

China-Africa Economic and Trade Cooperation (2013)

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Foreword

Currently, as the international situation undergoes profound and intricate changes, newly emerging and developing economies have become the major force pushing forward the world's economic development. In tune with the changes in the international environment, China and African countries are, within the framework of the Forum on China-Africa Cooperation (FOCAC), continuing to deepen the new type of China-Africa strategic partnership, vigorously advancing economic and trade cooperation, and actively exploring a common path that reflects both China's and Africa's realities.

China has become Africa's largest trade partner, and Africa is now China's major import source, second largest overseas construction project contract market and fourth largest investment destination. China-Africa economic and trade development has improved people's livelihoods and diversified economic development in African countries, provided strong support for China's socio-economic development, and

contributed to promoting South-South cooperation and balanced world economic development.

Through the common efforts of China and Africa, bilateral economic and trade cooperation now enjoys a consolidated foundation and improved mechanisms, with new common interests and growth points in cooperation constantly emerging. In March 2013, China's President Xi Jinping visited Africa and announced a series of new measures to support Africa's development, providing a powerful impetus for the advancement of China-Africa economic and trade relations.

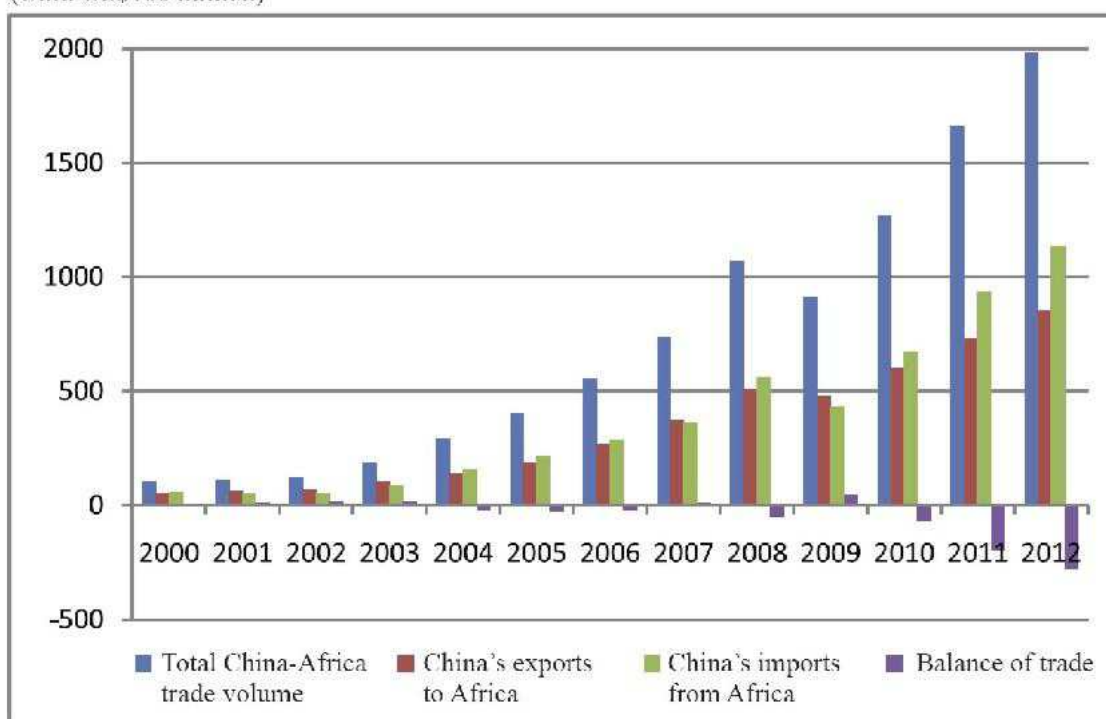
In 2010, the Chinese government published a white paper on China-Africa economic and trade cooperation. This latest white paper provides a further introduction to the progress of bilateral economic and trade cooperation in recent years.

I. Promoting Sustainable Development of Trade

Against the background of sluggish global economic recovery in recent years, China-Africa trade development has maintained comparatively rapid momentum. In 2009, China became Africa's No. 1 trade partner. In the following two years, the scale of China-Africa trade expanded rapidly. In 2012, the total volume of China-Africa trade reached US\$198.49 billion, a year-on-year growth of 19.3%. Of this, US\$85.319 billion consisted of China's exports to Africa, up 16.7%, and US\$113.171 billion was contributed by China's imports from Africa, up 21.4%. Total China-Africa trade volume, China's export volume to Africa and China's import volume from Africa all reached new highs.

Figure 1: China-Africa Trade Volume (2000-2012)

(Unit: US\$100 million)



The graphic shows China-Africa trade volume from 2000 to 2012.

As the volume of China-Africa trade continues to grow, its proportion to China's and Africa's respective total foreign trade volume has also increased. From 2000 to 2012, the proportion of China-Africa trade volume as a part of China's total foreign trade volume increased from 2.23% to 5.13%: the proportion consisting of China's imports from Africa up from 2.47% to 6.23%, and that of China's exports to Africa from 2.02% to 4.16%. On the African side, the changes are even more remarkable. From 2000 to 2012, the proportion of China-Africa trade volume as a part of Africa's total foreign trade volume increased from 3.82% to 16.13%: the proportion contributed by Africa's exports to China up from 3.76% to 18.07%, and that by Africa's imports from China from 3.88% to 14.11%.

