



China-Africa Economic and Trade Relationship Annual Report 2021

Editor-in Chief:

Secretariat of the China-Africa Economic and Trade Expo (CAETE)

Written and Compiled by:

Chinese Academy of International Trade and Economic Cooperation (CAITEC)

China-Africa Economic and Trade Promotion Council



Editorial Board

Consultant: He Baoxiang

Directors: Shen Yumou, Xu Xiangping

Deputy Directors: Li Xinqiu, Yu Zirong

Board Members: Peng Zheng, Hu Songqiang, Mao Xiaojing, Wang Haimei, Liu Jianping, Liu Hui, Yang Yi, Yang Yingjun, Wang Jian, Zhang Peng, Xiao Haixiang, Zhang Haian, Sun Guoqiang

Members of the Writing and Compiling Group: Li Zhengchun, Wen Yingping, Zhou Xiangjun, Wang Huijie, Yuan Hui, Yuan Xiaohui, Liu Muxi, Chen Cheng, Zhang Shuping, Deng Yadi, Luo Yali, Xu Xing, Li Xintong, Han Zhuping, Liu Ling, Liu Huan, Kong Weisheng, Li Xiong, Li Yashan, Li Zhi

CONTENTS

Preface	1
Part One General Overview: China-Africa Economic and Trade	
Relationship 2019-2020	3
I. Overview	4
II. Trade in Goods	6
III. Trade in Services	14
IV. Mutual Investment	26
V. Cooperation in Infrastructure Construction	38
VI. China's Aid to Africa	45
VII. China-Africa Economic and Trade Cooperation under the Multilateral Framework.....	50
VIII. Prospects of China-Africa Economic and Trade Relations	51
Part Two Cooperation Between China's Provinces and Africa	57
Overview	58
Hunan Province	62
Zhejiang Province	78
Jiangxi Province	96
Shandong Province	106

Part Three Cooperation Between Chinese Enterprises and Africa.....117

Overview	118
China State Construction Engineering Corporation(CSCEC)	120
China Gezhouba Group Company Limited(CGGC)	122
China Civil Engineering Construction Corporation (CCECC)	124
Hunan Construction Engineering Group(HNCEG)	126
Zambia Jiangxi Economic Cooperation Zone.....	128
Holley Group Co., Ltd. (Holley)	130
Inter Commerce Expo Corporation (ICEC)	132
Friendship International Engineering Consulting Co., Ltd	134

Preface

China is the largest developing country and Africa is the continent with the largest number of developing countries. The everlasting traditional friendship between China and Africa has become a valuable asset for both sides. Based on the concept of win-win cooperation and common development, China-Africa economic and trade cooperation has developed rapidly since the beginning of the century. China has become Africa's largest trading partner, the fourth largest source of investment and an important development partner.

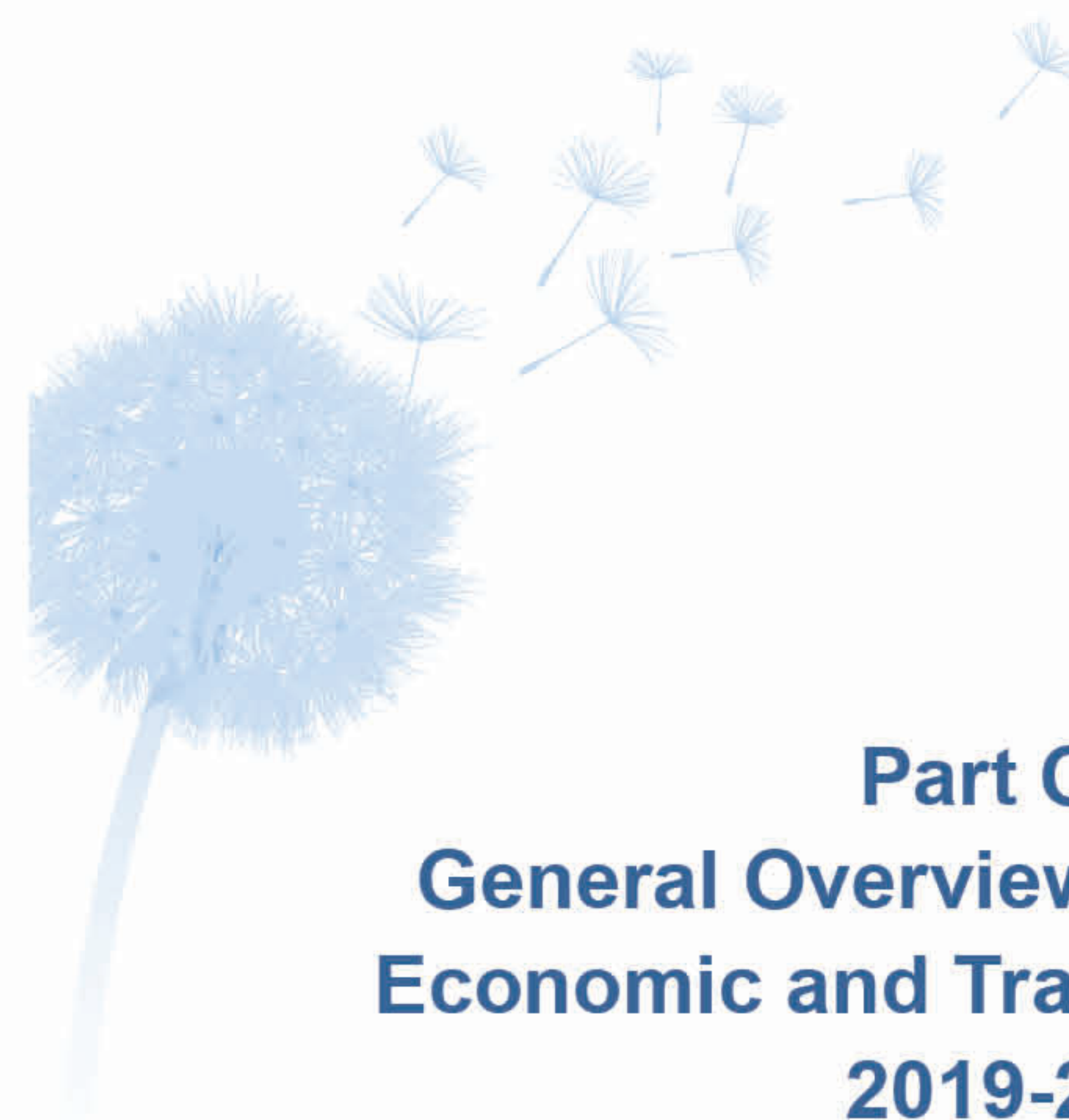
The world is undergoing a great change unseen in a century. The raging of COVID-19 across the globe in 2020 has made the international situation more complicated and unpredictable. In the face of the grim situation, China and African countries have responded to challenges with joint efforts. And China-Africa economic and trade cooperation has maintained stable on the whole, demonstrating its strong resilience and great potential.

2021 is another important year for China-Africa cooperation. In September 2021, the Second China-Africa Economic and Trade Expo (CAETE) is to be held in Changsha, Hunan Province to further promote the development of China-Africa economic and trade cooperation to a higher level and higher quality; by the end of 2021, the new session of Forum on China-Africa Cooperation (FOCAC) will be grandly held in Dakar, the capital of Senegal, to plan a new chapter for China-Africa cooperation under the new situation.

In this context, the Secretariat of the China-Africa Economic and Trade Expo entrusted the Chinese Academy of International Trade and Economic Cooperation and China-Africa Economic and Trade Promotion Council to compile China-Africa Economic and Trade Relationship Annual Report (2021), so as to systematically sort out the progresses and

achievements of China-Africa economic and trade cooperation after the First CAETE and to make study and prospects to the future development trend based on the new situation. This report is divided into three parts of General Overview, Cooperation Between China's Provinces and Africa, and Cooperation Between Chinese Enterprises and Africa, and presented in Chinese and English.

The compilation of the report has received generous support from the Ministry of Commerce of the People's Republic of China, the Ministry of Culture and Tourism of the People's Republic of China, China Banking and Insurance Regulatory Commission, the Civil Aviation Administration of China (CAAC), China-Africa Development Fund, China-Africa Fund for Industrial Cooperation (CAFIC), Department of Commerce of Hunan Province, Department of Commerce of Zhejiang Province, Department of Commerce of Jiangxi Province, Department of Commerce of Shandong Province, China State Construction Engineering Corporation (CSCEC), China Gezhouba Group Company Limited (CGGC), China Civil Engineering Construction Corporation (CCECC), Hunan Construction Engineering Group (HNCEG), Zambia Jiangxi Economic Cooperation Zone, Holley Group Co., Ltd., Inter Commerce Expo Corporation (ICEC) and Friendship International Engineering Consulting Corporation among many others. Hereby, we would like to extend our heartfelt thanks to all.



Part One

General Overview: China-Africa Economic and Trade Relationship 2019-2020

I. Overview

The “Eight Major Initiatives” proposed at the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) drew a blueprint for the development of China-Africa relations and opened a magnificent chapter of China-Africa cooperation in the new era. Driven by the “Eight Major Initiatives” of China-Africa cooperation, China and Africa have steadily promoted cooperation in investment and trade, production capacity and infrastructure connectivity, focused on strengthening joint actions in green development, capacity-building and health services, and have made remarkable progresses in economic and trade exchanges and development cooperation.

China has remained Africa's largest trading partner for 12 consecutive years. In 2019, the amount of China-Africa trade in goods maintained a steady growth compared with that in 2018, and the bilateral import and export volume reached USD209.02 billion, with a year-on-year increase of 2.4%. In 2020, under the severe impact of the COVID-19 on global trade, China's import volume from Africa dropped by 24.4%, its export volume to Africa basically remained stable, and the bilateral trade volume fell to USD186.97 billion, decreasing by 10.5% compared with the same period last year. However, China still maintains the status of Africa's largest trading partner.

China-Africa trade in services demonstrates new potential. Under the impact of pandemic, in 2020, the total trade in services between China and Africa hit USD8.66 billion, shrinking by 20% year-on-year. Nevertheless, China and Africa have kept a good basis for cooperation in trade in services. The construction and transportation trade in services continues to play a leading role and cooperation potentials are also seen in government services, telecommunications, computer and information services, insurance and finance and other sectors.

China's investment in Africa remains relatively steady. In 2019, affected by the overall trend of shrinkage of China's foreign direct investment (FDI), China's FDI in Africa was USD 4.23 billion, with a year-on-year increase of 56.1%, and the stock of direct investment also declined slightly to USD 44.39 billion. Overseas economic and trade cooperation zones gave full play to their role as platforms to further promote China's investment in Africa and China-Africa cooperation in production capacity. In terms of utilization of foreign capital, China's actual utilization of African FDI has shown a downward trend for three consecutive years, with USD472 million in 2019, accounting for only 0.34% of China's actual utilization of foreign capital.

China-Africa cooperation in infrastructure remains promising. The Chinese government strongly supports Africa's infrastructure construction and continuously promotes China-Africa cooperation in infrastructure through the frameworks of Eight Major Initiatives of China-Africa cooperation and China-Africa cooperation in production capacity. In 2020, the turnover of Chinese enterprises' contracted projects in Africa registered USD38.3 billion, a year-on-year decrease of 16.7%, marking the decline of the fifth year consecutively since 2016, and the decreasing amplitude being further enlarged. However, in 2020, the amount of newly signed contracts for contracted projects in Africa increased by 21.4% year-on-year to USD67.9 billion, indicating that African countries still have great demand for infrastructure.

China's aid to Africa development maintains sustainable growth. Taking the Eight Major Initiatives of the FOCAC as the main line, China is steadily promoting cooperation in all fields, and speeding up the implementation of the Beijing Summit of the FOCAC. Meanwhile, China continues to render full support for the pandemic combat in African countries, bring focus on cooperation in the fields of health services, resumption of work and production and improvement of people's livelihood, and work with Africa to build an even closer China-Africa community with a shared future.

China-Africa multilateral cooperation progresses steadily. In addition to bilateral channels, China has also actively expanded multilateral cooperation mechanisms with Africa, strengthened cooperation with the African Union (AU), and actively participated in cooperation with Africa under multilateral frameworks of the United Nations and the G20. China actively supports the role of AU in driving the dovetailing of the Belt and Road Initiatives with the AU Agenda 2063 to promote common development; under the G20 mechanism, China has joined hands with other members to implement the Debt Service Suspension Initiative (DSSI), and has signed DSSI agreements or reached consensus on debt suspension with 16 African countries by the end of 2020 to reduce Africa's debt pressure; China Development Bank and 16 African financial institutions have established the China-Africa Inter Bank Association (CAIBA) to further promote China-Africa financial cooperation.

II. Trade in Goods

In 2018, the Beijing Summit of the FOCAC put forward a new theme of jointly building an even closer China-Africa community with a shared future. After 2017, China-Africa trade saw a reverse of the downward trend for consecutive two years since 2015, and the total trade began to rise. The growth rate reached 19.6% in 2018 and 2.4% in 2019. In 2019, the total import and export trade between China and Africa reached USD209.02 billion, of which China's export to Africa was USD113.21 billion and its import from Africa was USD95.8 billion, with a surplus of USD17.41 billion, continuing the trend of China's surplus since 2015.

In 2020, under the severe challenges of COVID-19, the total volume of China-Africa trade stood at USD187 billion, with a year-on-year decrease of 10.5%, among which, China imported USD72.7 billion from Africa, a year-on-year decrease of 24.1%; exports to Africa reached USD114.2 billion, a year-on-year increase of 0.9%, and China-Africa's trade surplus further expanded to USD41.5 billion. China has remained Africa's largest trading partner for 12 consecutive years.

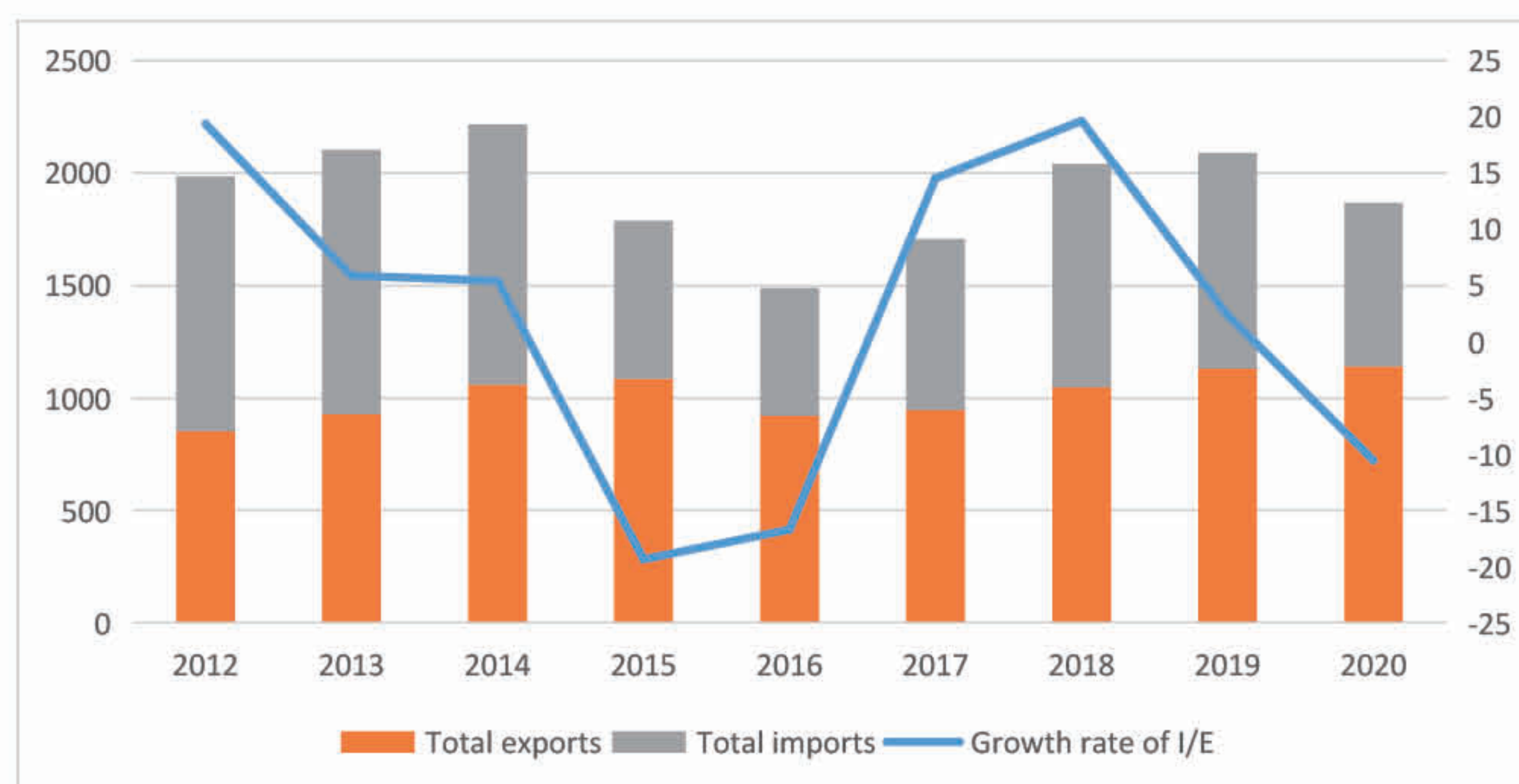


Figure 1-1 China-Africa trade from 2012-2020 (Unit: USD100 million, %)

Source: China Customs statistics by year

In 2019, the total trade volume between China and the top ten trading partners in Africa recorded USD141.93 billion, accounting for 67.9% of the total trade volume between China and Africa. South Africa, Angola, Nigeria and Egypt have long kept the status of China's top four trading partners, with South Africa maintaining China's largest trading partner, import source country and export market country in Africa. In 2019, the bilateral trade volume between China and South Africa reached USD42.492 billion, accounting for 20.3% of the total trade between China and Africa. Specifically, China's exports to South Africa registered USD16.543 billion, and its imports from South Africa hit USD25.949 billion. China's trade deficit with South Africa was USD9.406 billion. The bilateral trade volume between China and Nigeria reached USD19.28 billion, an increase of 26.4% over the previous year, ranking first among China's top 40 trading partners in terms of growth rate; Nigeria's exports to China increased significantly, with a year-on-year increase of 43.4%.

Table 1-1 Import and export between China and its top ten trading partners in Africa in 2019

Unit: USD100 million, %

Country/Region	I/E	Export	Import	I/E year-on-year	Export year-on-year	Import year-on-year
South Africa	424.9	165.4	259.5	-2.4	1.8	-4.9
Angola	258.9	20.6	238.4	-7.8	-8.8	-7.7
Nigeria	192.8	166.2	26.6	26.4	24.0	43.4
Egypt	132.0	122.0	10.0	-4.5	1.8	-45.7
Algeria	80.8	69.4	11.4	-11.2	-12.4	-3.1
Ghana	74.8	49.0	25.8	3.1	1.9	5.5
Libya	72.7	24.5	48.2	17.1	71.7	0.8
Congo (Republic)	65.4	4.4	61.0	-9.9	-2.4	-10.4
DRC	65.1	20.8	44.3	-12.4	17.1	-21.7
Kenya	51.9	50.1	1.8	-3.4	-3.6	3.0

Source: China Customs statistics

In 2020, South Africa, Nigeria, Angola, Egypt and DRC ranked among China's top five trading partners in Africa. Morocco and Tanzania entered the top 10, while Libya and Congo (Republic) fell out of the top 10. Among these countries, Tanzania was the only major trading partner to maintain growth in both import and export.

**Table 1-2 Import and Export between China
and its top ten trading partners in Africa in 2020**

Unit: USD100 million, %

Country/Region	I/E	Export	Import	I/E year-on-year	Export year-on-year	Import year-on-year
South Africa	358.36	152.43	205.93	-15.7	-7.9	-20.6
Nigeria	192.30	167.77	24.53	-0.3	0.9	-7.6
Angola	162.61	17.48	145.13	-37.2	-15.0	-39.1
Egypt	145.29	136.23	9.06	10.1	11.7	-9.5
DRC	90.44	20.13	70.31	39.0	-3.1	58.7
Ghana	84.97	67.56	17.41	13.6	37.8	-32.4
Algeria	65.94	55.97	9.97	-18.4	-19.4	-12.7
Kenya	55.62	54.11	1.51	7.2	8.0	-15.6
Morocco	47.64	41.73	5.91	2.1	3.4	-6.7
Tanzania	45.84	41.75	4.09	9.9	9.5	13.7

Source: China Customs statistics

China's Exports

In 2019, China's exports of goods to Africa amounted to USD113.2 billion, a year-on-year increase of 7.9%. The top five export markets were Nigeria, South Africa, Egypt and Algeria. China's exports to its top ten export markets in Africa totalled USD76.42 billion, accounting for 72.9% of China's total exports to Africa. Among these countries, China's exports to Nigeria, Liberia and Libya grew vigorously, with growth rates of 24%, 99.7% and 71.7% respectively.

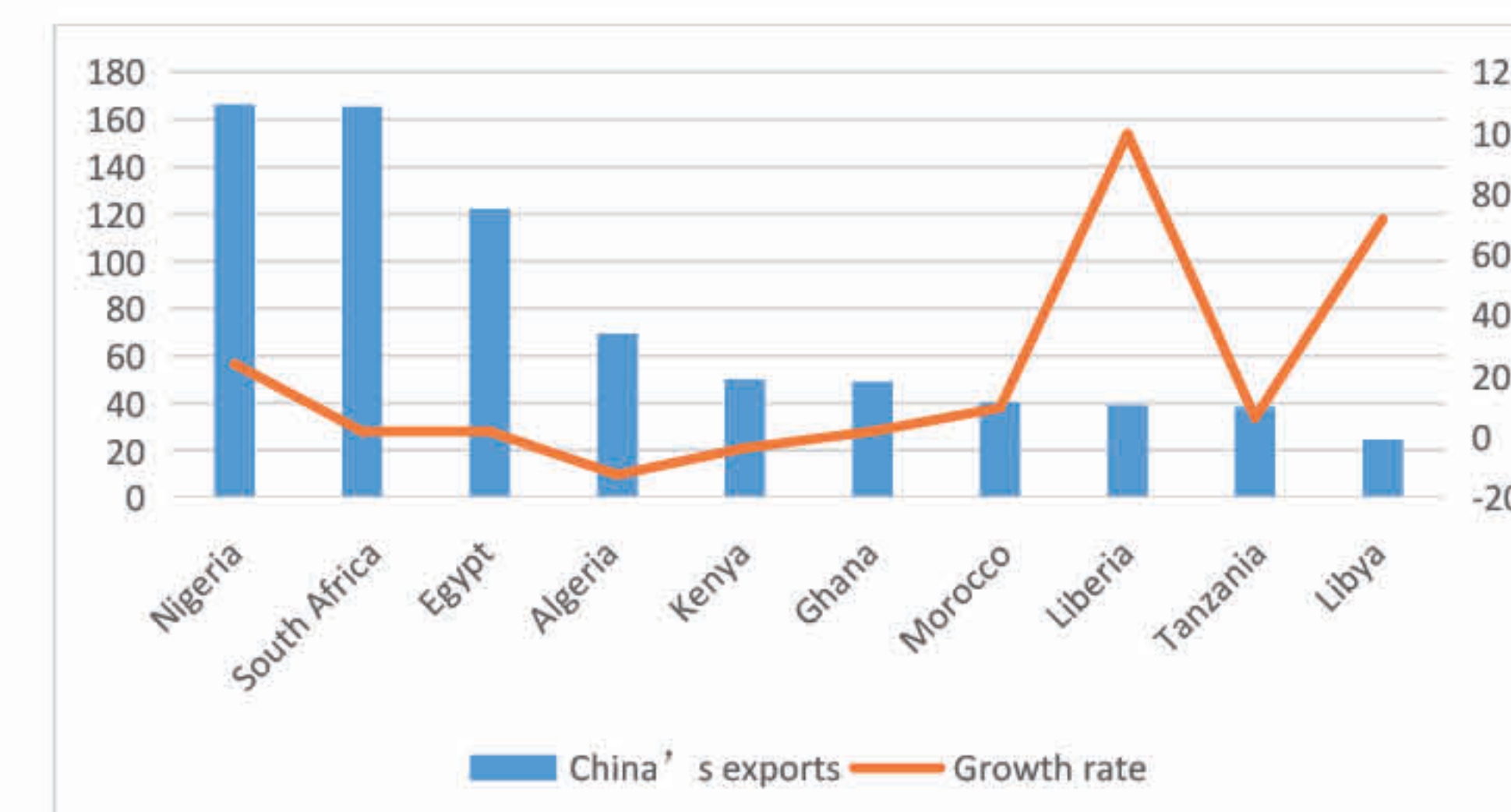


Figure 1-2 China's major export target countries in Africa in 2019

(Unit: USD100 million, %)

Source: China Customs statistics

In 2020, China's exports of goods to Africa reached USD114.2 billion, a year-on-year increase of 0.9%. Nigeria, South Africa and Egypt remained China's top three export markets, Ghana rose to the fourth, and Algeria ranked the fifth. China's exports to its top ten export markets in Africa totalled USD77.72 billion, accounting for 68.1% of China's total exports to Africa. Among these countries, China's exports to Ghana and Senegal grew vigorously, with growth rates of 37.8% and 15.9% respectively.

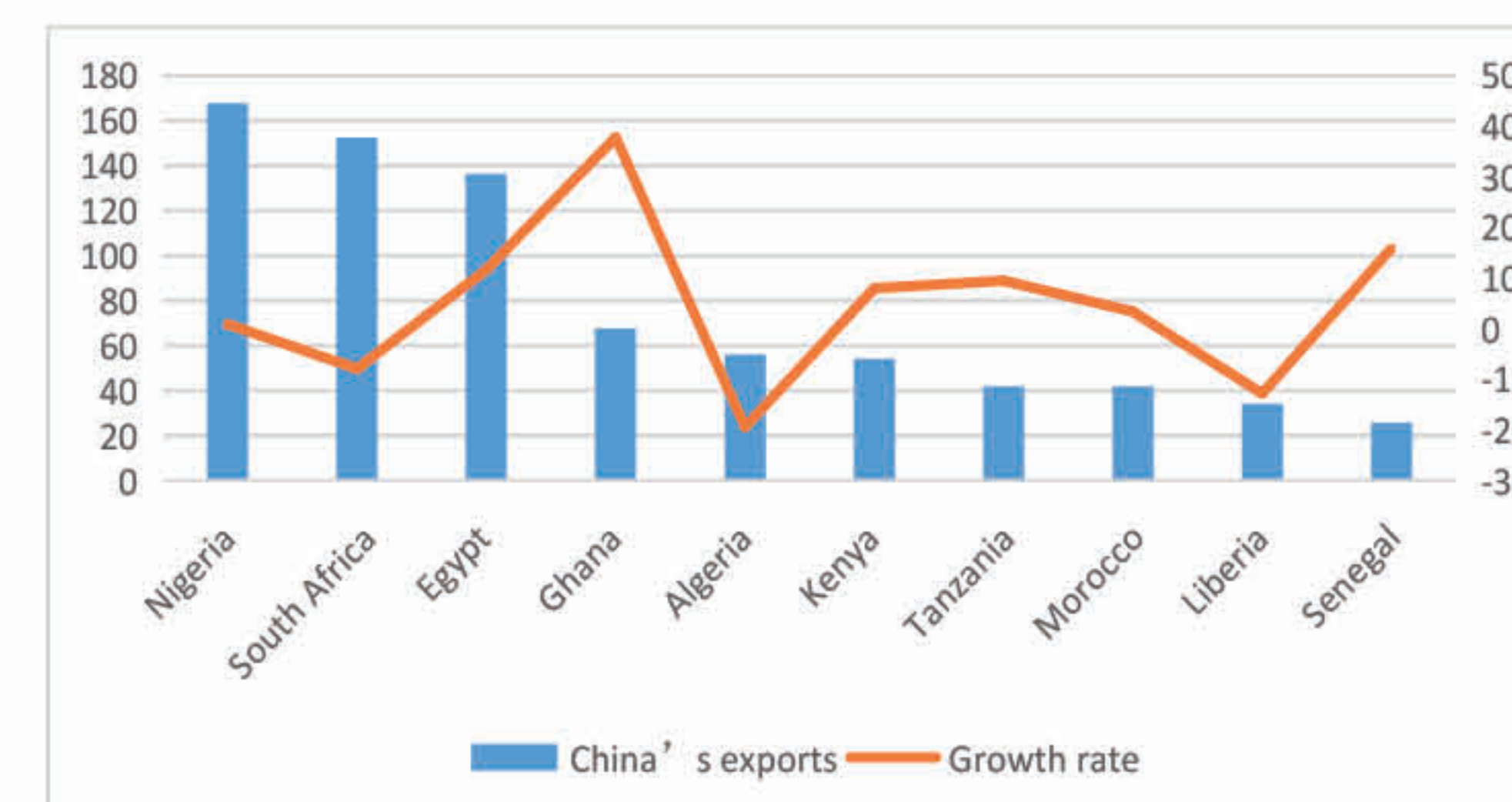


Figure 1-3 China's major export target countries in Africa in 2020 (Unit: USD100 million, %)

Source: China Customs statistics

In recent years, the main products exported by China to Africa are still concentrated in mechanical and electrical products, daily necessities, textile raw materials and their products, base metals and their products, and the total amount has basically maintained a steady increase. In 2019, the above four categories of products accounted for 36.7%, 17.8%, 17.5% and 12.4% of China's total exports to Africa respectively; the proportion in 2020 was 35.9%, 18.0%, 17.1% and 12.8% respectively.

Table 1-3 China’s main export commodities to Africa 2018-2020

Unit: USD100 million

Main commodities	2018	2019	2020
Mechanical and electrical products	381.4	415.1	409.4
Daily necessities	186.8	201.7	205.1
Textile raw materials and their products	182.2	198.1	195.1
Base metals and their products	134.0	140.0	146.4
Chemical products	59.1	59.9	64.7
Agricultural products	33.0	35.6	32.7
Mineral products	14.7	16.3	16.1

Source: Global Trade Flow database

China’s Imports

In 2019, China's imports of goods from Africa amounted to USD95.8 billion, a year-on-year decrease of 3.5%. The top five import source countries were South Africa, Angola, Congo (Republic), Libya and Gabon. China's total imports of goods from its top ten import source countries in Africa amounted to USD80.73 billion, accounting for 84.3% of China's total imports from Africa. China's imports from the top three source countries declined, while imports from Gabon and Nigeria increased significantly, with growth rates of 56.1% and 43.3% respectively.

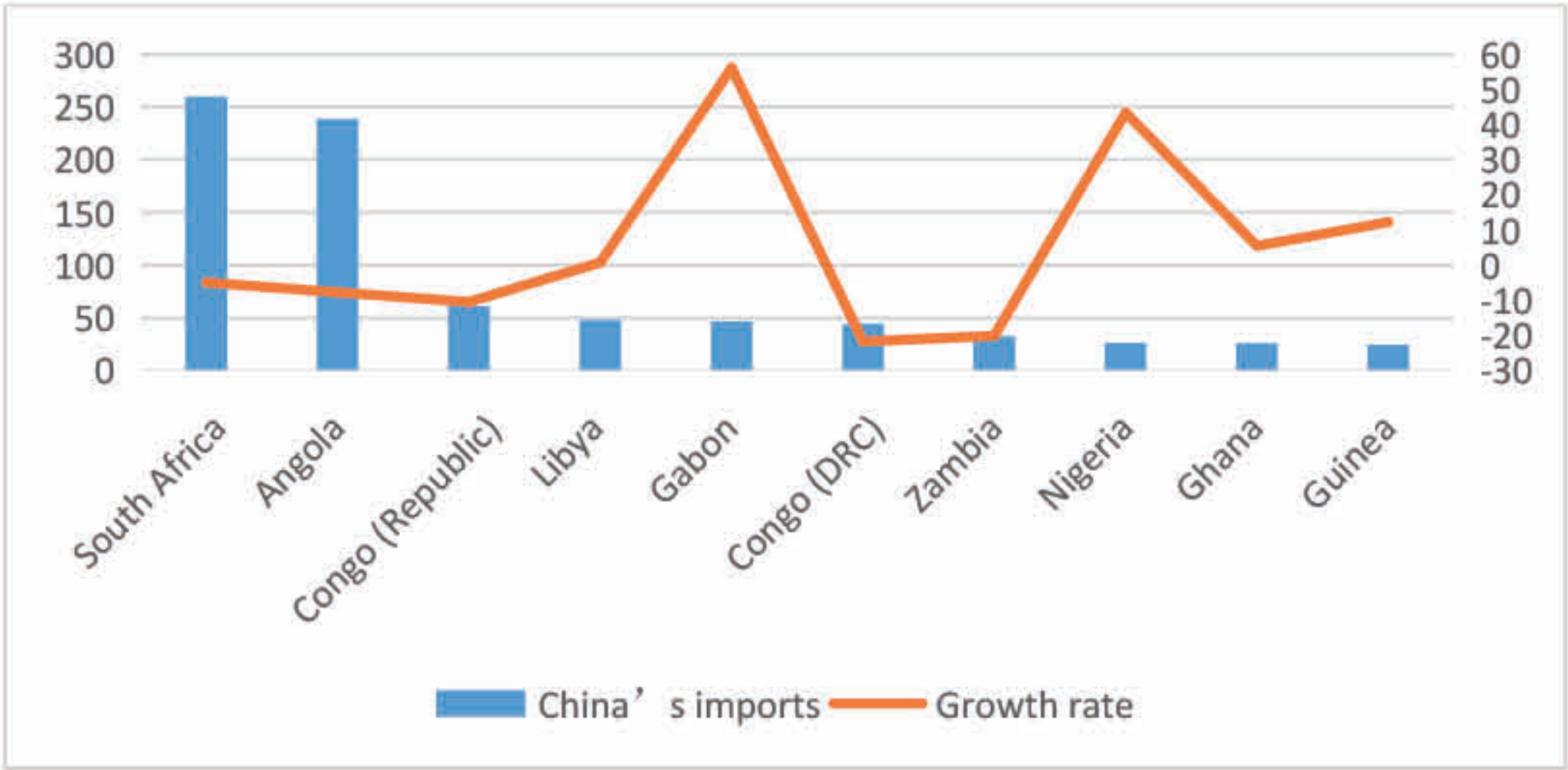


Figure 1-4 China’s main import source countries in Africa in 2019 (Unit: USD100 million, %)

Source: China Customs statistics

In 2020, affected by the pandemic, China's import trade in goods from Africa was USD72.7 billion, dropping 24.1% on a year-on-year basis. The top five import source countries were South Africa, Angola, DRC, Congo (Republic) and Zambia. South Africa and Angola have been China's top two import source countries in Africa since 2016. China's imports of goods from its top ten import source countries in Africa totalled USD59.92 billion, accounting for 82.4% of China's total imports from Africa. Among these countries, China's imports from Congo (Republic) decreased the most, reaching 45%; the import from DRC increased significantly, with an increase of 58.7%, which was due to the large domestic demand for copper resources. DRC became the second largest copper import source country of China; imports from Mauritania also rose sharply by 32.3%.

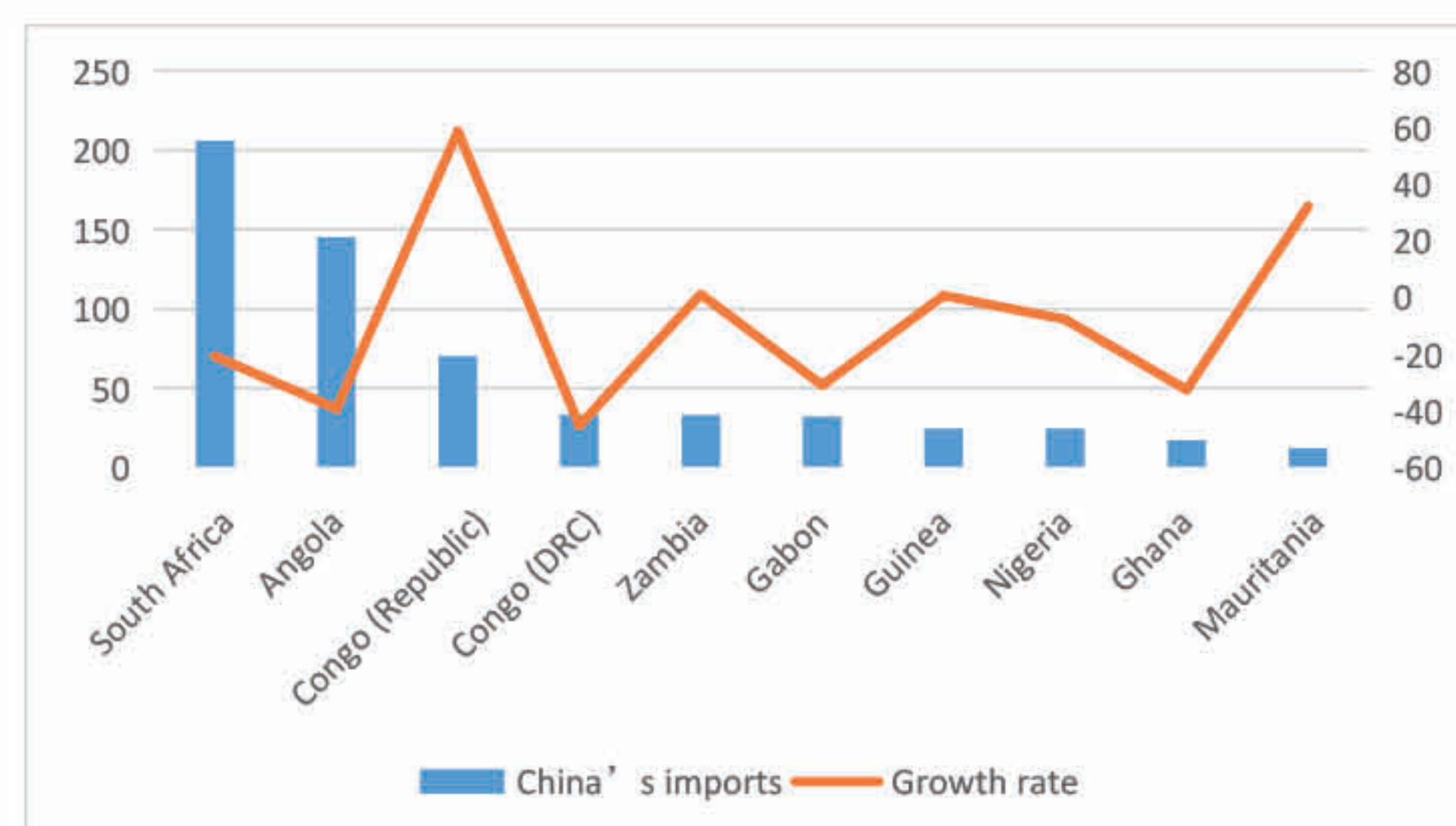


Figure 1-5 China's main import source countries in Africa in 2020 (Unit: USD100 million, %)

Source: China Customs statistics

China's main products imported from Africa are mineral products, base metals and their products, and agricultural products. In 2019, China imported USD65.5 billion of mineral products, accounting for 68.4% of China's total imports from Africa; in 2020, the import volume decreased to USD45 billion, a year-on-year decrease of 31.3%, accounting for 61.9%. Over the past three years, China's imports of agricultural products from Africa increased by an average annual growth of 14%, from USD2.86 billion in 2018 to USD3.78 billion in 2020. China became the second largest importer of agricultural products in Africa. African pure natural, pollution-free, and green agricultural products are increasingly well-received by Chinese consumers.

