traders, but also increasingly in other areas. It is remarkable that despite COVID, this community has not been impacted on, or discriminated against, by the local community in Kano. I actually know quite a bit about this, because I have a partner that is Chinese, who is actually involved in agriculture on land that I own. So, I interact with the community and I find it remarkable that they have adapted and are living well despite of COVID and the lockdown. There are no incidents that I am aware of where people picked on them despite the well-known fact that COVID started in China. It shows the tolerance of the African community which has gone through a lot of not-so-good experiences living with foreigners, especially under colonial rule. That has remained a factor in analyses by academics, and media people when it comes to relationships between Africans and foreigners.
- 5.8.3 When the Guangzhou incidents happened where Africans were discriminated against, and it was reported all over the place, people felt especially aggrieved, because here is a situation where the Chinese living amongst us were actually treated with sympathy. Disease is disease, and we do not politicize it as we have seen it done in some other places. We took the view that this is a disease that started in China and now it has gone all over the world: we should deal with it. So, these incidences where young Africans, no matter the circumstances, were picked on and told that they are the ones who are likely to spread COVID grated a lot on many people.
- 5.8.4 The other thing that I must mention is the reports that come in about the treatment of Muslim Uyghurs. I feel I have the responsibility to raise this, because I live in a largely Muslim community and I know these reports tend to portray China in a very bad light. So, while we are talking about people-to-people relations this is an area that we should look into - we shouldn't gloss over this kind of thing.
- 5.8.5 I know a bit about China, and I know this is an area that the Chinese feel they have to deal with in a special way. I know about the spread of Muslim radicalism all over the world, including my country where we have the same problem, but I think that the systematic manner in which it is reported how this Muslim community is being treated has an impact on Africans, especially African Muslims in Nigeria.
- 5.8.6 These are areas that I thought should be mentioned, as a lot has already been said about debt, official relationships, etc. I agree with Hon. Raila Odinga that the Chinese-Africa relationship is a longstanding one that should not be judged by COVID, which is a temporary thing. The relationship goes back a long time and there have been Chinese living among us for many centuries (as he said) in Mauritius, South Africa, and other places. So, these incidents during COVID raised certain sensitivities, and I think the recent thing that have been happening internationally about the rights of the Uyghurs should also be looked into. On our side, I would say from my own direct experience, I see how the Chinese community is flourishing where I live. There does not seem to be any problem: we treat them with respect, and I think it should be the same on the other side.  
Thank you.

5.9 **Expert 2: Mr Shen Shiwei**

*International News Editor and Columnist Commentator, CGTN English, China Media Group*



- 5.9.1 **Short Introduction:** *Mr Shen Shiwei was educated in the China Foreign Affairs University and served as Government Relations and Business Consultant in Africa and the Middle East for Chinese enterprises for years, before joining CGTN. Shen focuses on Chinese enterprises along the Belt and Road Initiative, overseas investment, Chinese overseas political and economic stakes, African studies, and public opinions researchers. As an internet influencer, Shen's opinions and articles are often quoted by mainstream media including CNN, South China Morning Post (SCMP), Russia Today (RT), and African media.*
- 5.9.2 **Transcript:** For years, there has been good momentum in China-Africa interpersonal exchanges, through business, education, media, and other avenues. But the COVID-19 pandemic has resulted in unprecedented challenges, especially in terms of economic and social development, cross-border movement, and even emotional responses. Moreover, the pandemic has complicated existing challenges to interpersonal exchange.
- 5.9.3 In many African countries, social media has become one of the main sources of information, and the way to get to know China. Twitter, Facebook, and YouTube have huge influences on daily life, especially for the younger generation. Mainstream African media faces limits that the rapidly updated trends on social media do not. But the effect of social media is not only on mainstream media like TV, radio, and newspapers, it can also affect government policies.
- 5.9.4 As in many parts of the world, the spread of fake news and false information as well as expressions of extreme opinion and/or emotion on social media have created tremendous problems in Africa. This is a phenomenon that China's diplomats, scholars, and media are still coming to terms with. Take the incident in Guangzhou earlier this year in April. While both sides attempted to find ways to address the issue, fake videos and false information spread through both Chinese and African social media sites, creating a barrier to better understanding. Although the videos were debunked by mainstream media, and great efforts were made to undo their effect, for many people, the damage was already done. Therefore, more practical measures need to be adopted by both sides to use social media to bridge gaps, rather than widen them.
- 5.9.5 Other challenges arise from the business sector. Historically, both Chinese and African businesspeople have played an important role in sustaining interpersonal exchange. This has been affected by the pandemic, which has complicated free movement and in addition, the pandemic has reduced the capacity of many African countries and companies to borrow, and brought the issue of debt to the top of the agenda.
- 5.9.6 Multilateral lending and Eurobonds accounts for the majority of Africa's foreign debt, but bilateral loans from Chinese institutions are also important, as the influence of China-Africa cooperation has