Chinese products exported to Africa are generally of fine quality and well-priced, and fulfill the consumption demands of all social strata in Africa. With the scale of trade expanded, the structure of China-Africa trade has been improved step by step. As the consumption capacity of the African market continues to expand, the amount of technical products that China exports to Africa has increased remarkably. In 2012, the proportion of mechanical and electrical products as a part of China's total commodity exports to Africa reached 45.9%. In order to guarantee the quality of products exported to Africa, from December 2010 to March 2011, the Chinese side took special steps to crack down on the potential export to Africa of counterfeit and shoddy products and commodities that violated intellectual property rights. This involved multiple measures, such as prior-to-shipment quality examinations for industrial products that were to be exported to Africa. These measures helped guarantee the quality of Chinese commodities exported to Africa.

Over the past three years, China's import volume from Africa has increased notably, as the trade volume and quantity of bulk commodities, like crude oil and agricultural products, keep rising. Through China-Africa trade, Africa's exporters have obtained access to a stable market, higher pricing and greater benefits. In the meantime, China has vigorously expanded its imports from Africa by enacting tariff exemptions and setting up exhibition centers for African products. Since January 2012, the 30 least developed African countries that have established diplomatic relations with China have been granted zero-tariff treatment for 60% of their exported items. By the end of 2012, 22 of them had seen 910 million yuan worth of tariff exempted, involving US\$1.49 billion-worth of goods. In May 2011, an African Products Exhibition Center opened in Yiwu City, Zhejiang Province. By reducing operation expenditures and other supportive policies, the Exhibition Center has attracted over 2,000 salable commodity items from more than 20 African countries.

Sino-African bilateral trade has great potential due to the complementary conditions on both sides, and is significant for the economic development of both China and Africa. China will take multiple measures to promote the healthy development of China-Africa trade. These include implementing the "Special Plan on Trade with Africa," which will expand the scope of zero tariff treatment for African products exported to China and increase China's imports from Africa, and improving the brand building, marketing channels and quality of China's commodities exported to Africa. In addition, China will help African countries improve their customs and commodity inspection facilities by mobilizing aid for trade, provide support for African countries to promote trade facilitation, and push forward trade development within Africa.

II. Improving the Level of Investment and Financing Cooperation

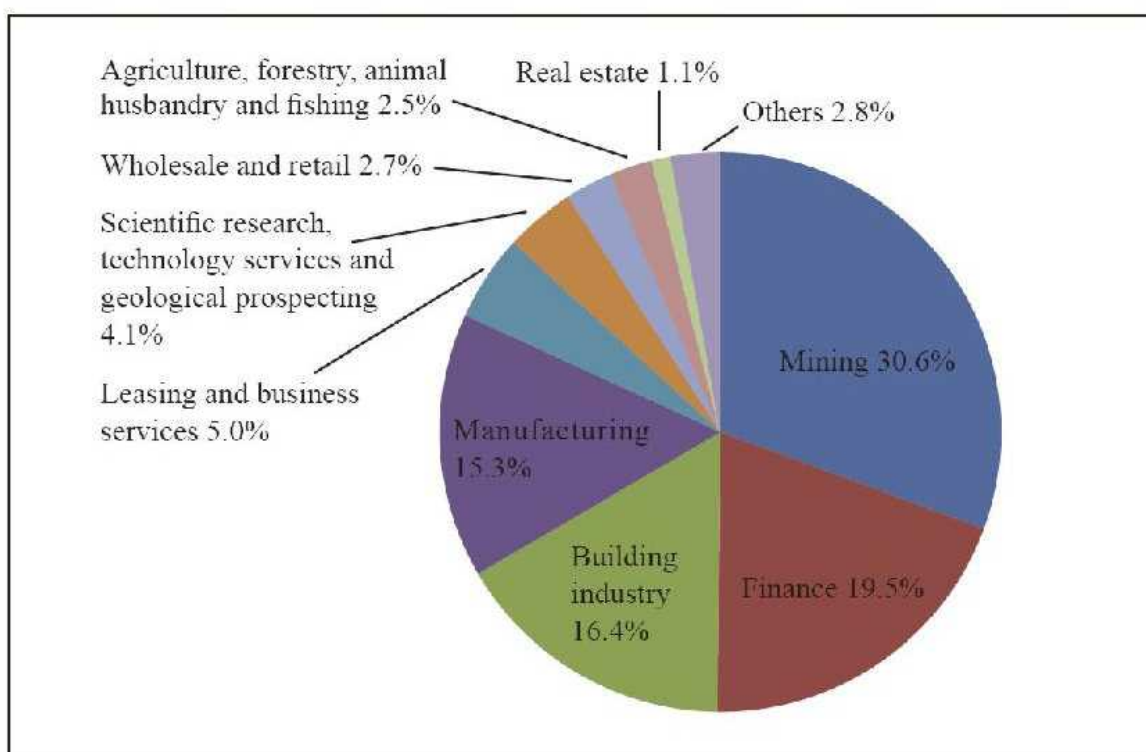
A poor economic foundation and insufficient construction funds have always been factors limiting the development of African countries. The Chinese government encourages and supports enterprises and financial institutions to increase investment in Africa, striving to improve the quality and level of China-Africa cooperation.

