Trade between China and Africa: Trends, Changes, and Challenges

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Trade has become a potent tool in China's reinvigoration of economic relations with Africa. The pattern and structure of China's trade with Africa has significantly shifted from one which was motivated by political opportunism, support for liberation and nationalist struggles of colonized African states to economic opportunism based on resources needs of China's expanding economy. Since 2000 China-Africa two-way trade has increased both in volume and content. However, in spite of this increase, China-Africa trade, like Africa's trade with Europe and the United States is still dominated by the prosperous and resources rich States. As a result there is a dichotomy between net-winner African States and net-loser African States. The paper argues that China-Africa trade like Africa's trade with Europe and United States reinforces and maintains the asymmetry that exist in the African economy

INTRODUCTION

Both China and Africa have enjoyed long-standing relations since the establishment of the People's Republic of China (PRC). The emergence of China as a major economic player in the contemporary global economy started in the 1970s when it gradually began to move from a closed centrally planned economic system to a more market-oriented economic system. China's invigorated relation with Africa has manifested its vitality in a variety of areas: economic, political, and cultural. These relations have undergone metamorphosis from one based on support for socialism and political liberation to one dictated and driven by economic opportunism and resource needs of an expanding Chinese economy.

Trade has become a potent tool in China's soft power paradigm of global expansion and aspiration. Indeed, by 2008, China was the most attractive destination for foreign direct investment (FDI), ahead of Eastern and Western Europe (Ying 2008; Global View Points 2008). In 2008, China in terms of global trade, ranked second only after Germany, with the highest amount of export. Its total global trade (Export plus imports) in 2008 was $2.5 trillion after Germany ($2.7 trillion) and the United States ($4.4 trillion) (CIA 2009). Today, China has become the world's single largest exporter, surpassing the United States. In 2010 China became the second largest economy in the world after the United States in terms of purchasing power parity (PPP) (CIA, 2011).

With regard to Africa, China-Africa two-way trade has significantly expanded since 2000: from a mere $8.7 billion in 2000 to more than$114.8 billion in 2010. China is now Africa's single largest trading partner, surpassing both the European Union (EU) and the United States. In 2000, China formed the Forum for China-Africa Cooperation (FOCAC), and from 2003 it began to build special economic zones (SEZs) in various parts of Africa to develop infrastructure, improve custom procedures and overcome obstacles to investment. Expansion in China-Africa trade was necessitated by several factors and conditions in China and Africa, respectively. These factors include: domestic policy changes in China, rising demand for energy resources by China; enabling developments in Africa and the creation of FOCAC (Obuah 2010). It is therefore within the context of an expanding global power that this paper attempts to examine and explain the trends, patterns, changes and continuities in China – Africa trade relations. The paper is divided into four sections: section 1 examines the major tends and patterns in China-Africa trade since the 1950s; section 2 focuses on the reasons for the changes in China-Africa trade; section 3 examines the creation of FOCAC and its impact; and section 4 is the conclusion of the paper.

TRENDS AND PATTERNS IN CHINA-AFRICA TRADE SINCE THE 1950S

Although China's trade relation with Africa is deep-rooted in history going back to many centuries, contemporary trade relation began with the establishment of diplomatic ties and trade relation with African states during the 1950s. In the 1950s Chinese trade missions were created to encourage reciprocal trade exchanges between China and some African States. Although there is a paucity of data on trade between China and Africa since 1950s, modest trade continued to exist between them. As the Cold War declined, developed countries began to reconfigure relations with Africa and other parts of the world. The United States and Western Europe for example, rearticulated their strategies and polices of dealing with developing countries – the Washington consensus. Similarly, China rearticulated its policies and strategies based on soft power paradigm – 'the Beijing consensus'. Developing and expanding trade with African countries is a key weapon in China's soft (Co-optive) power strategy (Kurlantzick 2007). Soft power is the ability "to shape what others want through the attractiveness of one's culture and values or ability to manipulate the agenda of political choices in a manner that makes others fail to express some preferences because they seem to be unrealistic" (Nye 2004, p. 7).

Subsequently, by the turn of the twenty-first century China's trade with Africa began to blossom, reaching enviable heights. Indeed, China has significantly altered Africa's direction of trade which had been dominated by Europe and the United States. While Europe as a group still maintains the largest market share of (Sub-Saharan) Africa's trade, China since 2006 has become the largest individual country exporter to Africa (US Department of Commerce 2009, 5). From a position of insignificance in the 1950s through 2000, China has become the single largest trading partner with Africa, thus shifting the trajectory of Africa's trade from Europe to China. China - Africa trade has risen up to 24 percent from 1995 to 2007 (Africa News Network 2008; Wenping 2008) and has surpassed the $100 billion 2010 target set during the November 2006 summit of FOCAC. Certain propitious factors help to explain China's post-Cold War expansionism into Africa and elsewhere. These are: the globalization process; increase desire to secure viable sources of energy needed for China's expanding economy; the policy of ***zhuada fangxiao*** and ***zouchuqu*** to expand the horizon of China's economic and commercial networks; and the rise multilateral trade and regional Trade arrangements, which in Africa manifested in the formation of the FOCAC; and the improvement in trading environment in Africa (Alden 2007; Eisenman 2007).