Table 1-4 China's main import commodities from Africa 2018-2020

Unit: USD100 million

Main commodities	2018	2019	2020
Mineral products	647.4	655.0	449.8
Base metals and their products	110.4	93.0	116.0
Agricultural products	28.6	34.3	37.8
Chemical products	6.8	6.8	8.2
Textile raw materials and their products	9.5	9.5	7.9
Mechanical and electrical products	4.7	4.9	4.1

Source: Global Trade Flow database

Special Column: The First Free Trade Agreement between China and Africa

On January 1, 2021, the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Republic of Mauritius (China-Mauritius FTA) was officially put into effect. In the field of trade in goods, China and Mauritius pledged to eventually reach zero tariffs on 96.3 percent and 94.2 percent of traded items, respectively; in the field of trade in services, both sides promised to open more than 100 segments. The China-Mauritius FTA is China's first FTA with an African nation. It fills the gap of China's existing free trade area network in Africa and has great ground-breaking significance and demonstration effect.

III. Trade in Services

In recent years, China-Africa trade in services witnessed steady development. In 2019, the total trade in services between China and Africa recorded USD10.815 billion, including USD6.614 billion in exports and USD4.201 billion in imports; in 2020, under the impact of Covid-19, the total trade in services between China and Africa hit USD8.658 billion, dropping nearly 20% from the same period last year, of which China exported USD5.221 billion and imported USD3.437 billion.

The distribution of China's trade in services in African countries is relatively concentrated. In 2019 and 2020, the total import and export volume between China and its top ten services trading partners in Africa reached USD6.55 billion and USD5.15 billion respectively, accounting for 60.6% and 59.4% of the total trade in services between China and Africa respectively. There is a high degree of overlap between China-Africa trade in services and China-Africa trade in goods. South Africa, Egypt, Angola, Nigeria and Kenya are also China's major goods trading partners in Africa.

Table 1-5 China's top ten services trading partners in Africa in 2019

Unit: USD100 million

Country	Total I/E volume	China's exports	China's imports
South Africa	11.1	5.7	5.4
Egypt	10.0	5.0	5.0
Ethiopia	7.9	2.0	5.9
Angola	7.6	4.9	2.7
Algeria	5.7	4.6	1.1
Nigeria	5.3	4.1	1.2
Zambia	5.1	3.5	1.6
Mauritius	4.9	2.0	2.9
Congo (Republic)	4.0	3.3	0.7
Kenya	3.8	2.0	1.9
Total of top ten partners	65.5	37.2	28.3

Source: MOFCOM

Table 1-6 China's top ten services trading partners in Africa in 2020

Unit: USD100 million

Country	Total I/E volume	China's exports	China's imports
Ethiopia	11.0	3.0	8.0
South Africa	8.4	4.9	3.5
Egypt	7.2	2.6	4.6
Nigeria	4.4	3.0	1.4
Mauritius	3.8	2.4	1.5
Ghana	3.5	2.5	1.0
Angola	3.4	2.2	1.2
Tanzania	3.3	2.6	0.7
Kenya	3.3	1.9	1.4
Seychelles	3.1	1.5	1.6
Total of top ten partners	51.5	23.1	22.1

Source: MOFCOM

The main areas of China-Africa trade in services are construction, transportation and travel services. At the same time, other forms of trade in services such as government services, telecommunications, computer and information services, insurance and finance have also begun to show great potential for cooperation.

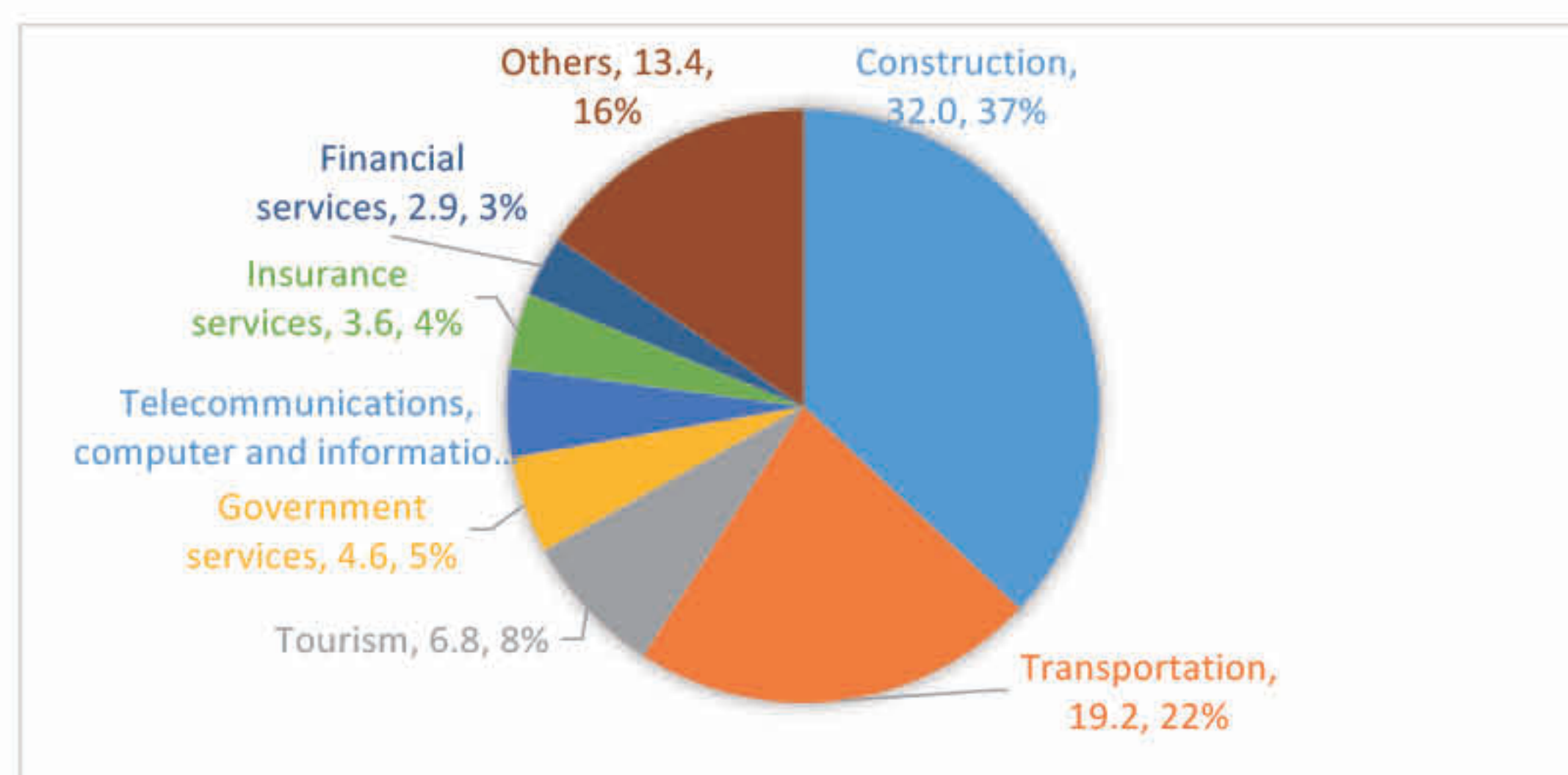


Figure 1-6 Main areas of China-Africa trade in services in 2020 (Unit: USD100 million, %)

Source: MOFCOM

Financial Cooperation

As of the end of 2020, the China Banking and Insurance Regulatory Commission had signed memorandums of understanding on regulatory cooperation with seven African countries, including Egypt, Ghana, Mauritius, Morocco, South Africa, Nigeria and Zambia, to promote information sharing, strengthen regulatory cooperation, and continuously improve the level of cross-border financial supervision.

Chinese financial institutions continue to expand the layout of financial outlets in Africa. As of the end of 2020, seven Chinese banks had set up 15 branches in Africa. China's large state-owned banks, development financial institutions and policy-oriented banks, as well as Chinese private banks and other financial institutions have carried out a variety of businesses in Africa, which effectively supported the development of China-Africa economic and trade cooperation, played a positive role in alleviating Africa's financing difficulties, and promoted local economic and social development. South Africa is China's largest financial investment destination in Africa, and most Chinese enterprises choose to set up their African regional headquarters in the country. In December 2020, the first branch of Bank of Communications (BOCOM) in Africa was officially opened to business in Johannesburg, South Africa, marking the milestone of the bank in expanding business opportunities in Africa. It will provide high-quality financial services for the continuous and in-depth cooperation between China and South Africa in the fields of finance, economy, trade and tourism.

Table 1-7 Branches of Chinese financial institutions established in Africa as of the end of 2020

Organization	Number of branches in Africa	Name of branch	Location of branch	Date of establishment
China Development Bank (CDB)	1	CDB's Representative Office in Cairo	Egypt	2009
The Export-Import Bank of China (CEXIM)	2	CEXIM's Representative Office in East and South Africa	South Africa	1999
		CEXIM's Representative Office in North and West Africa	Morocco	2015
Industrial and Commercial Bank of China (ICBC)	1	ICBC's Representative Office in Africa	South Africa	2011
Agricultural Bank of China (ABC)	1	Sino-Congolese Bank for Africa (BSA)	Congo (Republic)	2015
Bank of China (BOC)	8	BOC Johannesburg Branch	South Africa	2000
		BOC Zambia	Zambia	1997
		BOC Nairobi Representative Office	Kenya	2012
		BOC Luanda Branch	Angola	2017
		BOC Morocco Representative Office	Morocco	2015
		BOC (Mauritius) Limited	Mauritius	2016
		BOC Tanzania Representative Office	Tanzania	2016
		BOC (Djibouti) Co., Ltd.	Djibouti	2019
China Construction Bank (CCB)	1	CCB Johannesburg Branch	South Africa	2000
Bank of Communications (BOCOM)	1	BOCOM Johannesburg Branch	South Africa	2020

Source: China Banking and Insurance Regulatory Commission

At the same time, financial institutions from African countries are also actively expanding their businesses in China. As of the end of 2020, 9 African banks had set up 9 branches in China.

Table 1-8 Branches of African financial institutions established in China as of the end of 2020

Organization	Home country of parent bank and shareholders	Name of institution in China	Location in China	Nature of institution	Date of establishment
National Bank of Egypt	Egypt	National Bank of Egypt Shanghai Branch	Shanghai	Representative Office	2008
Banque Misr	Egypt	Banque Misr Guangzhou Representative Office	Guangzhou	Representative Office	2016
Bank of Africa	Morocco	Bank of Africa Shanghai Branch	Shanghai	Representative Office	2018
FirstRand Bank Limited	South Africa	FirstRand Bank Limited Shanghai Representative Office	Shanghai	Representative Office	2007
First Bank of Nigeria PLC	Nigeria	First Bank of Nigeria PLC Beijing Representative Office	Beijing	Representative Office	2009
ZENITH BANK PLC	Nigeria	ZENITH BANK PLC Beijing Representative Office	Beijing	Representative Office	2011
Access Bank Plc	Nigeria	Access Bank Plc Shanghai Representative Office	Shanghai	Representative Office	2014
Alfriland First Bank	Cameroon	Alfriland First Bank Beijing Representative Office	Beijing	Representative Office	2003
Ecobank Ghana Limited	Ghana	Ecobank Ghana Limited Beijing Representative Office	Beijing	Representative Office	2012

Source: China Banking and Insurance Regulatory Commission

As of the end of 2020, two Chinese insurance companies had set up two branches in Africa, including the China Taiping Representative Office established by China Taiping Insurance Holdings Company Limited (China Taiping) in South Africa and the SINOSURE Johannesburg Representative Office established by China Export & Credit Insurance Corporation (SINOSURE) in South Africa. Two African insurance companies had set up two branches in China, including Old Mutual-Chn Energy established by Old Mutual Limited (South Africa) in China and the Ping An Health Insurance Company established by Discovery Limited in China.

China continues to expand the use of its home currency in investment, financing and trade in Africa. The People's Bank of China (PBC) has established RMB clearing arrangements with Zambia, South Africa and other countries, and signed bilateral local currency swap agreements with South Africa, Morocco, Egypt and other countries. In June 2019, during the First China-Africa Economic and Trade Expo, the PBC put forward the strategic concept of establishing a "China-Africa Cross-border RMB Center", which effectively promoted the use of RMB in Africa, and functioned as a practical financial vehicle to facilitate China-Africa economic and trade exchanges. Meanwhile, with the deepening of China-Africa economic and trade cooperation, African countries also paid increasing attention to expanding their RMB business in order to facilitate bilateral trade settlement, optimize the structure of foreign exchange reserves, and stabilize the financial system. In June 2019, the Bank of Mozambique, the country's central bank, said that it would increase the proportion of RMB in its foreign exchange reserves to 10%; in December 2019, the Banque Misr and the Commercial International Bank (CIB) of Egypt were approved by the regulatory authorities to open RMB business to handle exchange, settlement, issuance of letters of credit and other businesses for enterprises.

China has become one of Africa's most important development and financing partners. In order to support the large demand for external funds in the African market, in addition to the direct loan support provided by policy-oriented banks and commercial banks to African countries, China has also established a series of special fund support instruments, including China-Africa Development Fund, China-Africa Fund for Industrial Cooperation (CAFIC), Special Loan for the Development of African SMEs, special fund for financing imports from Africa, etc. As an important part of the supporting funds of the Eight Major Initiatives, in 2019, the CEXIM established a special fund of USD5 billion to be solely used in Africa for financing imports from Africa, so as to enhance the capacity of African countries to earn foreign exchange through exports, promote the smooth trade between China and Africa, and improve the trade structure between the two sides.

Special Column: Special Fund for Financing Imports from Africa

At the Beijing Summit of the FOCAC held in September 2018, President Xi Jinping announced that China and Africa will jointly implement the Eight Major Initiatives. In order to promote the smooth implementation of the Eight Major Initiatives, China will provide USD60 billion of support to Africa, including USD5 billion of special funds for financing trade imports from Africa.

Established in early 2019, the special fund, which is under the management of CEXIM in accordance with market-oriented principles and commercial standards, is mainly used for various financing and credit enhancement service. The special fund focuses on supporting the industrial construction of goods and services imported by China with African origin, as well as Africa's exports and processing products to China in promoting the construction of industrial parks for Africa's exports to China.

Aviation Cooperation

China-Africa cooperation in aviation has made steady progress and achieved fruitful results in institutional cooperation, infrastructure construction, provision of civil airliners, and training of aviation talents. In terms of institutional cooperation, as of the end of 2020, China had officially signed agreements on civil air transport with 21 African countries, including Ethiopia, Angola, Tanzania, Zambia, South Africa, Congo (Republic), Côte d'Ivoire and Rwanda, and initialed agreements on civil air transport with 9 African countries including Seychelles, Libya, Uganda, and Namibia.

Table 1-9 Signing of agreements on civil air transport between China and African countries

No.	Country	Date of signing	Remarks
1	Egypt	5/2/1965	
2	Ethiopia	7/30/1975	First signing
		3/4/2003	Superseded former agreement, provisionally in effect
3	Zaire	5/31/1974	Later renamed to Democratic Republic of Congo
4	Zambia	9/26/1991	First signing
		2/3/2007	Superseded former agreement, pending entry into force, filed
5	Mauritius	5/23/1995	
6	Zimbabwe	5/21/1996	
7	Madagascar	9/23/1997	
8	Morocco	12/3/1998	
9	South Africa	2/2/1999	
10	Tunisia	4/16/2002	
11	Kenya	8/3/2005	
12	Tanzania	4/11/2008	
13	Algeria	11/6/2006	
14	Nigeria	5/7/2014	
15	Sudan	11/17/2009	
16	Angola	12/17/2008	
17	Cameroon	4/21/2011	
18	Benin	8/18/2010	Initialed
19	Uganda	7/4/2006	Initialed
20	Seychelles	8/6/2004	Initialed
21	Libya	2/23/2006	Initialed
22	Mozambique	1/23/2007	Initialed
23	Ghana	12/29/2007	Initialed
24	Botswana	11/20/2014	Initialed
25	Djibouti	10/22/2015	
26	Togo	7/22/2016	Initialed
27	Congo (Republic)	1/9/2018	
28	Cote d'Ivoire	6/25/2018	
29	Rwanda	7/23/2018	
30	Namibia	8/21/2018	Initialed

Source: CAAC

In June 2019, China Southern Airlines (CZ) opened a direct air route from Changsha to Kenya, which is also the first direct airway from Hunan to Africa. In the winter and spring flight seasons of 2019 before the pandemic, 10 airlines operated scheduled flights between China and Africa, with a total of 72 flights per week. In terms of passenger transport, 3 Chinese airlines operated 7 flights per week and 7 African airlines operated 55 flights per week. In terms of freight transportation, only Ethiopian Airlines in Africa operated 10 flights per week.

Table 1-10 Air routes between China and African countries in winter and spring flight seasons of 2019

Country	Airlines	Air route	Weekly flight	Nature of flight
South Africa	Air China (AC)	Beijing-Johannesburg Round trip	3	Passenger
Kenya	CZ	Guangzhou-Nairobi Round trip	2	Passenger
	Kenya Airways (KQ)	Nairobi-Bangkok-Guangzhou Round trip	7	Passenger
Ethiopia	Ethiopian Airlines (ET)	Addis Ababa-Beijing Round trip	7	Passenger
		Addis Ababa-Pudong Shanghai Round trip	7	
		Addis Ababa-Guangzhou Round trip	7	
		Addis Ababa-Guangzhou Round trip	3	
		Addis Ababa-Chengdu Round trip	4	
		Addis Ababa-Liege-Pudong-Delhi-Addis Ababa	1	Freight
		Addis Ababa-Liege-Guangzhou-Addis Ababa	3	
		Addis Ababa-Liege-Guangzhou-Mumbai-Addis Ababa	2	
		Addis Ababa-Liege-Pudong-Chongqing-Addis Ababa	1	
		Addis Ababa-Pudong-Delhi-Addis Ababa	1	
		Addis Ababa-Guangzhou-Addis Ababa	1	
		Addis Ababa-Mumbai-Guangzhou-Addis Ababa	1	
Algeria	Air Algerie (AH)	Algiers-Beijing Round trip	2	Passenger
Rwanda	RwandAir (WB)	Kigali-Mumbai-Guangzhou	4	Passenger
Egypt	Sichuan Airlines (3U)	Chengdu-Cairo Round trip	2	Passenger
	EgyptAir (MS)	Cairo-Beijing Round trip	3	Passenger
		Cairo-Guangzhou Round trip	7	
Madagascar	Air Madagascar (MD)	Tananarive-Roland Garros-Guangzhou Round-trip	2	Passenger
Mauritius	Air Mauritius (MK)	Mauritius-Pudong Round trip	2	Passenger

Source: CAAC

From 2020 to 2021, the pandemic caused certain impact to passenger flights between China and Africa, but freight flights increased significantly. In terms of passenger transport, a total of 7 airlines operated scheduled passenger flights between China and Africa, with a total of 11 flights per week. Specifically, 3 Chinese airlines operated 4 flights per week and 4 African airlines operated 7 flights per week. In terms of freight transport, the number of flights increased from 10 per week before the pandemic to 42 per week at present, all of which are operated by African airlines.

Table 1-11 Air routes between China and African countries in summer and autumn flight seasons of 2021

Country	Airlines	Air route	Weekly flight	Nature of flight	Remarks
South Africa	AC	Beijing-Shenzhen-Johannesburg Round trip	1	Passenger	
Kenya	Kenya Airways	Nairobi-Guangzhou Round trip	2	Passenger	
		Nairobi-Guangzhou Round trip	1	Freight	
	CZ	Guangzhou-Nairobi Round trip	1	Passenger	
		Shenzhen-Nairobi Round trip	1	Passenger	Only for outbound
Ethiopia	Ethiopian Airlines	Addis Ababa-Chengdu	0.5	Passenger	
		Addis Ababa-Shanghai Round trip	1	Passenger	Only for outbound
		Addis Ababa-Guangzhou	0.5	Passenger	
		Addis Ababa-Beijing Round trip	7	Freight	
		Addis Ababa-Chengdu Round trip	2	Freight	
		Addis Ababa-Guangzhou Round trip	13	Freight	
		Addis Ababa-Shanghai Round trip	6	Freight	
		Addis Ababa-Wuhan Round trip	1	Freight	
		Addis Ababa-Liege-Guangzhou-Liege-Addis Ababa	1	Freight	
		Addis Ababa-Liege-Guangzhou-Mumbai-Addis Ababa	2	Freight	
		Addis Ababa-Liege-Pudong Shanghai -Delhi-Addis Ababa	1	Freight	
		Addis Ababa-Liege-Pudong Shanghai -Liege-Addis Ababa	1	Freight	
		Addis Ababa-Liege-Pudong Shanghai -Liege-Addis Ababa	1	Freight	
		Addis Ababa-Liege-Wuhan-Addis Ababa	1	Freight	
		Addis Ababa-Liege-Zhengzhou-Liege-Addis Ababa	4	Freight	
		Addis Ababa-Shenzhen-Dubai Al Maktoum-Addis Ababa	1	Freight	
Egypt	Sichuan Airlines	Beijing-Sichuan (first entry point) - Cairo Round trip	1	Passenger	
	EgyptAir	Cairo-Guangzhou Round trip	1	Passenger	
		Cairo-Hangzhou Round trip	1	Passenger	
Algeria	Air Algerie	Algiers-Beijing Round trip	1	Passenger	

Source: CAAC

To promote the export of domestic aircraft and safe operation overseas, China has actively carried out dialogue with African authorities. As of now, China has established bilateral airworthiness relations with 12 African countries, including Burundi, Eritrea, Congo (Republic), DRC, Ghana, Zimbabwe, Cameroon, Senegal, Tanzania, South Africa, Namibia and Benin. "Made in China" aircraft provided a new choice for Africa's aviation industry. The main types of domestic civil aircraft exported to Africa are MA60 and Y12F series aircraft produced by AVIC. In September 2020, MA600 was delivered to the African country Benin for the first time.

China has vigorously carried out aviation training for Africa and jointly established a flight academy with African countries. The Ivy International Flight Academy jointly founded by AVIC International Holding Corporation (AVIC INTL), Nanjing University of Aeronautics (NUAA) and Test Flight Academy of South Africa (TFASA) has completed the training of about 1,000 Chinese pilots and South African and Kenyan pilots as of the end of 2020. Chinese airlines and aircraft manufacturers have initially established a complete after-sales service system including pilot training, technical support and spare parts supply, which have promoted the development of African regional aviation market.

Tourism Cooperation

In recent years, China-Africa cooperation in tourism has shown a sound momentum of development, and the number of tourists to Africa has gradually increased. At present, 34 African countries have become outbound tourism destinations for Chinese citizens, and China has officially launched package tour business for Chinese citizens with 22 of them. African countries have also attached importance to the huge tourism economic value of Chinese tourists. In 2020, by leveraging China International Fair for Trade in Services (CIFTIS) as a platform, Angola, Botswana and Rwanda among others actively promoted their cultural and tourism resources. According to the China-Mauritius FTA, Mauritius's commitment to opening up the services industry adopts the positive list model and opens important services sectors such as tourism to China. China and Mauritius will also strengthen cooperation in the development of tourism related infrastructure, the establishment of tourism exchange and cooperation mechanism, and the joint promotion of tourism products, so as to further facilitate tourist exchanges and people-to-people and cultural exchanges.

Broadcasting and Television

Chinese broadcasting and TV enterprises have gradually entered Africa and built a new bridge for cultural exchanges and communication between China and Africa. "Beijing Top TV Dramas & Movies Broadcasting Season in Africa" has been held for six consecutive years since 2014, covering 11 countries including South Africa, Kenya, Uganda, Nigeria, Madagascar and Mozambique. A total of 121 top films and TV dramas have been translated and dubbed into languages familiar to African audience. This event has become an important platform for film and TV drama exchanges between China and Africa. Due to the pandemic, the last year's event was held mainly in Kenya and Uganda, and was changed to online exhibition. From September to December 2020, the themed broadcasting activity entitled "Wild China · A Passage to Africa" was successfully held. A Bite of China Season II, The Ordinary World, Battleground without Smoke of Gunpowder, and In Wuhan and other excellent films, TV dramas and documentaries reflecting the theme of contemporary China's development and the combat against the pandemic were broadcast on non-digital TV and Internet video platforms in Africa. An increasing number of Africans got an in-depth understanding of China through watching films and TV dramas, and grew a strong interest in China and China's development.

Commerce and Trade Logistics

In recent years, new commercial activities such as cross-border e-commerce cooperation between China and Africa have developed rapidly. Chinese e-commerce companies showed a sound momentum of development after being put into operation in Africa; enterprises in Zhejiang, Guangdong and other places actively invested in the construction of overseas warehouses. By integrating and building new business platforms for sales to Africa, combining logistics services and online payment functions, and using overseas warehouses for stocking, Chinese SMEs have simplified the processes of procurement, distribution, logistics, customs and payment, greatly reducing the operating costs of procurement and logistics in trade with Africa.

In July 2018, China and Rwanda signed the Memorandum of Understanding on E-Commerce Cooperation. The two governments plan to establish an e-commerce cooperation mechanism to jointly create an enabling environment for developing e-commerce. In October, under the framework of Electronic World Trade Platform (eWTP), Alibaba and the Rwandan government announced to jointly establish Africa's first eWTP to promote the development of e-commerce and digital economy

in Rwanda and other African countries, and create a more free, innovative and inclusive international trade environment for Africa. In 2019, eWTP Yiwu Global Innovation Center - Rwanda Digital Trading Hub was officially opened. Based on the East African market, the hub will work to enlarge trade scale and develop into a wholesale distribution center for Yiwu commodities in East Africa.

Since the outbreak of the pandemic in 2020, the cooperation between China and Africa in various digital cooperation platforms, online promotion conferences, influencer marketing, and other new commercial activities have flourished, facilitating the matchmaking between Chinese and African enterprises.

IV. Mutual Investment

Foreign Investment in Africa

Over the past two years, the amount of foreign investment absorbed by Africa has shown a sharp downturn. According to the statistics of the United Nations Conference on Trade and Development (UNCTAD), in 2019, Africa attracted FDI of USD45.368 billion, a year-on-year decrease of 10.3%, and its proportion in global FDI flows decreased from 3.38% in 2018 to 2.95%. Due to the COVID-19, the total FDI in the world in 2020 recorded USD1 trillion, dropping sharply by 35% on a year-on-year basis. The total amount of FDI attracted by African countries declined sharply by 18% compared with the previous year to USD40 billion, which was greater than the average decline of developing countries. Affected by negative factors such as COVID-19, economic sluggish and stringent regulation of foreign exchange, there has been a falloff in greenfield investment, international project financing and cross-border M&A in Africa.

From the perspective of the African subregions, in 2020, in addition to a slight increase in the amount of foreign capital absorbed by Central Africa, the amount of foreign capital absorbed by North Africa, East Africa, West Africa and South Africa decreased significantly. Among these regions, North Africa registered the sharpest decline, from USD14 billion in 2019 to USD10 billion in 2020, a decrease of 25%. The amount of FDI absorbed by Egypt reduced from USD9 billion in 2019 to USD5.9 billion in 2020. Although the stat decreased by 35% year-on-year, Egypt is still the largest foreign capital inflow country in Africa. The top ten African countries that absorbed FDI in 2020 include: Egypt, Congo (Republic), South Africa, Ethiopia, Nigeria, Mozambique, Ghana, Morocco, Gabon and DRC.

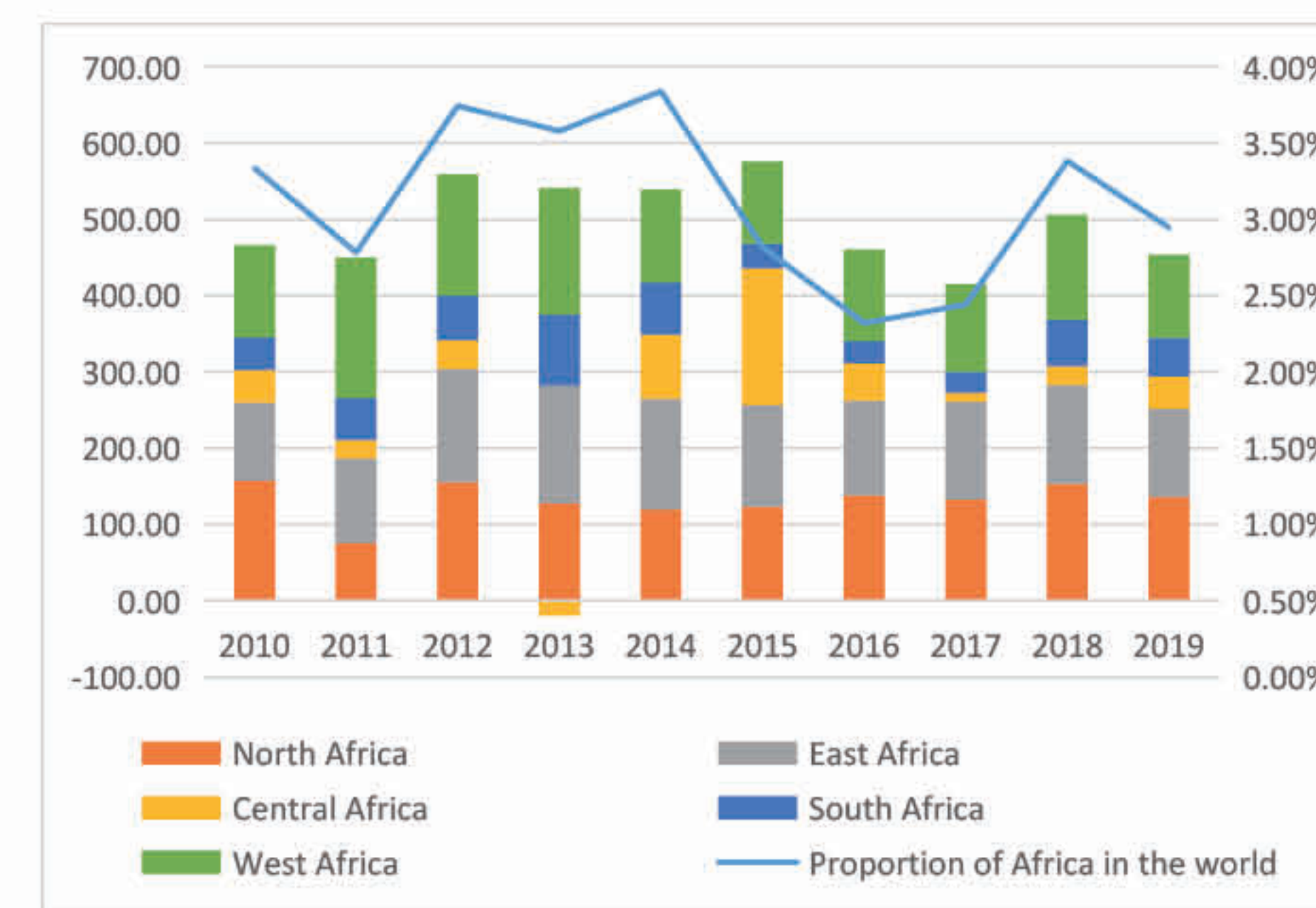


Figure 1-7: FDI flows in Africa 2010-2019 (Unit: USD100 million)

Source: UNCTAD

China's Investment in Africa

In recent years, China's investment in Africa has basically remained between USD2 billion- 4 billion, reaching USD5.389 billion in 2018, and the stock of direct investment was up to USD46.104 billion. In 2019, due to the overall situation of slight shrinkage of China's FDI, China's direct investment amount in Africa decreased significantly compared with the previous two years, at USD2.704 billion, accounting for 6.0% of Africa's total foreign investment; the stock of direct investment fell slightly to USD44.39 billion, accounting for about 2% of China's foreign investment stock. China surpassed the United States and became the fourth largest source of investment in Africa. In 2020, in spite of the raging of pandemic worldwide and the low ebb of international trade and investment, China's foreign investment continued to grow against the trend, and its investment flow to Africa reached USD4.23 billion, growing by 56.1% over the same period last year, which fully reflected the resilience and complementarity of China-Africa cooperation.

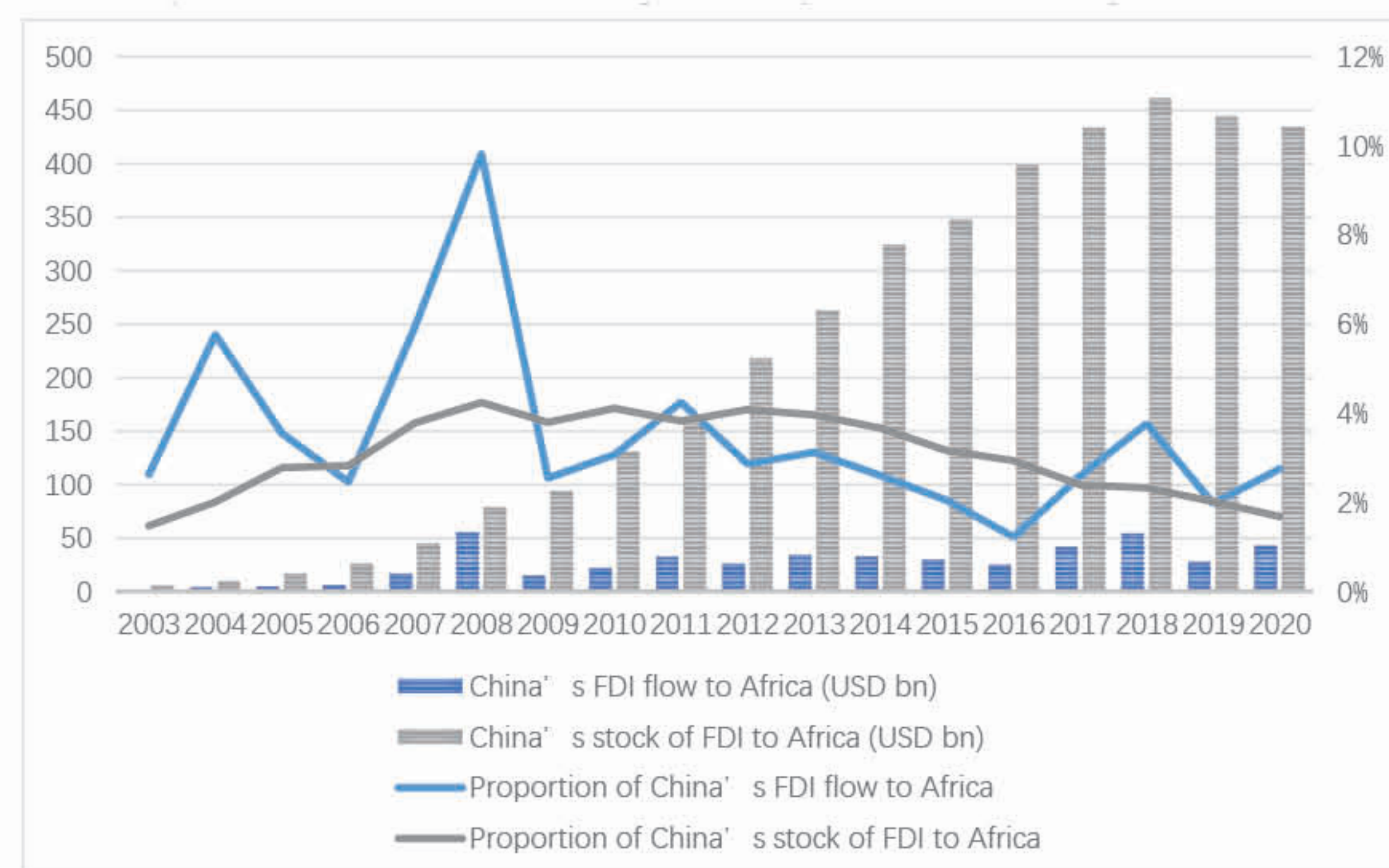


Figure 1-8 China's direct investment in Africa 2003-2020

Source: National Bureau of Statistics, Statistical Bulletin of China's Outward Foreign Direct Investment (by year)

At present, China's investment in Africa is distributed in 52 countries. In 2020, China's direct investment flow in Africa exceeded USD100 in 13 countries, namely Kenya, Congo (DRC), South Africa, Ethiopia, Nigeria, Congo (Republic), Niger, Zambia, Senegal, Madagascar, Morocco, Algeria and Tanzania, totalling USD3.67 billion, accounting for 86.8% of China's total investment in Africa.