Since 2009, Africa has seen a decrease of foreign direct investment, but an accelerated growth of direct investment from China during this same period. From 2009 to 2012, China's direct investment in Africa increased from US\$1.44 billion to US\$2.52 billion, with an annual growth rate of 20.5%. Over the same period, China's accumulative direct investment in Africa increased from US\$9.33 billion to US\$21.23 billion, 2.3 times the 2009 figure. The rapid growth of China's direct investment in Africa is indicative of

Africa's development potential and investment appeal, and also points to the mutually beneficial nature of China-Africa cooperation.

While increasing aggregate investment, China is also improving the level of its investment in Africa. Currently, over 2,000 Chinese enterprises are investing and developing in more than 50 African countries and regions, and cooperation fields have expanded from agriculture, mining and building industry to intensive processing of resource products, industrial manufacturing, finance, commercial logistics and real estate.

**Figure 2: Distribution of China's Direct Investment
in Africa (by the end of 2011)**



The graphic shows distribution of China's direct investment in Africa by the end of 2011.

In recent years, China has improved its mechanisms for investment in Africa. By the end of 2012, China had signed bilateral investment treaties (BIT) with 32 African countries, and established joint economic commission mechanisms with 45 African countries. The China-Africa Development Fund, established as one of the eight pledges China made at the FOCAC Beijing Summit, had by the end of 2012 agreed to invest US\$2.385 billion in 61 projects in 30 African countries, and had already invested US\$1.806 billion for 53 projects. According to preliminary statistics, the agreed upon investment projects will bring US\$10 billion worth of investment to Africa, increase local exports by about US\$2 billion annually, and benefit more than 700,000 people. China's financial institutions have actively expanded financing support for Africa. At the Fourth FOCAC Ministerial Conference in 2009, China announced the establishment of "a special loan for small and medium-sized African businesses." By the end of 2012, the special loan service had promised to offer loans totaling US\$1.213 billion, with contract value of US\$1.028 billion and loans granted worth US\$666 million, providing strong support for the development of agriculture, forestry, animal husbandry, fishing, processing and manufacturing, trade and logistics, and other industries closely associated with people's livelihoods in Africa.

Energy and mineral resource exploitation is the major impetus for the economic booms of many African countries. In this area, Chinese enterprises have helped African countries establish an upstream-downstream-integrated industry chain, transforming resource advantages into economic growth opportunities, and actively participated in local public welfare infrastructure construction. In the Democratic Republic of the Congo, Chinese enterprises have built highways, hospitals and other public infrastructure while extracting copper-cobalt ores. In the Republic of South Africa, Chinese mineral exploitation and processing enterprises have set up endowment funds to sponsor medical care, poverty reduction and education in local areas, and built advanced water treatment facilities. Chinese enterprises have sponsored the "Brightness Action" and organized first-rate ophthalmologists to perform cataract extraction surgeries for 623 patients in Zimbabwe and Zambia.

Manufacturing is China's key investment field in Africa. From 2009 to 2012, Chinese enterprises' direct investment volume in Africa's manufacturing sector totaled US\$1.33 billion. By the end of 2012, China's investment in Africa's manufacturing industry had reached US\$3.43 billion. Mali, Ethiopia and other resource-poor countries have also attracted a large amount of Chinese investment. Chinese enterprises have invested in sugar refineries in Mali, set up glass, fur, medical capsule and automobile factories in Ethiopia, and invested in textile and steel pipe manufacturing projects in Uganda. All of these investments have compensated for these countries' unfavorable natural conditions and resources, increased their tax revenues and employment, and extended the value adding chain of "made in Africa" products. Chinese enterprises' investments have brought about changes to all dimensions of Africa's social development. For example, those that invest in cash crop cultivation in Zimbabwe have provided interest-free loans to local farmer households, improved production infrastructure, offered technical guidance for the whole production process, organized local employees to visit China, and funded local schools and orphanages. These have promoted the positive interaction and common development of Chinese enterprises and local society.

Service industries that produce zero pollution and consume little energy have become a new highlight of China-Africa cooperation in recent years. Chinese enterprises have invested in finance, trade, science and technology services, power supply and other fields in Africa. By the end of 2012, China's direct investment in Africa's financial sector had reached US\$3.87 billion, accounting for 17.8% of its total investment volume in Africa. To some extent, this was able to make up for the lack of sufficient development funds available to local enterprises. In the field of commerce and trade, the construction of the Angola International Trade Center, jointly initiated by Chinese and local enterprises, has been started. When completed, the project will be the largest commercial logistics, convention and investment service center in southwest Africa. There are now also a large number of small and medium-sized Chinese investors engaged in agricultural and sideline product processing and petty commodity production in Africa. Their products and services are closely linked with African people's livelihoods, playing an active role in meeting local needs, boosting local employment and promoting China-Africa trade contacts. As the mutual understanding between Chinese and African peoples is deepened and the cooperation between Chinese and African governments enhanced, these small and medium-sized Chinese investors will further incorporate into local society and share the fruits of development with local people.

In recent years, as the economic strength of African countries has increased and China-Africa relations have grown closer, African enterprises have started to invest in China. By the end of 2012, the volume of African countries' direct investment in China totaled US\$14.242 billion, increasing by 44% over 2009 levels. Of that, the figure for 2012 was US\$1.388 billion. Investing countries included Mauritius, Seychelles, South Africa and Nigeria, and their investments covered petrochemical industries, manufacturing and processing, and wholesale and retail, among other fields. China-Africa investment and financing cooperation has solidified the foundation of Africa's economic development, increased Africa's capacity of independent development, improved Africa's competitiveness in the global economic sphere, and advanced Chinese enterprises' internationalized development.