China-Africa trade like trade with other countries and regions exhibit certain trends, patterns and continuities. Trade between China and Africa was relatively low and modest from 1958 to 1971 as shown in table 1 and figure 1. During this period trade was largely driven by ideology and pragmatism (Hutchison 1995, p. 196). Trade was however, narrowly limited to the newly independent countries and those territories involved in libration struggles against imperialist regimes. Trade was also limited to countries that had diplomatic ties with PRC. For example, of the 26 independent countries in Africa by 1960, only seven States had recognized PRC. Furthermore, of the 42 independent States in 1970, only 16 recognized PRC and established diplomatic ties (Ogunsanwo 1974, p. 274).

TABLE 1
CHINA'S TRADE WITH MAJOR AFRICAN PARTNERS 1958 – 1971 (in £ millions)

Country	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Imports														
Egypt	12.5	11.8	16.7	5.2	6.9	5.9	6.4	16.1	11.6	6.8	6.0	6.8	6.5	8.1
Morocco	1.1	2.2	2.4	1.3	1.1	2.2	5.0	3.3	3.2	3.0	2.6	2.7	3.0	7.2
Nigeria	-	-	0.4	1.4	-	0.4	0.6	0.7	-	0.9	0.2	0.2	0.5	0.2
Sudan	0.7	1.0	3.4	1.4	3.3	4.5	1.7	5.5	4.0	2.7	3.5	7.6	7.1	13.3
Tanzania	0.2	0.1	0.3	-	-	3.7	2.3	4.3	3.4	2.8	2.7	4.5	3.4	4.9
Uganda	-	-	1.8	3.3	-	4.0	3.2	6.2	1.2	1.4	1.7	0.5	0.6	0.6
Kenya	0.2	0.2	0.3	-	0.2	0.4	0.4	0.6	0.9	1.1	0.4	0.5	0.6	0.9
Total	**14.7**	**15.2**	**25.3**	**12.6**	**11.5**	**21.1**	**19.6**	**36.7**	**24.3**	**18.7**	**17.1**	**22.8**	**21.7**	**35.2**
Exports														
Egypt	9.0	8.3	7.4	6.7	6.9	7.1	6.4	13.1	14.1	8.3	8.0	5.3	7.5	3.7
Morocco	5.7	2.6	2.5	3.1	3.1	2.5	4.3	4.3	6.3	4.7	4.4	5.4	4.5	5.0
Nigeria	1.4	1.9	1.8	2.3	1.6	1.6	3.1	4.9	5.0	6.3	3.7	6.4	8.2	11.8
Sudan	0.5	0.9	0.8	1.7	1.4	1.1	2.4	2.3	4.5	6.1	3.4	5.8	4.8	9.6
Tanzania	-	-	-	-	-	-	0.3	1.7	3.7	3.1	4.3	4.7	15.4	35.0
Uganda	-	-	-	-	-	0.3	0.3	1.0	1.7	0.8	1.0	1.0	0.9	0.8
Kenya	-	-	-	-	-	-	0.7	0.9	1.9	0.8	1.6	1.3	1.4	1.3
Libya	-	-	0.1	0.2	0.3	0.7	0.5	1.7	2.8	3.6	4.4	6.2	4.4	-
Total	**16.6**	**13.7**	**12.6**	**14**	**13.3**	**13.3**	**18**	**29.9**	**40**	**33.7**	**30.8**	**36.1**	**47.1**	**67.2**

Sources: Ogunsanwo (1974, p. 272-3); Hutchison (1975, p. 193)

TABLE 2
CHINA'S TRADE WITH AFRICA 1980 – 1987 (in 10,000 U.S. dollars)

	1980	1981	1982	1983	1984	1985	1986	1987
Exports	74,703	79,809	97,844	67,576	62373	41,844	63,845	85,428
Imports	38,400	29,940	21,225	24,498	25,235	20,793	21,602	15,455
Total Trade	**113,103**	**109,099**	**119,099**	**92,074**	**87,608**	**62,677**	**85,447**	**100,883**

Source: Anshan (2007, p. 7)

FIGURE 1
CHINA-AFRICA TRADE 1958 – 1971 (in £millions)