In terms of stock of investment, as of the end of 2020, the top ten countries with the largest stock of China's direct investment in Africa were South Africa, DRC, Zambia, Ethiopia, Angola, Nigeria, Kenya, Zimbabwe, Algeria and Ghana, accounting for 63.1% of China's stock of investment in Africa.

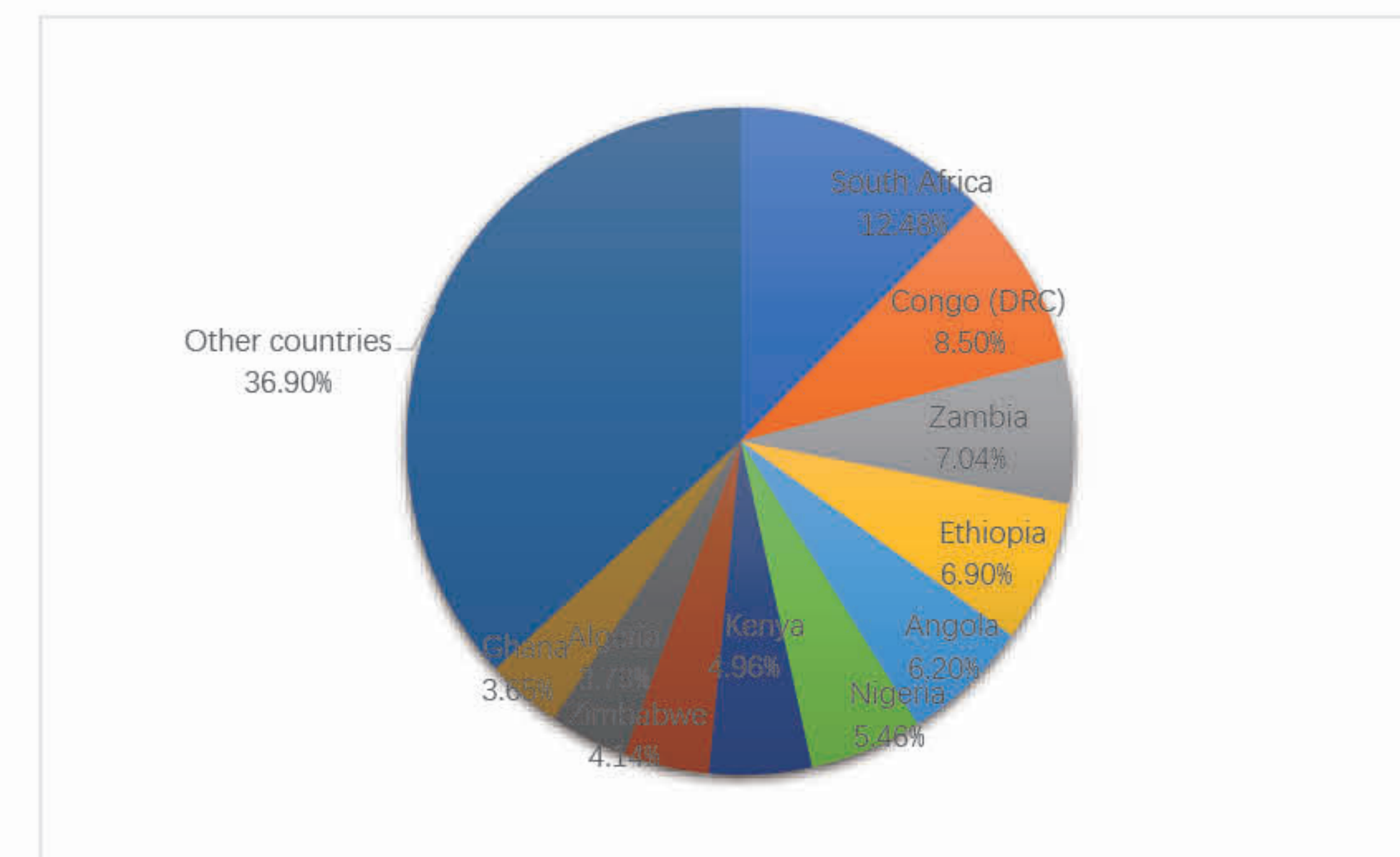


Figure 1-9 Stock of China's direct investment in Africa as of the end of 2020 (by country)

Source: 2020 Statistical Bulletin of China's Outward Foreign Direct Investment

In view of industrial distribution, China's direct investment in Africa is increasingly diversified. Although construction, mining and manufacturing are still the industries with the highest stock of China's direct investment in Africa, the investment attraction of services industry has been significantly improved. In 2020, the investment flow of Chinese enterprises in scientific research and technical services, transportation, warehousing and postal services, residential services, repair and other services, health and social work increased by more than 100%, with continuous growth especially in scientific research and technical services in recent years. As of the end of 2020, the top five industries of China's stock of direct investment in Africa were construction, mining, manufacturing, financial industry as well as leasing and business services industry. Specifically, China's stock of investment to Africa in construction industry registered USD15.15 billion, an increase of 11% over 2019; the stock of investment in mining industry hit USD 8.94 billion, a year-on-year decrease of 18.9%; the stock of investment in manufacturing was USD 6.13 billion, a year-on-year increase of 9.6%.

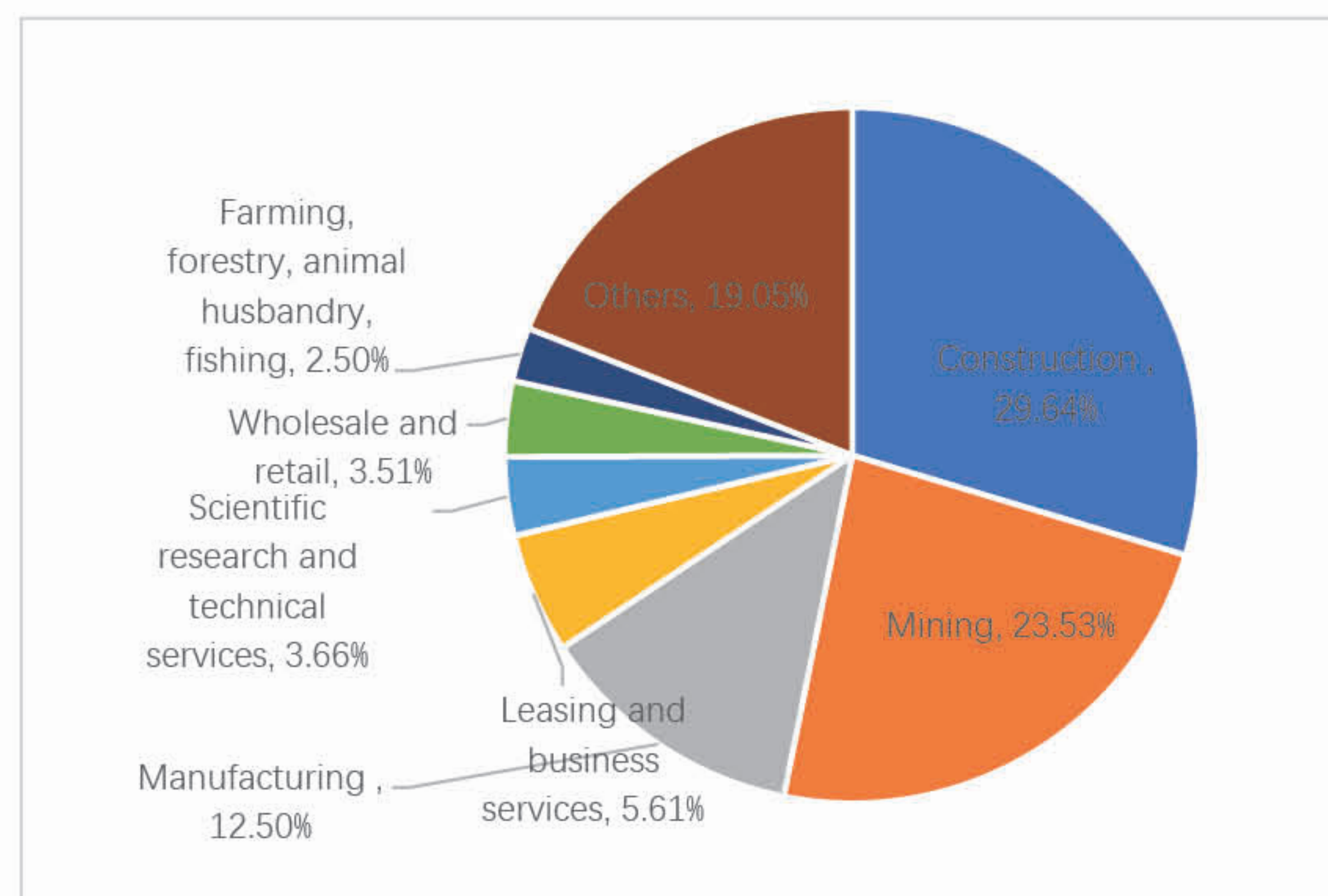


Figure 1-10 Stock of China's direct investment in Africa as of the end of 2020 (by sector)

Source: 2020 Statistical Bulletin of China's Outward Foreign Direct Investment

Energy and Minerals

Africa is rich in energy and mineral resources and has great development potential. The mining, smelting and processing of mineral resources are important areas of China-Africa investment and cooperation. As of the end of 2020, China's direct investment in African mining industry accounted for 20.6% of China's total investment stock in Africa.

Since the mid-1990s, PetroChina, Sinopec and other enterprises have entered Africa for investment and cooperation in oil and gas resources, helped Sudan, Niger, Chad and other African countries establish a technologically advanced oil industry system that adopts integrated upstream and downstream operation and is equipped with appropriate supporting facilities, increased the tax revenue of the host countries, created a large number of local jobs, and trained a great many of localized talents. In 2011, the N'Djamena Refinery invested by PetroChina was completed and put into operation. Thus, PetroChina helped Chad build a complete set of oil industry system covering upstream oil fields, midstream pipelines and downstream refineries. The president of Chad boldly declared that Chad's history of relying on "imported oil" is gone. In June 2019, PetroChina Chad Oil Field Phase 2.2 was officially put into operation, and Chad's crude oil output reached a new level of 100,000 barrels/day, which is another milestone in China-Chad petroleum cooperation.

SOMIDEZ, completed and put into operation on December 31, 2019, was jointly established by China Nonferrous Metal Mining (Group) Co., Ltd. (CNMC) and Générale des Carrières et des Mines (GECAMINES). It is the largest overseas copper-cobalt resource development project invested by CNMC. The total investment of Phase I of the project amounted to USD880 million, with an annual output of 80,000 tons of cathode copper and 8,000 tons of cobalt. In December 2020, SOMIDEZ launched the "community public welfare assistance action" and signed a series of public welfare assistance plans with the local government, which will support more villages to develop agriculture, education, medical and health care, infrastructure construction, etc., and help more villagers live a better life.

Manufacturing Industry

In recent years, China's manufacturing investment subjects in Africa showed diversified development, with the continuous expansion of investment scale, investment regions and investment fields, which played a positive role in promoting economic development, social progress and people's employment in Africa. In 2020, the flow of China's direct investment in manufacturing industry in Africa reached USD413 million, and the stock was up to USD6.13billion, accounting for 14.1% of China's stock of investment in Africa.

Building materials manufacturing is a traditional field of China's investment in Africa. On July 23, 2019, Shangyou Wood Industries Development (Liberia) Ltd. officially started operation. The factory has 3 most advanced wood processing production lines, and mainly engages in rubber wood processing, with an annual production capacity of about 100,000 m³ of plates, providing 300 local jobs. On July 8, 2019, Twyford (Senegal) Ceramics Co., Ltd. was officially put into operation. Twyford Ceramic Factory was jointly invested by Guangdong Keda Industrial Co., Ltd. and Guangdong Senda International Trade Co., Ltd., with an annual output of about 18 million square meters of ceramic tiles. It is the first ceramic industrial enterprise in Senegal. The factory employs more than 1,000 local employees and indirectly creates more than 2,000 jobs.

With the increasing demand for automobiles in Africa, China FAW Group, BAIC Group, Great Wall Motor, Chery Motors, Geely Automobile, Foton and other automobile enterprises have settled in Africa. In addition to setting up distribution companies, they also continue to invest in the construction of automobile assembly and manufacturing plants. In June 2019, the inauguration ceremony of the joint venture sales company between SAIC Motor Corporation of China and Mansour Automotive Group, the largest automobile sales enterprise in Egypt, was held in Cairo, the capital of Egypt, marking SAIC's official entry into the African market. In 2020, FAW China and

Tanzanian partners built the first truck assembly plant in Tanzania and put it into service through eight years of efforts. The workshop design, process layout, future planning and staff training of the plant were planned and completed by FAW on the spot. The plant is equipped with general assembly, coating, modification, testing and other processes. It is the first and only truck assembly plant in Tanzania and one of the most advanced assembly plants in East Africa.

China's investment in the medicine industry in Africa has also increased step by step. Especially in the context of COVID-19, the investment of Chinese enterprises has supported the construction of medical and health system in Africa. In September 2020, the COVID-19 nucleic acid test kit production plant in Ethiopia invested by BGI was officially put into operation with an investment of about USD5 million. The designed annual production capacity is 6 million to 8 million person-kits and can be upgraded to 10 million person-kits according to local demand. After the production gets into place, it will help Ethiopia basically realize the self-sufficiency of test kits. In the future, the plant can also change the lines of production to other detection reagents for HIV, malaria or tuberculosis and export to other African countries.

In terms of electronic manufacturing, in November 2019, the mobile phone assembly plant invested by Shenzhen SIMI Electronics Co., Ltd. was officially put into operation at Namanve Industrial Park in Mukono District in the central region of Uganda. The total planned investment of the project is USD15 million. In addition to mobile phones, laptops and other electronic products will be assembled and produced in the future. The project is expected to create 500 local jobs.

Agriculture

In 2020, China's direct investment in agriculture in Africa hit USD87million, the investment stock was USD 1.186 billion. The investment mainly went to Mauritania, Uganda, Egypt, Zambia, Madagascar, Zimbabwe, Tanzania, South Africa and other countries. The investment fields covered crop and cash crop planting and processing, poultry and livestock breeding, fishery and so on. On December 9, 2019, the 1st Forum on China-Africa Cooperation in Agriculture (FOCACA) was held in Sanya, Hainan. The forum formed and adopted the Sanya Declaration on China-Africa Cooperation in Agriculture, established the China-AU Agricultural Cooperation Committee, and signed a total of 11 practical cooperation agreements. China and Africa will continue to strengthen cooperation in agricultural cooperation planning, agricultural technical aid and R&D cooperation, trade facilitation of agricultural products and the development of agricultural industrial parks in Africa, opening a new journey of China-Africa cooperation in agriculture in all respects.

The China-Uganda Agricultural Industrial Park Project, invested by Sichuan Ke Hong Group, was

launched in December 2014. It is the first modern industrial park focusing on agriculture built by Chinese investors in Uganda. The total investment is planned to be USD220 million and will be fully completed by the end of 2022. The Park will be built into a core park integrating agricultural technology training, crop demonstration, improved seed breeding and promotion, poultry breeding and processing, and drive and radiate the local development of modern agriculture in the way of "company + farmers" for the employment of local people.

The China-Africa Xai-Xai Agricultural Cooperation Project, formerly known as Wanbao Agriculture Park Project in Mozambique, the largest China-Africa rice cooperative planting project invested and supported by China-Africa Development Fund has been jointly managed by the China Railway 20th Bureau Group Corporation (CR20G) under CRCC since September 2017. At present, the project is focused on rice planting and supplemented by a variety of grain and cash crops, integrating farmland development, grain production, storage, processing, and sales. Since CR20G joined the operation and management, it has actively carried out training in agricultural planting technology and driving technology of agricultural machinery, led more than 500 cooperative growers to carry out rice planting, promoted the employment of 14,000 person-times of local residents, and increased the grain yield per mu from about 200kg to more than 400kg, effectively increased the income of local farmers and ensured local food security.

Industrial Park Construction

China's overseas economic and trade cooperation zones in Africa have become an important vehicle of investment in Africa. In recent years, the number of China's overseas economic and trade cooperation zones in Africa has been increasing steadily, and the business fields have become more diversified, covering many fields such as resource utilization, agriculture, processing and manufacturing, trade and logistics, to accelerate the process of industrialization in Africa. At present, the 25 China's economic and trade cooperation zones in Africa registered with the MOFCOM are distributed in 16 African countries. As of the end of 2020, these cooperation zones had invested USD7.349 billion, attracted 623 enterprises to settle in, paid USD1.478 billion in taxes in total to the host countries, and created 46,300 jobs, including those for nearly 42,000 foreign employees. They have made important contributions to the host countries in promoting employment, economic growth, and the development of industrialization. The Chinese government not only supports the construction of Africa's cooperation zones in terms of financing preference and risk prevention, but also forms a relatively well-established system, which not only provides an important platform for Chinese enterprises to go global, but also plays a positive role in the economic growth of the host countries.

Table 1-12 Construction of overseas economic and trade cooperation zones in Africa as of the end of 2020

No	Name of domestic enterprise	Name of cooperation zone	Location of country (region)	Date of establishment	Gross investment	Number of enterprises in the zone
	Total				734,883	623
1	China-Africa Lekki Investment Ltd.	Lekki Free Zone	Nigeria	11/12/2007	44,940	86
2	China Nonferrous Mining Corporation Limited	Zambia-China Economic and Trade Cooperation Zone	Zambia	8/4/2006	240,465	74
3	Soluxe International Business Co., Ltd.	Chad Soluxe International Industrial Park	Chad	9/6/2011	9,964	12
4	Sinoma Cement Co., Ltd.	CNBM Zambia Industrial Park	Zambia	5/24/2016	19,488	-
5	China-Africa TEDA Investment Co., Ltd.	China-Egypt TEDA Suez Economic and Trade Cooperation Zone	Egypt	7/24/2008	125,548	77
6	Shanxi JinFei Investment Co., Ltd.	Mauritius JinFei Economic Trade and Cooperation Zone	Mauritius	8/11/2006	15,211	41
7	JOC International Technical Engineering Co., Ltd.	Jiangsu-Shinyanga Agricultural Industrial Zone	Tanzania	1/2/2013	4,934	4
8	Jiangsu Yongyuan Investment Co., Ltd.	Ethiopia Eastern Industry Zone	Ethiopia	5/22/2008	73,401	124
9	Yuemei Group Co., Ltd.	Yuemei (Nigeria) Textile Industrial Park	Nigeria	7/23/2007	12,978	9
10	Anhui Hua'an Foreign Economic Construction Group Co., Ltd.	Manga-Mungassa Special Economic Zone	Mozambique	6/1/2012	23,391	6
11	Hongdong Fishery Co., Ltd.	(Hongdong) Marine Economic Cooperation Park	Mauritania	9/29/2012	16,071	1
12	Fujian Xinqiao Trade Co., Ltd.	Huajin Mining Economic and Trade Park	Zimbabwe	12/01/2010	2,243	4

No	Name of domestic enterprise	Name of cooperation zone	Location of country (region)	Date of establishment	Gross investment	Number of enterprises in the zone
13	Fujian Goodwill Building Materials Industry Development Co., Limited	Abidjan Commercial and Trade Logistics Park	Côte d'Ivoire	9/18/2016	3,345	5
14	China Wuyi Co., Ltd.	China-Kenya (East Africa) Economic and Trade Cooperation Zone	Kenya	8/1/2016	11,115	45
15	China Shandong International Economic and Technical Cooperation Corporation	China-Sudan Agricultural Development Zone	Sudan	5/20/2012	12,237	7
16	Qingdao Ruichang Tech-Industry Co., Ltd.	China-Zambia Agriculture Technology Park	Zambia	4/9/2015	6,313	5
17	Hisense Middle East Africa Holdings Co., Ltd.	Hisense Atlantis Industrial Park, Cape Town	South Africa	3/1/2013	12,924	-
18	Changyi Deming Imp. & Exp. Co., Ltd.	Africa Shandong Industrial Park in Uganda	Uganda	12/1/2011	4,664	14
19	Henan Yukuang Kaiyuan Mining Co., Ltd.	Lake Victoria Loop Resources Comprehensive Utilization Industrial Park	Tanzania	11/26/2014	7,226	5
20	Henan Guoji Industry Group Co., Ltd.	Guoji Industry and Trade Park	Sierra Leone	12/23/2004	13,875	17
21	Guangdong New South Group Co., Ltd.	Nigeria OGUN-Guangdong Free Trade Zone	Nigeria	6/3/2008	28,431	63
22	Guangdong China-Nigeria Industrial Co., Ltd.	The Belt and Road Industrial Park (NIG) Ltd.	Nigeria	1/28/2016	7,753	13
23	Guangzhou Zhongdian Property Management Investment Co., Ltd.	Uganda-China (Guangdong) Free Zone of International Industrial Cooperation	Uganda	10/12/2016	29,188	4
24	Dongguan Huabao Footwear Co., Ltd.	China-Ethiopia Huajian Light Industrial City	Ethiopia	5/21/2013	5,455	1
25	Sichuan Youhao Hengyuan Agricultural Development Co., Ltd.	China-Uganda Overseas Economic and Trade Cooperation Zone	Uganda	2/3/2015	3,723	6

Source: CAAC

Fund and Equity Investment

In order to further leverage Chinese enterprises' investment in Africa, the Chinese government has established China-Africa Development Fund, China-Africa Fund for Industrial Cooperation (CAFIC), Silk Road Fund and other funds centered on equity investment, which alleviated the financing difficulties of early investment, reduced investment risks of enterprises, and effectively promoted China's investment in Africa.

In 2020, the China-Africa Development Fund completed the project deliberation of USD1.46 billion, a year-on-year increase of 55%; as of the end of 2020, the fund had invested a total of USD5.48 billion in decision-making in 37 African countries, leveraging USD26 billion in investment and financing in Africa, covering the industries of infrastructure, production capacity cooperation, agriculture and people's livelihood, energy and minerals, which effectively enhanced the local economic development capacity, increased job opportunities, taxation and earning of foreign exchange through export, and improved the living standards of the local people. Since the outbreak of the pandemic, the China-Africa Development Fund has promoted cooperation with BGI, Shanghai Pharmaceuticals and GM Group to actively support the construction of public health and epidemic prevention system in Africa.

China-Africa Fund for Industrial Cooperation (CAFIC) was incorporated in Beijing at the end of 2015. As of the end of 2020, the CAFIC had invested 16 projects in Africa, with an actual contribution of more than USD2 billion. Its investment in Africa was widely distributed in DRC, Egypt, Ethiopia, South Africa, Uganda and Angola and many other African countries.

Africa's Investment in China

Africa's investment in China is generally small with great fluctuation. The source countries are mainly Mauritius, Seychelles, South Africa and other countries. In recent years, affected by the economic situation, Africa's investment in China has been declining. In 2019, African countries' direct investment in China was USD470 million, a year-on-year decrease of 23%, accounting for 8.8% of Africa's total foreign investment. Specifically, Mauritius's direct investment in China was USD270 million, accounting for 57% of Africa's total investment in China; Seychelles' direct investment in China was USD190 million, accounting for 40%; South Africa's investment in China fell sharply to USD3.11 million from USD41.85 million the previous year. Africa's investment in China is mainly concentrated in manufacturing, wholesale and retail, business services and other industries.

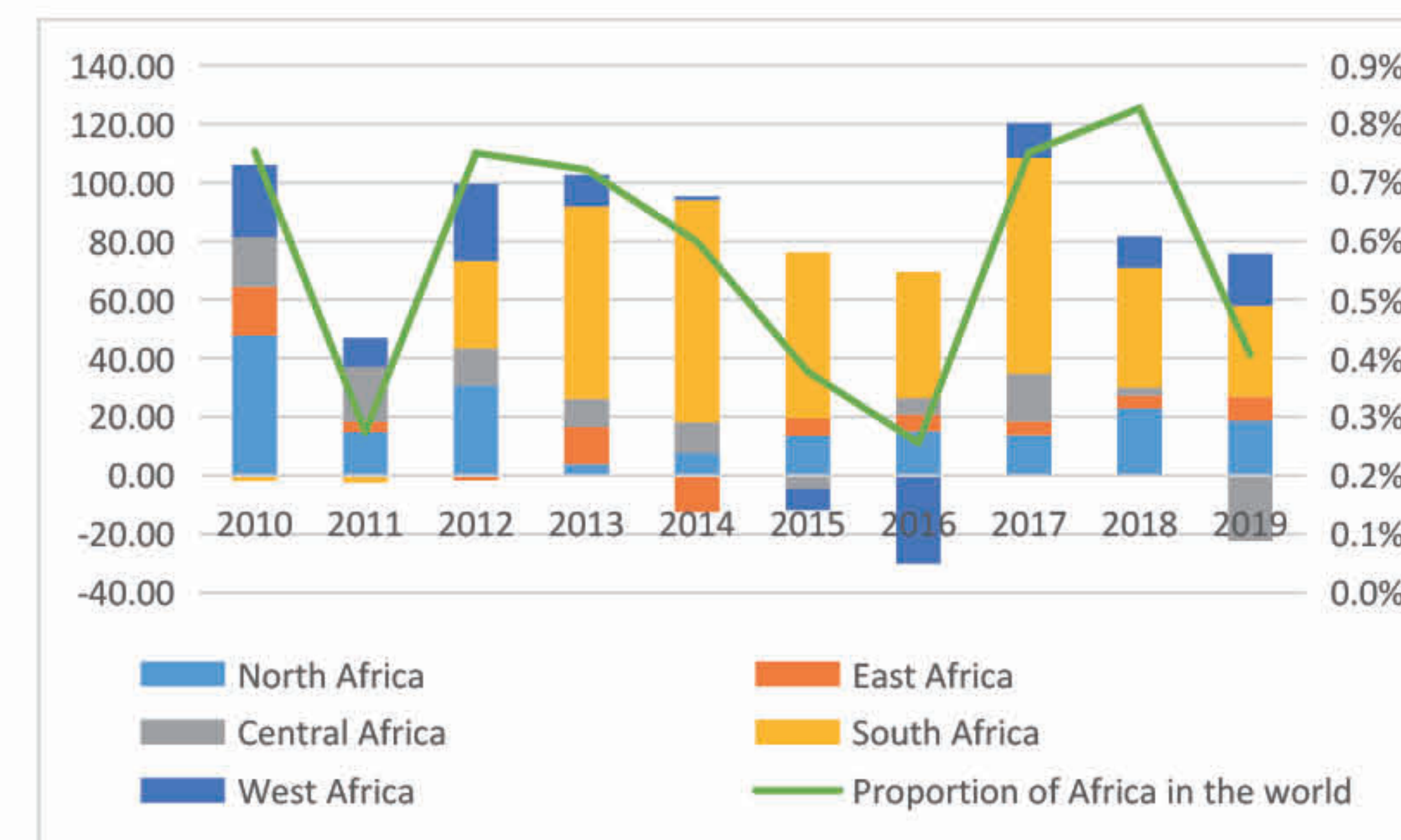


Figure 1-11: Africa's FDI flow 2010-2019 (Unit: USD100 million)

Source: UNCTAD

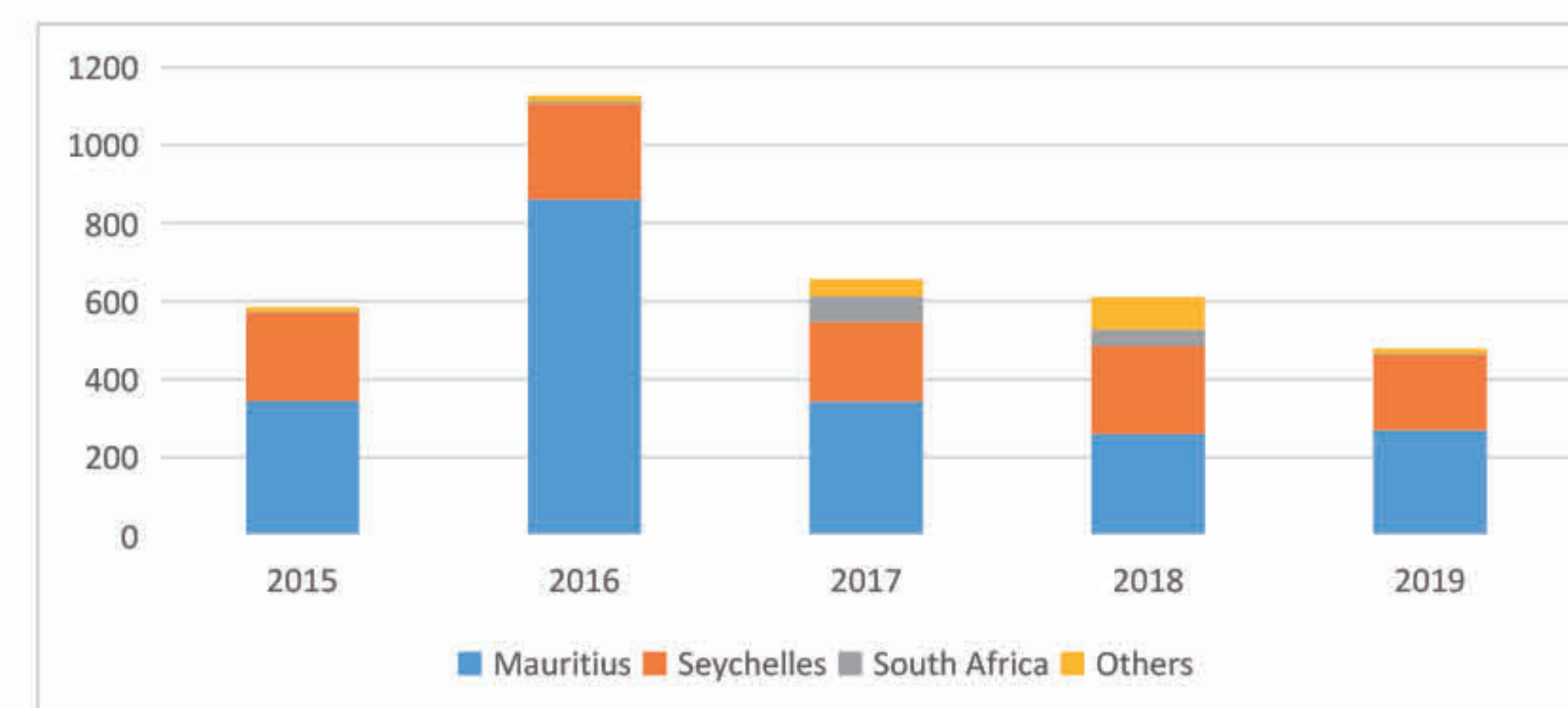


Figure 1-12: Africa's FDI flows to China 2015-2019 (Unit: USD100 million)

Source: China Statistical Yearbook

V. Cooperation in Infrastructure Construction

Infrastructure construction is an important mean for improving Africa's investment environment, social development and people's livelihood, as well as one of the areas in which China has advantages in China-Africa economic and trade cooperation. The Chinese government has always encouraged enterprises and financial institutions to participate in infrastructure projects in Africa in various ways, and has made positive contributions to promoting economic and social development in Africa. In recent years, due to complex factors such as the continued sluggish in the international economy, the relative weakening of the enthusiasm for international infrastructure investment, the debt problems faced by some African countries, and the impact of the global COVID-19 pandemic in 2020, the turnover of Chinese enterprises in contracted projects in Africa has declined continuously. Statistics show that in 2019, the newly signed contract amount of China's project contracting in Africa registered USD55.93 billion, a year-on-year decrease of 28.7%, and the completed turnover was USD46.01 billion, a year-on-year decrease of 5.8%; in 2020, the newly signed contract amount was USD67.9 billion, a year-on-year increase of 21.4%, and the completed turnover recorded USD38.33 billion, a year-on-year decrease of 16.7%.

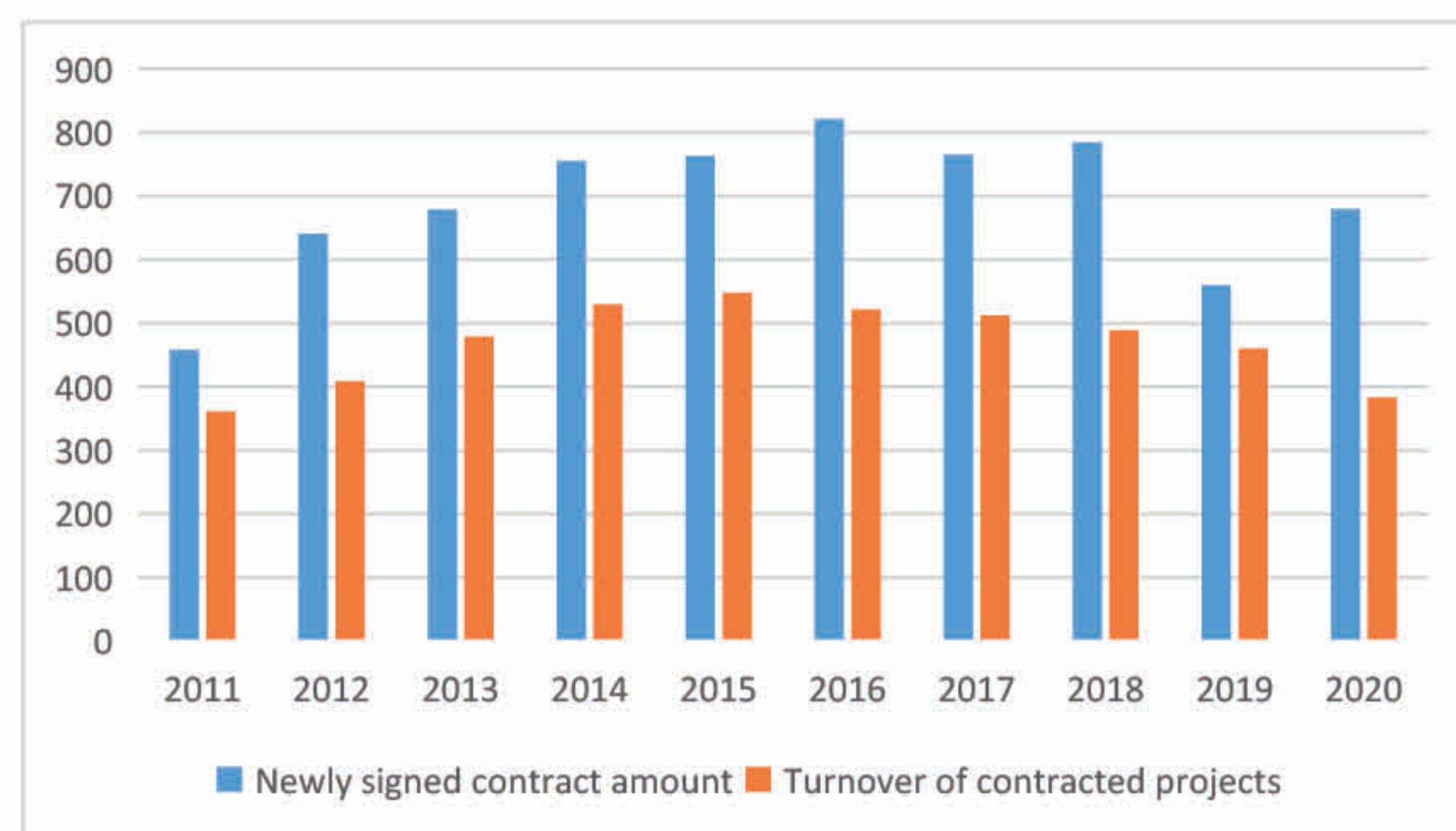


Figure 1-13 China's project contracting in Africa 2011-2020 (Unit: USD100 million)

Source: Data of MOFCOM and CEInet Statistics Database

In view of the Chinese enterprises' contracting projects in the African market by sector, transportation construction, general construction and power engineering construction are the key sectors in which China participates in infrastructure cooperation in Africa. In 2020, the project contracting turnover of the above three sectors accounted for 68.7% and the newly signed contract amount accounted for 71.9%. In addition, water conservancy construction, communication engineering construction, petrochemical projects and industrial construction are also the main business areas.