In the future, China will further expand investment and financing cooperation with Africa, fulfill its commitment on the provision of US\$20 billion-worth of loans to Africa, which will be used for infrastructure construction, as well as the development of agriculture, manufacturing and small and medium-sized enterprises. China will give guidance to its enterprises on the establishment of processing and

manufacturing bases in Africa, and increase investment in business services, transport, consultation management and other service industries. China will also encourage its enterprises to carry out multiple-field investment cooperation in Africa, and help African countries improve their external economic development environments.

Agriculture is crucial for stable development and poverty reduction efforts in Africa. It is a pillar industry and a priority field for development in most African countries. China and Africa see favorable conditions and broad prospects for future agricultural cooperation. The Chinese government attaches great importance to its mutually beneficial agricultural cooperation with Africa, and works hard to help African countries turn resource advantages into developmental ones and sustainably develop their agricultural capacities.

In recent years, Sino-African trade in agricultural products has grown quickly. From 2009 to 2012, China's agricultural exports to Africa grew from US\$1.58 billion to US\$2.49 billion, an increase of 57.6%. During the same period, China's agricultural imports from Africa grew from US\$1.16 billion to US\$2.86 billion, a 146% increase. Most imported agricultural products are non-food items, including cotton, hemp, silk, oilseeds and other such products.

A major reason for the rapid increase in Chinese imports of African agricultural products is the zero-tariff policy that the Chinese government adopted in 2005 for some African products. Agricultural products are a major category benefiting from this policy and, as a result, the export of specialty African agricultural products to China has grown rapidly. One example of the impact of this policy is provided by sesame. China started importing small amounts of sesame from Africa in 2002. After the zero-tariff policy was adopted, sesame imports grew rapidly, from US\$97 million in 2005 to US\$441 million in 2011, an annual increase of 28.7%. This rate of import increase is higher than the average growth rate of all products imported from Africa during the same period.

In recent years, Chinese enterprises have invested in Africa in such fields as breeding improved seeds, planting grain and cash crops, and processing agricultural products. From 2009 to 2012, China's direct investment in African agriculture grew from US\$30 million to US\$82.47 million, a 175% increase. Investment by Chinese enterprises in African agriculture has increased grain supplies in the countries concerned and enhanced the comprehensive agricultural productivity of those countries. In Mozambique, for example, 300 hectares of experimental paddy fields supported by Chinese investment yielded 9-10 tons per hectare for three successive years. With the help of Chinese rice experts, local farmers see their paddy fields yield five tons per hectare, two tons more than previous yields. In Malawi, Mozambique and Zambia, Chinese enterprises and the China-Africa Development Fund jointly invested in a cotton planting and processing project modeled on having enterprises work with farming households. The project was able to involve tens of thousands of local growers, effectively enhancing local capabilities in cotton processing.

Chinese enterprises have also worked to improve local farmland, water conservancy and conditions for agricultural production. Currently, the biggest agricultural project in Rwanda is a farmland improvement project supported by investment from the African Development Bank and contracted to Chinese enterprises. When completed, the project will effectively control major rivers and improve the utilization of water resources in Rwanda.

The Chinese government has tried to enhance Africa's self-reliance capacity to develop its agriculture by providing assistance in the construction of demonstration centers of agricultural technology, and sending senior agricultural experts and technicians to teach the locals managerial experience and practical techniques in agricultural production. Since 2006, China has helped set up 15 agricultural demonstration centers in Rwanda, the Republic of Congo, Mozambique and some other countries, and is planning to establish another seven. At the same time, China has sent technical groups and several hundred technicians to Africa to provide policy consulting, teach practical techniques and train local staff. With China's aid in a project to breed high-yield and high-quality crop varieties, Chad sees its yields grow by over 25% on over 500 hectares planted with improved varieties, and several thousand farmers trained.

In the future, China will advance agricultural cooperation with Africa in all respects while ensuring that this cooperation puts both parties on an equal footing, is mutually beneficial, and advances common development. It will work to establish and improve a mechanism for bilateral agricultural cooperation, and strengthen Sino-African cooperation in the sharing of agricultural technologies, resource varieties and agricultural information, the processing and trade of agricultural products, agricultural infrastructure construction, and human resource training. China will continue to encourage and support investment by established Chinese enterprises to put money into agriculture or technological cooperation in Africa. It will arrange and launch an appropriate number of agricultural demonstration centers in African countries, depending on their actual needs. China will also work to deepen Sino-African cooperation within the frameworks of the United Nations Food and Agriculture Organization (UNFAO) and the International Fund for Agricultural Development.

IV. Supporting African Infrastructure Construction

Infrastructure construction is a starting point for improving the investment environment and people's livelihoods in Africa, and is of great importance for poverty reduction and development on the continent. The Chinese government encourages enterprises and financial institutions to participate in African infrastructure construction, including transportation, communications and electric power projects, in a variety of different ways. In 2012, Chinese enterprises completed construction contracts worth US\$40.83 billion in Africa, an increase of 45% over 2009, accounting for 35.02% of China's overseas contract work completed. Africa has been China's second largest overseas contract market for four successive years. Capital, equipment and technologies from China have effectively helped reduce construction costs for African countries and, as a result, their infrastructure situations have gradually improved.