risen in recent years. Debt reduction, repayment suspension, and future loans will not only affect bilateral cooperation, but will further shape the image both sides have of each other. For example, Chinese financial institutions and enterprises have a complex understanding of the necessity and feasibility of loans, but they worry about the ability of African recipients to meet repayments. For Africans, the terms of loan contracts remain a key issue, even though current assumptions about debt traps have been shown to be incorrect by studies undertaken at American, Chinese, and African academic and financial institutions.

5.9.7 As the pandemic continues, it is more important and more urgent than ever that both sides explore the challenges that lie ahead, and find practical, targeted ways to resolve them and promote interpersonal exchanges.

5.10 **Expert 3: Amb Wale Oloko**

*Retired diplomat and former Consul General of Nigeria in Guangzhou, China between 2017 and 2020*



5.10.1 **Short Introduction:** *Wale Oloko is a retired diplomat and former Consul General of Nigeria in Guangzhou, China between 2017 and 2020. In that role, he was responsible for managing Nigeria's interests in South China including economic, trade and investments activities; consular, immigration and welfare of Nigerians; promotion of Nigeria's image and culture and campaign for visits to the abundant tourism potentials in Nigeria. Prior to becoming the Consul General of Nigeria, he had served in several Nigerian Diplomatic Missions, including Botswana, South Africa, Spain, and the United States. His other international engagements included his membership of the United Nations Observer Mission in South Africa (UNOMSA) in April/May 1994. He served as a member of Nigeria's delegation to several Summits of the Organization of African Unity (OAU)/African Union (AU) between 1993 and 2013. He also participated in several meetings of the International Monetary Fund (IMF) and the World Bank in Washington DC between 2014 and 2016 as a member of Nigeria's delegation. Wale Oloko has written several articles in Chinese newspapers and presented a number of papers at various seminars on Nigeria-China relations and Africa/China cooperation. He is presently an International Policy Advisor at Strategic Associates OLK, a Lagos-based Think Tank that specializes in Strategic and International Affairs.*

5.10.2 **Transcript:** Thank you very much for having me. Let me have a short intervention, and my intervention is not a criticism *per se*, it is just observations that will help China-Africa relations.

5.10.3 According to Pew Research Center, around the world people are divided in their opinions of China. However, views of China across Africa are generally positive, with four countries surveyed in 2018, averaging 62 percent favourability, including Kenya, Nigeria, and Tunisia. What are the reasons?

China has invested in, and China has funded infrastructure across the continent since the establishment of the Forum on China-Africa Cooperation (FOCAC) in 2000, and perhaps the signing on to the signature project of President Xi Jinping, the Belt and Road Initiative.

- 5.10.4 Notwithstanding China's generally positive image in parts of Africa, there are however worrying signs regarding China's image as the favourability rate is now dropping in countries across Africa. According to the same Pew, both Egypt and Algeria have been the targets of considerable investment from China, yet both countries have a lower than 40 percent favourability rate towards China. The reasons are complex and varied. Why some are attributing this dip in favourability to misinformation and propaganda from the West, some researchers have cited lack of employment opportunities among the local population because of China's investment in retail activities. They are no longer doing wholesale or manufacturing, but they are also doing retail, and you find them in many cities across Africa. However, some are also talking about the debt burden. Mr Moderator let me be clear: I am not worried about the level of African countries' indebtedness to China which is now about USD 150 billion, which is actually less than 17 percent of the continent's total indebtedness. In any case, the level of indebtedness actually varies across the countries in Africa with Angola accounting for half of these total obligations to China.
- 5.10.5 Notably, the situation of Africans in China is also working against the country's overall image in Africa, with implications for people-to-people relations. Let me not bother you about what happened in April in China, but I was in China when the whole thing started. But I was not the person/diplomat that appeared in pictures – we do not practice Nigeria's diplomacy in the street. However, there has been a disconnect between the policies emanating from Beijing, and implementation of those policies in the provinces. So, we need to look at that. While Beijing is saying something, the provinces are doing something else.
- 5.10.6 In 2018, citizens from five African countries, including Tanzania, Uganda, Nigeria, were prevented from getting hotel accommodation. So, these problems actually pre-dated COVID, and like PM Raila Odinga said, the relationship between Africa and China is longstanding and should not be defined by COVID. But let me put this in a proper perspective, I am aware that China has been able to lift 70 million people out of poverty and is on its way to achieve elimination of absolute poverty by the end of 2020. This is a remarkable achievement indeed. I am also aware that 70 million children were born in 2018: that is about the population of many countries in Africa put together, like the Gambia, 2.5 million, Senegal, 17 million, and so on. This is huge. Moreover, eight million students graduated from college in 2019. With a population of 1.4 billion people, serious challenges on how to continue to provide employment opportunities for the teeming population in the country, and out of the country, will arise. This has implications for Africans on the continent, and Africans in China.
- 5.10.7 Evidence abounds of Chinese nationals with long-term residencies that engage in regional trading in many African countries, whereas Africans do not have such opportunities in China. Of concern to some of us who have lived in China, is the fate of African/Chinese in China. Now we have a second generation of Africans in China: those who have given birth, and those who are growing up, and the number is growing daily. Attention will have to be focused on these people to help sustain the people-to-people relations. Some of them do not even go to school, and that is the reality, because they have no birth certificates, and cannot be inserted in their mothers' registration papers as citizens. What happens to them in a situation where China does not allow for dual nationality, and some of their parents do not have the money to pay for the flight to get an exit visa to leave China. It is better