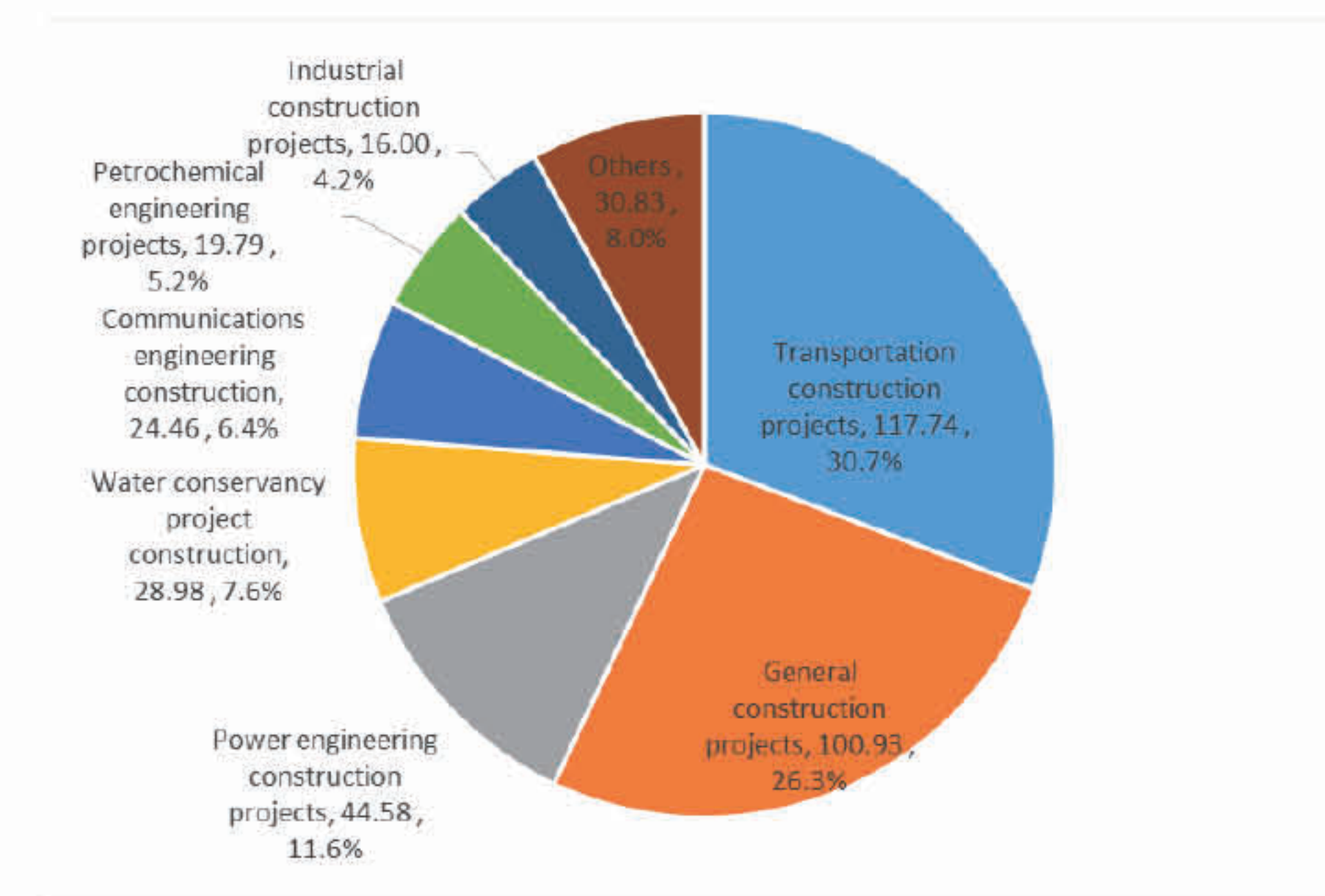


Figure 1-14 Turnover of contracted projects of Chinese enterprises in Africa by sector in 2020

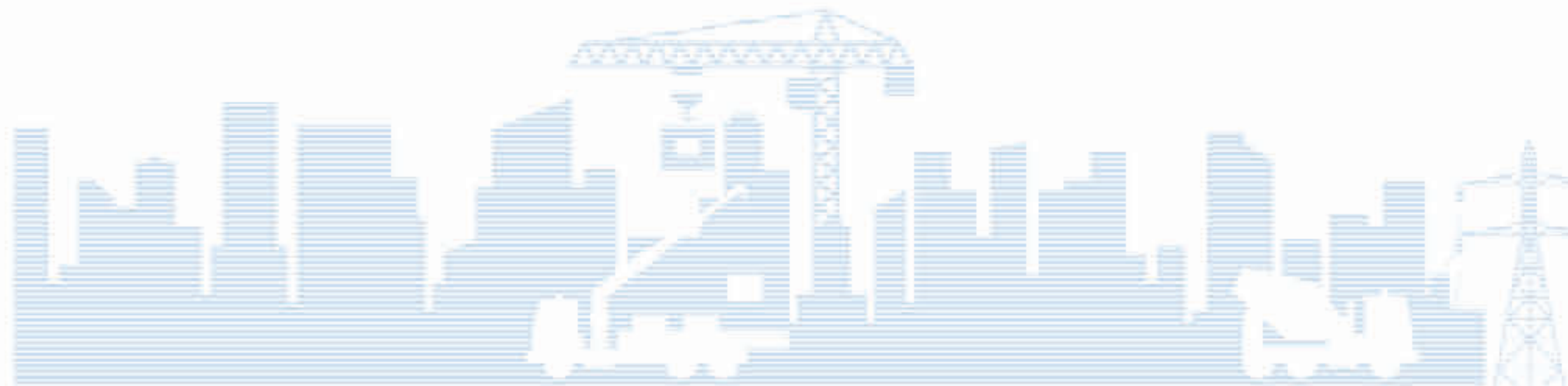
(Unit: USD100 million)

Source: MOFCOM

Transportation

In recent years, Chinese companies have undertaken a number of road and bridge, port, railway, airport and related facilities projects in Africa, which have greatly improved local traffic conditions and played a positive role in promoting local economic and trade development.

In 2019, the new terminal of Addis Ababa Bole International Airport and the taxiway and corridor expansion projects of Lomé–Tokoin International Airport contracted by Chinese enterprises were officially completed and put into operation, which further improved the civil aviation operation capacity of the two countries in building air transport centers in East Africa and West Africa. In Nigeria, the main line of the railway connecting Lagos, the largest port city in Nigeria, and Ibadan, an important industrial town in the southwest, has been successfully paved. The project has created more than 4,000 jobs and employed more than 10,000 local personnel at the peak, which has solved a large number of employment problems and driven the development of building materials, engineering construction and other supporting industries. According to the local officials, the railway will "speed up" the revitalization of the local economy. In South Sudan, the construction of the Jur River Bridge Project aided by the Chinese government broke ground. The bridge is the only way for Wau City to connect with cities in the eastern region as well as the only channel to ensure the transportation of humanitarian aid materials, the supply of daily living materials and local transportation and trade in the southern region of Western Bahr el Ghazal, and will play an important role in the economic development of the region.



Special Column: Nairobi–Malaba Railway Phase I

On October 16, 2019, Nairobi–Malaba Standard Gauge Railway (Nairobi–Malaba SGR) Phase I Project in Kenya was opened to passenger traffic, and on December 17, 2019, Nairobi–Malaba SGR Phase I Project was opened to freight traffic. On May 15, 2020, Naivasha container inland port of Nairobi–Malaba SGR was officially completed, connecting road and railway transportation, and transferring the customs clearance place from Mombasa in the Indian Ocean to inland Kenya, which greatly improved the freightage conditions in Kenya.

Nairobi–Malaba SGR is the second section of the East Africa Railway Network and the flagship project of Kenya Vision 2030. It starts in Nairobi, the capital of Kenya, and ends in Malaba, the border city between Kenya and Uganda. The main line is 487.5km long and is constructed in three phases with the help of China Communications Construction Group (CCCC) according to the national railway Class-I standard. During the construction period, more than 26,000 local employees were hired, accounting for about 90% of all employees. A large number of construction technicians was trained, and the cooperation with more than 400 local material suppliers and more than 100 local subcontractors was carried out. The project drove the development of cement, steel, transportation and other industries, improved Kenya's industrialization level, and promoted Kenya's economic growth.



Special Column: Walvis Bay New Container Terminal and Oil Terminal Projects in Namibia

Walvis Bay port is not only the core logistics hub of Namibia, but also an important port in Southwest Africa. The Walvis Bay New Container Terminal Project built a 600m container terminal berth, a 400,000 square meter of rear container yard, a working ship berth and dredging and reclamation; the Oil Terminal Project built an oil wharf, an oil pipeline and an oil storage tank farm. The projects were officially started in May 2014 and successfully completed in August 2019. Through the project construction, the annual throughput of Walvis Bay Container Terminal will be increased from 300,000 TEUs to 700,000 TEUs, and the loading and unloading efficiency will achieve a qualitative leap; the oil terminal will also become the first national strategic oil reserve facility owned by the Namibian government, and the storage time will be increased from 15 days to 30 days.

Namibia is the first country to inscribe environmental protection into the constitution and one of the countries in Africa that best preserve the original ecology and environment. Walvis Bay is rich in tourism resources and is close to an oyster breeding base. Its environmental protection is a major task. Project Department of China Harbour (CHEC) first made great efforts in the construction process, commissioned professional institutions to carry out 24-hour detection of water quality and noise, cooperated with local cooperative institutions to study the impact of operation activities on dolphins, and coordinated with international non-profit organizations to carry out wildlife protection publicity for the projects. The projects have created more than 2,000 local jobs, trained more than 600 skilled workers through theoretical study, on-site practice and on-the-job training, and actively carried out local donations to aid students and help the needy through CHEC, with a cumulative donation of NAD3 million.

Power Engineering

Most African countries have a large power supply gap, and power engineering is also an important area of China-Africa infrastructure cooperation. Chinese enterprises have built power stations and power grids in African countries, alleviating the power shortage in the host countries and laying the foundation for their economic and social development.

In April 2019, the Isimba Hydro Power Plant in Uganda contracted by China International Water & Electric Corporation of China Three Gorges Corporation (CTG) was officially put into operation. As of the end of 2020, the project had provided 1.44 billion kwh of electricity to Uganda and its neighboring countries, increasing Uganda's total annual power generation by about one fifth, which greatly improved the shortage of industrial and residential electricity in the capital Kampala and other regions, and enhanced Uganda's economic development level. In March 2020, CGGC and the Ministry of Energy and Water Resources of Angola officially signed the business contract for the supporting power transmission and transformation project of Luachimo Hydropower Station, which is the first power transmission and transformation project signed by CGGC in the Angolan market. The project will further improve the power supply in Angola.

Special Column: Busanga Hydropower Station in the Democratic Republic of Congo

Busanga Hydropower Station is the largest infrastructure project under construction in DRC. The engineering started in 2017 with a total investment of USD656 million. It is a large and medium-sized hydropower station jointly invested and operated by China Railway and PowerChina. Its power generation capacity will account for one tenth of the total capacity of DRC. The project adopts Chinese standards and specifications from design and construction to equipment manufacturing, installation and acceptance. It is planned that the construction period will take 4 years, the operation period will be 26 years, and the power generation franchise right will be 30 years. After the project is put into operation on schedule, it will greatly alleviate the current situation of serious power shortage in DRC, especially the power consumption in Lualaba Province, a major mining province in the country. It will not only help further improve the mining capacity of the country and the deep processing capacity of local copper products, but also minimize the power shortage of local residents.

China-Africa cooperation in the field of new energy, especially solar energy, is also augmented. China has built a number of solar energy projects in Kenya, Ethiopia, Central Africa and other countries through aid or loans. In December 2019, the 50MW PV power station in Garissa, Kenya, the largest PV power station in East Africa undertaken by Chinese enterprises, was officially put into service. The project is located in Garissa County in Northeast Kenya. It was prepared by the Ministry of Energy of Kenya. The CEXIM provided preferential loans. The design, procurement, construction, installation, and training were carried out by the consortium of China Jiangxi International Economic and Technical Cooperation Co., Ltd. and JinKo Solar. The operation of the PV power station will bring stable power supply to Garissa and play a positive role in local economic development.

Information and Communication Facilities

Chinese enterprises are widely involved in infrastructure construction in the fields of optical fiber transmission, fixed telephone, mobile communication, Internet and other communication fields in Africa, and played an important role in the digital development of African countries.

On June 26, 2019, the completion ceremony of Gambia National Broadband Network Project was held in Banjul. Gambia National Broadband Network is the first large-scale information and communication technology cooperation project between China and Gambia. The network will serve as a more perfect information and communication platform for Gambia and provide great momentum for its social and economic development. In September 2019, Huawei signed a Strategic Cooperation Framework Agreement on ICT with the government of Cape Verde. According to the agreement, Huawei will cooperate with the Cape Verde government in the development of 5G technology, human resource development, national data center, e-government and other fields to help the development of information society in Cape Verde.

Water Supply

The problem of water shortage has always plagued African countries. Chinese enterprises have undertaken water supply network laying, water treatment, water plant construction and other projects in African countries, so more African people can have access to clean water sources.

In Angola, CRCC's CR20G overcame the impact and difficulties caused by the pandemic, completed the Cabinda Water Supply Project, the largest water supply project in the country in October 2020, and officially supplied water to households at the end of the year. The contract value of the project is USD120 million, including main water supply pipelines, water intake facilities, water purification facilities, water storage tanks, water laboratories and water supply pipe network. The project covers 92% of the population of Cabinda area. After completion, it will directly benefit 600,000 local people. For some local villagers, this is the first time they have used clean tap water.

In December 2019, the water supply tunnel in the north of Nairobi, Kenya, constructed by CGGC, was fully opened. It is an important part of Nairobi water supply project in Kenya. After completion, the water from nearby mountain streams and rivers can be diverted into the local Thika Reservoir to alleviate the water pressure caused by the rapid development of Nairobi City and effectively ensure the water supply safety of Nairobi and its surrounding towns.

Housing Construction

With the improvement of the overall security environment and steady economic growth in Africa, the demand for housing construction, business buildings, hotels and other houses in African countries is increasing day by day. Relying on its own technical and experience advantages, CSCEC has actively carried out the construction of relevant buildings in African countries.

The CBD project of Egypt's new administrative capital, undertaken by CSCEC Egypt Branch, is located in the east of the capital Cairo, covering a total area of about 50,5000 square meters is the largest project signed by Chinese enterprises in Egypt in terms of contract value. The project officially started in March 2018. By October 2020, the main structure of five high-rise buildings has been capped. The huge project has brought a lot of local employment opportunities, and attracted the joint participation of local material suppliers, equipment suppliers and construction companies. The Tunisian Diplomatic Training Institute Project assisted by China and undertaken by CCECC is a key aid project of China in Tunisia. The total construction area of the project is more than 12,000 square meters, including multi-functional classrooms, lecture halls, conference halls and other facilities. The project started on May 3, 2019. After completion, it will become a training base for Turkistan diplomats.

VI. China's Aid to Africa

Africa is a key area of China's foreign aid. Over the years, the Chinese government has supported the development of economic and social infrastructure in African countries by providing free aid, interest free loans and preferential loans. According to the white paper titled China's International Development Cooperation in the New Era, from 2013 to 2018, China's foreign aid amounted to RMB270.2 billion, of which aid to Africa accounted for 44.65%. China's aid to Africa covers agriculture, health, education, infrastructure and social public facilities, human resources training and capacity-building in order to promote African countries to achieve the sustainable development goals. Since the outbreak of the COVID-19 worldwide in 2020, China has provided timely aid to African countries in various kinds of anti-covid-19 supplies and vaccines, helping Africa fight the disease, and resume work and production.

Agriculture

Agricultural development and food security are essential to Africa's development prospects. The outbreak of COVID-19 and locust disasters in East Africa in 2020 further deepened the concerns of African countries on food security. China has always attached importance to agricultural cooperation with Africa by actively imparting practical agricultural technology to African countries, carrying out agricultural training, providing relevant materials, and supporting African countries to improve their capacity for independent agricultural development.

In Gambia, Chinese experts have helped local farmers increase rice production through technical demonstration, improved seed cultivation and personnel training. This has effectively supported the agricultural development of Gambia, greatly improved the harvesting efficiency, reduced the loss of manual threshing, and ensured the quality of rice seeds and rice. Benin is a major cotton producing country in Africa. In 2019, China's task force on cotton planting technology cooperation in Benin and the Ministry of Agriculture, Animal Husbandry and Fisheries of Benin organized a training program on cotton mechanical planting technology. The training, which was conducted in three batches in Borgou, Parakou and Kandi, lasted two months, and the number of trainees reached 140. On the basis of helping Benin improve its cotton production capacity, the Chinese task force in technical aid further helped to promote the use of local agricultural machinery and accelerate the process of agricultural mechanization in Benin.

In recent years, China has also increased its support for agricultural research and breeding in Africa. In September 2020, the China-Burkina Faso Joint Research Center for Millet assisted by China was officially unveiled. More than 50 sets of seed testing experimental equipment in the seed testing laboratory of the center were donated by the Chinese government. The laboratory equipment of the center is new, complete in variety and high in standard. It can test various quality indexes of seeds of multiple varieties. It is believed that it will further tap the potential of high-quality varieties, improve millet yield, and play an important role in realizing food security.

After the outbreak of locust plague in East Africa in early 2020, China provided timely emergency aid. The Ministry of Agriculture and Rural Affairs of the People's Republic of China has formulated a technical scheme to assist Ethiopia, Kenya and Uganda in locust disaster prevention and control, and coordinated relevant domestic enterprises to actively produce locust control drugs, instruments and related materials. In June 2020, China delivered malathion pesticides and sprayers to three countries in East Africa, and provided strong support for Africa to prevent and control locust disaster. In addition, China also provided technical support to Africa for locust control through online training and the production of audio-visual materials.

Public Facilities

In response to the development needs of African countries, China has assisted in the construction of

social and public facilities such as conference centers, stadiums and gymnasiums, urban and rural welfare facilities to help host countries improve their production and living conditions and promote the development of urbanization.

On September 27, 2019, the opening ceremony of the presidential palace in Burundi assisted by China was held. The total construction area of the presidential palace project is about 10,000 square meters, mainly including the presidential office building, security rooms, equipment rooms, sewage treatment station and other facilities.

The Kinshasa Central African National Culture and Art Center project in the Democratic Republic of Congo aided by China is one of the important measures to implement the Johannesburg Summit of the FOCAC. The total construction area of the project covers about 36,000 square meters, including a 2,000-seat performance center, a national art school that can accommodate 2,000 students, and other ancillary facilities. On October 15, 2019, the president, prime minister, chief justice of the constitutional court, and other political dignitaries of DRC participated in the project commencement ceremony.

In May 2020, the digital satellite TV project in rural Mozambique aided by China was completed, covering about 1,000 villages and benefiting more than 20,000 families. The project spanning the capital Maputo and ten provinces of Mozambique created 2,000 jobs, cultivated young people for maintenance work, and provided aid to relevant families.

Medical Care and Public Health

Health care is a traditional focus area of China-Africa development cooperation. Since China dispatched its first medical-aid team to Africa in 1963, China has sent more than 20,000 medical personnel to Africa to support medical construction in more than 50 countries and regions in Africa, treated about 220 million African patients, and assisted in the construction of more than 130 medical and health facilities such as general hospitals, specialized hospitals, health clinics (centers) and malaria control centers, and has made great contributions to African people's health and public health undertaking.

Aiding the construction of the Africa Center for Disease Control (CDC) is an important measure for China to support the construction of Africa's medical and health system. At the Extraordinary China-Africa Summit on Solidarity Against COVID-19 held in June 2020, Chinese President Xi Jinping announced that China would start ahead of schedule the construction of the Africa CDC headquarters by the end of the year 2020, work with Africa to fully deliver the health care initiative adopted at the FOCAC Beijing Summit, and speed up the construction of China-Africa Friendship Hospitals and the cooperation between paired-up Chinese and African hospitals. In December of the same year, the China-aid project of AU Africa CDC headquarters (phase I) project started in Addis Ababa, the capital of Ethiopia.

Special Column: Chinese Government's Aid to the AU Africa CDC Headquarters (Phase I) Project

On December 14, 2020, the China-aid project of AU Africa CDC headquarters (phase I) project started in Addis Ababa, the capital of Ethiopia. It is a flagship project and a major project under the Beijing Summit of the FOCAC 2018. After completion, it will become the first fully functional CDC in Africa and an important link of the construction of the disease control system in Africa. The project will be constructed in two phases. The first phase mainly includes administrative offices, emergency response center, information center, biosafety laboratories and expert apartments. After the completion of the project, it will become a pan-Africa CDC with modern offices and experimental conditions and perfect facilities on the African continent, which will better play the role of coordination, organization and emergency management, and strengthen the speed of disease prevention, monitoring and epidemic emergency response in Africa.



Rendering of Africa CDC

In recent years, China's foreign aid medical teams have continued to innovate on the basis of inheriting the tradition, helping the host countries to create advantageous departments. In September 2020, the 28th batch of Chinese medical team assisting Guinea went to the China-Guinea Friendship Hospital and began to carry out an 18-month foreign aid medical mission. The medical team from Xuanwu Hospital gives full play to the advantages of its neurology, linking neurosurgery, neurology department, ICU, radiology, operating room anesthesia, ultrasound and other disciplines to build a neurology center to make the China-Guinea Friendship Hospital one of the best medical centers in Guinea and West Africa, so that the patients in Guinea and surrounding countries can receive high-level of neuromedical diagnosis and treatment.

Human Resources Training

Over the past five years, China has trained more than 200,000 person-times of African talents in various fields, including public administration, economy and finance, health and social security, energy, manufacturing and so on. The training program focused on the dynamic adjustment and management of the teaching content and teachers according to the training theme, the actual needs of students, the evaluation of previous students and other indicators, and carried out multi-level communication to continuously complete and improve the training. The program not only helped students mastered advanced technology for their career development through online and offline learning, but also greatly deepened the mutual understanding and exchanges between the Chinese and African people.

China has also further increased vocational and technical training and capacity-building in African countries. Since the first Luban Workshop in Africa landed in Djibouti in March 2019, China has established 11 Luban Workshops in 10 African countries. Adhering to the craftsman inheritance spirit of "teaching people to fish rather than giving them fish", Luban Workshop vigorously promoted the development of vocational education in Africa, effectively improved Africa's independent innovation ability and independent development ability, and was praised as "the best training program" by African youth.

Humanitarian Assistance

In 2020, with the raging of pandemic worldwide, China provided timely emergency aids to Africa. Up to now, China has provided nearly 120 batches of emergency epidemic-control materials to Africa, including testing reagents, medical N95 masks, medical surgical masks, medical protective garments, infrared forehead thermometers, medical isolation eye masks, etc; dispatched anti-covid-19

medical expert teams to 16 countries to guide and assist local work; provided vaccines to 35 African countries and the African Union Commission. In December 2020, the Chinese National Health Commission donated ventilators, blood oxygen monitors, electrocardiograms, oxygen generators and other medical equipment to Zimbabwe to fight against COVID-19 and improve the treatment capacity of Parirenyatwa Hospital for severe COVID-19 patients.

In addition, in 2020, China continued to provide emergency humanitarian assistance to African countries suffering from natural and humanitarian disasters. In order to help Guinea cope with the food crisis, the Chinese government provided USD2 million in food aid to the country through the United Nations World Food Programme (WFP) under the South-South Cooperation Assistance Fund, benefiting 46,000 local people in need, and brought tangible help to the local people in coping with the challenges of the pandemic. In addition, the Chinese government provided funds and supplies and rescue teams to women and girls affected by tropical cyclones “IDAI” in Mozambique under the South-South Cooperation Assistance Fund, which promptly protected the local women and girls and greatly reduced the mortality and incidence rate of the country’s maternal and neonatal deaths.

VII. China-Africa Economic and Trade Cooperation under the Multilateral Framework

On the basis of bilateral cooperation, China and Africa continue to promote practical cooperation in relevant fields between the African Union, the G20 and other multilateral institutions. At the same time, important progress has been made in cooperation in specific areas such as the digital economy, agriculture, finance and the joint fight against COVID-19.

The Dovetailing of the Belt and Road Initiative (BRI) and AU Agenda 2063

On December 2020, The Cooperation Plan between the Government of the People's Republic of China and the African Union on Jointly Promoting the Building of the Belt and Road Initiative was formally signed. It is the first cooperation plan document signed by China and regional international organization on the B&R and will effectively promote the dovetailing of the joint construction of the B&R and AU Agenda 2063, promote the complementary of advantages of the two sides in industry, agriculture, telecommunications, e-commerce, new infrastructure, green energy and the financial industry and other fields, jointly address global challenges, promote high-quality development of the B&R, and add new impetus to common development. With the overall promotion of the African Union, the African Continental Free Trade Area (AfCFTA) was officially launched on January 1, 2021, which will effectively promote the integration process of Africa. China actively supports the

development of the AfCFTA and will provide spot exchange assistance to the AfCFTA Secretariat, conduct capacity building training, and continue to support interconnectivity among African countries under the Belt and Road Initiative.

Implementing the DSSI to African Countries under the G20 Framework

On April 15, 2020, the G20 Finance Ministers and Central Bank Governors meeting adopted the "Debt Treatment and the Debt Service Suspension Initiative to the world’s poorest countries" ("G20 Debt Service Suspension Initiative (DSSI)"). As a G20 member and creditor of relevant countries, China attaches great importance to the implementation of the DSSI. At the Extraordinary China-Africa Summit on Solidarity Against COVID-19 held on June 17, 2020, President Xi Jinping took the lead "urging the G20 to extend debt service suspension still further for countries concerned, including those in Africa, on the basis of implementing the current DSSI". This shows that China has taken the initiative to assume international responsibilities and promote international cooperation in fighting the pandemic as a major country, and played an important leading role in promoting consensus on the extension of the DSSI. On October 14, 2020, G20 Finance Ministers and Central Bank Governors agreed to extend the debt suspension period to June 30, 2021. As of the end of 2020, China had signed debt suspension agreements or reached consensus with 16 African countries to effectively reduce the debt pressure of Africa through practical actions.

China-Africa Multilateral Financial Cooperation

The CAIBA is the first multilateral financial cooperation mechanism between China and Africa, and was established under the sponsor of the China Development Bank in September 2018. It is an important achievement of the financial sector's implementation of the guiding principles of the Beijing Summit of the FOCAC and the Beijing Action Plan (2019-2021). Member banks include China Development Bank and 16 African financial institutions with regional representation and influence. The 2nd China-Africa Development Finance Forum & CAIBA Senior Officials' Meeting was held in Changsha, Hunan on June 26, 2019. By the time of the opening of the forum, CDB had cooperated with 40 financial institutions in Africa, with a total loan of USD3.2 billion. It has carried out business cooperation with 10 member banks of CAIBA and issued nearly USD1.8 billion in loans to 16 projects involving infrastructure, African SMEs and other fields.

VIII. Prospects of China-Africa Economic and Trade Relationship

In 2020, the global spread of COVID-19 brought great impact to the economy and international

trade of all countries. The international financial market was constantly fluctuating, the public health system continued to bear pressure, the global problems such as food security, energy issues and climate change became increasingly prominent, and the profound changes in international relations and international order were further accelerated. Facing the complicate global environment, China-Africa economic and trade cooperation has withstood severe challenges, showing the resilience of bilateral cooperation. Looking forward to the future, China and Africa will continue to strengthen cooperation, overcome difficulties together, and seek common development.

Africa Development Prospects

As shown in the report titled Global Economic Prospects released by the World Bank in June 2021, thanks to the strong rebound of a few major economies such as China and the United States, the global economy is expected to grow by 5.6% in 2021, being the fastest growth rate after the global economic recession in 80 years. However, the recovery of the global economy is uneven, and many emerging markets and developing economies will continue to struggle with the pandemic and its impact.

As far as the African Continent is concerned, its development still faces many uncertainties, with challenges and opportunities existing side by side. Under the severe impact of the pandemic, the World Bank predicts that the economy of Sub-Saharan Africa will shrink by 2.4% in 2020. Thanks to the positive factors such as the increase in external demand from markets such as China, the United States, the recovery and rise in commodity prices, the local containment of the pandemic, the World Bank forecasts that the economy will grow by 2.8% in Sub-Saharan Africa in 2021, and is expected to rebound to 3.3% in 2022, though still lower than the average growth of emerging economies and developing countries. The World Bank report points out that the export and government revenue of some raw material suppliers in Africa will be significantly improved, and the financial pressure will be relieved. Among these countries, the economies of Nigeria, South Africa and Angola have shown partial recovery. However, the vaccination rate is low and the pandemic situation is still severe in Africa. According to the statistics of the World Health Organization, as of June 9, 2021, 2.08% of the population in 55 African countries had been vaccinated with the first dose of COVID-19 vaccine, and only 0.63% of the population had completed two doses of vaccination. The difficulty in pandemic control will further increase the financial expenditure and debt burden of African countries, and will have a negative impact on the recovery of health care, education, investment, aviation and tourism. The situation of "low growth and high debt" of African economy might continue.

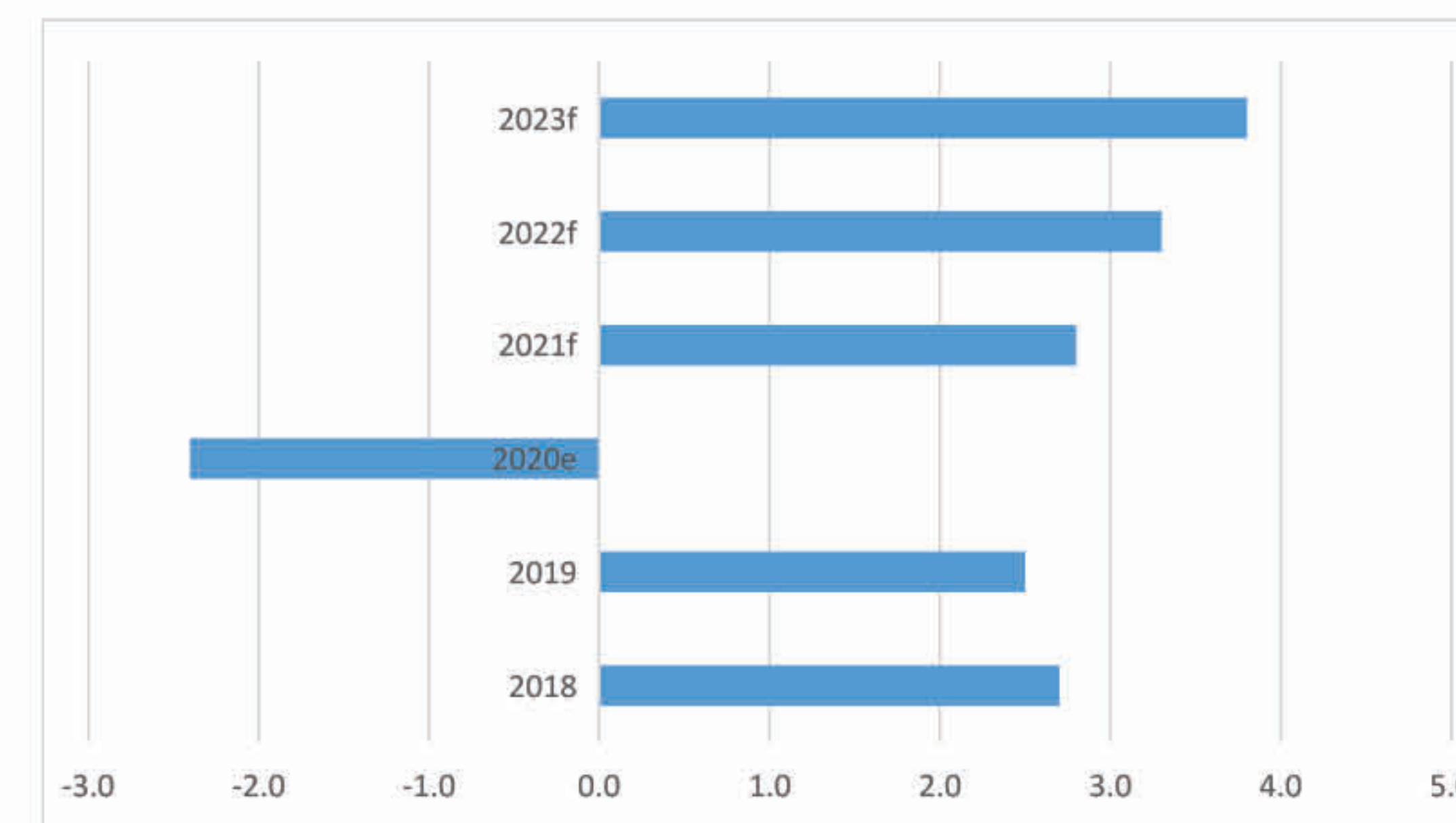


Figure 1-15: Forecast of GDP growth of Sub-Saharan African countries

Source: The World Bank (e = estimation, f = forecast)

Facing the grim situation, African countries are actively seeking change, which also brings new potential and opportunities for Africa's development. First, the launch of the AfCFTA will create a potential unified market. On January 1, 2021, the AfCFTA was officially launched, which will form a market covering nearly 1.3 billion people and a GDP of more than USD2 trillion. It is also an important step in promoting the integration process in Africa. In the long run, the formation of a larger African market will drive the growth of trade and investment, promote the process of industrialization, create more employment opportunities, and drive the process of poverty reduction in Africa. Secondly, the pandemic has brought new opportunities for investment in health care sectors and the development of digital economy in Africa. Africa is heavily burdened by diseases, but its medical and health system lags behind. The outbreak of COVID-19 has made African countries more aware of the importance of improving their public health system and strengthening the development of the pharmaceutical industry, bringing opportunities for investment in Africa's medical, health and pharmaceutical sectors. At the same time, the pandemic has also underscored the importance of digital technology in coping with the crisis and further promoted the development of digital economy in Africa. According to the World Bank report, 25% of African companies have accelerated the application of digital technology and increased their investment in digital solutions¹. In 2019, equity financing in this field reached USD2.02 billion, an increase of 260% over 2017.

¹ Africa's Pulse, No. 22, October 2020: An Analysis of Issues Shaping Africa's Economic Future
<https://openknowledge.worldbank.org/handle/10986/34587>

New economic and commercial activities such as mobile payment, digital technology application and e-commerce will receive further support from African governments, and will also bring more cooperation opportunities to financial technology, digital agriculture, e-commerce, online education, telemedicine, communication infrastructure and other fields. Furthermore, the policy of economic diversification of African countries has been further strengthened, which has also brought new investment opportunities. Most African countries have a single economic structure and rely heavily on primary product exports. The outbreak of the pandemic has further highlighted the vulnerability of the African economy. African countries have also further recognized the importance and urgency of promoting economic diversification and establishing their own industrial chains and supply chains. The governments of South Africa, Nigeria and other countries have indicated that they would further promote the development of manufacturing industry, step up economic diversification, and bring potential new opportunities for foreign investment.

Prospects for China-Africa Economic and Trade Cooperation

In spite of the grim impact of the pandemic, economic and trade cooperation between China and African countries has achieved good results. In 2020, China still remained Africa's largest trading partner, showing new potential in services trade and infrastructure cooperation, and its investment in Africa maintained relatively stable. It can be seen that the pandemic did not change the internal driving force of deepening China-Africa cooperation, rather it highlighted the sufficient tenacity of China-Africa economic and trade cooperation. Looking forward to the future, China and Africa are still important partners to each other.

First, the steady development of China-Africa friendly relations has laid a good political foundation for China-Africa economic and trade cooperation. In June 2020, China, South Africa, the rotating presidency of the African Union, and Senegal, the co-chair of the FOCAC, jointly launched the Extraordinary China-Africa Summit on Solidarity Against COVID-19. Leaders of China and African countries both expressed that China and Africa will continue to strengthen cooperation, overcome difficulties together, and jointly build a China-Africa community of health for all and an even closer China-Africa community of a shared future, which also fully showed the depth and resilience of China-Africa cooperation. At the beginning of the New Year of 2021, State Councilor and Minister of Foreign Affairs Wang Yi paid an official visit to Nigeria, DRC, Botswana, Tanzania and Seychelles. It was China's foreign minister's first visit to Africa every year for 31 consecutive years since 1991, which further manifested China's high regard for developing China-Africa relations. In May 2021, State Councilor and Minister of Foreign Affairs Wang Yi said at the high-level meeting on "Peace and Security in Africa: Addressing Root Causes of Conflict in Post-Pandemic Recovery in Africa"

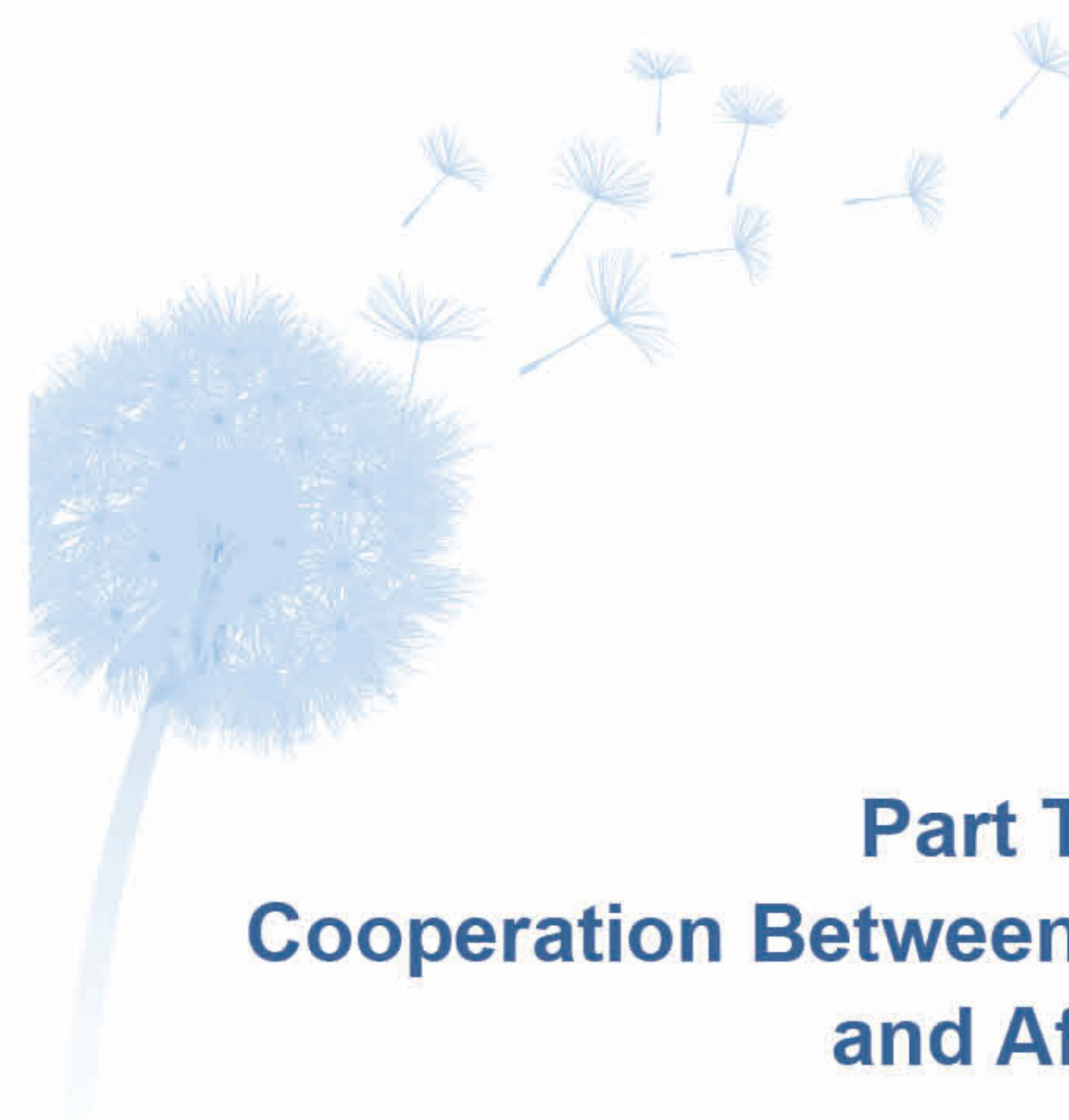
at the UN Security Council that China and Africa stand ready to jointly launch the "New Partnership for Africa's Development (NEPAD)", and called on the international community to increase support for Africa in fighting against the pandemic, post-pandemic reconstruction, trade and investment, debt suspension, food security, and in addressing climate change and other fields. His speech received positive response from African countries. At the end of 2021, the new edition of the FOCAC will be held in Senegal, which will further promote the high-level development of China-Africa comprehensive cooperation.