Chinese enterprises have built numerous city roads, expressways, flyovers, railways and ports in Africa, effectively improving traffic conditions there and enhancing economic and trade development and personnel exchanges between African countries. In Angola, Chinese enterprises undertook the contract for a project that involved repairing a railway running from east to west through the country.

Chinese communication enterprises have participated in the construction of communication facilities in Africa, such as backbone fiber-optic transmission networks, fixed-line telephone lines, mobile communication and Internet facilities, expanding the coverage of Africa's telecommunication network, raising the network's performance quality and reducing communication costs. A contract to build a fiber-optic transmission backbone network in Tanzania was also taken on by Chinese enterprises. The network will cover major provinces and cities in Tanzania, link it with six neighboring countries and connect it to seabed optical cables in East and Southern Africa. After the network is completed, there will be three backbone loops, one each in northern, southern and western Tanzania, and eight international transit links, making communications of East Africa more integrated.

China has also worked closely with African countries in building hydropower stations and power grids, alleviating power crises that have long plagued some African countries. In 2010, Chinese enterprises started to build the Malabo Gas Plant in Equatorial Guinea. After the plant is completed, the country will have a complete power supply system, from power generation to power transmission and power transformation. This will improve the power supply conditions of Malabo City and Bioko Island while promoting agricultural irrigation and ecological tourism in surrounding areas.

The Chinese government and Chinese financial institutions have offered a great number of concessional and commercial loans to Africa for its infrastructure construction. From 2010 to May 2012, China approved concessional loans worth a total of US\$11.3 billion for 92 African projects. For example, the Addis Ababa-Adama Expressway of Ethiopia and the Kribi Deep-water Port of Cameroon were both funded by concessional loans from China. Some of China's main commercial banks have also started buyer's credit businesses in Africa, supporting the power grid in Ghana, hydropower stations in Ethiopia, a west-east expressway in Algeria, and other projects.

While undertaking infrastructure projects in Africa, Chinese enterprises have paid attention to localized operation and management styles, and taken an active part in programs benefiting local people. For example, large Chinese communication companies in Africa have raised their localization rate to above 65%. They have also cooperated with 1,200 local subcontractors, indirectly providing more than 10,000 job opportunities. In Zambia, Chinese enterprises have repaired roads, hospitals and houses of some mines, and donated sports facilities for communities and money for charity activities, making positive contributions to local development.

Infrastructure construction is a significant part of Africa's further economic and social development. China will deepen cooperation with Africa in transportation, communications and other infrastructure fields to improve people's livelihoods, steadily push forward Sino-African trans-national and trans-regional infrastructure construction partnerships, and enhance exchanges and cooperation in the field of regional integration so as to help Africa improve its capacity for integrated development.

V. Stressing African People's Livelihoods and Capacity Building

Africa has sustained rapid economic growth in recent years, but it still faces severe development problems and the difficult task of accomplishing the UN Millennium Development Goals. While seeking to advance its own development, China tries to offer what assistance it can to Africa without setting any political conditions, and to benefit African people through developmental advances. In recent years, China has implemented measures adopted at the FOCAC ministerial conferences, actively developed cooperation with Africa in areas relating to public amenities, medical and health care, climate change and environmental protection, humanitarian aid, and other fields. China has also strengthened cultural and educational exchanges and scientific and technological cooperation in an effort to improve Africa's ability to develop independently.

Helping build public amenities. China has offered assistance to Africa in digging wells for water supplies, and in building affordable housing, broadcasting and telecommunications facilities, and cultural and educational sites in an effort to improve the productive and living conditions of local people. Since 2009, China has carried out dozens of well-digging projects in the Sudan, Malawi, Zimbabwe, Djibouti, Guinea and Togo, playing a positive role in easing water problems for local people. It has also provided support for the building of portable dwellings in South Sudan, school houses in Benin, and rural schools in Malawi, and in doing so, improved local living conditions and educational facilities. China's largest aid project in the Central African Republic is the construction of the Boali No.3 Hydropower Station, which, after it is completed, will greatly relieve electricity shortages in Bangui and surrounding areas.

Advancing cooperation in medical and health care. From 2010 to 2012, China helped build 27 hospitals in Ghana, Zimbabwe and other African countries. China has also sent 43 medical teams to 42 African countries and regions, treating over 5.57 million patients. In recent years, in addition to building hospitals, donating drugs and organizing medical training programs, China has also launched an initiative, "Brightness Action," to treat cataract patients, provided mobile hospitals, built bilaterally-run eye centers, and helped build demonstration and training centers for diagnosis and treatment technologies, effectively advancing Sino-African cooperation in medical and health care.

Working together to address climate change. Environmental protection and climate change are two developmental topics that the world must face, and Africa needs special assistance from the international community in these areas. China pays a great deal of attention to its cooperation with African countries in the field of climate change. Since November 2009, China has carried out more than 100 clean energy projects in African countries, including biogas technology cooperation with Tunisia, Guinea and the Sudan, hydropower generating facilities in Cameroon, Burundi and Guinea, and solar and wind power

generation in Morocco, Ethiopia and South Africa. China has also donated energy-efficient lamps, air conditioners and other materials in response to climate change to Nigeria, Benin and Madagascar. All of these measures have greatly raised the ability of African countries to respond to climate change.