to stay. Although this situation has pre-dated COVID-19, the outbreak of the pandemic is likely to compound this problem, and it will add to the difficulties of Africans in China, with a probable backlash against Chinese nationals in Africa. There is therefore the need for a holistic view and not focus only on COVID. If you look at the reaction of some citizens, it will affect government action too. Like Dr Malik said: if people do not feel secure and safe, it will affect the way that governments also react. If you look at the Pew research, Ghana had a favourability view of China in 2018 high enough to be recognized as a place, but between 2015 and 2018 the favourability rate had dropped because of the treatment of its citizens.

- 5.10.8 Meanwhile, the reaction to the outbreak of the pandemic on the continent has not been without its drama, so to say: from the serious to the ridiculous. In Nigeria, a group of lawyers have filed a petition against Chinese authorities and are demanding the sum of USD 200 billion in damages for the loss of lives, economic strangulation, trauma, and hardship. This is unprecedented in the history of China's relation with Africa. Visas have been stopped from China and Africa and may not resume soon. This has implications for small and medium enterprises that have not been able to store their goods and they now have to shut down, creating unemployment. Some have lost money trying to source goods through the alternative means of e-commerce. Prices of goods made in China are through the roof and it is therefore not a win-win situation any longer from Africa's perspective.
- 5.10.9 While the state of people-to-people relations post-COVID-19 may or may not immensely improve, it could be the opportunity that African leaders need to walk the talk. This is by boosting industries and creating a successful African Continental Free Trade Area. It is therefore safe to say that the China Africa Friendship Association, the continent, and China already have their work cut out for them post-COVID-19, and they must step up efforts to improve China-Africa people-to-people relations. The establishment of Confucius Institutes in many parts of Africa may not be enough. So, we all have to be hands on deck, and that is why I quite appreciate what Gusau Institute is doing in collaboration with Zhejiang Normal University for giving us this platform to have this kind of conversation. I hope this will be seen as an intervention, and not a criticism, of the current situation.  
Thank you.

- 5.11 **Expert 4: Mr Zhang Guanglei**  
*Special Advisor to the Chinese Business Community Association of Nigeria*



- 5.11.1 **Short Introduction:** *Mr Zhang Guanglei holds a Master's degree in Applied Finance from the Western Sydney University, and has lived and worked in Nigeria since 2008. He served as the Trade Officer and Branch Manager of Zhuji Shenyu Garment Co in Lagos from 2008-2011; Manager and Chairman of Myer Industries Ltd from 2011-present while he also was the Manager of Pangolin*



*Mining from 2014-2015. He currently lives in Kano and serves as the Special Advisor to the Chinese Business Community Association of Nigeria, and for Wakilin Yan China Kano.*