Secondly, China-Africa economic and trade cooperation is highly complementary, and the fundamentals that Chinese enterprises hope to expand economic and trade cooperation in Africa have remained unchanged. Africa's resource products and agricultural products still have a broad market in China, and Africa's promotion of industrialization still has a strong investment appeal to Chinese enterprises; China's mechanical and electrical products, daily necessities and textiles still meet the current needs of Africa, and China will continue to be an important source of investment and provider of development assistance in Africa. On December 2020, The Cooperation Plan between the Government of the People's Republic of China and the African Union on Jointly Promoting the Building of the Belt and Road Initiative was formally signed between China and AU. It is the first cooperation plan document signed by China and regional international organization on the Belt and Road Initiative and will effectively promote the dovetailing of the joint construction of the Belt and Road Initiative and AU Agenda 2063, create more cooperation opportunities in industry, agriculture, telecommunications, e-commerce, new infrastructure, green energy and the financial industry and other fields. The questionnaire survey² on 1,116 enterprises engaged in economic and trade cooperation with Africa conducted by the CAITEC in 2021 shows that 48.36% of enterprises investing in Africa and 48.8% of enterprises trading with Africa have plans to further expand investment and trade with Africa in the future, which fully indicates that Africa's extensive investment opportunities and vast consumer market are still very attractive to Chinese enterprises.

² The new edition of Forum on China-Africa Cooperation will be held in Dakar, the capital of Senegal, at the end of 2021. In order to explore a new path for further high-quality development of China-Africa economic and trade cooperation, in the first half of 2021, the Chinese Academy of International Trade and Economic Cooperation (CAITEC), with the support of economic and commercial offices of Chinese embassies in Africa, China-Africa Business Council, and China International Contractors Association, organized a largest-scale and in-depth questionnaire survey in recent years on Chinese enterprises in economic and trade cooperation with Africa. A total of 1,116 questionnaires were collected, which comprehensively reflected the current situation and outstanding problems faced by Chinese enterprises in participating in China-Africa economic and trade cooperation at all levels and in all fields from the micro-level.

At the same time, it is undeniable that China-Africa cooperation also faces some difficulties and obstacles. The political and security situation in some parts of Africa remains worrying; the infrastructure is weak, the financing is difficult, and the investment environment still needs to be improved; cultural differences between China and Africa have caused some local social contradictions, and problems such as the attack and smear of Western public opinion on China-Africa cooperation still exist. According to the questionnaire survey conducted by the CAITEC, the three most prominent problems faced by enterprises engaged in economic and trade cooperation with Africa are local security, political risks and exchange rate fluctuations, and the proportion of enterprise choices all exceeds 60%.

In the current complex and changeable environment and looking forward to the future, China and Africa should continue to strengthen friendly consultation, enhance political mutual trust, consolidate the achievements of bilateral cooperation, properly address the problems existing in China-Africa economic and trade cooperation, and build an even closer China-Africa community with a shared future. In order to promote the high-quality development of China-Africa economic and trade cooperation, China and Africa should strengthen top-level design, jointly formulate medium and long-term plans for China-Africa economic and trade cooperation, and jointly plan a policy framework conducive to the deep-seated, high-quality and sustainable development of China-Africa economic and trade cooperation; give full play to the market-oriented role, and release the initiative, enthusiasm and creativity of private enterprises in participating in China-Africa economic and trade cooperation; China should actively respond to Africa's development demands, strengthen capacity-building and technology transfer to Africa, further guide the in-depth integrated development of China's investment in Africa, improve the "investment-construction-operation" integration level of China-Africa infrastructure cooperation, strive to expand the scale of imports from Africa, and promote the healthy and sustainable development of China-Africa economic and trade cooperation.



Part Two

Cooperation Between China's Provinces and Africa

Overview

As China-Africa cooperation deepens, provincial governments, in response to the Belt and Road Initiative, seize opportunities presented by China-Africa cooperation and bring into play their strengths to carry out pragmatic cooperation with Africa, expand the scope and areas of cooperation with Africa, and enhance the quality of cooperation with Africa. Tangible results have been achieved in the cooperation. It is of great significance for building a closer China-Africa community with a shared future.

Provinces are important vehicle for implementing the “Eight Major Initiatives” for China-Africa cooperation. President Xi Jinping proposed focusing on the implementation of the “Eight Major Initiatives” at the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). Since then, China-Africa cooperation has entered the stage of “meticulous painting” from “freehand brushwork”. In this process, provincial governments are actively playing their role as a main vehicle of cooperation. Based on their own advantages and the FOCAC action plan, different provinces formulate their local action plans and implementation programs for Africa, establish and improve long-term cooperation mechanisms, and continuously promote cooperation with Africa in the direction of deepening and pragmatic development. to implement the central government’s policy on cooperation with Africa.

Cooperation between provincial governments and Africa is a major channel for building up targeted cooperation. African countries have similar overall development direction, but are not a unified market. The 54 sovereign countries are complex and multifaceted in terms of resources, national conditions, culture, economic base, etc. By implementing the national policy on Africa and fostering exchanges and cooperation with Africa, local governments can better match the needs for bilateral development based on their own comparative advantages, allocate resources, achieve more realistic and targeted economic and trade cooperation with Africa, and build an all-round, multi-level, and sustainable model of cooperation with Africa, covering capital, information, technology, talents, goods and other resources.

Cooperation between provincial governments and Africa is an important way to increase the economic openness of provinces. As China’s economy gains in size and rises in the global value

chain, China increasingly shows a horizontal trend in the international division of labor, while Africa puts faster industrialization center stage in economic development, leverages labor factors to undertake and introduce the manufacturing sector, and integrate into the global industrial system. The different development stages of China and Africa generate opportunities for deep structural complementarity and tiered cooperation. In the process of speeding up the transformation of growth drivers and upgrading the industrial structure, local governments export surplus production capacity in some export-oriented, labor-intensive manufacturing sectors to Africa to help improve the efficiency of division of labor in the local value chain, promote high-level opening up in local regions, and give a new impetus to regional development.

Guided by the policies issued by the central government, some local governments have fostered cooperation with Africa. This shows a good trend in Hunan, Zhejiang, Jiangxi, Shandong and other provinces, which have implemented many demonstration projects, and explored and achieved unique highlights in economic and trade cooperation between local governments and Africa.

Hunan has created a new window for economic and trade cooperation with Africa, and mechanism innovation has led to high-quality cooperation with Africa. The First China-Africa Economic and Trade Expo was held in Hunan in 2019 which will serve as a permanent venue for this expo. China (Hunan) Pilot Free Trade Zone was approved in 2020, and one of the three major tasks is to establish a pilot zone for in-depth China-Africa economic and trade cooperation. Relying on the dual national cooperation platforms with Africa, Hunan will foster economic and trade cooperation with Africa, and move faster to establish a sound long-term mechanism for economic and trade cooperation with Africa. At present, the top-level planning for Hunan Province’s cooperation with Africa has basically been completed, and initial progress has been made in platform establishment and mechanism promotion. Hunan’s economic and trade cooperation with Africa exhibits a new development pattern featuring robust growth, optimized structure, and diversified models. Especially in terms of model innovation, initial progress has been made in the establishment of African non-resource-based product distribution, trading and processing center. The Hunan-Africa logistics system covering land, sea and air transport has gradually taken shape. China-Africa e-commerce livestreaming incubation center, cross-border e-commerce platform for Africa, overseas warehouses, etc. have gradually established a cross-border e-commerce system featuring “online operation + offline operation + service”. The system for facilitation of comprehensive multi-level economic and trade cooperation

with Africa is being perfected. Multiple measures have been made to build a new high ground for economic and trade cooperation with Africa.

Private enterprises in Zhejiang lead the rapid progress in cooperation with Africa, and cross-border e-commerce empowers the digital transformation of foreign trade. In recent years, Zhejiang has made full use of its strengths in strong complementarity with African commodity markets to increase its imports from and exports to Africa. The African market has become an important emerging export destination for Zhejiang. Based on its own strengths and characteristics in the cooperation with Africa, Zhejiang Province issued the Zhejiang Province Action Plan for Fostering Economic and Trade Cooperation with Africa (2019-2022) in March 2019 to encourage and guide Zhejiang enterprises in economic and trade cooperation and cultural exchange with Africa. Zhejiang Province is a strong province in terms of the private sector of the economy. Zhejiang private enterprises give full play to their strengths in capital, technology, talents, market channels, etc. to become the mainstay for import and export trade with Africa, foreign investment, etc., leading economic and trade cooperation with Africa. As a leader in the digital economy sector in China, Zhejiang harnesses new technologies and new models to promote the development of digital exhibitions and digital foreign trade, supports cooperation with Africa in areas such as big data, smart security, and “one-click view of overseas warehouses”, and empowers economic and trade cooperation between Zhejiang and Africa through digital means. It shares “Zhejiang Model” for exploring the formation of a long-term mechanism for economic and trade cooperation between Chinese local governments and Africa.

Jiangxi's aid to Africa leads the high-quality development of engineering projects, and pragmatic cooperation in the agricultural industry chain leads to win-win outcomes. Jiangxi Province's economic and trade cooperation with Africa goes back a long way. Especially since the 2018 Beijing Summit of the Forum on China-Africa Cooperation, Jiangxi Province follows the guidelines of the important speeches made by General Secretary Xi Jinping to foster China-Africa economic and trade cooperation. In the face of the complicated and volatile international political and economic situation and the adverse impact of the COVID-19 in 2020, Jiangxi forged steady and pragmatic economic and trade cooperation with Africa, and solid progress was made in key investment cooperation projects with Africa. Jiangxi enterprises have undertaken many iconic foreign aid projects in Africa, and the business model extends to cover the integration of investment, construction and operations. “Jiangxi construction” brand has significantly raised its visibility in the field of international contracted

engineering projects. Jiangxi is a major agricultural province in China, and Africa is one of the most important markets for Jiangxi going global in the agriculture sector. The scope of cooperation extends from the production of food crops to the entire industrial chain, including scientific research, training on capacity building, technical services and promotion. The partners shift focus from assistance to the combination of assistance, trade and investment. For the main parties for cooperation, there is a shift from the leading role of government to the involvement of multiple parties through multiple channels, which help Africa strengthen its food security capabilities, enhance African countries' capabilities for independent development, and promote mutually beneficial and win-win China-Africa cooperation in agriculture.

Shandong has realized new highlights in its trade with Africa, and overseas industrial parks become the important vehicle for Africa's industrialization. In recent years, given the complicated international environment and the challenging tasks of carrying out reform and development, Shandong focuses on the transformation of growth drivers, etc. in its cooperation with Africa, adopts a problem-oriented approach, and carries out economic and trade cooperation with Africa, with steady and sustained progress in the areas such as trade, investment, and contracted engineering projects. Shandong has made positive contributions to China's cooperation with Africa. In terms of trade with Africa, Shandong formulated an overseas exhibition market development plan, and has come up with an integrated solution for overseas market development integrating “shared overseas employees”, “shared overseas offices”, “year-long product exhibition centers and overseas warehouses” and “international exhibitions”. Moreover, it also adopts the innovative exhibition model of “online display and online negotiations”. The construction of overseas industrial parks by Shandong overseas has provided an important vehicle for China-Africa cooperation in production capacity. The existing four industrial parks in Africa have driven the development of various industries in the host countries, such as agricultural planting, agricultural product processing, manufacturing, warehousing and logistics. The parks have promoted the economic and social development of the surrounding areas, facilitated industrialization and agricultural modernization in Africa, and give an impetus to Africa's capacity for independent development.

Hunan Province

I. Overview

In recent years, Hunan Province has taken action under the Belt and Road Initiative, implemented the “Eight Major Initiatives” for China-Africa cooperation, carried out the strategies for “three high grounds and new progress in four respects”. It regards Africa as an important partner for exploring new space for opening up, and focuses on building the high ground for reforms in inland regions. Relying on its economic strengths in terms of a complete range of industries, prominent advantages, and development levels in line with the needs of Africa’s development, and its cultural strength being the hometown of the Chairman Mao and other great man, and people-to-people bonds with African people, Hunan supports enterprises in jointly developing the African market and promoting the implementation of projects according to the ideas of government guidance, leading role of enterprises, and market-oriented operation. The First China-Africa Economic and Trade Expo was held in Hunan in 2019 which will serve as a permanent venue for this expo, and China (Hunan) Pilot Free Trade Zone was approved in 2020. Based on two national platforms, Hunan Province focuses on becoming a new window for economic and trade cooperation between local governments and Africa. Domestic and foreign resources for cooperation with Africa are gathering in Hunan, which further promote the strong growth of its economic and trade cooperation with Africa.

On the whole, Hunan Province’s cooperation with Africa is characterized by the following aspects: **First, robust growth in trade and continuous improvement in structure.** Import and export trade between Hunan and Africa has maintained a growth rate of over 18% for four straight years. In 2020, exports to Africa increased by 7.4% year-on-year, and imports from Africa soared by 40.2% year-on-year, among which imports of non-resource products from Africa contribute a large proportion. **Second, frequent exchanges, and a growing scope of cooperation.** Hunan Province has held

large-scale economic and trade exchange activities oriented to Africa for many years, with over 50 trading partners. Further progress has been made in exchanges and cooperation between friendly states, provinces and cities. **Third, diversified forms of cooperation, and an increasing number of cooperation areas.** Cross-border e-commerce and selling goods through live-streaming are new highlights in trade. Investment cooperation goes beyond “independent investment” to industrial cooperation chain investment. The integrated “investment- construction -operation” project model is gradually adopted for engineering contracting projects. The areas of cooperation in production capacity have been expanded, and direct investment in Africa involves more than 30 sub-sectors in 10 categories. **Fourth, innovative mechanism model, and an improving multi-level cooperation system.** Under the framework of the two national-level economic and trade cooperation platforms oriented to Africa, Hunan has unveiled sound top-level plans, established a basically sound policy system for cooperation with Africa, and put in place a comprehensive multi-level system for facilitating economic and trade cooperation with Africa, providing full-process professional service for enterprises’ cooperation with Africa.

II. Hunan-Africa Trade

(I) Hunan-Africa trade has grown at a fast clip, and imports from Africa increase steadily.

From 2017 to 2020, Hunan Province saw rapid growth in total imports and exports with Africa, exports to Africa, and imports from Africa for five consecutive years, with an average annual growth rate of 32.8%, 31.8%, and 34.3%, respectively. In 2020, Hunan’s total imports and exports with Africa reached 28,835.43 million yuan, a year-on-year increase of 18.3%; exports to Africa reached 17,423.12 million yuan, a year-on-year increase of 7.4%; imports from Africa stood at 11,412.31 million yuan, a year-on-year increase of 40.2%.

Table 2-1 Hunan-Africa trade from 2016 to 2020

Unit: 10,000 yuan, %

	2016	2017	2018	2019	2020
Imports and exports	928,276	1,407,973	1,815,287	2,443,461	2,883,543
Year-on-year		55.3	29.2	34.4	18.3
Exports to Africa	577,488	815,167	1,100,931	1,622,926	1,742,312
Year-on-year for exports		41.3	35.0	47.4	7.4
Imports from Africa	350,788	592,806	714,356	820,535	1,141,231
Year-on-year for imports		79.8	21.1	14.4	40.2

(II) Exchange events cover more areas at a deeper level, and South Africa becomes Hunan's largest trading partner in Africa.

In recent years, Hunan has fostered exchanges with Africa, with an expanding scope of cooperation. Since 2015, Hunan has held large-scale economic and trade matchmaking events with Africa, such as African Envoys Visit Hunan, Hunan-Africa International Industrial Cooperation Conference & Business Cross-border Networking Event, Hunan-African Local Industrial Cooperation Event, and Investing in Africa Forum. Over 50 African countries have trade links with Hunan Province, and the number of African countries exporting products to Hunan Province increased from 16 in 2016 to 35 in 2020. At the same time, exchanges and cooperation between sister states and provinces and sister cities have been further advanced. Hunan has forged friendly province-state relations with Cross River State, Kano State, Jigawa State in Nigeria; Northern Cape Province in South Africa, Oromia State in Ethiopia, Lunda Sul Province in Angola, etc. Changsha has forged sister-city relations with Brazzaville in the Republic of Congo, Entebbe in Uganda, and Adama in Ethiopia; and sister-city relations have also been built between Zhuzhou City and Pietermaritzburg of South Africa, Xiangtan City and Musoma City of Tanzania, Chenzhou City and Kimberley City of South Africa, Loudi City and Kilondoni City of Tanzania as well as Ghanazhong City of Ghana, Xiangxi Tujia and Miao Autonomous Prefecture and Zanzabani City of South Africa .

From the perspective of the volume of import and export trade between Hunan and Africa, Hunan's main African trading partners are South Africa, Nigeria, Egypt, Algeria, Mauritania, Morocco, Ghana, Sudan, Kenya, and Djibouti. South Africa is Hunan Province's largest trading partner in Africa. The total volume of import and export trade between Hunan and South Africa reached 42,665.5 million yuan, accounting for 45.0% of the total trade volume between Hunan and Africa. From the perspective of development trend, Uganda, Rwanda, Madagascar, and Kenya show tremendous potential for growth in trade with Hunan Province. Thanks to the joint efforts of the Department of Commerce of Hunan and Changsha Customs, the access process of African products picks up speed. In May 2021, China Customs and Uganda Customs signed the China-Uganda Customs Agreement on Mutual Recognition of Authorized Economic Operator (AEO). This is the first AEO mutual recognition arrangement signed by Chinese customs with an African country. Moreover, Rwanda dried chili was approved for entry into the Chinese market in 2020. Preliminary evaluation work has been completed for products such as mutton from Madagascar and beef from Uganda. The pre-access evaluation work has been completed for the exports of Kenyan anchovy to China.

Table 2-2 The import and export trade between Hunan and its top ten trading partners in Africa from 2016 to 2020

Unit: 10,000 yuan

	2016	2017	2018	2019	2020	Total
South Africa	301774.2	809235.2	904737.5	935688.1	1315112.0	4266546.9
Nigeria	78139.8	109454.5	149476.2	236558.7	256821.4	830450.6
Egypt	80161.4	84998.1	108117.7	165639.6	235772.3	674689.2
Algeria	94107.5	90928.9	132376.5	183157.3	67784.6	568354.8
Mauritania	6.8281.0	36731.8	42492.5	114346.3	132226.9	394078.5
Morocco	32823.1	29845.9	82905.0	95840.8	57043.4	298458.3
Ghana	15610.2	19524.4	57184.3	75117.3	89860.1	257296.3
Sudan	10724.5	18982.0	20611.5	60588.7	96512.6	207419.3
Kenya	17902.5	26872.6	45033.8	45879.3	58702.3	194390.4
Djibouti	14654.4	14076.2	23180.9	43557.1	63497.8	158966.3

(III) Hunan maintains its export advantages in traditional competitive industrial products, and the import of African non-resource products promises huge potential.

In terms of Hunan's exports to Africa, products such as mechanical and electrical products (such as mechanical equipment, electronic products), hair products (including wigs, false beards, false eyebrows, false eyelashes and like products), and light industrial products (such as textiles and garments, lighters, shoes and bags, plastic products) have maintained export superiority for a long time. Hunan's traditional competitive industrial products, such as construction machinery, rail transit products, teas, ceramic products, still enjoy great potential for export.

In terms of imports from Africa, resource products are dominant, including iron ore and its concentrate, non-monetary unwrought gold and crude gold, diamonds, copper ore and its concentrate, unwrought platinum and platinum powder. In recent years, Hunan has been building African non-resource-based product distribution, trading and processing center and expand the import of non-resource products such as coffee, cocoa, nuts, dried peppers, fresh flowers, timber, and rubber. The African non-resource-based product distribution, trading and processing center has begun to take shape. In 2020, the African coffee trading center, nut trading center, and cocoa marketing center were put into operation, which realized a cumulative turnover of 2.4billion yuan since their establishment last year.

(IV) New and diversified trade models are adopted, radiating new momentum of foreign trade.

Trade with Africa has long been plagued with problems such as African countries' foreign exchange control, and obstructed marketing channels and logistics channels. In order to solve pain points and solve difficulties, Hunan enterprises explore innovations in models and leverage modern information technology to foster cooperation with Africa. In response to pain point in terms of foreign exchange, China-Africa (Hunan) Bater Co., Ltd. explored two typical barter business. One is the "point-to-point" barter exchange of equivalent-value goods between China and South Africa, and the other is the import trade to assist Hunan enterprises to get payment back. To address the issue of marketing, Hunan TV Public Channel, Hunan Gaoqiao Grand Market, and Hunan Dasheng Media established the China-Africa e-commerce livestreaming incubation center, which sold over 100,000 pieces of products from China and Africa through on-line marketing, with sales of nearly 100 million yuan. Kilimall aims to become the largest Africa-oriented cross-border e-commerce platform in China, becoming one of the most popular leading e-commerce companies among African users. To ensure unimpeded logistics, Yueyang Chenglingji Comprehensive Bonded Zone, Hunan Gaoqiao Grand Market, China COSCO Shipping Corporation, etc. signed an agreement on adopting a full-chain model for trade between China and Nigeria to build an overseas exhibition and trade center in Nigeria, establish a warehousing, logistics and procurement system, and build a standardized channel for consolidation of bulk products, transport, customs clearance and quality inspection. It creates new highlights in the cooperation with Africa.

III. Hunan's Investment in Africa

(I) Investment cooperation is deepening, and the amount of investment increases year after year.

In 2020, Hunan's direct investment in Africa reached US\$62.1 million, an increase of 145.1 times compared to US\$425,200 in 2016. In the face of the complicated and grim domestic and international situation, especially the impact of the COVID-19, Hunan's direct investment in Africa grew against the trend in 2020. The reasons are as follows: First, the First China-Africa Economic and Trade Expo was held in Hunan in 2019, which promoted the images of bilateral cities, competitive industries, key parks, leading enterprises, and high-quality well-known goods, and facilitated project cooperation and trade transactions. Second, China (Hunan) Pilot Free Trade Zone was approved in September 2020, which listed "building a pilot zone for in-depth China-Africa economic and trade cooperation" as one

of three major strategic orientation and development goals. A slew of documents such as Opinions on Promoting the High-quality Development of China (Hunan) Pilot Free Trade Zone were issued, which have promoted institutional innovation for the high-quality development of China-Africa economic and trade cooperation. Third, the policy system for cooperation with Africa has basically taken shape. Opinions on Implementing the Eight Major Initiatives for China-Africa Cooperation and Building a High Ground for China-Africa Economic and Trade Cooperation at the Local Level were issued to promote cooperation with Africa based on the reality of Hunan Province.

(II) Investment is made in more countries, and Chad, Algeria, and Tanzania become main investment destinations.

From 2016 to 2020, Hunan made investment in 29 African countries. By the end of 2020, the top ten African countries as destinations for Hunan's direct investment were Chad, Algeria, Tanzania, Nigeria, Ghana, Zambia, Democratic Republic of Congo, Rwanda, Benin, and Kenya. The stocks of direct investment in the said ten countries reached US\$238.6268 million, accounting for 93.3% of Hunan's total stocks of direct investment in Africa. Investment was mostly concentrated in Chad, Algeria, and Tanzania, with investment stocks of US\$71.9 million, US\$35.9 million, and US\$29.5 million, respectively, accounting for 28.1%, 14.03%, and 11.6% of Hunan's total stocks of direct investment in Africa.

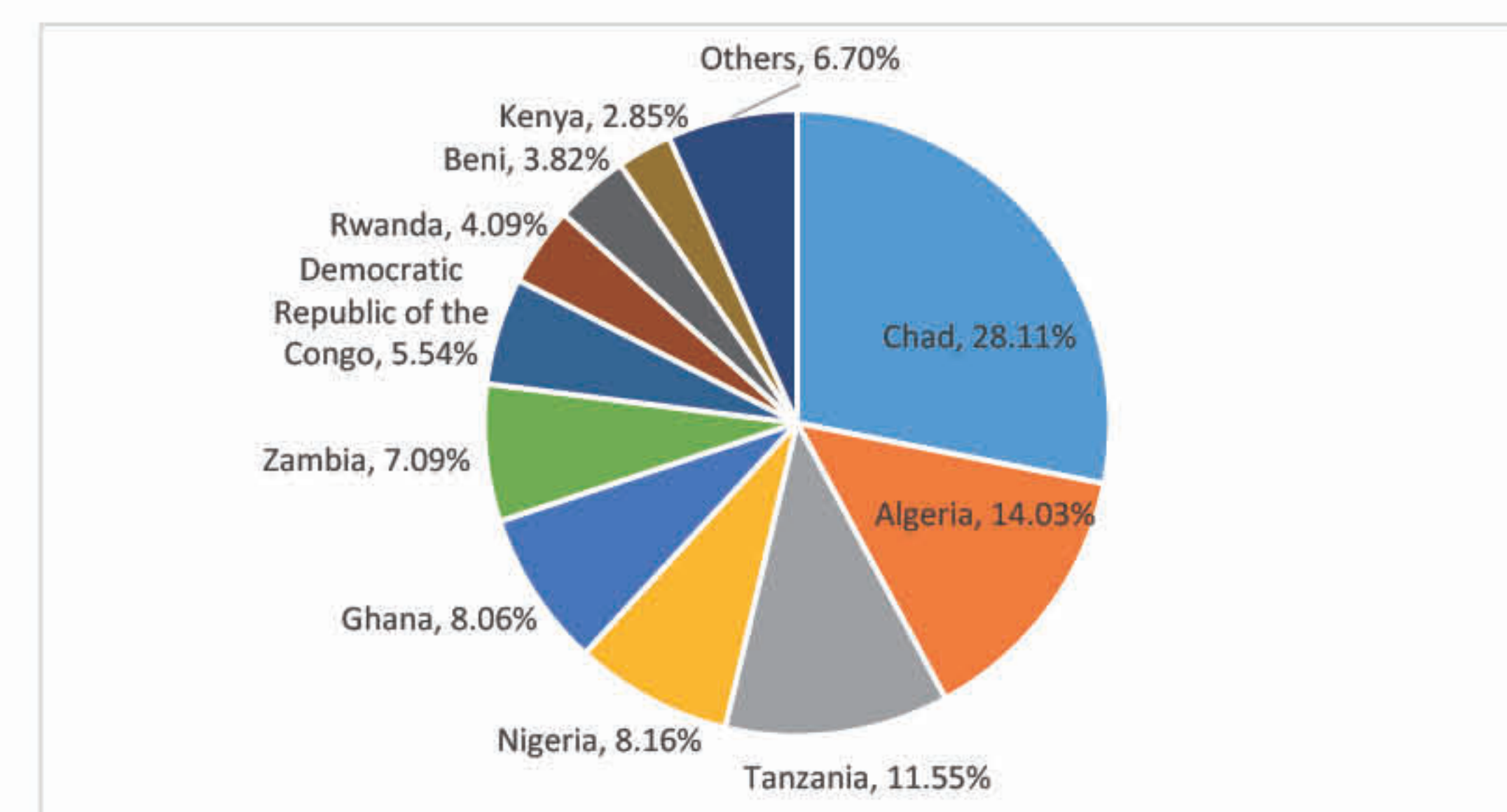


Figure 2-1 Hunan's stock of direct investment in Africa by the end of 2020 (by country)

Source: Department of Commerce of Hunan Province

From the perspective of Hunan's investment trends in Africa from 2016 to 2020, the countries that received sustained investment include Zambia, Algeria, Nigeria, etc., ranking among top 10 for stocks of investment for five years. Countries that received increased investment include Chad, Rwanda, Benin, Uganda, etc. Chad, Rwanda, and Benin were new destinations in 2020, ranking among the top ten destinations for stocks of direct investment in that year.

(III) Hunan's investment covers a wide range of areas, chiefly mining, manufacturing, and construction industries.

In the past five years, Hunan Province's direct investment in Africa involved more than 30 sub-sectors in 10 categories, with diverse fields of cooperation in production capacity. From the perspective of distribution of industries for investment, mining, manufacturing, and construction are absolutely dominant. By the end of 2020, Hunan's stocks of investment in Africa's mining industry reached US\$ 101.8 million, accounting for 39.8% of Hunan's total stocks of investment in Africa. The stocks of investment in manufacturing and construction sectors were US\$ 91.6 million and US\$47.0 million, respectively, accounting for 35.8% and 18.4% of the stocks of investment.

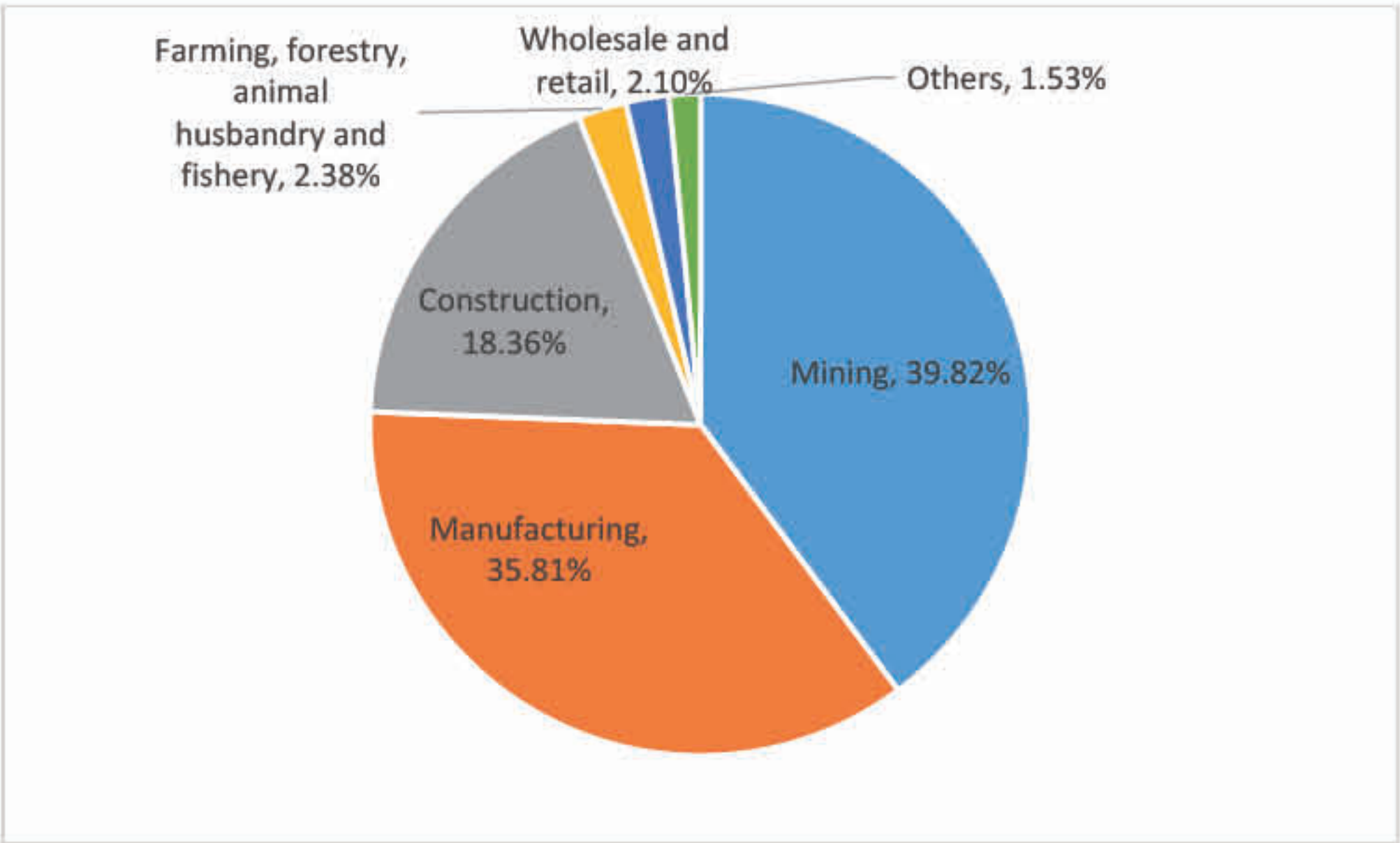


Figure 2-2 Hunan Province's stock of direct investment in Africa by the end of 2020 (by sector)

Source: Department of Commerce of Hunan Province

(IV) The forms of cooperation in investment are diversified, and construction of overseas cooperative industrial parks is in steady progress.

In recent years, the forms of investment cooperation between Hunan and Africa have become increasingly diversified. Investment in Africa extends from traditional “greenfield investment” to cross-border mergers and acquisitions, etc. In particular, Hunan has made steady progress in the construction of industrial parks in Africa. The Ethiopia-Hunan Industrial Park commenced construction in November 2017 with a total investment of US\$350 million. It is the first industrial park built by Hunan Province in Africa and China's only overseas industrial manufacturing cooperation park that is promoted by the provincial government and the Ethiopian central government and that integrates the resources of multiple parties. It sets a new model for China-Africa cooperation in production capacity and China's establishment and operation of overseas economic and trade cooperation park. Uganda-Hunan Industrial Park is the first industrial park project under the framework of the Framework Memorandum of Understanding on Economic and Trade Cooperation between Hunan Province and Uganda, and Hunan's first overseas economic and trade cooperation zone in Africa that is invested, built and managed by private enterprises.

(V) The promotion system for multi-level economic and trade cooperation with Africa is being perfected, and enterprises have significantly higher enthusiasm for investing in Africa.

In recent years, Hunan Province has established a promotion system for multi-level economic and trade cooperation with Africa under the general idea of “government guidance, leading role of enterprises, and market-oriented operation”. As China-Africa Economic and Trade Promotion Innovation Demonstration Park is being built, remarkable results have been achieved in terms of business and trade incubation, China-Africa cross-border RMB settlement, band building of research and consultation services. In terms of business and trade incubation, China-Africa Economic and Trade Business Incubation Center, China-Africa Livestreaming E-commerce Incubation Center, China-Africa Comprehensive Economic and Trade Service Center, and China-Africa Comprehensive Cross-border E-commerce Service Platform have been put into operation. In terms of financial services, ICBC Hunan Branch has established the China-Africa Cross-border RMB Center, steadily promoted RMB account cooperation with banks in Egypt, Nigeria, Kenya and other African countries, and has opened spot settlement and sale of six African countries' currencies to the public.

Among them, Standard Bank of Nigeria opened RMB letters of credit for Hunan enterprises to ICBC Hunan Branch, realizing more than RMB 20 million remitted directly from Nigeria to the enterprises' accounts in China. In terms of research and consultation services, China-Africa Economic and Trade Promotion Council, China's first council for economic and trade cooperation between local government and Africa, was established in Changsha. Ten centers such as the legal center established by Hunan Tiandiren Law Firm, and the consulting center established under the guidance of Hunan Youyi Investment Management Consulting Co., Ltd., have settled in the free trade zone as the first batch of comprehensive service organizations. The comprehensive service facilitation system oriented to Africa has basically taken shape.

As the comprehensive service system for economic and trade cooperation with Africa matures, Hunan enterprises are more actively involved in investing in Africa, having formed multiple alliances for industrial cooperation with Africa, integrated industry resources, and joined hands to go global. The alliances include Hunan Enterprises "Go Global" Alliance, Hunan Agricultural Industry Alliance, Mining Alliance, Hunan Construction Industry "Go Global" Strategic Alliance, and Changsha Enterprise Alliance for Economic and Trade Cooperation with Africa .

(VI) Africa increases investment in Hunan, with explosive growth from West Africa.

As Hunan enterprises develop in Africa, Africa gradually steps up investment in Hunan. From the perspective of the number of newly established companies, the number of newly established companies for African investment in Hunan showed a growing trend from 2016 to 2020. By the end of 2020, 38 African investment enterprises were established in Hunan, about 7.6 companies on average per year in the past five years. Especially in 2019, the number of newly established enterprises for Africa's investment in Hunan ballooned, reaching 17, up by 183.3% year-on-year. From the perspective of sources of funding, African investment in Hunan mainly comes from Ghana, Nigeria, and Seychelles. In the past five years, the three countries have established 20 enterprises in Hunan, accounting for 52.6% of the total number of new enterprises for African investment in Hunan.

IV. Hunan Province's Contracted Engineering Projects in Africa

(I) The scale of the industry remains high, and industry alliances give great support.

The accelerated integration of the African continent provides important opportunities and impetus for construction enterprises in Hunan. The scale of the contracted engineering industry by Hunan enterprises in Africa has been expanding in recent years. From the perspective of the turnover, the scale of contracted projects by Hunan enterprises in Africa has remained at a high level in the past five years. From 2016 to 2020, Hunan enterprises had completed a total turnover of US\$ 5,767.8million in contracted projects in Africa, with an average annual turnover of some US\$ 1,153.6 million. The value of newly signed contracts in 2019 increased sharply, to US\$ 1,127.9 million, up by 36.1% year-on-year.

In recent years, Hunan's construction industry has gradually realized the transition from cooperation with others to independent development and cooperative development as they go global. Industry associations and alliances have provided support for them. Hunan Construction Industry "Go Global" Strategic Alliance has promoted key country-specific projects, organized matchmaking events, held training for international marketing management professionals, and co-organized matchmaking meetings for governments, banks and enterprises. It integrates featured resources, and fostered cooperation and exchanges, which greatly help Hunan construction enterprises join hands in going global.