Offering emergency humanitarian aid. In keeping with humanitarian values, China always offers what materials or cash it is able to give for emergency aid to African countries that suffer from political disorder or have experienced natural disasters. In 2011, China provided 50 million yuan in emergency aid to Tunisia and Egypt to ease the humanitarian crisis caused by refugees stranded in the areas bordering Libya. When a famine worst in 60 years broke out in the Horn of Africa in the same year, China provided the affected countries with emergency aid in the form of grain and cash. In total, this aid was worth more than 400 million yuan, the biggest amount of food aid that the Chinese government has provided since the founding of the People's Republic of China in 1949. In 2012, China granted food aid to affected countries in the Sahel region of Africa.

Supporting cultural and educational exchanges. Cultural and educational exchanges make up an important part of the new type of strategic partnership between China and Africa. By supporting young Africans studying in China, sending young Chinese volunteers to Africa and developing joint research initiatives, China tries to promote mutual understanding between China and African countries and strengthen the social foundation of their friendship. From 2010 to 2012, China granted 18,743 government scholarships to students from African countries. By the end of 2012, China had sent 408 young volunteers to 16 African countries, including Ethiopia and Zimbabwe. Twenty pairs of leading Chinese and African universities have begun cooperating under the 20+20 Cooperation Plan for Chinese and African Universities. From the launch of China-Africa Joint Research and Exchange Plan in March 2010 to the end of 2012, it had supported 64 projects in the form of workshops, subject research, academic exchanges, and publishing works. The project had also subsidized visits and exchanges for over 600 Chinese and African scholars.

Holding human resource training programs. Human resource training is an important part of capacity building. From 2010 to 2012, China held various training courses for 54 countries and regions in Africa; the courses involved a total of 27,318 officials and technicians, and covered topics relating to economics, foreign affairs, energy, industry, agriculture, forestry, animal husbandry and fishing, medicine and health care, inspection and quarantine, climate change, security, and some other fields. In addition, Chinese medical teams, agricultural experts and enterprises located in Africa have also trained local people in an effort to enhance local technological capabilities.

Upgrading China-Africa cooperation in science and technology. In 2009, China launched the China-Africa Science and Technology Partnership Plan. This plan aims to promote technology transfer to Africa and research exchanges, as well as the sharing of more scientific and technological achievements. By the end of 2012, China had cooperated with African countries on 115 joint research and technology demonstration projects, including projects relating to cashew pest control technology and resources satellite receiving stations. China also gave 66 African researchers the chance to do post-doctoral research in China and donated 150,000 yuan worth of research equipment to each of the 24 researchers who had returned to their home countries to work upon completing their joint research tasks in China. In December 2011, the Chinese government launched the Science and Technology Action for African People's Livelihood, strengthening its cooperation with Africa through scientific and technological means. It also declared that it would help build a "mobile and modular general clinic" and a "demonstration center for scientific and technological cooperation in gastroenterology" to each African FOCAC member country.

Reducing African debt. From 2010 to 2012, China canceled 16 debts owed by Mali, Equatorial Guinea, Cameroon, Benin, Togo, Cote d'Ivoire and other countries, greatly reducing the debts of African countries.

VI. Promoting Cooperation under the Multilateral Framework

In recent years, African countries have made intensified efforts to gain strength through unity and they have made substantial progress in terms of economic integration. China firmly supports Africa's self-enhancement through unity, and works hard to strengthen cooperation with the African Union (AU) and African sub-regional organizations in a variety of fields, including infrastructure development, capacity building and mechanism construction. At the same time, China joins other countries and international multilateral organizations in leveraging one another's advantages to the fullest to help African countries reduce poverty, develop economically, and promote social progress.

China works closely with the AU and African sub-regional organizations not only in traditional areas like infrastructure construction, agriculture and personnel training, but also in emerging fields like finance, disaster reduction and intellectual property. The relationship between China and the AU plays an important role in the China-Africa new-type strategic partnership. Early in the 1970s, China started to provide the Organization of African Unity (OAU, now AU) with assistance in a variety of forms, including money, materials, turn-key projects and training. Since the AU Commission joined the FOCAC in 2011, cooperation between China and the AU has been enhanced. China's largest construction aid project in Africa, the AU Conference Center, was inaugurated in January 2012, at which time the Chinese government decided to provide 600 million yuan in aid to the AU over the next three years.

In recent years, cooperation between China and African regional organizations has been strengthened and become institutionalized. Since 2011, the Chinese government has signed Framework Agreements on Economic and Trade Cooperation with both the East African Community (EAC) and the Economic Community of West African States (ECOWAS), to expand cooperation in promoting trade facilitation, direct investment, cross-border infrastructure construction and development aid. Evidence of China's efforts in the area of financial cooperation includes China's status as a member state of the African Development Bank (AfDB), the West African Development Bank, and the Eastern and Southern African Trade and Development Bank. China has promised to contribute 615 million US dollars to the African Development Fund (ADF), which is the soft-loan window of the AfDB, and has actively participated in the ADF's Multilateral Debt Relief Initiative to support poverty reduction and regional integration in Africa. The China Development Bank (CDB) has signed an Agreement on Development Financing Cooperation with the Development Bank of Southern Africa, and an agreement to loan 60 million Euros to the West African Development Bank for the development of small and medium-sized enterprises in countries belonging to the West African Economic and Monetary Union (WAEMU). The Export-Import Bank of China and the Agricultural Bank of China have both signed cooperation framework agreements with the AfDB to cooperate on infrastructure project financing and the development of small and medium-sized enterprises. In addition, China has reached relevant agreements with African intellectual property organizations, laying a solid foundation for the advancement of China-Africa economic and trade relations.