- 5.11.2 **Transcript:** The COVID-19 pandemic has brought unexpected changes in the whole world, not only in Nigeria. But the changes in Nigeria are of my concern and interest at this point. One of the critical changes that has been introduced by COVID-19 in Nigeria and other African countries that rely mostly on importation from China, is a sudden downfall in the importation of goods and services from China as a result of the closure of airports, seaports and land borders.
- 5.11.3 There will be the following three changes and/or potentials in terms of business and trade in Nigeria after COVID-19 based on my own observations:
1. The category of imported items from China to Nigeria will shift from the normal commodities to equipment, machinery, and other high value-added items. The Nigerian government and people have been benefitting from developing its own domestic agriculture sector since 2019. All those massive agricultural projects have been undertaken to ensure self-sufficiency in terms of rice and other food, especially for the period of the closure of the border. You can see lots of machines for rice mills, and farming, imported from last year to now, and it will be a continuous trend in the future, not only for the agricultural sector, but also for the mining and industrial sectors according to the Nigeria Economic Sustainability Plan implemented by the federal government this June.
  2. The form of investment from China will differ compared to before the pandemic. Personally speaking, the huge investments of the “One Belt and One Road Initiative” that mainly focused on infrastructure development such as airports, railways, hydropower plants and other construction should be diversified to include cultural exchange, and public health care. I, as a person who is living in Nigeria, especially in the North, know that boreholes, schools, mosques, and small clinics are more appreciated by the local communities. By deepening the mutual understanding after COVID-19, people-to-people diplomacy should be more objective.
  3. The independent, complete, and comprehensive industrial system is more likely to be put on the agenda in Nigeria where it perfectly matches the “One Belt and One Road Initiative” strategy proposed by the Chinese government. Nigeria has all the basic elements for developing industrialization, for instance, rich deposits of mineral resources, cheap labour, available land, etc., but why is the cost of production still higher?
- 5.11.4 One obvious reason is the shortage of infrastructural facilities such as power and roads which in return make life very expensive. Another inevitable reason for the high production costs is the shortage of complementary processors that are mostly foreigners, who enable full utilization of raw materials. Take my friend’s peanut oil mills factory for example, which was established last year, located in Gezewa local government of Kano State where peanut is processed into oil. The residual part of it is sold to a subsidiary company that processes this residue into another product. Without these companies the cost of the residue must be accumulated on the cost of the prime product, thereby making it more expensive which in return reduces the market for the product.
- 5.11.5 And all the above-mentioned just are precisely the strength of Chinese investors. The Nigerian’s industrialization will be simpler as China shifts the labour-intensive industries.  
Thanks all.

5.12 **Moderator: Amb Ahmed Magaji – Q&A Session**  
*GI Steering Committee member*



5.12.1 A 40-minute Q&A session followed moderated by Amb Ahmed Magaji. All the panellists then had the opportunity to add their final thoughts in short succession.

5.13 **Book Launch and Vote of Thanks: Prof. Liu Hongwu**  
*Founding Director of the Institute of African Studies at Zhejiang Normal University (IASZNU)*



5.12.1 **Short Introduction:** *Prof Liu Hongwu is the Founding Director of the Institute of African Studies at Zhejiang Normal University (IASZNU). He also is a Changjiang Scholar (appointed by the Ministry of Education of the PRC), a Chief Expert (appointed by Zhejiang Provincial Government), a Qianjiang Scholar (appointed by Zhejiang Provincial Government), a member of the Steering Committee of China-Africa Joint Research and Exchange Program, a Specialist of the Ministry of Commerce of the PRC Advisory Committee for Economic & Trade Policy, a Council Member of the Chinese Council of the BRICKS Think Tank, Vice-President of the Chinese Society for Asian and African Studies, Vice-President of the Chinese Society for African Studies, Vice-President of Chinese Society of African Historical Studies, as well as the Vice-President of Zhejiang Society for Political Science. He has published over 100 academic papers and more than 20 books. Prof Liu has won several state-level awards for teaching achievements to date, and he was also awarded for Contributions to China-Africa Friendship.*

5.12.2 **Transcript:** I would like to show my appreciation for the active participation of all the participants in this event. This year due to the COVID-19 pandemic situation, the Forum was held virtually. I would like to express my gratitude to all our participants that were able to present their work and research in this new mode.

5.12.3 In the context of COVID-19, 2020 Abuja Forum is very important, from both a professional and an international standpoint. The topics discussed by the participants are of practical significance and

future orientation. The views of experts and scholars are quite constructive, which has guiding value for strengthening China-Africa cooperation in the future, especially promoting stable exchanges and cooperation between China and Nigeria. China's experience of fighting against COVID-19 highlights the institutional advantages of China's national governance, and China-Africa cooperation in fighting the virus has set a model for the world to work together to fight the virus. In the post-COVID-19 era, China-Africa cooperation especially needs to strengthen exchanges and cooperation in medical and public health fields, and to build an even closer China-Africa community with a shared future. I look forward to meeting you in person in the next meeting of this Forum.