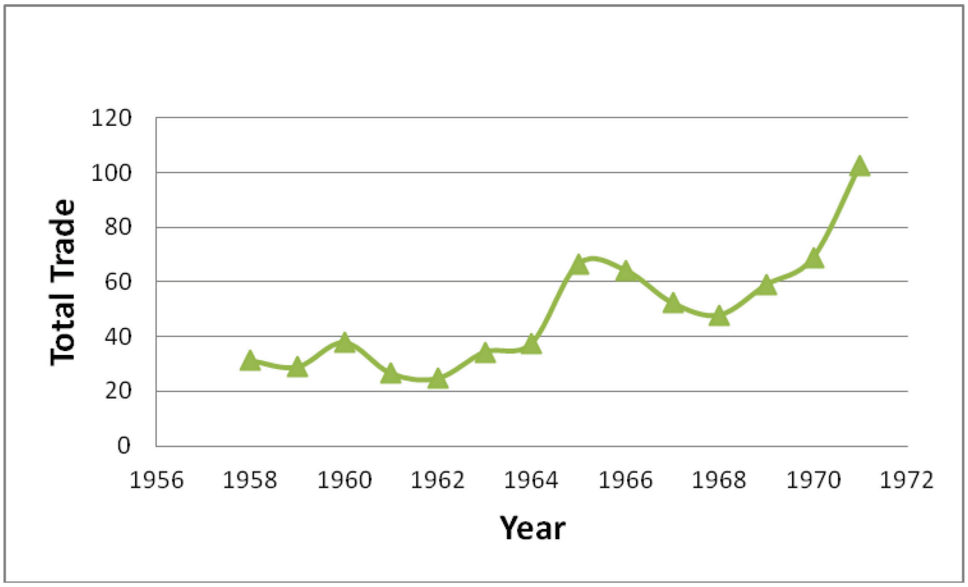
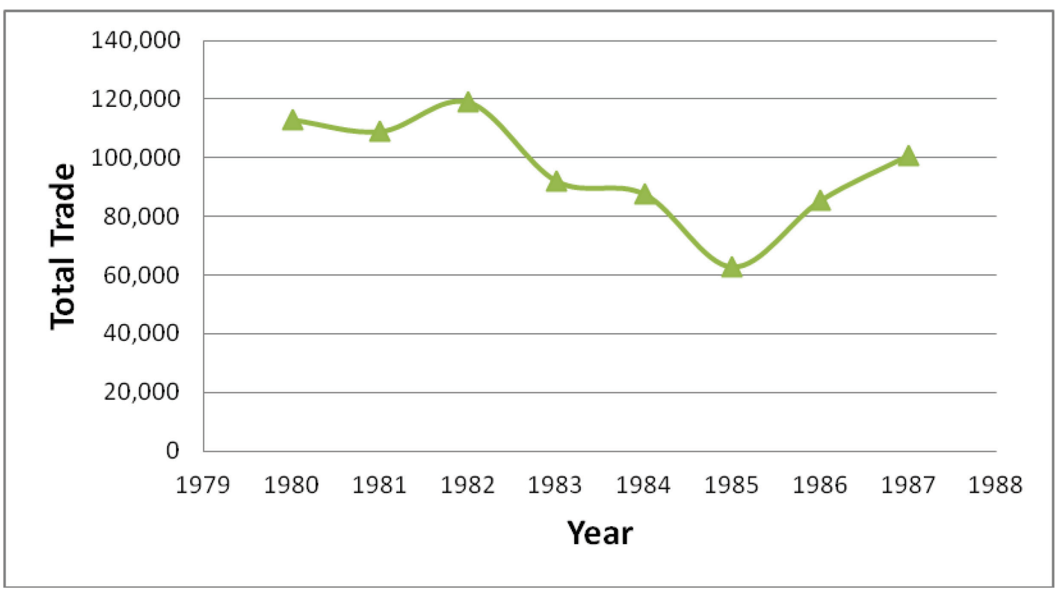


FIGURE 2
CHINA TRADE WITH AFRICA, 1980 – 1987 (IN 10,000 US$)