(II) There is wide market coverage, and Algeria and Uganda are the main markets.

Engineering projects contracted by Hunan enterprises cover many countries and regions in Africa, mainly including Algeria, Uganda, Nigeria, Ethiopia, Ghana, Mali, the Republic of Congo, Tanzania, Benin, and Rwanda. Hunan Province's engineering projects in the above ten countries realized a turnover of US\$ 5,087.4 million, accounting for 88.20% of Hunan Province's turnover in contracted engineering projects in Africa. Algeria and Uganda are the star performers, accounting for 38.4% and 18.9% of Hunan Province's turnover in contracted engineering projects in Africa. Moreover, in terms of labor dispatching, the number of laborers dispatched in Hunan Province has been increasing year by year, creating more than 10,000 jobs for the host countries.

**Table 2-3 Top ten countries for Hunan's turnover
in contracted engineering projects in Africa**

Unit: US\$10,000, %

African countries	Completed turnover	Proportion
Algeria	221194.8	38.4%
Uganda	108746.8	18.9%
Nigeria	46634.7	8.1%
Ethiopia	27942.4	4.8%
Ghana	27140.8	4.7%
Mali	22235.0	3.9%
The Republic of Congo	19968.0	3.5%
Tanzania	13503.6	2.3%
Benin	10977.7	1.9%
Rwanda	10393.0	1.8%

Source: Department of Commerce of Hunan Province

(III) The number of sectors is expanding, with outstanding advantages in the transport, power, and construction sectors, and continuous innovations in business models.

The engineering projects contracted by Hunan enterprises in Africa extend from housing construction and transport to electric power, petrochemical engineering, water supply and drainage, electronic communications, metallurgy and mines, high-speed railways, etc. From the perspective of the completed turnover in various industries, the key industries of engineering projects contracted by Hunan enterprises in Africa are transportation construction, power engineering construction, and general construction projects. The turnover completed by the above three industries from 2016 to 2020 accounted for 48.7%, 29.8%, and 5.0% of the total turnover of Hunan's contracted engineering projects in Africa, respectively. The combined turnover of the three industries accounted for 83.5% of the total turnover of Hunan's contracted projects in Africa. From the perspective of industry development trend, general construction projects have grown rapidly in the past five years, and the turnover completed in 2020 was 232.6 times that in 2016. Both water conservancy construction and wastewater (waste) disposal projects showed a good growth trend in 2020. The turnover of water conservancy construction increased by 11.4 times, and the wastewater (waste) disposal project

increased for the first time, with a net increase of US\$250,000.

From the perspective of business model, Hunan Province continuously innovates in the ways of contracting engineering projects in Africa. The business model has gradually extended from the traditional construction contracting model to DB (design-build) model, EPC+F ("engineering, procurement and construction" + financing) model, EPC+I ("engineering, procurement and construction" + investment). This has driven the upstream and downstream enterprises of the industry chain to "join hands and go global". As the ability to contract engineering projects in Africa significantly improves, Hunan enterprises have built many projects with international influence in Africa, such as the Senegalese wrestling ground project undertaken by Hunan Construction Engineering Group, which is the first modern wrestling ring in Africa and the largest project built with the aid of China in Senegal. POWERCHINA Zhongnan Engineering Corporation Limited has been involved in the construction of roads and bridges, shipping ports, solid waste disposal and other projects in many African countries that benefit the local people in the long term.

V. Hunan Province is the leader to introduce new mechanisms for economic and trade cooperation with Africa

(I) China-Africa Economic and Trade Expo

At the 2018 Beijing Summit of the FOCAC, President Xi Jinping announced that the China-Africa Economic and Trade Expo (CAETE) is an important measure under the "Eight Major Initiatives" for China-Africa cooperation. It is the only economic and trade cooperation platform under the framework of the FOCAC and a vehicle for economic and trade cooperation between Chinese local governments and Africa. Co-hosted by the Ministry of Commerce of the People's Republic of China and the People's Government of Hunan Province, it is held every two years at the permanent venue in Hunan.

During 27-29 June, 2019, the First CAETE was held in Changsha, Hunan Province. All parties from China and Africa turned the First CAETE into an international event featuring win-win cooperation, innovation and pragmatism, and results achieved went beyond expectations. The event was attended by more than 1,600 foreign guests, over 5,000 domestic guests, as well as over 3,500 domestic and foreign exhibitors, buyers and professional visitors, totaling more than 10,000 visits. Participants

involved 53 African countries with diplomatic relations with China as well as 31 domestic provinces (autonomous regions and municipalities) and the Xinjiang Production and Construction Corps. Representatives from over 10 international organizations and institutions such as the United Nations Industrial Development Organization and the World Trade Organization, 8 financial institutions, over 150 central government enterprises and their subsidiaries, and nearly 800 key Chinese enterprises attended the events. 84 cooperation documents covering trade, investment, infrastructure, agriculture, manufacturing, aviation, tourism, sister cities and other fields, were inked at the event, with a contract value of US\$20.8 billion.

(II) Pioneer Zone for In-depth China-Africa Economic and Trade Cooperation

On September 21, 2020, China (Hunan) Pilot Free Trade Zone (hereinafter referred to as “Hunan FTZ”) was officially approved. The Hunan FTZ serves the national strategy, focuses on Hunan’s characteristics, and gives full play to the strengths of the region. It makes every effort to build “one industry, one park, and one corridor”, namely, a world-class advanced manufacturing cluster, a pioneer zone for in-depth China-Africa economic and trade cooperation, and an International Investment and Trade Corridor linking the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area. The Hunan FTZ is the only “test ground” for reform and innovation that is positioned as the “pioneer zone for in-depth China-Africa economic and trade cooperation” among the 21 FTZs that have been approved in China.

The pioneer zone is planned to have a basic pattern of “one core and three areas” featuring complementary functions, coordinated interaction, and staggered development, with an influence on multiple base areas outside the zone. “One core” refers to Gaoqiao Grand Market. It focuses on building African non-resource-based product distribution and trading center in China, explores a mechanism for barter trade, expands cross-border RMB integrated services for Africa comprehensively, and builds innovation demonstration park for China-Africa economic and trade cooperation under high standards.

The “three areas” refer to Changsha Airport Economic Demonstration Zone, Yueyang Chenglingji Port & Chenglingji Comprehensive Bonded Area, and Changsha Jinxia Economic Development Zone, aiming to build sea, land and air three-dimensional logistics channels connecting Hunan

Province with African countries, and explores the comprehensive business management model covering “cross-border e-commerce + bonded processing + warehousing & logistics”.

“Multiple base areas” give full play to the role of “one core and three areas” in industry leadership, factor conglomeration institutional innovation, etc. to promote industrial collaboration and functional synergy within and outside the zone, drive the development of featured industrial bases and specialized parks outside the zone, and form the industrial structure and operation mode whereby the zone covers the areas outside, which in turn support the zone.

Focusing on promoting deep cooperation and early and pilot implementation, the pioneer zone will build as an area with concentration of open elements for China-Africa cooperation, an experimental area for new paths and models, and an incubation area for new industries and dynamics by establishing a long-term mechanism, strengthening platform construction, optimizing the business environment, and strengthening talent support to form the main field for the development of in-depth cooperation between China and Africa in economic and trade in a double-cycle pattern. By 2025, the total trade volume with Africa aims to exceed 10 billion US dollars, and the number of enterprises introduced to Africa aims to exceed 1,000. By 2035, the zone will be built into a model highland with international influence for local economic and trade cooperation with Africa.

(III) Outlook

Relying on the two national platforms of the China-Africa Economic and Trade Expo (CAETE) and the pilot zone for in-depth China-Africa economic and trade cooperation, Hunan Province has made staged progress and breakthroughs in the establishment of a mechanism for economic and trade cooperation with Africa. In the future, it will build “five centers” to promote the high-quality economic and trade cooperation between Hunan and Africa, namely, the African non-resource-based product distribution, trading and processing center, central and western China’s logistics and personnel center oriented to Africa, Chinese local investment and cooperation promotion center oriented to Africa, the local research center for economic and trade cooperation with Africa, and the China-Africa cross-border Renminbi center.

First, establish African non-resource-based product distribution, trading and processing center.

Efforts will be made to open up the industrial chain, covering direct sourcing in Africa, warehousing, logistics, processing, display and sales, after-sales service, and supply chain finance. It will establish China-Africa economic and trade cooperation promotion innovation demonstration park, a high-level China-Africa business distribution platform and a headquarters cluster for Chinese and African economic and trade enterprises. Distinctive China-Africa economic and trade industrial parks will be built in Yueyang, Shaoyang, Liuyang and other cities to scale up the imports of coffee, sesame, nuts, mica, natural rubber, wood, etc. from Africa. Through the platform of the CAETE, it will cooperate with the customs in carrying out the cooperation between Chinese and African customs in the mutual recognition of “Authorized Economic Operator” (AEO), promote cooperation with the customs of South Africa, Egypt, Mauritius, Rwanda and other countries, and facilitate cooperation in the AEO mutual recognition.

Second, move faster to open up logistics channels oriented to Africa. Efforts will be made to promote the upgrading of aviation, railway, waterway ports as well as special customs supervision zones and other open platforms. On the basis of two passenger transport routes from Changsha to Nairobi in Kenya and to Luanda in Angola, it will develop international passenger and cargo transport routes which lead to eastern, western and southern Africa. It will build Hunan-Guangdong-Africa rail-sea intermodal transport channel and the Hunan-Shanghai-Africa river-sea intermodal transport channel and further develop the truck-air intermodal transport and the truck-sea intermodal transport channels. Centering on the channels, efforts will be made to optimize the industrial parks, logistics parks and overseas distribution centers.

Third, improve the market-oriented economic and trade promotion system. On the basis of China-Africa Economic and Trade Promotion Council in Hunan Province and its ten service center platforms, it will build a one-stop, full-process comprehensive service center for China-Africa economic and trade cooperation, bring together high-quality social resources, build diversified channels to promote projects, and provide all-round and full-process business promotion and professional service support for the entities which cooperate with Africa. On the basis of the resident service centers in Algeria, Kenya, and Nigeria, it will expand the local service network in China and Africa, and provide full two-way economic and trade services, covering information collection, matching and project implementation.

Fourth, build think tank system for China-Africa cooperation. Support is given to China-Africa

Economic and Trade Promotion Council, the Industrial and Vocational Colleges' Alliance of China-Africa, and China-Africa Economic & Trade Research Institute to build a first-class domestic and world-renowned think tank brand, increase efforts to study the theory and practice of economic and trade cooperation with Africa, and carry out vocational training for economic and trade cooperation with Africa. Sino-Zam Vocational College of Science and Technology will be established in Zambia, and greater efforts will be made to establish “Luban Workshop” in Egypt to provide intellectual and personnel support for China-Africa economic and trade cooperation.

Fifth, move faster to establish China-Africa cross-border Renminbi center. Efforts will be made to use Renminbi on a larger scale in economic and trade cooperation with Africa, guide African financial institutions to open Renminbi settlement accounts for African market entities, ensure unimpeded channels for Renminbi clearing (settlement) with Africa, guide African market entities to enter the Chinese financial market for financing, encourage the use of Renminbi for settlement and clearing in China-Africa trade, investment, financing, etc., and promote the cross-border two-way flow of Renminbi. Greater efforts will be made to foster communication and cooperation with domestic and foreign financial institutions, and explore the China-Africa cross-border payment system within the pilot zone.



Zhejiang Province

I. Overview

Zhejiang is a major province in terms of the private sector of the economy and opening-up. Zhejiang ranks among the top in China in terms of the results in “going global” and “bringing in”. In recent years, Zhejiang has exploited its strengths in strong complementarity with African commodity markets to increase its imports and exports with Africa. The African market has become an important emerging export destination for Zhejiang. In March 2019, Zhejiang issued the Zhejiang Province Action Plan for Promoting Economic and Trade Cooperation with Africa (2019-2022) to encourage and guide Zhejiang enterprises to conduct economic and trade cooperation and cultural exchanges with Africa. In September 2019, Yuan Jiajun, the then governor of Zhejiang, led a delegation to visit Rwanda and South Africa, and attended the Belt and Road Zhejiang Businesspeople Tour (Africa) events held in Africa by Zhejiang Province. This led to the implementation of many economic and trade programs. In September 2020, Yuan Jiajun, Secretary of the Provincial Party Committee, met with 23 African countries’ diplomatic envoys to China and the African Union’s ambassador to China in Hangzhou. This is the first large-scale foreign mission that Zhejiang received since the outbreak of the COVID-19.

Zhejiang and Africa saw rapid development in bilateral import and export trade. During the “13th Five-Year Plan” period, the gross value of Zhejiang’s import and export trade with Africa reached 991.5 billion yuan, up by 47.7% over the “12th Five-Year Plan” period, with an average annual growth rate of 7.8%. The volume of exports reached 849.3 billion yuan, up by 43.9%, with an average annual growth of 7.0%. The volume of imports were 142.2 billion yuan, up by 75.7%, with an average annual growth of 13.1%. Both imports and exports maintained steady growth. In 2019, the volume of Zhejiang’s import and export trade with Africa reached 229 billion yuan. Its exports to Africa accounted for a quarter of China’s total exports to

Africa, ranking first in China. In 2020, the volume of Zhejiang’s import and export trade with Africa was 235.7 billion yuan, a year-on-year increase of 2.9%. In the face of the COVID-19 pandemic in 2020, Zhejiang embraced new technologies and new models to promote digital exhibitions and digital foreign trade. In 2020, Zhejiang Province held a total of 50 online Zhejiang-Africa trade fairs, with 2,632 exhibitors, 3,209 buyers, 10,900 negotiation sessions, and a value of US\$177 million for intended cooperation.

Zhejiang and Africa see increasingly active two-way investment. During the “13th Five-Year Plan” period, Zhejiang’s direct investment in Africa reached 11.8 billion yuan, up by 49.2% over the “12th Five-Year Plan” period, with an average annual growth rate of 53.0%. Zhejiang has invested in 142 projects in African countries, with a registered foreign direct investment amount of US\$1.8 billion, accounting for 2.6% of the investment amount. In 2020, Zhejiang had 29 investment projects in Africa, with a registered foreign direct investment amount of US\$477 million, a year-on-year increase of 9.1%. Private enterprises are the mainstay in Zhejiang’s foreign investment. During the “13th Five-Year Plan” period, private enterprises in Zhejiang province made 130 overseas investment projects, with a registered foreign investment amount of US\$1.2 billion, accounting for 1.8% of the province’s foreign investment amount. Leading private companies that made active investment include Zhejiang Huayou Cobalt Co., Ltd., Jindi United Holding Group Co., Ltd., Brother Technology Co., Ltd., etc. During the “13th Five-Year Plan” period, the actually used amount of foreign investment made by Africa in Zhejiang was US\$ 409.6 million, accounting for 0.5% of the province’s total amount. The investment was mainly concentrated in textile and garment manufacturing, chemical preparation manufacturing and other sectors.

Good cooperation with Africa in contracted engineering projects. During the “13th Five-Year Plan” period, Zhejiang province’s project turnover in Africa was US\$ 8.3 billion, accounting for 23.3% of the province’s total turnover. There were 84 projects with a contract value in excess of US\$10 million. The three largest projects are the 300MW hydro-photovoltaic complementary project in Shiroro, Nigeria undertaken by PowerChina Huadong Engineering Corporation Limited, the Koukoutamba Hydropower Station in Guinea, and a package of road and bridge projects in Ghana, with a contract value of US\$248 million, US\$163 million, and US\$120 million, respectively. In the African contracted engineering project market, there were a total of 9 companies that completed annual turnover of over US\$40 million, with a turnover of US\$ 1.0 billion, accounting for 86.1% of the total turnover. Zhejiang Construction Investment Group Co., Ltd. and Hangzhou Zhijiang Construction Co., Ltd. completed foreign contracted engineering projects with a turnover of US\$

229 million and US\$175 million, respectively, making the principal contribution to contracted engineering projects in Africa.

Zhejiang got off to an early start in foreign aid to Africa. Zhejiang is one of the earliest provinces to undertake the aid program oriented to Africa, and ranks top among all provinces (municipalities, districts) in terms of the number of foreign aid training providers, the number of foreign aid training projects, and the number of trainees. Zhejiang foreign aid in medical care dates back to 1968. Over the past 50 years, over 1,100 members of medical personnel have been dispatched to treat over 3 million patients. According to incomplete statistics, Zhejiang Normal University, Zhejiang University, Zhejiang Police College, China National Bamboo Research Center, Hangzhou Regional Center for Small Hydro Power (HRC), Zhejiang Free Trade Development Center and other foreign aid training organizers have undertaken more than 200 training sessions on foreign aid to Africa in the recent three years on behalf of the Ministry of Commerce, and the number of trainees exceeded 4,200, which is a significant increase (over 1,800 trainees) in the preceding three years. Back in 2006, Xi Jinping, the then secretary of the Zhejiang Provincial Party Committee, praised Zhejiang University for hosting the Advanced Seminar on Foreign Aid on behalf of the Ministry of Commerce.

During the “14th Five-Year Plan” period, Zhejiang province, guided by the “Eight Major Initiatives”, will regard Africa as an important region for its economic and trade exchanges with foreign countries and international cooperation in production capacity, with a focus on measures in five respects. **First, make overall planning and guidance for developing the African market.** It will focus on the establishment of a free trade zone on the African continent, follow up with South African region, expand East African region, attach importance to North African region, and pay attention to West African region. **Second, build a platform for economic and trade cooperation with Africa.** It will encourage Zhejiang enterprises to join hands to develop the African market, guide eligible enterprises to build overseas industrial parks, and provide one-stop services for enterprises that settle in Africa. It will support trading companies in building Zhejiang-Africa online trade platform to promote Zhejiang-Africa trade. **Third, promote cooperation in production capacity with key countries.** It can foster cooperation in production capacity in focus areas such as infrastructure construction and e-commerce with some key countries that have obvious complementary advantages and that are keen to cooperate with Zhejiang province. **Fourth, establish a multi-level service support system.** It will introduce and cultivate multinational operation service organizations oriented to Africa to provide professional consulting services for Zhejiang-Africa cooperation. It will guide financial institutions to expand their network and help companies go global in Africa. Small and medium-sized enterprises

are supported to explore overseas channels, and eligible enterprises are supported to build public overseas warehouses in Africa. **Fifth, prevent and control overseas investment risks.** It will tighten the supervision and management of overseas enterprises, programs and projects undertaken by Zhejiang enterprises, guide Zhejiang enterprises in Africa to conduct standardized development and compliant operations, and to assume social responsibilities. It will intensify efforts to prevent and deal with overseas security risks, properly handle emergencies, and improve the risk prevention and control system.

II. Zhejiang-Africa Trade

(I) Trade in goods

From 2011 to 2020, Zhejiang’s import and export trade with Africa basically maintained steady growth. In 2016, Zhejiang’s import and export trade with Africa fell by 5.2% due to the drought in the Sahara, a decline in commodity prices, etc. However, both imports and exports maintained double-digit growth from 2017 to 2019, and the scale of imports and exports in 2019 surpassed 200 billion yuan. In 2020, the gross value of Zhejiang’s import and export trade with Africa reached 235.7 billion yuan, up by 2.9%.

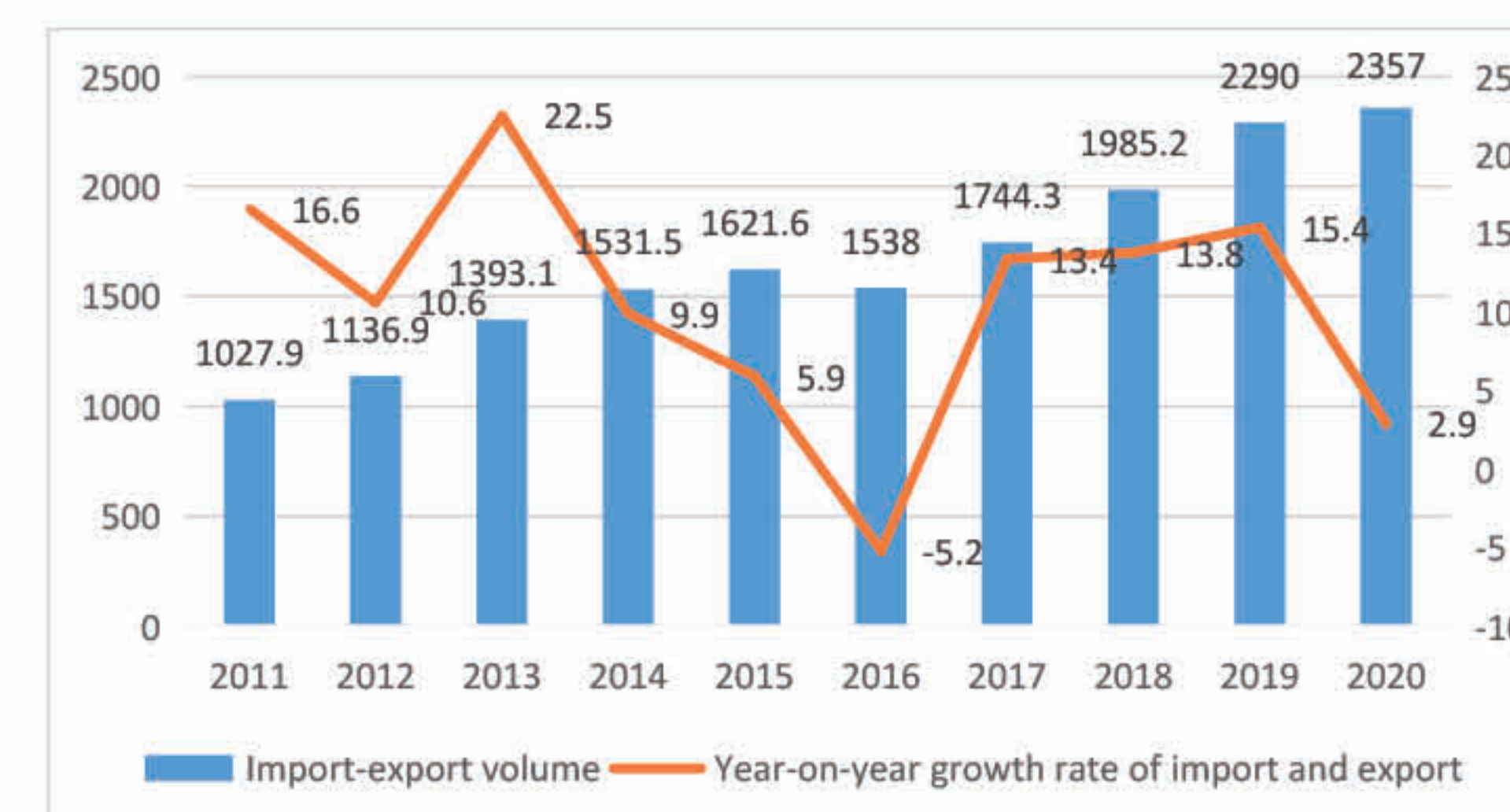


Figure 2-3 Statistics of Zhejiang’s import and export trade with Africa by year from 2011 to 2020 (Unit: 100 million yuan, %)

1. Zhejiang Province's exports

Zhejiang province exports products to all over Africa, and Zhejiang-Africa trade becomes more important in China-Africa trade. In 2020, Zhejiang's exports of goods to Africa totaled 201.1 billion yuan, a year-on-year increase of 2.7%. The main export markets include Egypt, Nigeria, South Africa and Algeria. China's exports of goods to Africa's top ten export destinations totaled 140.9 billion yuan, accounting for 70.1% of Zhejiang's total exports to Africa. Of the top ten African destination countries for Zhejiang's exports, Egypt ranks first in terms of export value, accounting for 13.6% of Zhejiang's total exports to Africa, a year-on-year increase of 14.5%.

Table 2-4 The value of Zhejiang exports to its top ten trading partners in Africa in 2020

Unit: 100 million yuan, %

Country	Value of exports	Proportion	Year-on-year increase
Egypt	273.5	13.6	14.5
Nigeria	251.4	12.5	-4.2
South Africa	213.6	10.6	-8.5
Algeria	145.0	7.2	-7.2
Ghana	105.5	5.3	29.1
Kenya	96.7	4.8	6.4
Liberia	96.3	4.8	38.9
Morocco	85.4	4.3	-7.1
Tanzania	79.9	4.0	11.4
Senegal	61.7	3.1	22.2
Top 10 partners	1409.1	70.1	/
Africa total	2010.7	100	2.67

In 2020, Zhejiang's exports to Africa are mainly textile yarns, fabrics and their products, plastic products, electrical equipment, garment and accessories, and footwear. The export value of textile yarns, fabrics and their products was 40.8 billion yuan, a year-on-year decrease of 5.6%, mainly due to the impact of the pandemic. There was rigid demand for Zhejiang province's "home economy" household appliances, furniture, plastic products, general machinery and equipment, etc. and therefore there were little market fluctuations.

Table 2-5 Zhejiang's main export commodities to Africa in 2020

Unit: 100 million yuan, %

Major commodities	Amount	Growth rate
Textile yarns, fabrics and their products	408.2	-5.6
Plastic products	109.9	6.3
Electrical equipment	93.8	12.5
Garment and accessories	85.0	-9.6
Footwear	72.5	-11.1
General machinery and equipment	57.7	6.4
Refined oil	52.8	115.1
Household appliances	52.6	9.4
Steel	49.0	18.5
Basic mechanical parts	37.3	16.4

2. Zhejiang Province's imports

In 2020, Zhejiang's imports of goods from Africa reached 34.6 billion yuan, a year-on-year increase of 4.3%. Zhejiang mainly imports products from DRC, South Africa, Zambia and Mauritania. The value of China's imports of goods from the top ten African markets totaled 29.9 billion yuan, accounting for 86.5% of Zhejiang's total imports from Africa. Of the top ten African countries for exports to Zhejiang, DRC ranks first in terms of import volume, with an import value of 10.8 billion yuan, accounting for 31.4% of total imports of goods from Africa. South Africa ranked second place, with a value of 10.5 billion yuan, accounting for 30.3%, a year-on-year decrease of 15.0%. Zambia saw the fastest growth, with a value of 2.1 billion yuan, a year-on-year increase of 131.3%.

Table 2-6 The value of Zhejiang's imports from its top ten trading partners in Africa in 2020

Unit: 100 million yuan, %

Country	Value of imports	Proportion	Year-on-year increase
DRC	108.5	31.4	44.5
South Africa	104.7	30.3	-15.0
Zambia	20.8	6.0	131.3
Mauritania	14.8	4.3	76.2
Egypt	12.1	3.5	71.2
Congo	11.1	3.2	-27.1
Gabon	7.4	2.1	-6.7
Angola	7.2	2.1	-64.3
Algeria	6.4	1.8	-29.0
Zimbabwe	6.2	1.8	-19.6
Top ten partners	299.1	86.5	/
Africa total	345.9	100	4.31

In 2020, Zhejiang's main products imported from Africa are unwrought copper and copper materials, metal ore and ore sand, wood and its products, and refined oil. The value of unwrought copper and copper materials imported from Africa was 9.3 billion yuan, a year-on-year increase of 111.8%. Unwrought aluminum and aluminum materials saw the highest increase, up by 3,002.7% year-on-year. As the volume of trade keeps growing, the structure of commodities for import and export trade between Zhejiang and Africa has become more diversified. The goods imported from Africa include petroleum, wood, pulp, iron ore, plastics and other resource products, and also Africa's unique and competitive commodities, such as wine from South Africa, coffee from Ethiopia, black tea and handicrafts from Kenya, and nuts from Togo. The rapid growth in imports provides effective support for industrial development and consumption upgrading in Zhejiang province.

Table 2-7 Zhejiang's main imports from Africa in 2020

Unit: 100 million yuan, %

Major commodities	Amount	Growth rate
Unwrought copper and copper materials	93.5	111.8
Metal ore and ore sand	91.2	33.1
Wood and its products	27.1	-29.2
Refined oil	10.0	48.7
Fresh and dried fruits as well as nuts	5.2	-21.6
Natural and synthetic rubber (including latex)	5.2	27.7
Textile raw materials	2.8	19.9
Unwrought aluminum and aluminum products	2.5	3002.7
Plastics in primary form	1.9	-37.5
Natural gas	1.1	-45.2

(II) Trade in services

In 2020, Zhejiang's service import and export volume reached 428.5 billion yuan, a year-on-year increase of 14.0%. The value of exports reached 241.1 billion yuan, a year-on-year increase of 28.1%. The value of imports reached 187.4 billion yuan, a year-on-year decrease of 0.1%. The key markets for trade in services are mainly developed countries in Europe and the United States, while Zhejiang's trade in service with Africa accounts for a small proportion. The object of trade in services is service commodities. With the issue of Zhejiang Province's Action Plan for Fostering Economic and Trade Cooperation with Africa (2019-2022) in 2019, Zhejiang's trade in service with Africa promises great potential for development and cooperation.

Zhejiang enterprises have established provincial-level public overseas warehouses in Ghana, Cameroon and Nigeria. Moreover, Alibaba and Rwanda forges cooperation in Electronic World Trade Platform (EWTP), Hikvision establishes a marketing network in South Africa in the field of digital security, etc.

III. Zhejiang's Investment in Africa

(I) Zhejiang's direct investment in Africa and its growth rate

From 2011 to 2020, Zhejiang Province had maintained the number of investment projects in Africa, and the increase in the registered amount of direct investment was significantly driven by large-scale projects. From 2019 to 2020, Zhejiang's average annual amount of direct investment in Africa exceeded US\$400 million, reaching US\$438 million and US\$477 million, respectively, a year-on-year increase of 115% and 9.1% (the growth rate slowed down due to the pandemic in 2020).

Table 2-8 Zhejiang Province's direct investment in Africa from 2011 to 2020

Unit: US\$1100 million, %

Year	Chinese investment	Year-on-year
2011	2.7	380.1
2012	1.7	-70.1
2013	1.4	-21.2
2014	2.7	102.3
2015	3.3	21.0
2016	1.4	-57.2
2017	5.1	258.5
2018	2.0	-59.4
2019	4.4	115.0
2020	4.8	9.1

(II) Distribution of Zhejiang's investment in African countries

Zhejiang's investment in Africa is distributed in 41 African countries. In 2020, there were three African countries with direct investment of US\$30 million from Zhejiang, namely Chad, Ethiopia and Egypt, totaling US\$394 million.

Table 2-9 Zhejiang's direct investment in Africa in 2020 (by country)

Unit: US\$10,000

Country/Region	Number of projects	Record amount of foreign direct investment
Angola	2	2060.1
Cameroon	1	214.9
Chad	1	31115.2
Djibouti	1	500
Egypt	4	3318.1
Ethiopia	3	5033.5
Ghana	2	2081
Kenya	2	646.3
Mauritania	1	750
Nigeria	2	1230
Senegal	3	416
South Africa	2	192
Uganda	1	110
Zambia	2	60

From the perspective of stocks of investment, by the end of 2020, the stocks of Zhejiang's direct investment in Africa reached US\$1.4 billion, mainly in DRC, Algeria, and Nigeria. By the end of 2020, the total stocks of investment in the aforementioned countries reached US\$725 million, accounting for 53.3% of Zhejiang's total stocks of direct investment in Africa.

Table 2-10 Stocks of Zhejiang's direct investment in Africa at the end of 2020 (by country)

Unit: US\$10,000, %

Country	Year-end outward direct investment stock	Proportion
DRC	31565.2	24.8
Algeria	24374.8	19.2
Nigeria	16547.1	13.0
Tanzania	9446.4	7.4
Ethiopia	8302.9	6.5
Egypt	7334.7	5.8
South Africa	6069.3	4.8
Madagascar	5320.4	4.2
Angola	3515.3	2.8
Mali	2460.9	1.9
Uganda	2280.7	1.8
Gabon	2196.8	1.7
Kenya	1359.0	1.1
Zimbabwe	1206.3	1.0
Ghana	1141.6	0.9
Benin	756.0	0.6
Mauritania	584.0	0.5
Liberia	582.0	0.5
Djibouti	500.0	0.4
Seychelles	400.5	0.3
Togo	377.9	0.3
Cote d' Ivoire	280.0	0.2
Zambia	184.9	0.2
Niger	137.0	0.1
The Republic of Congo	79.8	0.1
Cameroon	71.8	0.1
Tunisia	71.3	0.1

(III) Distribution of Zhejiang Province's cooperation with Africa in production capacity

From the perspective of the distribution of Zhejiang's direct investment in Africa, the top five industries are manufacturing, construction, leasing and business services, agriculture, forestry, animal husbandry and fishery, and wholesale & retail. The total stock of direct investment by the end of 2020 accounts for 90.1% of Zhejiang's total direct investment in Africa.

Table 2-11 Stock of Zhejiang's direct investment in Africa at the end of 2020 (by sector)

Unit: US\$ 10,000

Industry	Year-end foreign direct investment stock
Manufacturing	77436.3
Construction	26453.2
Leasing and business services	9987.5
Agriculture, forestry, animal husbandry and fishery	5079.5
Wholesale and retail	3690.9
Mining	1418.0
Scientific research and technical service	1082.2
Electricity, heat power, gas and water production and supply	873.0
Transport, storage and postal industry	785.7
Real estate	326.6
Information transmission, software and information technology service	10.0
Water conservancy, environment and public facilities management	3.6

By the end of 2020, Zhejiang Province had invested in 162 projects in Africa, with a registered amount of foreign direct investment of US\$2.2 billion.

1. Manufacturing sector

Manufacturing is the most important area for Zhejiang-Africa cooperation in production capacity. By the end of 2020, the stock of foreign direct investment in manufacturing at the end of the year reached US\$774 million. In addition to traditional industries such as building materials, household appliances, textiles and light industry, it also involves chemical raw materials and chemicals, new energy, medicine and other fields. The manufacturing projects undertaken by Zhejiang enterprises in Africa have eased the problem of commodities in short supply, and also greatly promoted the development of the local export-oriented economy by stimulating product exports.

In terms of textiles, a textile company in Zhejiang solely invested and built flax spinning project with an annual output of 5,000 metric tons in Ethiopia in 2019. An agreement was signed to develop and build a world-class flax industrial park. On the one hand, enterprises try to achieve the upgrading of corporate structure, and promote strategic transfer for Chinese enterprises to address overcapacity in order to become more globally competitive and ensure the sustainable development of the textile industry. On the other hand, it helps promote local employment and also the construction of industrial parks.

In terms of chemical raw materials and chemicals, in 2020, a chemical company in Zhejiang acquired 100% equity of a chromium chemical company in South Africa. It is the world's only chromium salt producer located near the South African mining area with the most abundant "chromium mine" which is the core raw material of chromium salt. In the future, it will increase the company's international market share of chrome tanning agents and perfect its global marketing network.

In terms of cooperation in new energy, in 2020, an electronics industry company in Zhejiang signed a cooperation agreement to invest and produce single-phase and three-phase electric meters in Angola. The plant plans to produce 319,200 single-phase meters and 19,800 three-phase meters per year to meet Angola's market needs to diversify the Angolan economy, reduce imports of commodities such as electricity meters.

2. Construction of overseas industrial parks

China Economic and Trade Development Center in Benin (Benin Center) is currently the only provincial-level park built by Zhejiang Province in Africa, with a total land area of 9,700 square meters and a building area of 11,245.46 square meters. The Benin Center plays an important role in promoting bilateral exchange in economic, vocational education, urban, and cultural areas under the model of "perennial exhibition + overseas warehouse". It promotes China-Africa exchanges in the economic area, especially the economic development of Benin and West Africa.

(1) Benin (West Africa) China Commodity Exhibition: A total of eleven exhibitions have been held. Over one thousand Chinese companies begin to develop the African market through this exhibition. Following the outbreak of the COVID-19 in early 2020, several online exhibitions and online discussion meetings for Chinese products have been held with the support of the various government departments. Chinese and African companies can conduct business exchanges online and offline despite the pandemic. 320 Chinese companies and 500 buyers from Benin and other West African countries entered into online negotiations, with intended transaction volume of about US\$20 million.

(2) Permanent Exhibition Center: The Exhibition Center has nearly 3,000 categories of products (samples) for West African merchants to choose from (wholesale + retail + orders), with a total transaction volume of 450 million yuan. It provides various services for a total of over 400 companies, and has found matching local agents or partners for over 200 companies. At present, 32 companies have settled in the center. 56 companies have independently registered or established representative offices to conduct business after learning about the West African market through the center. It greatly cuts transaction costs, lessens the burden on importers in Benin, and reduces transaction risks.

(3) Financing platform, trade platform and investment platform: The platforms have provided consulting services for over 1,000 Chinese and Benin (Chinese and African) companies; assisted in resolving hundreds of trade disputes, involving over US\$ 10 million, and helped over 400 Chinese companies in the course of investment investigation in Benin in the law, finance, employee management and other areas. Through the three platforms, over 40 trade-oriented enterprises and

3 production-oriented enterprises have settled in Benin. Furthermore, the company is preparing to establish overseas warehouses, e-commerce platforms and financing platforms suited to Africa to provide platform services for more small and medium-sized enterprises in Benin and West Africa.

(4) Promotion of high-quality agricultural products in Benin: A total of 150,000 tons of agricultural products have been exported through matching and promotion services by the Benin Center, involving an amount of US\$300 million, which has greatly increased the income of local farmers.

(5) City-to-city exchange: Ningbo and Cotonou in Benin have become sister cities. The two cities have conducted exchanges on urban management such as traffic and environmental governance, and improved urban management in Benin.

(6) Promote exchanges of views on vocational education: Through the efforts of the Benin Center, the China-Africa (Benin) Vocational and Technical Education Training Institute jointly established by Ningbo Polytechnic and CERCO Institute in Benin was officially inaugurated in Cotonou, Benin. At present, 23 teachers in 6 batches have been dispatched to Benin to conduct training, benefiting a total of 450 trainees. At present, 18 students from Benin are pursuing studies in specialties related to Benin's economic development such as auto repair, electromechanical maintenance, logistics, electronics and Internet of Things at Ningbo Polytechnic. This improves vocational education quality and makes vocational education students more employable in Benin.