5.12.4 Next, I would like to give a brief introduction of five books written by the scholars of our institute:

- *Book #1: Twenty Years of Forum on China-Africa Cooperation: Retrospect and Prospect--A Collection of Papers on China-Africa Relations*

This year marks the 20th anniversary of the establishment of the FOCAC. China-Africa relations have witnessed rapid development in the past 20 years. Along with this process, the African studies in China has attracted more and more attention from all parties and has made remarkable progress. This book includes 20 papers published in the Journal of Zhejiang Normal University, to show the progress of African studies in China in recent years.

- *Book #2: Seventy Years of China-Africa Relations—A Chinese Scholar's Observations in his Academic Journey to Africa*

The book is a selected collection of Prof Liu Hongwu's English papers, reviews, speeches, and interviews on China-Africa relations in recent years. Most of the papers were initially published in Chinese academic journals and later translated into English, while the speeches and interviews were given in English. This book, as its title reveals, reflects Prof Liu's personal observations in his journeys travelling to Africa and back to China. Prof Liu has always said he was and has remained a student of Africa and African people, since he studied African history at the University of Lagos in 1990. In the past three decades, he has devoted himself to observing and learning knowledge of Africa, and thinking about problems like what is the spirit of African history and culture, how could the modern African countries and societies acquire strength from their original knowledge and traditional wisdom, and how could China participate in this process with its development experience and cooperate with Africa under the context of building a stronger China-Africa community with a shared future.

- *Book#3: Papers on China-Africa Intellectual Cooperation on Good Governance--Reports on Ten Years of China-Africa Think Tanks Forum*

Based on the vertical and horizontal analysis of the ten important conferences of the Forum since 2010, it reviews the origin, preparation, establishment, development and effectiveness of Forum, summarizes the experience and enlightenment, and looks forward to the future development. Horizontally, it analyzes the theme, agenda setting, content, form, characteristics, conference affairs and publicity of the Forum. Through the investigation and interview, the development effect of the Forum in the past ten years was evaluated, and the development experience is summarized. The ten sub-reports are the summaries of ten international seminars, including the eighth meeting of Forum, the 10th Anniversary Seminar of China-Africa Cooperation Forum (South Africa, 2010) and the China-Africa Media and Think Tank Symposium (Kenya, 2016). In the conclusions, the author looks forward to the prospect of the Forum and China-Africa think tanks cooperation, proposes to build an all-round and three-dimensional cooperation network between China and Africa, create an enhanced version of the China-Africa Joint Research and Exchange Plan, promote the

exchanges and cooperation between China and Africa in thought and think tanks, and promote people to people exchanges between China and Africa, as well as provides continuous intellectual support for the sustainable development of China-Africa relations. The appendix contains President Xi Jinping's speech at the 10th Anniversary Seminar of China-Africa Cooperation Forum, China's policy towards Africa (only the parts of think tanks included), etc.

- *Book #4: Solidarity and Humanity in Fighting COVID-19 and Building a China-Africa Community of Health for All Opinions of Think-Tankers at Institute of African Studies, Zhejiang Normal University*

The outbreak of COVID-19 in early 2020 is a common enemy of humankind and can only be defeated when the international community fights in unity. After the outbreak, China and Africa supported each other and built a close China-Africa community with a shared future. During the fight against the virus, Chinese and African scholars in the Institute of African Studies at Zhejiang Normal University (IASZNU) gave full play to the functions of academic institutions and think tanks, actively joined in China-Africa cooperation to combat the epidemic, and did a lot of innovative work. This book is a report of the hard work and great efforts made by Chinese and African scholars in the fight against COVID-19, including articles published in Chinese and African media, advice to governments at all levels, and a compilation of the academic results of the international conferences held by IASZNU on fighting against the virus. This book reflects the long-term efforts of IASZNU in serving China-Africa cooperation, and it also records the new progress achieved in China-Africa relations under the new situation. It is of great value in recording history, preserving documents, and promoting research.

- *Book #5: China's Medical Aid Teams in Africa in the 1970s--Memoir of A Chinese Doctor*  
From April 1970 to October 1972, a Chinese doctor, Zhang Lugao, had been sent to Mali as a member of the second group of the medical team. This book presents many details of the early stage works of China's aid in Africa.

**(Note: PowerPoint slides with details are attached as Annexure F.)**

## 6. CONCLUSION

6.1 The webinar concluded at 13h45 WAT.

6.2 The GI and ZJNU hope that this webinar will contribute positively to discourse, and eventual action plans, on issues of importance to Africa and China as well as the rest of the global community.

**Ends**