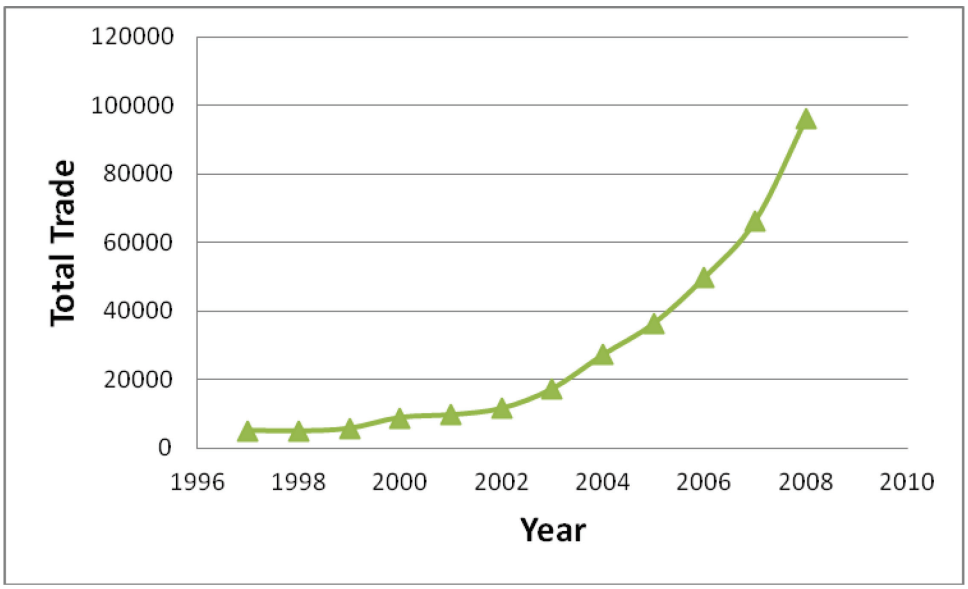
However, by the 1980s there was a lull and shrinkage in China – Africa trade. The lull was in part caused by changes in China in the aftermath of the Cultural Revolution, and China's reengagement with developed countries for access to technology and recognition in international politics. This decline is articulated in table 2 and figure 2. This trend was short-lived as trade between China and Africa began to improve from the late 1990s, largely driven by China's appetite for energy resources (Alden 2005; Taylor 1998 and 2006; Zweig and Jianhai 2005).

TABLE 3
CHINA TRADE WITH AFRICA 1997 – 2008 (IN MILLIONS OF US $)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Exports	2640	3381	3296	4150	5058	6007	9012	12083	16308	22888	31870	43293
Imports	2390	1425	2324	4630	4522	5429	8168	15041	19961	26856	34445	52884
Total trade	**5030**	**4806**	**5620**	**8780**	**9580**	**11436**	**17180**	**27124**	**36269**	**49744**	**66315**	**96177**

IMF (2004, 2007 and 2009)

FIGURE 3
TRADE WITH AFRICA, 1997 - 2008 (IN MILLIONS OF US$)



As table 3 showed, trade between China and Africa began to surge around 2000. At the FOCAC summit in November 2006, China projected trade with Africa to significantly increase to $100 billion by 2010 (Guijin, 2006). Although most sources indicated that this projection was met in 2008 when China-Africa two-way trade surged to $106.84 billion (China Daily, 2009), the IMF 2009 figures indicated that it was a little bit below the target. What is also noticeable from table 3 is that China's export in 2008 was worth $43 billion while its imports rose to $52 billion shifting the balance of trade in favor of Africa while China maintained a trade deficit of $9.5 billion. However, in 2009, China-Africa two-way trade fell to $92.07 billion below the 2008 level due to the impact of the global economic recession. Although trade declined in 2009, China went from a trade deficit in 2008 to a surplus of $4.41 billion in 2009 (FOCAC, 2011).

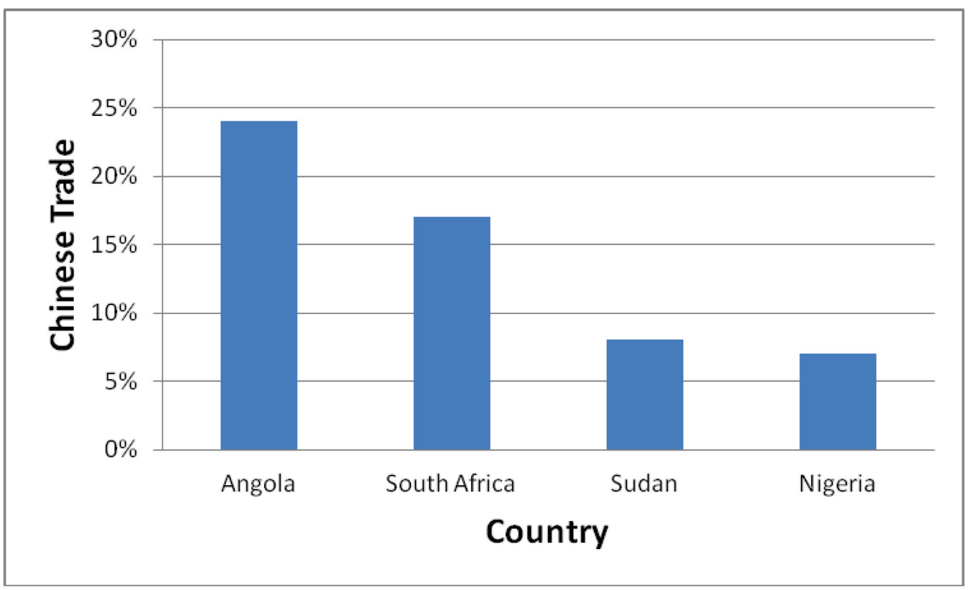
Another important trend in China-Africa trade is the domination of trade by a few African countries because of advantages of resource location, level of economic development and leverage of strategic importance in the African continent. Table 4 showed the dominance of these countries from 2006 to 2008.