(IV) Africa's Investment in Zhejiang

By the end of December 2020, Africa had invested and established 1,818 enterprises in Zhejiang Province, with contractual foreign investment of US\$3.4 billion and actual foreign investment of US\$1.9 billion, which accounts for 0.8% of the province's actual foreign investment. From 2019 to 2020, Africa invested and set up 627 enterprises in Zhejiang Province, with a contractual foreign investment of US\$ 210 million and actual foreign investment of US\$110 million. Investment is mainly concentrated in textile and garment manufacturing, chemicals and preparations, electrical machinery and equipment manufacturing, auto parts and accessories manufacturing, wholesale of medical supplies and apparatus, real estate development and operation, etc.

Table 2-12 Investment of top five African countries in Zhejiang by the number of African companies

Unit: US\$100 million

No.	Country (Region)	Number of enterprises	Contractual foreign investment	Actually utilized foreign investment
1	Nigeria	219	1.3	1.0
2	Seychelles	205	13.5	6.6
3	Egypt	190	0.3	0.2
4	Mauritius	148	11.4	8.1
5	South Africa	85	2.0	0.9

IV. Contracted Engineering Projects Undertaken by Zhejiang Province in Africa

From 2011 to 2020, the turnover of projects contracted by Zhejiang enterprises in Africa increased from US\$1.0 billion to US\$1.1 billion, an average annual increase of 1.3%. Due to the pandemic, the value of newly signed contracts fell from US\$1.5 billion in 2019 to US\$504 million.

Table 2-13 Contracted projects undertaken by Zhejiang enterprises in Africa from 2011 to 2020

Unit: US\$100 million

Year	Completed turnover	Value of newly signed contracts
2011	10.4	10.8
2012	11.5	14.1
2013	13.7	17.4
2014	17.7	13.8
2015	21.2	24.4
2016	20.4	8.8
2017	18.1	8.6
2018	16.0	6.4
2019	16.7	15.4
2020	11.3	5.0

As corporate globalization deepens, a large number of Zhejiang companies in Africa have become samples and models for Zhejiang province to implement the Belt and Road Initiative and participate in international cooperation in production capacity. Africa is the second largest market for foreign contracted projects undertaken by Zhejiang province (behind Asia). Zhejiang enterprises participate in infrastructure construction, cooperative development of energy and minerals, and the manufacturing sector in Africa. It has formed the industrial investment layout in which wholesale and retail, construction, mining, and manufacturing sectors play a leading role. The number of investment fields has expanded, and investment entities become diversified. Good results have been achieved.

(I)Transport

In 2020, which marks the 50th anniversary of the establishment of diplomatic relations between China and Ethiopia, the construction of the Baro River steel trestle bridge undertaken by a Zhejiang engineering company officially commenced, marking that the Laning project entered a new stage of construction. The project set many records as a tribute to China-Ethiopia friendship. It is reported that the steel trestle bridge erected is the first Bailey beam steel trestle on the Baro River in Ethiopia, and also the first Bailey beam steel trestle in the Gambela state of Ethiopia. The Laning project has a length of 34.4km. At the place of K18+780, the Baro River, the largest river in Gambela State, divides the project into two. The Baro River flows to South Sudan. The river section at the project site is about 170m wide. People on both banks of the river can only cross the river by canoe. This project is designed to build a 200-meter cast-in-situ bridge on the Baro River. After completion, this bridge will be a great benefit to the people on both banks of the river.

(II) Electricity and new energy

The Benban 165.5MW photovoltaic project invested by a Zhejiang new energy enterprise in Egypt was connected to the grid and put into commercial operation in 2019. This project is a new energy power generation project and the second-round FiT project in Egypt. The scope of the project covers financing, development, design, procurement, construction, installation, operation and maintenance of photovoltaic power plant (PPA 25 years), etc. Covering a total area of about 225 hectares, it is an solar photovoltaic power station built on the ground. Through the Benban photovoltaic project, which can achieve zero emissions for electrical power for 25 years, China exports high-end photovoltaic

products and advanced experience to Egypt. At the same time, as the project required a great many local management personnel and labor, it improved the quality of the labor force, created local jobs and held skills training. It is worth mentioning that the picture of Benban Solar Park was printed on local Egyptian coins as a “national ambassador”, demonstrating the pivotal status of this project in Egypt.

(III) Housing construction

In 2019, Zhejiang enterprises completed the capping of all the main buildings under the Global Trade Centre (GTC) project in Kenya. The electrical and mechanical installation work is underway. Local architects rated the project as “a place where many miracles were performed”. This is a recognition of the project and also of Chinese construction companies. The Nairobi GTC project includes 4 apartment buildings, one 42-storey office building, a five-star Marriott hotel, a business district, etc., with a total building area of 305,000 square meters. The highest building is more than 180 meters high. It is the largest comprehensive project in Nairobi, and also the first large-scale multinational cooperation project in Nairobi. The GTC makes use of the strengths of the central area in terms of huge pedestrian volume, information, capital, etc. to contribute to a convenient life, create jobs, lead the development of new living areas, create a prosperous circle in the central area, and bring dynamism to urban development.



Jiangxi Province

I. Overview

Jiangxi Province's economic and trade cooperation with Africa goes back a long way. Especially since the Beijing Summit of the FOCAC in 2018, Jiangxi Province has earnestly followed the guidelines of the important speeches made by General Secretary Xi Jinping, and gone all out to promote China-Africa economic and trade cooperation. Despite the complicated and volatile international situation and the adverse effects of the COVID-19 pandemic, the province maintains stable and pragmatic economic and trade cooperation with Africa, with impressive results in many respects. Generally speaking, in recent years, Jiangxi Province's cooperation with Africa is characterized by the following aspects: **First, the import and export trade has increased steadily, and bold and innovative approaches are made to develop the market.** Jiangxi-African trade remained unchanged despite the pandemic. In 2020, the volume of Jiangxi's import and export trade with Africa reached 19.44 billion yuan. Innovative efforts have been made to explore the "one exhibition per country" online exhibition model and promote "one-to-one" match between supply and demand, which has significantly improved the global visibility of Jiangxi export enterprises and commodities. **Second, cooperation in production capacity deepens, and the construction of key cooperation projects progresses steadily.** In-depth cooperation in production capacity has been carried out in agriculture, manufacturing, mining and other fields. The model of cooperation has gradually shifted from simple aid to a combination of aid, trade and investment. The main entities of cooperation has shifted from government to joint participation in multiple areas across many channels, and great efforts have been made to build overseas cooperation parks as important platform for investment cooperation with Africa. **Third, efforts are made to develop the African market in the field of contracted projects, and the visibility of projects gradually improves.** For a long time, Jiangxi has regarded Africa as a key market for foreign

contracted projects and has undertaken many iconic projects under the foreign aid program. On this basis, greater efforts are made to adopt the model of integration of investment, construction and operation, and participate in the construction of high-quality infrastructure in Africa, contributing to a closer China-Africa community with a shared future and a new chapter of win-win cooperation and common development.

II. Jiangxi-Africa Trade

(I) Overview

From the perspective of import and export trade with Africa, import and export trade with Africa has grown steadily in recent years, and imports from Africa have witnessed leapfrog development. Despite the influence of the pandemic in 2020, Jiangxi's trade with Africa still increased steadily, with total imports and exports in excess of 19.4 billion yuan, an increase of 21.3% compared to 2016. In particular, Jiangxi Province has seen significant increase in imports from Africa, and saw leapfrog development from 2016 to 2018, a year-on-year increase of 22.0%, 83.2%, and 66.3%, respectively. The average annual growth rate in the past five years is 29.9%.

From the perspective of methods of market development, online exhibitions give an impetus to Jiangxi products "going global." To cope with the adverse impact of the pandemic on the development of international market, exhibitions have been held in an innovative manner. Jiangxi has implemented the "Thousand Enterprises and Hundred Exhibitions" program and adopted the "One exhibition per country" online trade fair for enterprises. In 2021, the Department of Commerce of Jiangxi Province has held a total of 34 online trade fairs for export commodities so far. At the Consumer Electronics Session for Africa held in June 2021, 30 Jiangxi representative enterprises entered into "one-to-one" matching and online negotiations with over 70 high-quality buyers from Africa. After the conference, the exhibitors held a 90-day exhibition on MatchupExpo launched by UAEC. It continuously promotes Jiangxi export companies and products, and facilitates online matchmaking between supply and demand, having significantly improved the visibility of Jiangxi online trade fair and the international reputation of Jiangxi export products.

(II) Distribution of trading countries

The destination African countries for Jiangxi's exports are widely and evenly distributed. Southern

African countries are important for Jiangxi Province's exports. In terms of geographic area, Jiangxi Province's major African trading partners for its exports are evenly distributed in North Africa, East Africa, West Africa, and South Africa, except for Central Africa. The major countries for Jiangxi Province's exports include Egypt, Morocco, and Algeria in North Africa; Kenya and Tanzania in East Africa; Nigeria and Ghana in West Africa; and South Africa in Southern Africa. The main African countries for exports to Jiangxi include Zambia, the Democratic Republic of Congo, South Africa, Nigeria, Namibia, Rwanda, Zimbabwe, Kenya, and Mozambique. The countries are concentrated in Southern Africa, including Zambia, South Africa, Namibia, Zimbabwe, and Mozambique. From the perspective of development trends, Morocco has become significantly more important in recent years as an African destination country for Jiangxi Province's exports, and climbed from 10th in 2016 to 4th in terms of the export volume. Namibia performed brilliantly as the exporting country, ranking fifth in 2020 in terms of the volume of import trade with Africa.

(III) Categories of trade products

There is a full range of exports to Africa, and greater efforts have gradually been made to import non-resource products. Jiangxi Province's exports to Africa mainly include electrical and electronic products, textiles and garment, furniture and lamps, machinery and equipment, iron and steel products, ceramic products, vehicles and parts, footwear, plastics and their products. Furniture and lamps have become significantly more important in terms of export value in recent years. In terms of imports, Jiangxi Province has made great efforts to optimize the structure of imports in recent years, with a focus on encouraging the import of non-resource products from Africa, and has achieved impressive results. For example, Jiangxi Zhongmei Tourism and Culture Development Co., Ltd. develops the featured non-resource products in Ethiopia, where the project is located. It participates in the processing and trade of green coffee beans in Ethiopia, and works with Chinese enterprises in the industrial chain including coffee roasting, extraction, and freeze-drying to create independent coffee brand and African specialty coffee products.

III. Jiangxi Province's Investment in Africa

(1) Overview of direct investment in Africa

Investment in Africa has grown steadily, and solid progress has been made in the construction of key

cooperation projects. For economic cooperation with Africa, Jiangxi Province coordinates response to the pandemic and project construction, having maintained the fundamentals of Jiangxi Province's economic and trade cooperation with Africa and ensured the steady progress of key investment cooperation projects in Africa. In 2020, Jiangxi Province approved investment in 6 companies in Africa, with an agreed investment of US\$ 140 million and an actual investment of US\$170 million, accounting for 20% of the province's total foreign direct investment in the same period. The value of newly signed contracts for contracted engineering projects in reached US\$2.6 billion, including 7 projects with a contract value of over US\$100 million. Projects involve housing construction, water conservancy, electric power and other fields. So far, Jiangxi enterprises have set up 184 overseas enterprises and institutions in Africa, with an agreed Chinese investment of US\$2.0 billion. These enterprises have implemented 909 contracted projects in Africa, with a turnover of US\$25.1 billion.

(II) Destinations for investment in Africa

Investment in Africa is concentrated in Eastern Africa and Southern Africa, mainly Zambia and Kenya. From 2016 to 2020, Jiangxi Province's direct investment in Africa was distributed in 22 countries. Countries that received large direct investment are concentrated in Eastern Africa and Southern Africa, such as Kenya, Tanzania, and Ethiopia in Eastern Africa, and Zambia and Botswana in Southern Africa. In the past five years, the cumulative direct investment in the above five countries reached US\$434 million, US\$405 million, US\$114 million, US\$100 million, and US\$88.01 million, respectively, accounting for 93.7% of Jiangxi Province's total investment in Africa. Zambia and Kenya are the most important investment destinations, accounting for 35.6% and 33.2% of the total investment in Africa, respectively.

(III) Cooperation in production capacity with Africa

The investment in Africa is concentrated in the construction and mining industries, and the areas of cooperation in production capacity are focused on agriculture, manufacturing, and mining sectors. From the perspective of Jiangxi's investment in Africa by industry, investment was mainly concentrated in the construction and mining industries from 2017 to 2020, with investment value of US\$468 million and US\$319 million, respectively, accounting for 57.3% and 39.1% of the total investment in Africa in the past four years. Jiangxi Province's cooperation in production capacity with Africa is mainly concentrated in the agriculture, manufacturing, and mining sectors.

In the field of agriculture, the Agricultural Technology Demonstration Center Project in Togo was built by Jiangxi Huachang Infrastructure Construction Co., Ltd. The project is situated in the Sanguera area 16km northwest of Lomé, the capital of Togo. Covering an area of 10 hectares, it is composed of two parts: buildings and farmland demonstration area. The Demonstration Center has held 19 agricultural technology training sessions, having trained nearly 1,000 agricultural technicians for Togo; promoted high-yield direct-sowing cultivation technology of rice, with an area of 300 hectares; promoted agricultural mechanization technology and cultivation technique services, covering the main planting areas in Lomé, with a mechanization rate of over 80% for rice in the demonstration area; cooperated with Jiangxi Academy of Agricultural Sciences and the Togolese Agricultural Research Institute in completing two scientific research cooperation projects of the Science and Technology Department of Jiangxi Province; and demonstrated China's advanced rice, corn, and vegetable planting technologies, with impressive results. The rice demonstration field has a yield of 8 tons per ha, more than double the local average. The technical assistance project for the Demonstration Farm in Equatorial Guinea was undertaken by Jiangxi Ganliang Industrial Co., Ltd. It carried out experimental research on agriculture, training, demonstration planting, technique promotion, etc. in the local area, and has introduced 209 crop varieties such as cassava and vegetables. It has selected 72 varieties of 36 crops suitable for local planting, and integrated high-yield cultivation techniques for 25 crops. In particular, the successful trial planting of rice blazed a trail in rice planting in Equatorial Guinea. It has trained more than 1,300 trainees, and established demonstration and promotion points in places such as Malabo and Bata. Techniques are promoted through demonstration and promotion areas and demonstration fields. Zhengbang Egypt feed processing project is invested and built by Jiangxi Bangsheng Technology Co., Ltd., a subsidiary of Zhengbang Group. With a total investment of 100 million yuan, and covering an area of 19,553 square meters, the project was put into production in March 2017. The main products in the preliminary stage are high-grade broiler feed, egg feed and beef feed. Later, breeding chicken feed, special fish feed, etc. are developed according to market demand. It operates at full capacity after 3 years of operation. With a monthly sales volume of 12,000 tons, it produces sought-after products. The company conducts substantial exploration on the establishment of the breeding and meat food industrial chain, such as signing a product swap cooperation with baby chicken companies, and cooperating with meat processing companies to help them increase exports. In 2020, Zhengbang began to establish Beheira Governorate Zhengbang, a second feed production base in Alexandria, northern Egypt, which covers an area of 25,000 square meters, with an annual production capacity of 300,000 tons for three feed production lines.

In the manufacturing sector, Shangyou (Liberia) Furniture Industrial Park project was invested and built by Shangyou Wood Industries Development (Liberia) Ltd., with an investment of some US\$35 million. The phase-I project covers an area of 24.5 ha. It will gradually extend from rough wood processing to deep processing, manufacturing of finished furniture, and to becoming Shangyou (Liberia) Furniture Industrial Park. The Zambian Golden Eagle Cigarette project is located in Jiangxi Economic Cooperation Zone in Central Province of Zambia. Invested and built by China Jiangxi International Economic and Technical Cooperation Co., Ltd., with an estimated land area of about 15.3 ha, the project is planned to build combined threshing and redrying workshop with an annual capacity of 20,000 to 30,000 metric tons, the cigarette production line with an annual capacity of 100,000 boxes (namely 5 billion pieces of cigarettes) as well as necessary facilities for support, living, public works, etc. After completion, the project will create 2,000 jobs directly and 3,000 jobs indirectly for the local area, and generate handsome tax revenue. The planting part of the project has been launched, with a planting area of 146.5 ha in the first phase stage. The Nigeria Emulsion Explosives factory project is a joint venture funded by Jiangxi Copper Mining Explosive Mining Service Co., Ltd., China Jiangxi International Economic and Technical Cooperation Co., Ltd., Nigerian Dynatrac and Mark-Sino. The joint venture will play a leading role in building emulsion explosives production line. The first phase of the project will build emulsion explosive production line with a capacity of 6,000 metric tons per year. The phase-I project has commenced construction, and the phase-II project will be scaled up to reach 12,000 metric tons per year depending on market demand and profitability.

In the mining sector, the Tengyuan Cobalt DRC Copper-Cobalt Hydrometallurgical Smelter project is built by Ganzhou Tengyuan Cobalt New Material Co., Ltd., with a proposed investment of US\$ 90.0 million. The phase-II project commenced construction in 2020, and is expected to have an annual output of 7,500 metric tons of cobalt intermediates and 15,000 metric tons of cathode copper after completion. The phase-III project has an investment of US\$90 million. The plant adopts the production process of "copper leaching in sulfuric acid + copper extraction electrodeposition + optimized leaching of cobalt for iron removal + precipitation of cobalt in alkali sulfide" as well as sulfur for acid manufacture and sulfide ore burning for acid production process. After completion, it will achieve an annual output of 40,000 metric tons of cathode copper, 40,000 metric tons of concentrated sulfuric acid, 1,500 metric tons of liquid sulfur dioxide, and 15,000 metric tons of alkali sulfide.

(IV) Overseas cooperation parks

Zambia Jiangxi Economic Cooperation Zone, located in the Central Province of Zambia, is jointly invested and built by 7 large state-owned enterprises in Jiangxi Province, including Jiangxi International, Jiangxi Copper Corporation, XinSteel Group, Jiangxi Guokong Corporation, Wannianqing Cement, Jiangxi Civil Explosive Company, and Jiangxi Consulting and Investment Group. It is the first overseas economic and trade park project jointly built by state-owned enterprises in Jiangxi and an important investment cooperation platform for promoting the economic development of Jiangxi Province and Zambia. With a total investment of US\$ 300 million and covering an area of 2,400 hectares, the cooperation park includes five functional zones: industrial cooperation zone, commercial and residential zone, scientific and technological innovation zone, ecological and leisure zone, and agricultural planting zone. It is positioned as a new ecological urban area with the industry characteristics of Jiangxi Province integrating industry, trade, logistics, and integrated services, which is equipped with facilities for leisure and entertainment, medical care, education, and living and which meets the needs of Zambia’s economic development. Supported by the corresponding logistics bases, the park focuses on developing agricultural and forestry product processing, food processing, light industry and textiles, production of building materials, mechanical and electrical products manufacturing, and other industries.

IV. Jiangxi Province’s Contracted Engineering Projects in Africa

(I) Overview

Engineering companies are deeply involved in the development of the African market, and have improved its capability to undertake projects in Africa by adopting innovative business models. Africa has long been a key market for contracted engineering projects undertaken by enterprises in Jiangxi Province. Jiangxi Province’s contracted engineering projects in Africa account for some 62.2% of the province’s total business volume of foreign contracted projects. Jiangxi enterprises have built many landmark projects under the foreign aid program such as Papua New Guinea International Convention Center, the Cape Coast Sports Stadium in Ghana, and the Capital Suburb Highway Project in Madagascar, and have improved their capability to undertake engineering projects in Africa through technological superiority. These have promoted the development of trade in goods in Africa,

and realized long-term development in Africa. In terms of contracting methods, Jiangxi province’s engineering enterprises have undergone transformation, and the business models progress from EPC and BOT to a model integrating investment, construction and operation. Enterprises are involved in high-quality infrastructure construction in Africa.

From the perspective of the completed turnover, the turnover of Jiangxi Province’s contracted engineering projects in Africa has increased steadily in the past five years. From 2016 to 2020, Jiangxi enterprises realized a steady turnover in contracted projects in Africa, with an average annual turnover of US\$3.0 billion. In 2020, the turnover of Jiangxi Province’s contracted engineering projects completed in Africa was US\$2.9 billion, basically the same as the previous year. The trend obvious takes a turn for the better in 2021. In the first half of the year, the turnover of contracted projects in Africa was US\$1.3billion, a year-on-year increase of 32.2%. From the perspective the value of newly signed contracts, the total value of newly signed contracts for Jiangxi’s contracted engineering projects in Africa in the past five years has shown a fluctuating growth trend. Significant growth was made in 2017 and 2019, with a year-on-year growth rate of 34.0% and 69.7% respectively. In 2020, Jiangxi Province signed contracts worth US\$ 2.55 billion for contracted engineering projects in Africa, including 7 projects with a value of over US\$100 million. The sectors involve housing construction, water conservancy, electric power, etc.

Table 2-14 Jiangxi’s contracted engineering projects in Africa from 2016 to 2020

Unit: US\$100 million, %

	2016	2017	2018	2019	2020
Completed turnover	28.7	31.0	31.2	29.8	28.5
Year-on-year		8.1	0.6	-4.5	-4.3
Value of newly signed contracts	26.2	35.1	17.7	30.0	25.5
Year-on-year		34.0	-49.6	69.7	-15.1

Source: Department of Commerce of Jiangxi Province

(II) Contracted projects in Africa by country

The contracted engineering projects in Africa is mainly concentrated in Ethiopia, Zambia, and Kenya. The main African countries for contracted projects undertaken by Jiangxi Province are: Ethiopia, Zambia, Kenya, Algeria, Ghana, Namibia, Mozambique, Zimbabwe, and Uganda. From 2016 to 2020, the total turnover of Jiangxi province's contracted projects completed in the above ten countries reached US\$13.4 billion, accounting for 90.0% of the turnover of contracted projects completed in Africa in the recent five years. Ethiopia, Zambia, and Kenya are the most important countries for the contracted projects, with turnover of US\$3.5billion, US\$3.0 billion, and US\$2.4 billion in the past five years, accounting for 23.8%, 20.1%, and 16.3% of the total turnover of contracted projects.

From the perspective of development trends, the countries where the turnover of completed contracted projects has increased significantly in recent years include Ghana, Zimbabwe, the Democratic Republic of Congo, Liberia, Rwanda, Djibouti, Madagascar, etc. In particular, in 2020, the turnover of Jiangxi's contracted projects completed increased by 6.4 times in Djibouti, by 3.3 times in Madagascar, and by 2.9 times in Ghana year-on-year.

(III) Contracted engineering projects in Africa by industry

The contracted engineering projects in Africa mainly include transportation facilities projects, general construction projects, and water conservancy projects. The international visibility of projects has gradually improved. From 2016 to 2020, Jiangxi Province's contracted projects in Africa are mainly transportation facilities projects, general construction projects, and water conservancy projects. The turnover completed in the aforesaid three areas in the past five years reached US\$ 5,471.3 million, US\$ 4,858.6 million, and US\$ 2,309.5 million, accounting for 36.7%, 32.6%, and 15.5% of the total turnover of contracted projects in Africa. The turnover of the above three industries completed accounts for 84.7% of the total turnover of projects completed in Africa. From the perspective of development trend, the turnover of industrial construction projects and water conservancy construction projects shows an obvious growth trend, with an increase of 271.4% and 73.2% respectively in the past five years.

The new terminal of Kenneth Kaunda International Airport in Lusaka, Zambia is the largest airport-type project undertaken by a Jiangxi enterprise in foreign countries to date. Undertaken by China Jiangxi International Economic and Technical Cooperation Co., Ltd., the project commenced construction in April 2015, and its handover ceremony was held on August 9, 2021. The new terminal has a total building area of some 35,000 square meters. The airport's passenger volume is expected to double after it is put into operation. The project is designed under Chinese standards, and equipment of Chinese brands accounts for more than 90%. It goes a long way to the Chinese standards, Chinese technologies, Chinese services, and Chinese brands "going global."

The Two Rivers Mall project in Nairobi, Kenya is jointly invested and built by China National Aero-Technology International Engineering Corporation and Jiangxi Water and Hydropower Construction Group Co., Ltd. With a building area of 182,000 square meters, it consists of retail mall, modern office buildings, public entertainment and supporting facilities. The project mainly includes two-story basements, two-story retail mall, two nine-story office buildings, leisure park, etc. It is one of the largest real estate projects in Nairobi and one of the largest urban complexes in sub-Saharan Africa. In February 2017, the Two Rivers Mall was fully completed and put into use. Kenyan President Uhuru Kenyatta attended the inauguration ceremony. In 2018, the project was named one of the 20 most influential projects under the Belt and Road Initiative in the country by a third-party agency.

The Badosiya Water Supply project in Kenya is an important project for the people's well-being. China Jiangxi International Economic and Technical Cooperation Co., Ltd. will build water works with a daily water supply of 13,000 metric tons, including a pump room with 5 turbines, a circulating pool, settling tank, a filtering pond, a clean-water reservoir, three water storage tanks of 3,000 cubic meters, a water storage tank of 1,500 cubic meters, and 130 kilometers of pipelines. At the same time, the existing water works will be repaired. The combined daily water supply by this project and the existing water works will meet the water consumption of 100,000 people in southwestern Kenya.

Shandong Province

I. Overview

In the face of the complicated international situation and arduous tasks of reform and development in recent years, Shandong Province, which centers on the key work such as the transformation of growth drivers in its cooperation with Africa, has made active efforts in response to the eight major programs for cooperation with Africa, joint implementation of the Belt and Road Initiative by China and Africa, and other national strategies, and adopts the problem-oriented approach. Good results have been achieved in the province's economic and trade cooperation with West Asia and Africa. During the "13th Five-Year Plan" period, Shandong's economic and trade cooperation with Africa maintained a good trend of growth, and great progress has been made in terms of trade, investment, and contracted engineering projects. These make positive contributions to China's cooperation with Africa. In 2020, the value of Shandong's import and export trade with Africa reached US\$21.2 billion, a year-on-year decrease of 20.8%, accounting for 11.4% of the national total trade volume. Africa invested in 74 projects in Shandong, a year-on-year increase of 64.4%, and the actually used foreign capital was US\$53.7 million, a year-on-year increase of 217.3%. There were 39 enterprises (institutions) that are registered and approved to invest in Africa, with a Chinese investment of US\$290 million, a year-on-year decrease of 17.2%. The actual investment in Africa reached US\$200 million, a sixfold increase year-on-year. The value of newly signed contracted engineering projects in Africa was US\$2.2 billion, a year-on-year decrease of 32.9%, and the turnover completed was US\$3.1 billion, a year-on-year decrease of 3.2%.

II. Shandong-Africa Trade

In 2020, the value of Shandong's total import and export trade with Africa

stood at US\$21.2 billion, a year-on-year decrease of 20.8%, accounting for 11.4% of the national total trade volume. From the perspective of trade with Africa in the past five years, exports to Africa have been growing fast in the past five years. Driven by exports, the total volume of trade with Africa grew at a fast clip from 2016 to 2018. As the prices of crude oil and raw materials fell and the pandemic broke out from 2019 to 2020, imports from Africa adjusted downwards, and the total trade volume was adjusted.

Table 2-15 Shandong's trade with Africa from 2016 to 2020

Unit: US\$100 million, %

Year	Import and export		Export		Import	
	Amount	Year-on-year	Amount	Year-on-year	Amount	Year-on-year
2016	139.5		79.2		60.3	
2017	212.3	52.2	82.1	3.7	130.2	115.9
2018	269.4	26.9	94.5	15.1	174.9	26.9
2019	267.9	-0.6	101.8	7.8	166.1	-5.0
2020	212.1	-20.8	110.7	8.7	101.4	-38.9

(I) Shandong Province exports to Africa

In 2020, Shandong's exports to Africa were US\$11.1 billion, a year-on-year increase of 8.7%, which was 7.8 percentage points higher than the national growth rate, accounting for 9.7% of the national total. The main markets for exports are Nigeria, South Africa, Egypt, Ghana, Kenya, and Tanzania. Jining City, Shandong Province was approved as one of the first pilot projects for second-hand car export business. The pilot company Snail Truck Network (Shandong) E-commerce Co., Ltd. cooperated with CGCOC Group, Shantui Export and Import, and other enterprises in establishing export channels and after-sales service networks in 41 African countries. By the end of 2020, it exported 707 second-hand cars to Nigeria, Tanzania and other countries, with a value of US\$9.9 million.

stood at US\$21.2 billion, a year-on-year decrease of 20.8%, accounting for 11.4% of the national total trade volume. From the perspective of trade with Africa in the past five years, exports to Africa have been growing fast in the past five years. Driven by exports, the total volume of trade with Africa grew at a fast clip from 2016 to 2018. As the prices of crude oil and raw materials fell and the pandemic broke out from 2019 to 2020, imports from Africa adjusted downwards, and the total trade volume was adjusted.

Table 2-16 The main African countries for Shandong's export in 2020

Unit: US\$ 100 million

Country	Export volume
Nigeria	18.5
South Africa	12.8
Egypt	9.5
Ghana	6.9
Kenya	6.6
Tanzania	4.8
Algeria	4.5
Togo	3.6
Djibouti	3.5
Guinea	2.7
Sudan	2.5
Cote d' Ivoire	2.4
Morocco	2.3

Table 2-17 Shandong's main export commodities to Africa in 2020

Unit: US\$ 100 million

No.	Commodity	Cumulative export volume
1	Textile yarns, fabrics and products	15.9
2	New pneumatic rubber tires	14.6
3	Steel	11.8
4	Means of transportation	11.1
5	Machinery and equipment	11.0
6	Metal products	6.3
7	Electrical and electronic products	4.8
8	Unwrought aluminum and aluminum products	2.1
9	Ceramic products	1.8
10	Plastic products	1.8
11	Insecticides, herbicides and like products	1.8
12	Plywood and like multilayer boards	1.8
13	Garment and accessories	1.4
14	Pharmaceuticals	1.2
15	Vegetables and products	1.1
16	Furniture and parts	1.0

(II) Shandong Province's imports from Africa

In 2020, Shandong imported commodities worth US\$ 10.14 billion from Africa, down by 38.9%, accounting for 13.9% of the national total. The import volume of 12 categories of resource and energy products including crude oil, aluminum ore, copper, natural rubber, copper ore, and cotton accounts for 89.4% of the province's total imports from Africa, down by 41.4%. Due to the decline in import prices of crude oil, crude oil imports fell by 51.3%, resulting in a reduction of 39.1 percentage points in the growth rate of the province's imports from Africa. Imports of iron ore and its concentrates, unforged copper and copper materials, natural rubber, and edible vegetable oil increased by over 30%.

Table 2-18 Main African countries for exports to Shandong in 2020

Unit: US\$ 100 million

Country	Import volume
Angola	35.6
Guinea	19.7
Republic of Congo	9.2
Gabon	7.9
South Africa	5.8
Nigeria	3.6
Zambia	2.7
Sudan	1.9
Cote d' Ivoire	1.8
Equatorial Guinea	1.5
Ghana	1.4
Egypt	1.2
Democratic Republic of Congo	1.1
Chad	1.1

Table 2-19 Shandong's main imports from Africa in 2020

Unit: US\$ 100 million

No.	Name	Total volume of imports
1	Crude oil	61.2
2	Aluminum ores and concentrates	19.8
3	Iron ore and concentrate	3.1
4	Unwrought copper and copper materials	3.1
5	Natural rubber (including latex)	1.6
6	Copper ore and concentrate	0.7
7	Manganese ore and concentrate	0.7
8	Cotton	0.6
9	Pulp	0.5
10	Edible vegetable oil	0.4

III. Shandong Province's Investment in Africa

(I) Shandong Province's direct investment in Africa and its growth rate

In 2020, there were 39 enterprises (institutions) approved for making investment in Africa, with Chinese investment of US\$290 million, a year-on-year decrease of 17.2%; actual investment in Africa was US\$200 million, a sixfold increase year-on-year.

Table 2-20 Shandong's direct investment in Africa from 2016 to 2020

Unit: US\$100 million, %

Year	Registered investment			Actual investment	
	Number of companies	Amount	Year-on-year	Amount	Year-on-year
2016	68	155.9	—	0.5	—
2017	34	3.0	−98.1	0.8	76.5
2018	51	2.1	−31	1.5	80.3
2019	49	3.6	72.2	0.3	−80.4
2020	39	2.9	−17.3	2.0	595.4

(II) Distribution of Shandong Province's investment in Africa

According to records, Shandong's registered enterprises (institutions) making investment in Africa are mainly distributed in Côte d'Ivoire, Nigeria, Mauritius, Guinea, and Angola. In terms of actual foreign investment, Shandong's actual investment in Africa is mainly concentrated in Mauritius, Angola, Lesotho, etc.

(III) Construction of overseas industrial parks in Africa

In 2020, of the 13 cooperation zones built by the province according to the statistics of the Ministry of Commerce, the 4 cooperation zones in Africa have a cumulative investment of US\$60.94 million, with an output value of US\$430 million, driving an export volume of US\$220 million.

Africa Shandong Industrial Park in Uganda is invested and built by Shandong Hi-Speed Group. It is located in Luzira Industrial Zone, Kampala, about one kilometer from Lake Victoria. The phase-I project of the industrial park covers an area of 4.04 ha, and has an office building area of 2,500 square meters, and factory warehouse about 24,000 square meters. Many Chinese companies have settled in the industrial park. The companies cover the fields such as communications, textiles, garments, plastic products, building materials, beverages, packaging, resin oil, new energy, electricity, logistics and transportation, and hardware. The companies in the park have made registered investment of over US\$46 million in Uganda, creating over 500 local jobs.

The China-Sudan Agricultural Development Zone is invested and built by Shandong Hi-speed Group. During the Johannesburg Summit of the Forum on China-Africa Cooperation, the New Era Industrial Park of Sudan, the Ministry of Agriculture and Forestry of Sudan, and the Rahad Irrigation District of Sudan signed an agreement on this project, which was formally inaugurated in September 2016. Based on Sudan's traditional agricultural resources, this cooperation zone builds a public service platform for China-Sudan cooperation in agricultural resource utilization. It realizes the large-scale planting of cotton, castor, peanut and other crops as well as the development of animal husbandry, builds the overseas agricultural industrial chain, and establishes free trade platform for agricultural products for the two countries and even China and Africa to promote China-Africa cooperation in agriculture. In recent years, the China-Sudan Agricultural Development Zone has been rated as the Shandong Province Overseas Economic and Trade Cooperation Zone and one of China's first overseas agriculture cooperation demonstration zones. Seven enterprises have settled in the cooperation zone, with an investment of US\$140 million.

The Zambian Agricultural Product Processing Cooperation Park was built by Qingdao Ruichang Cotton since 2013. After years of construction, the park has undergone all legal procedures for a land area of 1.042 square kilometers in Chipata and Petauke, Zambia, and has completed the construction of infrastructure for water supply, electricity supply, roads, etc., factories, office spaces and supporting facilities, as well as supporting warehousing and cold chain facilities. It has stable acquisition and sales channels, and five enterprises have settled in the zone. The park has basically realized the dual-line development strategy featuring the processing of various agricultural products, supplemented by processing of agricultural and sideline products, and textiles.

Hisense South Africa Industrial Park, located in the Atlantis District of Cape Town, Western Cape, is an industrial park built by Hisense Group and China-Africa Development Fund in 2013, with a joint investment of US\$33 million. It is also the first overseas industrial park built by Hisense. Covering an area of 100,000 square meters, it has an annual output of over 1 million household appliances. Over 100 enterprises in manufacturing, logistics, warehousing, service, and other sectors have settled in the zone, which has led to the rapid development of supporting enterprises, spurred the economic and social development of the surrounding areas, increased local taxation, and created jobs.

(IV) Shandong Province's cooperation in production capacity with Africa

Shandong Province's cooperation in production capacity with Africa is mainly concentrated in the fields such as agriculture, mining, manufacturing, warehousing and logistics.

In the field of agriculture, Qingdao Ruichang Cotton joined hands with China-Africa Development Fund, etc. to jointly invest US\$ 64.7 million in establishing China-Africa Cotton Development Co., Ltd. in 2009. The company has established agricultural production bases integrating cotton planting, purchasing, processing, transport, and sales in Malawi, Zambia, Mozambique, Zimbabwe and other countries, creating jobs for local people to increase their income and improve the quality of life, and boosting the productivity of the cotton sector in these countries. Qingdao Ruichang has become China's outstanding agricultural enterprise in the field of agricultural planting in Africa.

The Moroccan fishery cooperation project undertaken by Shandong Deep-sea Fishing Co., Ltd. was established in 1992. Over the years, it has updated and built fishing boats, improved fishing capacity and equipment, and realized sustainable development of the project. The Moroccan fishery project has six medium-sized trawlers, and has been engaged in fishery production. At the end of 2020, newly-built vessels were allowed to conduct fishing in Morocco. The fishing capacity of vessels increased by about 25% on average. The fishing output and output value of the fleet are at the forefront among local Chinese-funded fishery companies. In the host country, Shandong Deep-sea Fishery pays taxes of nearly US\$800,000 annually on average, creates over 600 jobs, and helps local personnel become more employable, having created sound social benefits. After the COVID-19 pandemic broke out in 2020, the Moroccan fishery project donated US\$22,000 (local currency 200,000 dirhams) in cash to the local government, establishing a good international image of Chinese-funded enterprises.

In the manufacturing sector, Sinotruk invested in the establishment of Sinotruk (Kenya) Co., Ltd. in 2019, obtained the license for the Completely Knocked Down (CKD) assembly for vehicles in Kenya, and carried out CKD assembly and refitting business in cooperation with Kenyan local vehicle assembly plants. It has upgraded cooperation in production capacity and helped African countries improve truck technology and craftsmanship. At the same time, it promotes Chinese standards in Africa and has established Chinese standardized technology ecosystem through training on technology and standards.