China has joined forces with multilateral organizations including the United Nations (UN) and the World Bank (WB) to utilize one another's strengths to the fullest to aid Africa in the fields of agriculture, environmental protection and training. China was the first country to form a strategic alliance with the UNFAO to foster South-South cooperation. In 2008, China decided to contribute 30 million US dollars to the UNFAO to set up a trust fund. This fund, which is particularly beneficial to Africa, is used to support South-South cooperation between China and African countries under the framework of the UNFAO

Special Program for Food Security. By the end of 2012, under the said framework, China had sent many agricultural experts and technicians to Ethiopia, Mauritania and Mali to provide technical assistance in the areas of irrigation and water conservation, crop production, animal husbandry, aquaculture and agricultural product processing. By doing this, China has played an active role in improving the agricultural production capacities and food security of these countries. In addition, China works cooperatively on climate change and disaster reduction with international organizations, including the United Nations Environment Programme and the secretariat of the International Strategy for Disaster Reduction. In 2012, China promised to contribute US\$10 million to the International Monetary Fund (IMF) to provide technical assistance to Africa and improve the macroeconomic management of African countries. Chinese financial institutions established an all-round cooperation framework with the WB in May 2007. The two sides are carrying out feasibility studies on some infrastructure construction projects in African countries. Chinese financial institutions also maintain a good cooperative relationship with the International Finance Corporation (IFC), which is a member of the WB Group, to provide co-financing to telecommunications projects in West Africa and push forward the development of the communications industry in this region.

With an open mind, China has worked to enhance exchanges and mutual learning with other countries to explore practical cooperation in providing assistance to Africa. From 2009 to 2010, in partnership with the UK, China ran three peacekeeping police training classes in China and Ghana for African countries. In 2011, the tripartite agreement on the Liberian Tapeta Hospital cooperative project, signed by China, Egypt and Liberia, was fulfilled. According to the agreement, the Chinese government was responsible for maintaining medical equipment, and training medical, technical and managerial personnel for the hospital. The agreement required the Egyptian government to send two to five doctors to the hospital, and made the Liberian side responsible for the hospital's management and operation. This project has trained the backbone staff of the hospital and made outstanding contributions to its operation, winning universal praise.

In the future, China will work more closely with the AU and African sub-regional organizations to support Africa's economic integration and build the capacities of regional organizations. It will do this by promoting transnational and trans-regional infrastructure development and human resources development in Africa, and also by strengthening cooperation with the AfDB and African sub-regional financial institutions. At the same time, China will expand its international cooperative efforts to advance Africa's sustainable development, strengthen cooperation in the fields of agricultural development and climate change, and provide more support to Africa in ecological protection and environmental management.

Conclusion

China-Africa relations have reached a new historic level. Africa, a continent full of hope and thirsty for development, has become one of the world's fastest growing regions, while China, the world's largest developing country, has maintained forward momentum in its development. With increasing common interests and mutual needs, the two sides have great opportunities to accelerate their economic and trade cooperation.

Currently, the Chinese people are working hard to realize the Chinese dream of national revival, while African people are committed to the African dream of gaining strength through unity and achieving development and renewal. With a spirit of mutual respect and win-win cooperation, China will continue to take concrete measures to build a Sino-African community of shared destinies featuring all-round, diversified and deep cooperation. It will work to advance China-Africa economic and trade cooperation to help both sides make their respective dreams come true. China is also willing to enhance its cooperation with the rest of the world to promote Africa's prosperity and development.

Appendix I

Implementation of the Economic & Trade Measures of the Fourth FOCAC Ministerial Conference

1. The two sides have engaged in enhanced policy dialogue and practical cooperation on climate change. China has, on many occasions, sent senior officials, including the special envoy for climate change negotiations, to African countries to exchange views. During the Cancun Conference, the Durban Conference, the Ministerial Consultation of BASIC countries and other related negotiations and conferences, China has engaged in dialogue and consultation and also coordinated its position with African countries to uphold the common interests of developing countries. With a view to improving the abilities of African countries to adapt to climate change, China has implemented over 100 clean energy projects in Africa.

2. China has worked to raise the level of its scientific and technological cooperation with Africa. Following the Fourth FOCAC Ministerial Conference, China launched the China-Africa Science and Technology Partnership Plan, which aims to promote technology transfer to Africa and expand the sharing of scientific and technological achievements. The China-Africa Scientific and Technological Cooperation Roundtable was held in Egypt at the end of 2009. China has conducted 115 joint research and demonstration projects with African countries. China has also hosted 66 African post-doctoral students and donated research equipment to 24 returning African researchers who have concluded their joint research projects in China.

3. China has made concrete efforts to fulfill its promise to build up Africa's financial capabilities. By May 2012, China had approved US\$11.3 billion in concessional loans for 92 projects, fulfilling its promise six months early. These loans are mainly used for funding infrastructure and social development projects in Africa.