TABLE 4
MAJOR CHINESE TRADING PARTNERS IN AFRICA 2006 – 2008

Ranking	2006	2007	2008
1	Angola	Angola	Angola
2	South Africa	South Africa	South Africa
3	Sudan	Sudan	Sudan
4	Egypt	Egypt	Nigeria
5	Nigeria	Nigeria	Egypt
6	Congo Brazzaville	Algeria	Congo Brazzaville
7	Equatorial Guinea	Congo Brazzaville	Libya
8	Libya	Morocco	Algeria
9	Algeria	Libya	Morocco
10	Morocco	Benin	Equatorial Guinea

George (2009, p. 5)

FIGURE 4
MAJOR CHINES TRADING PARTNERS IN AFRICA, 2008



As shown in figure 4, these countries dominate trade between Africa and China. In 2008 for example, Angola accounted for 24 percent, South Africa 17 percent, Sudan 8 percent, Nigeria 7 percent and Egypt 6 percent of the two-way trade between China and Africa (Tralac, 2009, p. 3). This concentration of trade in a few prosperous African countries is creating disparities with less developed or 'net-loser' countries in Africa. As Holslag *et al* (2007, p. 80) pointed out, "between 1996 and 2005, the total deficit of thirty net-loser countries increased from $1 billion to nearly

$6 billion, whereas the surplus of the net-winner countries rose from $210 million to $11.7 billion". Like Africa's trade with Europe and the United States, China's trade with Africa has not significantly altered the disparity between the resource rich African States and the less endowed African States. Rather it reinforces and maintains the status quo.

A few Africa countries have also dominated exports to China. For example, the dominant countries have been Angola, South Africa, Sudan, Congo-Brazzaville, Libya, Equatorial Guinea, Gabon, Democratic Republic of Congo, Mauritania and Algeria. Similarly, a few African countries also dominate imports from China. These are South Africa, Nigeria, Egypt, Algeria, Angola, Morocco, Benin, Sudan, Ghana, and Libya.

The pattern of China's trade with Africa underscores and reinforces the existing dichotomy in growth and development between the resources endowed African States and those States that do not have natural resources. Furthermore, table 5 indicated the leading items of trade between China and Africa. The table showed that China's major exports from Africa were mainly raw materials such as oil, natural gas and other minerals, precious stones and metals, auto parts, wood products, and base metals. On the other hand, Africa's major imports from China included machinery, clothing and textile, transportation equipment, plastic products and footwear (Broadman 2007, 80; Tralac 2009, p. 1).

TABLE 5
LEADING ITEMS OF TRADE

Leading Africa's imports from China	Leading Africa's exports to China
Machinery (10%)	Minerals (crude oil and natural gas)(84%)
Clothing and textile (4%)	precious stones and metals (3%)
Transportation equipment (4%)	Auto parts (3%)
Plastic products (2%)	Wood products (2%)
Footwear (2%)	Base metals (1%)

Tralac, 2009

WHY CHANGES AND INCREASE IN TRADE BETWEEN CHINA AND AFRICA?

To understand the changing patterns of trade and increase in trade between China and Africa, this section examined certain policy changes made in China and enabling conditions in both China and Africa that provided the auspicious conditions. At the November 2006 FOCAC meeting, the Chinese president, Hu Jintao (2006, p. 3) among other things promised that China would continue to support and strengthen a new type of China-Africa strategic partnership by:

> doubling its 2006 assistance to $1 billion to Africa by 2009; providing $3 billion of preferential loans and $2 billion of preferential buyer's credits to Africa in the next three years; establishing a $5 billion China-Africa development fund to encourage Chinese companies to invest in Africa; building a conference center for the African Union (AU) to support African countries in their stride for unity and integration; canceling debt in the form of all interest-free government loans that matured at the end of 2005 owed by heavily indebted and least developed countries in Africa; opening up China's market to Africa by increasing from 190 to over 440 the number of export items to China receiving zero-tariff from least

developed countries in Africa, establishing three to five trade and economic cooperation zones in the next three years; training 15,000 African professional, doubling the number of Chinese government scholarship given to Africans from 2000 per year to 4000 per year by 2009, sending 100 senior agriculture experts and 300 youth volunteer to Africa over the next three years and building 30 hospital, 30 malaria treatment centers and 100 rural schools; and increase the number of Chinese government scholarships to African students from the current 2000 per year to 4000 per year by 2009.