In the field of mining, YX Group actively develops the overseas market based on its own development needs. It has been expanding investment business in Mozambique. In particular, it is at the forefront of Chinese-funded enterprises in terms of acquisition of mining rights, exploration, mining and utilization in Mozambique, promoting the development and utilization of Mozambique's featured zirconium-titanium minerals, and promoting the development of local infrastructure construction and service industries. So far, there is a total of over 100 million metric tons of proven metal resources under the zirconium-titanium ore mining license held by the group in Mozambique.

In the field of commerce and logistics, Weihai Huatan's overseas comprehensive service cooperation zone in the East Africa Commerce and Logistics Center Industrial Park in Kenya operates in the form of "one zone with multiple parks", including the East Africa Commerce and Logistics Center, Huatan Overseas Warehouse, and Zanzibar Airport Warehousing and Logistics Park. Moreover, there is a cross-border e-commerce platform that provides online services. It is an overseas integrated service cooperation zone that provides diversified services. With a total building area of 91,000 square meters, the East Africa Commerce and Logistics Center consists of a trading center of over 80,000 square meters and an exhibition center of 6,000 square meters, and can provide over 2,300 high-quality shops and over 200 exhibition halls/booths of varying sizes. Huatan Overseas Warehouse has a 11,700-square-meter warehouse area equipped with state-of-the-art equipment. Located near the Port of Dar es Salaam, it was put into use in 2019. Currently it serves more than 170 enterprises from China, Tanzania, Kenya, Zambia, Mozambique and other neighboring countries. The Zanzibar Airport Warehousing and Logistics Park is located in the Zanzibar International Airport area, with an area of about 4.5 hectares and a planned building area of 31,000 square meters. It can provide services such as ordinary warehousing, bonded warehousing, logistics, assembly, transit processing,

and repackaging. It is in the stage of preparation and is expected to be completed in 2023.

In the field of convention and exhibition, Kenya International Industrial Expo is an overseas international exhibition sponsored by Shandong enterprises. After three years of development, it has become a well-known exhibition in Kenya. It has formed a comprehensive solution for developing the Kenyan market including "shared overseas employees", "shared overseas offices", "permanent exhibition center for products and overseas warehouse" and "international exhibition". The first exhibition was held at the Laico Regency Hotel in Nairobi in October 2018. In 2020, enterprises participated in the exhibition in the innovative form of "offline display and online negotiations". In the past three years, 150 Chinese companies participated in the exhibition, and 7,762 buyers visited the event, with an intended transaction volume of US\$50.3 million. Kenya International Industrial Expo has also set up permanent exhibition center and overseas warehouses in the local area. 53 companies have settled in the Sameer Business Park in Nairobi. The products feature electric power, new energy, building materials, hardware, and small-scale machinery. It is available for the exhibition of products for Kenya International Industrial Expo's exhibitors throughout the year, and has become an important online platform for communication between Chinese and Kenyan traders throughout the year.

IV. Africa's Investment in Shandong

In 2020, Africa established 74 foreign-invested enterprises in Shandong, a year-on-year increase of 64.4%. The actual investment in Shandong reached US\$53.7 million, a year-on-year increase of 217.3%, accounting for 0.3% of the province's actually used foreign capital. In terms of sources of foreign investment, it is mainly concentrated in Seychelles, Botswana and other countries. In terms of cities, it is mainly concentrated in Weihai, Jining, and Zaozhuang. In terms of industry distribution, it is mainly concentrated in real estate, manufacturing, and commercial service industries.

In the first half of 2021, Africa established 41 foreign-invested enterprises in Shandong, a year-on-year increase of 78.3%. The actual investment in Shandong was US\$15.3 million, accounting for 0.14% of the province's actually used foreign capital. In terms of sources of foreign investment, it is mainly concentrated in Mauritius, Seychelles, Botswana and other countries. In terms of cities, it is mainly concentrated in Dongying, Zaozhuang, Weihai, and Jining. In terms of industry distribution, manufacturing accounts for more than 90%.

Table 2-21 Africa's investment in Shandong from 2016 to 2020

Unit: US\$ 10,000, %

Year	Number of companies		Actual foreign investment	
	Number	Year-on-year	Amount	Year-on-year
2016	10	-54.6	1105	20.5
2017	20	100	1544	39.7
2018	39	95	10120	555.4
2019	45	15.4	1691	-83.3
2020	74	64.4	5366	217.3

V. Shandong Province's Contracted Engineering Projects in Africa

Africa is an important market for Shandong's overseas contracted engineering projects, accounting for about one-fifth to one-third of the province's foreign contracted projects and labor services over the years. In recent years, due to a decrease in public expenditures for infrastructure construction in many countries, a lack of sustainable financing model of infrastructure, many countries with the president/parliamentary election system, fierce competition from countries such as France and Portugal, the COVID-19 pandemic, etc., the province has entered a period of continuous and in-depth adjustment concerning foreign contracted labor services in Africa.

In 2020, the value of Shandong Province's newly signed contracts for contracted projects in Africa was US\$2.2 billion, a year-on-year decrease of 32.9%; and the turnover completed was US\$3.08 billion, a year-on-year decrease of 3.2%. A number of contracts were signed for infrastructure projects in the year, such as the Nigeria Gurara Hydropower Plant project undertaken by China Railway 14th Bureau, the Edéa-Bonépoua Road Project in Cameroon by Weihai International, and Soi Road Project in Kenya by Weihai Construction.

Table 2-22 Shandong's contracted projects in Africa from 2016 to 2020

Unit: US\$100 million, %, person

Year	Foreign contracted projects				Actual foreign investment	
	Contract value	Year-on-year	Turnover	Year-on-year	Number of people	Year-on-year
2016	43.0	13.8	40.8	-1.1	13321	20.4
2017	58.0	34.9	38.4	-5.8	11006	-17.4
2018	62.4	7.7	38.0	-1.2	8771	-20.3
2019	33.4	-46.5	31.8	-16.1	8307	-5.3
2020	22.4	-32.9	30.8	-3.2	2027	-75.6



Part Three Cooperation Between Chinese Enterprises and Africa

Overview

Enterprises are the pillars of and an important force in promoting China-Africa economic and trade cooperation. Chinese companies play an active and important role in helping African countries improve infrastructure, enhance the quality of life, facilitate industrial development, generate jobs, realize technology transfer, etc. by undertaking engineering projects in Africa, investing in multiple fields, and conducting complementary trade activities with African countries.

Undertaking contracted engineering projects offers an important way for Chinese companies to forge cooperation with Africa. After the founding of the People's Republic of China, Chinese companies began to enter Africa by undertaking China's aid programs to Africa. After the reform and opening-up, Chinese companies stepped up efforts to undertake contracted engineering business in Africa, and the African region is currently still China's second largest foreign market for contracted engineering projects. In 2020, the value of new contracts signed by Chinese companies in Africa reached US\$67.9 billion, accounting for 26.6%. Contracted engineering enterprises are mainly undertaken by state-owned enterprises, especially large-scale backbone enterprises.

Chinese companies have been making investment in Africa fast. By the end of 2019, Chinese enterprises had established over 3,800 overseas companies in Africa, covering 52 African countries. China's investment stocks in Africa soared from US\$13.04 billion in 2010 to US\$47.35 billion in 2020, a nearly fourfold increase. Chinese companies keep exploring new market opportunities, and investment fields become increasingly diversified. Private companies are enthusiastic about investing in Africa, accounting for over 70% of the number of Chinese companies investing in Africa and the value of investment, and have become the mainstay for investment cooperation with Africa.

Chinese companies actively expand trade with Africa. Since the 21st century, Chinese companies have been exploring the African market. China-Africa trade in goods has seen a quantum leap; and imports from and exports to Africa have realized substantial growth. China has become Africa's largest trading partner for 12 straight years. As the times progress, Chinese companies actively explore new business cooperation models such as e-commerce, online promotion conferences, and

online influencer marketing to tap the potential of China-Africa trade. At the same time, Chinese companies actively promote trade in service with Africa, covering high-end areas such as finance, insurance, and telecommunications.

In this chapter on enterprises, we select eight representative companies that conduct economic and trade cooperation with Africa, covering project contracting, investment, service consulting, and other areas. There are large central state-owned enterprises, local representative enterprises, as well as private enterprises. These demonstrate the characteristics of the diversified business types, various business forms, and multi-level cooperation in economic and trade cooperation between China and Africa.

China State Construction Engineering Corporation (CSCEC)

China State Construction Engineering Corporation (CSCEC) is one of the largest investment and construction groups in the world. Its business scope covers investment and development, engineering construction, survey and design service, new business (green construction, energy saving and environmental protection, e-commerce), etc. In 2021, it ranked 13th in the Fortune Global 500 and 3rd in the Fortune China 500. It has obtained A-level credit ratings from Standard & Poor's, Moody's, and Fitch Ratings, the highest credit rating in the global construction sector. CSCEC is one of the earliest Chinese companies to conduct international operations. Up to now, it has undertaken upwards of 7,000 projects in over 130 countries and regions.

CSCEC has projects under construction and branches in more than 30 African countries including Algeria, Egypt, Kenya, Côte d'Ivoire, and Botswana. The projects involve residential buildings, office buildings, hotels, hospitals, schools, stadiums, roads, bridges, airports, ports, water supply, etc. It has nearly 10,000 Chinese employees in Africa. In recent years, CSCEC has undertaken and built a large number of infrastructure projects, landmark projects and projects related to people's well-being in Africa by leveraging its strengths in the entire industry chain and accumulated experience in cooperation with Africa, and has made great contributions to China-Africa friendship.

The practices in terms of project undertaking and implementation. First, participate in infrastructure construction in Africa. It has built many key infrastructure projects such as Mauritius Airport, National Highway #1 in the Republic of Congo, 109-kilometer road in Zambia, LL Road in Kenya, KS 73-kilometer road in Uganda, Fourth Bridge in Abidjan, Côte d'Ivoire, and N6 highway in Mozambique, which become the local traffic artery and promoted economic development along the roads and surrounding areas. Second, based on the needs of urbanization in African countries, CSCEC harnesses its leading strengths in high-rise buildings, urban public facilities and other fields to participate in the local urban planning and construction. It has built many landmark projects such as the new capital Central Business District in Egypt, the new headquarters building of the Commercial Bank of Ethiopia, Oyala New City in Equatorial Guinea, Stade de Port-Gentil in Gabon, and the renovation and expansion of National Stadium in Madagascar, which have improved the

quality of the cities. Third, participate in the construction of projects that improve local people's well-being. In Algeria, Kenya and other countries, it has built a total of over 170,000 sets of affordable housing, and many projects that improve people's well-being, such as the University Town of Bida in Algeria, Omuhonga Elementary School in Namibia, Mahalapye Water Distribution Plant in Botswana, and the water supply pipeline in Nairobi, Kenya. These have improved the facilities for science, education, culture, health, housing, etc., and the people's well-being.

Experience in cooperation with Africa. **First, CSCEC focuses on local needs of development and build quality projects.** In the process of operations in Africa, the company adapts its strengths to the infrastructure construction and economic development plans in the host country, and harnesses its construction capabilities and experience in urbanization and industrialization to help Africa develop economy and improve the people's well-being, fulfill the contract obligations and create the brand image of "Built by China". **Second, conduct localized operations and promote local development.** In the course of construction, the company extensively used local subcontractors, procured local raw materials, and hired many local workers, helping promote industry development and create jobs. At present, CSCEC has over 25,000 employees in Africa, including over 15,000 foreign employees, who account for nearly 65%. **Third, foster multi-party mutually beneficial cooperation and complement each other's advantages.** In the course of market development and project implementation in Africa, the company makes full use of international resources to cooperate with enterprises from various countries in the upstream and downstream areas of the industrial chain for win-win results. **Fourth, fulfill social responsibilities and promote people-to-people bonds.** The company values harmonious development with the local place where the projects are located, and participates in community construction. It integrates into the local areas through donations, road and bridge construction, assistance for education, etc. to improve the local people's sense of gain. Moreover, the company cooperated with the host countries in the response to the COVID-19 pandemic, having donated anti-pandemic materials to Algeria, Equatorial Guinea, Madagascar and other countries, and built isolation wards in Ethiopia. It strived to ensure employment safety and no layoffs for the African projects, which were praised by the government and people in the host countries.

China Gezhouba Group Company Limited (CGGC)

China Gezhouba Group Company Limited (CGGC) is the core enterprise of China Energy Engineering Group. After 50 years of development, it has evolved from a traditional construction company into a globally competitive corporate group driven by contracting projects and investment, which carries out coordinated international and domestic development, industrial manufacturing transformation, and sustained finance and trade business. By the end of 2020, the company had total assets of 260 billion yuan, the annual value of contracts of 300 billion yuan, operating income of 120 billion yuan, reserve contracts worth 330 billion yuan, and 40,000 employees. In the past 10 years, its international business has realized a value of more than 700 billion for new contracts, a turnover of over 230 billion yuan, and total profit of over 16 billion yuan.

CGGC entered the African market in the 1980s to carry out foreign aid programs by the Chinese government, and has made great strides by relying on the “going global” policy since 2002. After years of development, it has set up 21 branches in Africa, and its business covers energy, transportation, municipal works, housing construction and other fields in 31 African countries. There are 160 projects under construction, with a total contract value of 269.1 billion yuan.

Representative projects. Since entering the African market, CGGC has completed many key projects for the people’s well-being in the host countries. These have promoted economic development in the host countries, and offer a Chinese solution for the development of Africa. GD3 Hydropower Station project in Ethiopia is a key hydropower investment project in Ethiopia’s second Five-Year Plan. In the construction process, this company set many records in construction in the local area. At the same time, the project has become a representative project undertaken by Chinese-funded enterprises in Africa for its unique design scheme and excellent project quality. It has produced good social results in Ethiopia and even the entire Eastern African region. The phase-I project of Kpong Water Supply Expansion project is the largest water supply project in Ghana so far. In the course of construction, CGGC hired over 600 local employees, creating a large number of employment opportunities for local communities. Mahama, the then President of Ghana, visited the project site many times for inspection. He spoke highly of the quality and speed of the project construction, and said that the

project **shows the real Chinese speed and quality, and serves as a model of China-Ghana cooperation.** Moreover, the Caculo Cabaca Hydropower project in Angola (installed capacity of 2,172 MW, contract value of US\$4.532 billion) under construction, and the Nigerian Mambilla Hydropower Project (installed capacity of 3,050 MW, contract value of US\$5.792 billion), in which the company plays a leading role, are the largest hydropower project in the host countries.

Experience in cooperation with Africa. CGGC upholds the long-term localized development strategy of “taking root in Africa” and tap the African market. CGGC adheres to the cooperation concept of “extensive consultation, joint contribution, and shared benefits”. It improves local people’s well-being by building high-quality projects and providing high-quality services; seeks common development with partners under the cooperation principle of “fairness, integrity, and win-win cooperation”; keeps fulfilling social responsibilities, practices China-Africa cooperation initiative, and integrate into African culture. **CGGC explores transformation and upgrading and innovate cooperation with Africa.** Relying on its strengths in the entire industry chain, CGGC operates various investment and financing models such as investment holding, equity investment, commercial loans, framework loans, preferential loans and purchases, seller’s credit, cost + remuneration, special insurance + buyout, etc., and business models such as I+EPC+OM, F+EPC+OM, BOT, PPP, and PMC for the implementation of a number of projects in Africa. **CGGC implements the concept of green development and promote the transformation of the energy structure.** The company moves faster to advance new-type power projects featuring new energy in Africa, accelerates the clean transformation of the energy structure, and increases the share of integrated energy, new energy, energy storage, and hydrogen energy business as it strives to become the forerunner and vanguard in the energy revolution in Africa. The total value of contracted new energy projects in Africa reaches 12 billion yuan. The company takes the lead in establishing the International Investment Alliance for Renewable Energy, integrating enterprises, financial institutions, and consulting institutions in the new energy industry chain, boosting market competitiveness, and further developing new energy projects in Africa.

China Civil Engineering Construction Corporation (CCECC)

China Civil Engineering Construction Corporation (CCECC) was formerly the Foreign Aid Office of the Ministry of Railways. Established with the approval of the State Council on June 1, 1979, CCECC is one of the first four foreign economic companies in China to go global. In September 2003, it was merged into China Railway Construction Corporation, a Fortune Global 500 company.

CCECC's business covers infrastructure construction and development, foreign aid, design consulting, investment and financing, operation and management, overseas free trade parks, etc. It has gradually realized capability and strengths for global integration of "investment, construction and operations. It has been ranked among the world's top 250 international contractors for 19 consecutive years, and ranks among the top for the Ministry of Commerce's foreign contracting engineering business in terms of the value of newly signed contracts.

By the end of 2020, CCECC has carried out operations in 42 African countries, covering railway and rail transit, highways, housing construction, ports and wharves, airports and water conservancy, etc. At the same time, CCECC has invested and built Lekki Free Trade Zone covering an area of 30 square kilometers in Nigeria, and Dire Dawa CCECC Industrial Park covering an area of 10 square kilometers in Ethiopia. From 2019 to 2020, the total value of new contracts signed by CCECC in Africa reached about US\$12.8 billion, and the turnover completed totaled about US\$3.4 billion.

Representative projects. With a total contract value of US\$3.82 billion for design and construction, the **Addis Ababa-Djibouti Railway** project is the first overseas transnational electrified railway project that realizes "full industrial chain output" for design standards, equipment procurement, construction, supervision, financing, and operation. Financed by the CEXIM and built in stages by CCECC and China Railway No. 2 Group, it is operated by "CCECC-China Railway" joint venture led by CCECC. The Addis Ababa-Djibouti Railway was rated as "China's Overseas Sustainable Infrastructure Project" by China International Contractors Association, and was awarded the "Luban Prize for China's Construction Project (Overseas Project)" by China Construction Industry Association. The "Addis Ababa-Djibouti Railway Economic Corridor and Industrial Parks along

the Railway" was included in the Joint Communiqué of the Roundtable Summit of the Second Belt and Road Forum for International Cooperation. **The Ubungu interchange project** is the first multi-span and multi-story overpass in Tanzania. The total contract value of the project is US\$114 million, and the funder is the World Bank. The project commenced construction in May 2017. Despite the pandemic in 2020, the project continued on the basis of response to the pandemic, and was finally completed, delivered and accepted as scheduled in December 2020. The interchange project has eased the traffic congestion in the capital, benefiting the local people and driving the regional economic development. In December 2020, the Association of Consulting Engineers Tanzania issued the "Excellent Engineering Certificate" to the project in recognition of its outstanding performance in project quality, construction progress, environmental protection, fulfilment of social responsibility, etc. The project has become one of the symbols of modernization of the capital.

Experience in cooperation with Africa. CCECC upholds the concept of win-win cooperation in its cooperation with Africa. In line with national strategies, it pursues high-end operations, with the market demand as the guidance, and cooperates with the host countries and various partners. CCECC operates the model of "a community of interests" to select and make good use of various professional resources, and formulate rules for win-win results. **CCECC keeps cultivating core competence. The competence includes the capability for EPC projects,** the ability for corporate innovation, and the strengths in professional talents. While undertaking contracted engineering projects, it extends its business to the front and rear areas of the industrial chain, and gathers the five business forms of think tank consulting, assets, and engineering and operations. **CCECC focuses on preventing risk factors. First,** improve risk prevention and control and internal control systems, improve forecasting capabilities, strengthen early warning of risks, and pay attention to advance prevention and control. Second, regulate overseas investment and project bidding. Third, adhere to the "one policy per country" policy, intensify research on the political and economic situation, industry policies, market environment, monetary policy, etc., step up efforts for project acceptance, valuation and settlement of arrears, and prevent risks regarding collections, taxes, costs, foreign exchange, etc.

Hunan Construction Engineering Group (HNCEG)

Founded in 1952, Hunan Construction Engineering Group (HNCEG) is a large-scale 100 billion yuan-level state-owned enterprise with capabilities in foreign investment, foreign contracting projects, foreign aid, foreign trade, engineering survey and design, construction, maintenance and operations, technical research and development, etc. Since 1964, the group has gone through 57 years, focusing on the local people's well-being in its cooperation with Africa. HNCEG has comprehensive, wide-ranging business in the fields of engineering construction, cooperation in new energy, barter trade, processing trade, etc. It has overseas institutions and projects under construction in Senegal, Ghana, Kenya and other countries and regions. It upholds the spirit of "sincerity, real results, affinity, and good faith" for cooperation Africa, and diffuses "Chinese concepts, Chinese manufacturing, Chinese technology, Chinese speed and Chinese culture."

Representative projects. HNCEG has 7 ongoing projects in Africa, with a total contract value of some 1.3 billion yuan, namely Power Grid project in Eastern Region, Volta Region and Northern Region, Ghana; Highway #18 in Burundi; Broadcasting Center in Seychelles; Bethioua breakwater restoration project phase-II in Algeria; LNG terminal dredging project in Ghana; LOT1 project of the coastal fishing port project in Ghana; technical assistance project for three small hydropower stations in Sierra Leone.

There are 6 new projects with a total value of 4.633 billion yuan. These projects include Power Grid Phase II Project in Ghana, 10,000 sets of affordable housing construction project in Ghana, Dakar Tower project in Senegal, China-Kenya Economic and Trade Incubation Park project, and National Petroleum Reserve project in Burkina Faso. It focuses on the progress of 6 key projects, namely those in Nigeria, Egypt, Kenya, Madagascar, Côte d'Ivoire, Senegal and other countries, involving new energy, photovoltaic power generation and other emerging fields.

Experience in cooperation with Africa. Firstly, relying on the China-Africa Economic and Trade Expo and the pioneer zone for in-depth economic and trade cooperation between China and Africa, HNCEG fosters communication and exchanges with the governments and enterprises in the host

countries, and implements projects under a business model. It leverages its own advantages in construction and business resource, and makes active efforts to develop new markets. **Secondly**, in the course of cooperation with Africa, the Group, under the premise of complying with Chinese laws and regulations, observes the laws and regulations of the host countries, gives full consideration to the employment characteristics, climatic conditions, market environment and other factors in the host countries, upholds the feasibility study before projects, puts in place rigorous approval procedures, and implements a risk control management system to avoid risks. **Thirdly**, the Group adopts the methods of staff dispatching and localized employment. It selects management and professional and technical personnel within the group, and sends mature talents in specialized fields overseas to gain project experience. According to the scale of projects, local employees account for more than 70% of the employees. The group forges long-term cooperation with local powerful and reputable subcontractors, suppliers and labor service companies to train localized talents. **Fourthly**, HNCEG established Zhongxiang Overseas Construction Development Co., Ltd. in 2016, and set up an overseas business department in 2020 to make overall plans for the development of the Group's overseas business. It formulates various "overseas priority" policies, and encourages employees to "go global" and "integrate into local culture" in terms of guidance for career planning, identification of length of service for overseas employees, overseas practice performance, promotion channels, training and certificate support, and compassionate care.

Zambia Jiangxi Economic Cooperation Zone

In August 2018, seven provincial state-owned enterprises including China Jiangxi International Economic and Technical Cooperation Co., Ltd., Jiangxi Copper Corporation Limited, XinSteel Group Co., Ltd., Jiangxi Provincial State-owned Enterprise Assets Operation (Holdings) Co., Ltd., Jiangxi Wannianqing Cement Co., Ltd., Jiangxi Civil Explosive Investment Co., Ltd., and Jiangxi Consulting & Investment Group Co., Ltd. jointly invested US\$ 80 million to establish “Jiangxi United Industrial Investment Co., Ltd.” in Zambia with the support of Jiangxi Provincial Party Committee, Provincial Government and relevant departments.

Covering an area of 2,400 hectares, the Zambia Jiangxi Economic Cooperation Zone is located in Chibombo City, Central Province. The cooperation zone is planned to have five functional areas for industrial cooperation, urban commercial and residential purposes, technological innovation, ecological recreation, and agricultural planting. The cooperation zone will focus on the development of agricultural and forestry products processing, food processing, light industry and textile, building materials production, electromechanical products manufacturing and other industries, aiming to build a new ecological urban area with Jiangxi's industrial characteristics and to meet the needs of Zambia's economic development.

Project progress. For the first-stage planning and construction project, the Cooperation Zone has already formulated a detailed plan for an area of 570 hectares, which was submitted to the Zambian government for approval, with a total investment of some US\$600 million. As of June 31, 2021, the cooperation zone has completed an investment of US \$40 million. The construction of three plant areas, six plants of light steel structure, trunk network roads and pipe networks have been basically completed, and the 2500 square service area is under construction. It is planned to be completed by the end of 2021. At that time, the park will meet the basic conditions for enterprises to settle in.

Investment promotion is affected by the pandemic in the cooperation zone. By June 2021, the company had signed a total of 6 cooperation agreements for projects, with a total investment of US\$160 million. The projects are tobacco processing plant, steel component processing plant, electro-ceramic equipment processing plant, medical apparatus factory, logistics base and concrete

mixing station. At present, Zambia Golden Eagle Tobacco Co., Ltd. has settled in the cooperation zone. Since September 2020, Golden Eagle Tobacco has installed 120 primary baking rooms and cultivated tobacco land covering an area of over 132 ha. Next, it will scale up tobacco cultivation and is making preparations for the construction of threshing and redrying plant. In addition, negotiations about the settlement of the infusion factory and the electro-ceramic factory in the cooperation zone are underway.

Experience in cooperation with Africa. As the response to the pandemic becomes a routine task, the cooperation zone actively explores new approaches for investment promotion and publicity: **(1) Help enterprises that have signed the agreement settle in the park, and launch the model of “attracting investment through business”.** At the current stage, every effort is made to help enterprises make investment and settlement in the zone in Zambia, improve the services, help enterprises start production and operation in the zone as soon as possible, harness the information channels, business channels and network resources of enterprises in the zone to attract investment, develop the upstream and downstream industrial chain, and make new progress in investment promotion and operation of the cooperation zone. **(2) Use the resources of the cooperation zone to introduce third-party investment and operation enterprises.** The zone is actively developing available resources, such as service areas, gas stations, crushing plants, etc., and introducing local enterprises to participate in investment and operations, in order to bring steady income to the cooperation zone. **(3) Work with powerful departments to attract investment.** Work with government departments such as the SASAC and the Department of Commerce, institutions such as Jiangxi Cooperation Association of Foreign Investment Enterprises, Contractors Association, Jiangxi Townsman Association in Zambia, Zambia Jiangxi Chamber of Commerce, as well as powerful third-party investment promotion agencies to attract investment. It participates in various events such as international trade and investment exhibitions, and promotion meetings in Zambia and China to promote the industries in the cooperation zone and find potential partners. It conducts publicity on information, development and construction of the cooperation zone through traditional media and new online media. At the same time, in concert with Zambian government bodies such as the Ministry of Commerce, Trade and Industry, the Government of Central Province, and the Ministry of Finance, it holds the online Zambian Trade and Investment Promotion Conference to promote communication between policy makers and investors, and lobbies the Zambian government to promulgate various types of preferential policies for investment promotion.

Holley Group Co., Ltd. (Holley)

Holley was founded in 1970, and evolved into China's largest enterprise in the electrotechnical instrument industry in the 1990s. It has gradually become a private conglomerate with diversified investment and development, which is based on Holley Group Co., Ltd. and has multiple industrial group companies. Holley focuses on industrial operation, industrial investment and integration. Currently, it has holding shares in three A-share listed companies including KPC Pharmaceuticals (SH600422), Jianmin Group (SH600976), and Wazam New Materials (SH603186). It has formed an overseas industrial agglomeration platform which takes medicine as its core business, smart grid and new materials as strategic industries, and overseas industrial parks as the operating entities. Since 2000, it has been ranked among China's top 500 private enterprises, and is a model enterprise for the implementation of the Belt and Road Initiative.

Artemisinin-based medicine supports malaria prevention and treatment in Africa

In 2000, Holley established the world's only artemisinin industrial chain, covering the cultivation of artemisinin seeds, GAP-based planting of Chinese medicinal materials, extraction of raw materials, preparations manufacturing, and international marketing. It helps the WHO to upgrade artemisinin-based antimalarial drug from a secondary drug to a preferred antimalarial drug. Holley's artemisinin-derive artemether active pharmaceutical ingredient has passed WHO's PQ certification. The company has become a long-term supplier of raw materials for Novartis, and related preparations are undergoing PQ certification.

Holley's artemisinin-based antimalarial drugs have been registered and sold in over 40 countries in Africa, and artemisinin preparations of self-owned brands such as Cotecxin, Artem, Artemedine, and Duo-cotecxin have reached sales of over 100 million doses. Today, Holley's Luotai soft capsule has been approved by Tanzania Food and Drugs Authority for official export, and its sales have increased year by year. Its star product Dengyin Naotong soft capsule has also been exported to Somalia. In 2017, Holley cooperated with Thies University experts in the cardiovascular field in conducting clinical trials on the safety and efficacy of Luotai powder injections and soft capsules.

In 2006, Holley was chosen by the Ministry of Commerce to undertake over 300 antimalarial drug aid projects on behalf of the Chinese government, providing antimalarial drugs worth over 350 million yuan for 18 million patients in countries where malaria was prevalent. It held 21 foreign aid training sessions hosted by the Ministry of Commerce, providing training on malaria control, tropical disease control and medical device for over 550 trainees from 61 countries.

Power products and services brighten up Africa

Holley electric energy meter products are sold in more than ten African countries. The company is forging in-depth cooperation with local partners in Nigeria, Ghana, South Africa and other African countries to realize the localized production, service and customized development of electric power measurement products such as smart meters.

Holley International, established in 2003, operates in PV products and systems, power grid equipment and engineering fields, and has established overseas subsidiaries and offices in Nigeria, Ethiopia, Rwanda, Venezuela, etc. Its small and medium-sized off-grid solar system business in Africa brings clean energy to local residents. It is highly recognized by the local government and people.

Overseas industrial parks promote African industrialization

In 2005, Holley developed and built Thai-Chinese Rayong Industrial Zone in Thailand, and the Hofusan Industrial Park in Mexico. In 2019, the "Dongxing-Mong Cai Cross Border Economic Cooperation Zone" was constructed on the China-Vietnam border. Since 2017, Holley has upgraded its overseas industrial park program to Holley Group's overseas development strategy, and proposed to build "three large and three small" overseas industrial park platforms around the world, planning to help 1,000 small and medium-sized manufacturing companies to participate in international cooperation in production capacity through overseas industrial parks. From 2020 to 2025, Holley will integrate into the "Eight Major Initiatives" for China-Africa cooperation, and implement industrial promotion action. It plans to start the construction of the North Africa Industrial Park in Morocco and East Africa Industrial Park in Uganda to create local jobs and spur industrialization in Africa.

Inter Commerce Expo Corporation (ICEC)

Inter Commerce Expo Corporation (ICEC) was founded in November 2019. The company has carried out overseas business such as holding international exhibitions, overseas exhibition halls, and overseas warehouses in recent years. The leader of the company cooperates with the sister companies in founding Afripeak Expo Kenya Ltd in Kenya, with a view to holding Kenya International Industrial Expo, the first professional industrial exhibition in East Africa.

The first Kenya International Industrial Expo was held in Nairobi, Kenya in September 2018, covering power equipment, building materials and hardware, general machinery, engineering machinery, agricultural machinery, chemicals, whole vehicles and auto parts and other industrial manufacturing sectors. Nearly 40 companies from Shandong, Henan, Zhejiang and other provinces participated in the exhibition, which attracted about 2,100 businessmen from Kenya, Tanzania, Uganda, Rwanda, South Sudan, Qatar, India, Somalia and other countries.

The Kenya International Industrial Expo has become one of the most influential exhibitions in the manufacturing sector in East Africa. A total of 150 Chinese companies have participated in the expo, and held discussions with 7,762 buyers, with an intended transaction value of US\$50.3 million.

Innovate the “offline + online” exhibition model. The third Kenya International Industrial Expo is innovatively held under the model of “offline display and online negotiations” under the pandemic in 2020. Each exhibitor can be equipped with a Kenyan exhibitor assistant who can remotely assist Chinese enterprises in video connection, product display and advertising. In order to build mutual trust and hold more efficient trade negotiations, it regularly provides targeted and efficient online matchmaking negotiations for Chinese and Kenyan enterprises, so that Kenyan buyers purchase cost-effective Chinese products locally, and Chinese companies cooperate with high-quality Kenyan buyers without the need to go abroad.

Set up permanent exhibition centers and overseas warehouses. The company has set up a permanent exhibition center in Sameer Business Park, a well-known industrial park in Nairobi. The company

held the Solar Energy Session at the Online China-Kenya Economic and Trade Matchmaking Conference at the permanent exhibition and sales center from June 15 to 18, 2021. It was attended by 118 Kenyan solar energy product buyers and 93 Chinese solar product suppliers. The exhibits included solar modules, solar cells, solar inverters, solar water heaters, solar lamps, solar water pumps integrated solar solutions, etc. A total of 427 matchmaking events were held for Chinese and Kenyan solar enterprises in 4 days. The Auto Parts Session of the online Kenya International Industrial Expo was held at the permanent exhibition hall in August, 2021. In the future, special events in agricultural machinery, machine tools, building materials and hardware industries will also be held at the permanent exhibition hall. The exhibits of all exhibitors can be displayed and sold free of charge in the exhibition hall for one year, and Kenyan buyers are invited to visit the exhibition hall and conduct online negotiations with Chinese companies to collect for Chinese enterprises.

Value the localized business philosophy. The company has established a localized market development and customer service team, and the localized business model has achieved remarkable results: **First, speed up the integration and sharing of buyer resources.** The company has established a pool of professional buyers in industries such as electromechanical products, hardware, building materials, electric power & photovoltaic new energy, chemical engineering, medical care, and consumer goods. Local buyers in Kenya are invited to visit the exhibition hall and conduct online discussions with Chinese exhibitors. **Second, ease the adverse impact of the pandemic.** In the face of the pandemic, the daily operation of overseas exhibition halls, invitations of overseas customers, and overseas operations of online exhibitions are independently completed by Kenyan employees in conjunction with the online contact with Chinese companies. **Third, build mutual trust and cohesion.** The Chinese and Kenyan teams are guided to build mutual trust, reach cultural consensus, show mutual respect and understanding, and work towards the same goals.

Friendship International Engineering Consulting Co., Ltd.

Friendship International Engineering Consulting Co., Ltd. (hereinafter referred to as “Friendship Consulting”) is a large-scale modern comprehensive consulting service agency with a full range of qualifications in China. It offers one-stop comprehensive services in the field of engineering construction, covering engineering consulting, policy research, project planning, investment & financing operations, project planning, engineering design, bidding agency, cost consulting, project supervision, proxy engineering construction, BIM consulting, PPP consulting, etc. With nearly 2,000 employees, the company operates from Hunan province, with regional headquarters in Beijing, Guangdong-Hong Kong-Macao region, and Southwest China. It has business interests in many provinces and cities nationwide and begins to cover Africa, Southeast Asia and other regions in line with the Belt and Road Initiative. The company is China’s only enterprise among “top 50” enterprises in terms of cost consulting, engineering supervision, full-process engineering consulting, and BIM consulting. It is also a national high-tech enterprise, and nominee for the Hunan Provincial Governor Quality Award. It is committed to becoming a world-renowned general engineering service contracting operator.

Centering on consulting services, Friendship Consulting targets countries and regions for key cooperation with Africa. Starting with country-specific development and industrial plans, it plans and leads trade with Africa, industrial cooperation, and infrastructure construction projects, providing full lifecycle services from the preliminary industrial planning, feasibility study on investment, to land planning, engineering design, bidding agency, cost consulting, project supervision, project management, BIM consulting, to investment promotion and operation plans in the project operation stage.

Provide professional consultation to support the policy making and explore new model for local cooperation with Africa. In terms of policy consulting, it has formulated five reports: Report on Selection of African Countries for Key Cooperation with Hunan, Research Report on Hunan-African Industrial Cooperation, Research on Paths of Hunan-African Industrial Articulation, Ideas for Research on Key African Countries, and Research Report on Hunan-African Industrial Cooperation

Development – Case Study of Uganda, which are adopted for the national-level mechanism for China-Africa cooperation and Hunan provincial-level policy formulation. In terms of strategic planning, it has taken the lead in preparing special plans such as the Plan for Economic and Trade Cooperation Development between Shaoyang City and Africa, and the Industrial Planning and Feasibility Study for Liuyang African Non-Resource Product Distribution and Deep-Processing Park in China, and has formulated action plans and proposals for the establishment of mechanism for pioneer zone for in-depth economic and trade cooperation between China and Africa in China (Hunan) Pilot Free Trade Zone and the implementation of demonstration projects.

Involve deeply in the establishment of the national platform mechanism and integrates industry resources. The company is involved in the planning and construction of national and local platforms and mechanism for economic and trade cooperation with Africa such as the pilot zone for in-depth China-Africa economic and trade cooperation, and China-Africa Economic and Trade Promotion Council; participates in the establishment of Hunan Construction Industry “Go Global” Strategic Alliance; promotes information and risk sharing, improves service efficiency, integrates resources, and gradually increases the company’s professionalism and influence in the field of economic and trade cooperation with Africa.

Focus on African non-resource-based products, and promote the mechanism for industrial chain cooperation between China and Africa. From the perspective of the industry chain plan and implementation, it actively promotes a new mechanism for African non-resource products in China. For example, in the case of coffee, one of the most important African non-resource products, Friendship Consulting takes advantage of UCDA’s consulting project for coffee market promotion strategy in China to consolidate its strengths in direct sourcing in Africa, and takes the lead in conducting industrial planning and feasibility study for Liuyang African non-resource-based product distribution and deep-processing park in China. With coffee industrial park in the project’s start-up area, the company is deeply involved in the project investment and operation, builds the first coffee industry chain processing system with a full range of functions and facilities in Central and South China, and implements China’s first international production capacity cooperation project based on the import of African non-resource-based products.