By the end of 2012, the special loan for the development of small and medium-sized businesses in Africa, set up by China Development Bank, had promised to make loans totaling to US\$1.213 billion, and US\$2 billion had been collected for the second tranche of China-Africa Development Fund. China has canceled debts of interest-free government loans that matured by the end of 2009 owed by all heavily indebted poor countries and least developed countries in Africa that have diplomatic relations with China.

4. China has further opened its markets to African products. All of the 30 least developed countries in Africa that have diplomatic ties with China enjoy zero-tariff treatment for 60% of their exports to China, covering 4,762 items. Thanks to this policy, African exports to China have grown rapidly, reaching US\$93.2 billion in 2011 and increasing 39% year on year. In 2012, African exports to China totaled US\$113.17 billion, an increase of 21.4% over the previous year.

5. China has scaled up its agricultural cooperation with Africa. By the end of 2012, following the implementation of eight new measures to strengthen cooperation with Africa, China had built seven new

agricultural technology demonstration centers for Africa. This increased the number of such centers on the continent to 22. By that time, China had also sent 50 agricultural technology teams to African countries. These teams trained more than 5,000 local technical personnel.

6. China has steadily advanced its health cooperation with Africa. By the end of 2012, China had dispatched 43 medical teams to 42 countries and regions in Africa, where the teams treated more than 5.57 million patients. There are now 1,006 Chinese medical professionals in Africa. China has provided medical equipment, materials and medicines to 42 countries and regions in Africa, and also to 30 African hospitals and 30 malaria prevention centers.

7. China has further strengthened its human resources development and educational cooperation with Africa. From 2010 to 2012, China ran training sessions with a total capacity of 27,318 trainees for officials and technical personnel from 54 countries and regions in Africa. The training sessions covered the fields of public management, energy, health, social security and manufacturing.

In the field of education, from 2010 to 2012, China built 28 new schools in Africa, provided equipment to 42 African schools, and funded 18,743 scholarships to students from Africa, 6,717 of which were given in 2012. During the same period, the 20+20 Cooperation Plan for Chinese and African Universities was launched, allowing 20 pairs of Chinese and African universities to conduct cooperative projects. China has also opened 31 Confucius Institutes and five Confucius Classrooms in 26 countries and regions of Africa.

8. China has actively run the China-Africa Joint Research and Exchange Plan. Between its inception in March 2010 and the end of 2012, the program supported Chinese and African scholars working on 64 projects (including 29 research projects, 16 workshops, 16 academic exchanges, and three publication projects) and organized academic exchanges between the two sides involving as many as 600 people. Thanks to the Exchange Plan, the Forum for Chinese and African Think Tanks has become institutionalized. One of the important platforms for exchanges between Chinese and African think tanks, the forum held its second conference in October 2012. The China Development Bank has set up a special fund to support academic exchanges between China and Africa.

Appendix II

Priority Areas of China-Africa Cooperation for the Next Three Years Announced by the Chinese Government at the Fifth FOCAC Ministerial Conference

1. Expanding cooperation in investment and financing to support sustainable development in Africa. To meet this goal, China will provide African countries with a US\$20 billion credit line to be spent on developing infrastructure, agriculture, manufacturing and small and medium-sized enterprises.
2. Continuing to scale up its assistance to Africa so as to benefit more African people. As part of expanding its aid to Africa, the Chinese government will build more agricultural technology demonstration centers, as necessary, to help African countries increase their production capacities. China will implement the "African Talents Program" to train 30,000 African personnel in various sectors, offer 18,000 government scholarships, and build cultural and vocational skills training facilities in African countries. China and Africa will deepen their cooperation in the health sector, step up high level exchanges in health-related fields and hold a China-Africa high-level health development workshop when it becomes appropriate to do so. China will send 1,500 medical workers to Africa, while continuing to run the "Brightness Action" campaign in Africa to provide free treatment for cataract patients. It will also help African countries enhance their capacity building in meteorological infrastructure and forest protection and management. The Chinese side will continue to carry out well-drilling and water supply projects in Africa to provide safe drinking water for African people.
3. Supporting the African integration process and helping Africa enhance its capacity for overall development. To support Africa in these areas, China will establish a partnership with Africa that is focused on transnational and trans-regional infrastructure development, support related project planning and feasibility studies and encourage established Chinese companies and financial institutions to take part in transnational and trans-regional infrastructure development in Africa. China will also help African countries improve their customs and commodity inspection facilities to enhance intra-regional trade facilitation.
4. Strengthening people-to-people friendships to lay a solid foundation of public support for enhancing China-Africa common development. In this area, China proposes to carry out the "China-Africa people-to-people friendship action" to support and promote exchanges and cooperation between non-governmental organizations, women and youth from the two sides. Also, a China-Africa Press Exchange Center will be set up in China. The two sides will promote exchanges and visits between Chinese and African journalists and press professionals and support correspondent exchanges between their media organizations. China will also continue to implement the China-Africa Joint Research and Exchange Plan by sponsoring 100 programs for research, exchange and cooperation between academic institutions and scholars of the two sides.
5. Promoting African peace and stability, and creating a secure environment for the development of African countries. To foster security on the African continent, China will launch the "Initiative on China-Africa Cooperative Partnership for Peace and Security," deepen cooperation with the AU and African countries in areas related to peace and security in Africa, provide financial support for AU peacekeeping missions in Africa and the development for the African Standby Force, and train more AU peacekeepers and officials in peace and security affairs.