This promise did not emerge from a vacuum. Indeed, China had laid the necessary foundations for a surge to occur in trade relation with Africa.

Policy Changes in China

From the 1980s, the Chinese government began to make strategic policies that would provide the enabling environment and incentives to support its firms to restructure and expand overseas. These policies and strategies included:

(a) Encouragement to firms seeking to expand overseas: From the 1980s the Chinese government actively began to support and encourage enterprises of various proprietorships with comparative advantages to invest overseas. China began to initiate policies which would enable it to address not only the domestic economic conditions, but more importantly, policy changes that would enable it to expand overseas to provide for its growing insatiable demand for energy resources. Significant shifts occurred in Chinese policy in 1984-1985, 1988, 1994 and 1997. In 1984 China relaxed its emigration policies to encourage small scale entrepreneurs to venture into trade and investments in Africa. It also announced major change in foreign aid to include aid for joint venture partnerships between Chinese companies and African companies. In 1988, Beijing created a state parastatal, the Chinese National Petroleum Corporation (CNPC) from the ministerial production department to provide leadership in securing cooperative agreements with foreign companies as well as exploration concessions overseas. In 1994, Beijing established the China Eximbank to provide funds for concessional loans to support industrial, infrastructure, and social welfare projects by Chinese enterprises. However, the momentous push came in 1997, when the fifteenth Party Congress declared the policy of *zhuada fangxiao* ((privatization of grasping the large and releasing the small) and *zouchuqu* ('going out'). Privatization and overseas expansion were further boosted by the launch of the policy of picking corporate champions across the range of economic sectors and providing them with generous incentives in order to join the ranks of the Fortune 500 (Hong and Sun 2006). In fact, by the late 1990s, China's large firms had begun to expand their exploration investment opportunities to many parts of Africa. By 2007, there were over 800 Chinese companies, including private individuals, medium and large state-owned enterprises (SOEs) doing meaningful business in Africa. This was a significant increase from 230 Chinese investments between 1979 and 2001 (Brautigam 2007 and 2009).

(b) Encouragement to multinational corporations (MNCs): Resources security was the kingpin of China's reengagement in Africa and great fillip was given to the emerging MNCs, especially in the oil and gas and related infrastructure sectors. In order to gain greater inroad into Africa and compete with MNCs from industrialized countries of

Europe and North America that had established links, the Chinese government developed a three-prong strategy based on the following: competitive political advantage (in which China was willing to invest in any African States regardless of its international standing on human rights and rule of law); comparative economic advantage (in which China aggressively employed low cost bidding based on the use of low skilled labor and management); and diplomacy and development assistance (in which China used aggressive and intensive diplomacy and lavished African States with projects and low interest development assistance (Alden 2007, p. 42). The result of this strategy was that over the past decade, more that 800 Chinese enterprises operated in parts of Africa; more than $1.6 billion FDI in Africa in 2005 (which significantly increased to $9.9 billion in 2009); and numerous infrastructure projects dotted in parts of the continent as evidenced in table 6.

TABLE 6
MAJOR PROJECTS IN AFRICA CONTRACTED BY CHINESE FIRMS
(IN US$ MILLION)

Country	Project	Contract Value $ million
Algeria	Central and western sections of East-West Expressway	62.5
Angola	Social Housing	35.4
Libya	Surt-Tripoli section	24.2
Sudan	Merower Dam	9.3
Equatorial Guinea	Transmission and distribution project of Djibloho Hydro-power station	6.5

FOCAC, (2011)

(c) Creating the enabling and facilitating environment for both bilateral and multilateral cooperation schemes to thrive between China and Africa. These efforts included:

I. The creation from the late 1990s by China of several bilateral investment treaties (BITs) with African countries covering broad and specific areas such as movable and immovable property, real estate, corporate shares, stocks, copyright, intellectual property rights, principles of national treatment, rules on investor-State dispute settlement and royalties. In fact, at the end of 2005 China had twenty-eight BITs with different Africa countries (UN/UNCTAD 2007, p. 56). By 2009 it had established bilateral joint/mixed committees on trade and economic cooperation with 44 African countries (FOCAC, 2011).

II. The creation of international cooperation schemes such as the FOCAC in 2000, the creation of economic cooperation zones, the establishment of zero-tariff treatment and cancellation of debts owed to China by the least developed countries (LDCs) in African States. By July 2010 for example, the number of tariff-free products had increased to 4,700 taxable items (Peopledaily.com.cn, 2010).

III. The intensification of exchange of diplomatic visits by high-ranking officials on both sides to boost trust, integrity and confidence between the states. By the late 1990s China had placed a high premium on public diplomacy as part of its soft power arsenal aimed at hunting for energy resources in Africa. For example, from 2003 - 2006 29 African leaders visited China (Holslag *et al* 2007, p. 57) and in 2006 the Chinese President, Hu Jintao and Premier Wen visited 16 African States (Bezlova, 2006; Dixon, 2007).

IV. The creation of intergovernmental joint committees for trade and economic cooperation to discuss business and other related issues (such as settlement of disputes, and investment activities).

V. The strengthening of ministries and creation of agencies responsible for the provision of foreign aid. The main agencies include the Ministry of Commerce (MOFCOM), the Ministry of Foreign Affairs (MOFA), the Eixambank, and the China Development Bank. These agencies have been responsible for the disbursement of $5.7 assistance to Africa from 1998 – 2006 (Brautigam 2008, p. 20).

VI. The lack of high benchmark standards. Like investments from western countries in Africa which requires high benchmark standards in the areas of human right violations, environmental and labor standards, China does not insist on these standards. In fact, China's low standard is encapsulated in the observation by the Sierra Leonean ambassador to Beijing, Sahr Johnny who was hosting some Chinese planning investors in hydroelectric power:

> "We like Chinese investment because we have one meeting, we discuss what they want to do, and then they just do it. There are no benchmarks and preconditions, no environmental impact assessment. If a G8 country had offered to rebuild the stadium, we'd still be having meetings about it." (Quoted in Hilsum, 2005).

Policies by African Governments to Promote Trade and Investment in Africa

There is an inseparable link between foreign direct investment (FDI) and trade. This section identified and examined some of the policies pursued by the governments of various African states to promote international trade and attract FDI. These policies have significantly changed the trade relations between China and Africa. The conventional explanation for the capacity of African countries to attract FDI is the availability of natural resources and existence of large domestic market. For China, Africa offers abundant natural energy resources and markets. This is why over the years South Africa, Nigeria, Angola, Equatorial Guinea, and Sudan have attracted more Chinese FDI as well as trade. However, in addition to the above factors, many African States have taken pro-active steps to implement measures that would attract trade and investments from China and other countries. These measures include:

I. Incentive regime: Over the years many African countries have improved the incentive regimes on FDI. For example, most African countries have concluded bilateral treaties and signed multilateral agreements with international organizations dealing with FDI. For instance, as of January 2006 China had concluded 28 BITs with 28 African countries, and seven African countries had signed double taxation treaties (DTTs) with China (UN/UNDP 2007, p. 26 and 27; Pigato, 2000). Other incentive regimes introduced by some African states included the harmonization of investment laws such as the Cross Border Initiative (CBI) among the Eastern and Southern African countries, the investment protocols of West African Economic and Monetary

Union (WAEMU), the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC) (Pigato, 2000). Also, as members of the World Trade Organization (WTO), many Africa states have signed the Agreement on Trade and Related Investment Measures (ATRIM), which among others, prohibits governments from requiring that foreign investors use locally produced inputs (SOMO, 2006).

II. Simplification of FDI regulations and establishment of more transparent investment liberalization policies: Although there are still deficiencies in the investment policies of African states, some considerable improvements have been made by African states since the era of the structural adjustment programs. These include reducing restriction in sectors open to foreign investors, tax incentives and low tax rates as in Ghana; depreciation allowance and withholding taxes; and work permits and the creation of export processing zones (EPZs). The improvement in the liberalization polices in some African state have made countries such as Mali, Mozambique, Zambia, Chad and Senegal attractive to investments from China and other countries (Morisset, 1999; Broadman, 2007, p. 94).

III. The establishment of Investment Promotion Agencies (IPAs): IPAs are either quasi government organizations or private organizations that offer a wide range of services to facilitate and promote investment. In Africa most of the IPAs are government organizations that operate one-stop facilitator frameworks to reform and improve the investment climate. IPAs have helped to boost the image of Africa, thereby making it attractive to FDI from China and other places.

IV. Finally, the increase in the number of international agreements between African countries and the rest of the world, including China have significantly facilitated trade and FDI flows and changed the FDI compositions in Africa (Broadman, 2007, p. 95). For instance, the creation of AGOA and the Multifibre Arrangement (MFA) has attracted FDI and trade from China into the textile sector.

THE CREATION OF FOCAC

Driven by the accentuation of the globalization process, the need to seek for potential energy sources, the proclivity to reciprocate Africa's support during the Tiananmen Square debacle, the long-term strategic interests to boost its international status and to curb Taiwan's relations with Africa, China in October 2000 organized a Cooperation-Ministerial meeting in Beijing which culminated in the formation of FOCAC. The meeting was attended by 80 ministers in charge of foreign affairs and international trade and economic development from 45 African states. Delegates also came from 17 international and regional organizations, and representatives from Malawi and Liberia (two countries that did not have diplomatic ties with China at the time of the meeting). The meeting reached a broad consensus about establishing a fair and just international political and economic order for the 21st century, and how to promote Sino-Africa economic and trade cooperation. The meeting also prepared and passed two official documents: the Beijing Declaration of the Forum on China-Africa Cooperation, and the Sino-Africa Cooperation Guidelines for Social and Economic Development to provide a framework for China and Africa to build closer and long-standing, stable and mutually beneficial relations (China.Org.cn, 2000). The Beijing Declaration recognized FOCAC as a south – south cooperation scheme between developing countries. Since this inaugural meeting, there have been FOCAC ministerial meetings in Addis Ababa, Ethiopia on December 15 -16 2003, Beijing on November 3 – 5, 2006, and Sham El Sheik, Egypt on November 8 -9, 2009. While the Addis Ababa meeting passed the Addis Ababa Action Plan (2004 – 2006), the Beijing summit passed the FOCAC Action Plan (2007 – 2009) and the Sham El Sheik summit passed the 2010 – 2012 Action Plan. Although the FOCAC ministerial confabs *de jure* provide the platform for setting the tone for collaborative agreements, by *de facto* most development exchanges between China and Africa take place on bilateral basis.

The FOCAC's Beijing Declaration, the Addis Ababa Action Plan and the Beijing Action Plan are all well articulated and encompassing documents which focus on a wide range of issues including the impact of globalization, the need for south-south cooperation, the issue of nuclear weapons, the role of the UN and the African Union, the spread of HIV/AIDS, human rights, and political, economic, energy and social cooperation. Each plan sets out certain accomplishable goals and objectives which are consistent with the key principles of China's African policy based on peaceful coexistence, respect for Africa independence, mutual benefit, mutual support and common development. The Beijing FOCAC Action Plan for 2007 - 2009 aimed to build on the success of the previous plans by encouraging: political cooperation in the areas of high level visits, collective dialogue, contacts between legislature and level of governments, consular and judicial cooperation. Furthermore, the Plan hoped to establish economic cooperation in the areas of agriculture, investment and business cooperation, trade, finance, infrastructure, cooperation in energy and resources, cooperation in science and technology. It also hoped to create cooperation with Africa in international affairs in the areas of the observance of various international instruments including the UN charter, the Five Principles of Peaceful Coexistence, the Constitutive Act of the African Union (AU), human rights, the principles of the World Trade Organization (WTO); and cooperation in social development in the areas of human resources development, culture, education, medical care and public health, environmental protection, tourism, news media and people-to-people, youth and women exchanges. Finally, through FOCAC, China hopes to liberalize trade with Africa. Since the creation of FOCAC, China has accomplished some of the following projects to boost trade: introduced and expanded zero-tariff treatment to over 4,700 products (Peopledaily.com.cn, 2010); established five SEZs (in various stages of completion) in parts of Africa (two in Nigerian, Ethiopia, Zambia, and Mauritius) (Brautigan *et al,* 2010); and increased trade by over 30 percent annually.

CONCLUSION

This paper examined the trends, changes and continuities in China-Africa trade and demonstrated that trade was and is a significant vehicle for the reinvigoration of China's relation with Africa. Since 2000 significant changes have occurred not only in the direction of trade but also in items of trade and the ideology underpinning economic relation between China and the African States. A major trend in trade was the expansion in the range of African exports to China and its imports from China. Compared to trade from the 1950s to 1970s, the number of African countries trading with China has expanded due to the gaining of political independence and the adoption of the "one China" policy. The creation of FOCAC provides further opportunities for trade and marketing in China and as well as in Africa. However, in spite of this significant increase in the volume of trade, trade relations between China and Africa reinforces and sustains the asymmetry between China and the net-winner African countries and the net-loser African countries. So far, the prosperous and resource endowed African countries have dominated trade with China. China – Africa two-way trade is tilted in favor of China (with the exception of 2008) and this is not likely to change significantly. A major challenge to China-Africa trade is how to make trade symmetrical so that net-loser countries can gain favorable trade advantage and more marketing opportunities. To address this challenge, African States and China must focus on fair and equitable economic relations through:

a. The strengthening of trade standards and rules which would encourage fair trade via economic cooperation
b. The introduction of further measures that would attract investment and trade from China to Africa and vice-versa, such as bilateral treaties and harmonization of investment regimes.
c. The encouragement and empowerment of regional integration schemes in Africa to interact with similar schemes in China.
d. The strengthening and elevation of FOCAC from its present status of only providing a platform for ministers and heads of States to articulate their policies to a permanent institution with powers to act on behalf of Member States and initiate common policies for both China and African states.
e. Publication and dissemination of vital information on trade and economic data.

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