Continent drives a harder bargain

African policymakers are wary of becoming too dependent on or indebted to China, and see virtue in diversity, writes William Wallis and Tom Burgis

China’s courtship of Africa has been a major change in global power politics, as the trade, investment and diplomatic relations that have been developing for barely a decade now are developing faster than ever. The revolutions that have taken place in the last few years of the global financial and economic crisis have set this development into even more rapid motion.

How to describe the process? Is it the beginning of a new Cold War, a Cold Peace, a Cambodia of the 21st century? It is not possible to define it in any of this way. What is possible, however, is to point out that China’s increasing involvement in Africa has become a defining characteristic of the world of the 21st century.

The latest indicator of this trend is the annual visit of the Chinese premier to Africa, starting with the first trip in 2006. This year’s trip, which starts in South Africa later this month, is therefore a clear sign that China is continuing to increase its diplomatic presence in Africa.

What does this mean for Africa? It means that China’s economic and diplomatic presence in Africa will continue to grow for years to come, even after the global financial crisis has subsided. This will have implications for Africa’s political, economic and social development, and for the relationship between China and Africa.

The question is how Africa will respond to this new reality. Can it cope with the challenges and opportunities that China’s presence presents? Can it take advantage of the economic and political opportunities that China offers, while avoiding the risks and pitfalls?

The answer is not easy. But it is clear that Africa needs to develop a strategy for managing its relations with China. This strategy should be based on the principles of mutual benefit, respect for sovereignty, and non-interference in the internal affairs of other countries.

The Chinese government has emphasized that it is committed to non-interference in the internal affairs of other countries, and to the promotion of mutual benefit and development for the African continent. The question is whether Africa can respond to this commitment with an equally strong commitment to its own development and sovereignty.

The answer is not easy, but it is clear that Africa needs to develop a strategy for managing its relations with China. This strategy should be based on the principles of mutual benefit, respect for sovereignty, and non-interference in the internal affairs of other countries.

The Chinese government has emphasized that it is committed to non-interference in the internal affairs of other countries, and to the promotion of mutual benefit and development for the African continent. The question is whether Africa can respond to this commitment with an equally strong commitment to its own development and sovereignty.

The answer is not easy, but it is clear that Africa needs to develop a strategy for managing its relations with China. This strategy should be based on the principles of mutual benefit, respect for sovereignty, and non-interference in the internal affairs of other countries.
Africa-Trade China

Tough lessons in navigating the business landscape

The middlemen
Tom Burgis reports on the challenges and pitfalls that companies can make or break deals

Behind a pair of unassuming and modest buildings on two leafy blocks in the business district of Lagos, Nigeria’s commercial capital, two unexpected creatures live. One is an office building, the other a sprawling, low-slung concrete block. The former is home to CNG, an independent Nigerian oil company. The latter is an office of a Chinese company called Trendfield.

With the middlemen

Finding the middlemen in Nigeria is not easy for foreign companies entering the country. Nigerian officials are known to be unhelpful and often corrupt. The country has a reputation for kickbacks, irregularities and red tape. But for certain companies, the middlemen can be crucial for doing business.

The problem

When a company wants to do business in Nigeria, it needs to find the right middlemen to help navigate the complex system of laws and regulations. But these middlemen can be expensive and sometimes even corrupt.

One solution

Some companies have found success by working with local partners who have established relationships with the Nigerian government and other key players. These partners can help companies navigate the bureaucracy and avoid common pitfalls.

The future

As more companies enter the Nigerian market, the competition for middlemen will likely increase. This will make it even more important for companies to find the right partners and work with them to ensure a successful business relationship.

State-to-private contracts provide second route to riches

Business Titans

Tom Burgis dips into the history of Chinese influence in Nigeria

The Nigerian and Chinese flags flutter above the main gate of the former UBA Capital building in Lagos, Nigeria’s commercial capital. Behind China Town’s walls, a quieter corner of Africa has slowly been taking shape.

Many of the city’s investors believe that it is only a matter of time before Nigeria becomes the next major economic power in Africa. But for now, the country is still grappling with issues such as corruption, inequality and a lack of infrastructure.

The infrastructure

One of the biggest challenges facing Nigeria is a lack of infrastructure. The country has a severe shortage of power, and many businesses struggle to get the supplies they need.

The Chinese

China has been investing heavily in Nigeria in recent years, with a focus on building infrastructure and developing the country’s resources. Many of the projects have been controversial, with some critics arguing that they have come at too high a cost.

The future

As Nigeria continues to develop, it will need to invest heavily in infrastructure and other key sectors. The Chinese have a valuable role to play in helping to transform the country, if they can do so responsibly and transparently.
Africa-China Trade

Coup alters the balance as nations jostle for position

Uranium

Tom Burgis reports on the growing east-west competition for Africa's valuable metal

South Africa

Richard Lapper explains the economic substance behind the talk

Way paved for broader links

Fine company, fusion food, wanders and raucous toasts

Chinese cuisine

Tom Burgis is after two excellent restaurants

Uranium

Tom Burgis reports on the growing east-west competition for Africa's valuable metal

South Africa

Richard Lapper explains the economic substance behind the talk

Way paved for broader links

Fine company, fusion food, wanders and raucous toasts

Chinese cuisine

Tom Burgis is after two excellent restaurants

Jumping from the strain of a sometimes tempestuous relationship, the Chinese are returning to a state of amity as they seek to increase their economic clout on the continent.

When Niqer ended a brief diplomatic crisis by returning his delegation to the negotiations over the uranium province of Houdemines, it seemed that industrial relations were on the mend.

There are many in the Chinese government who share the attitude of Mr Zhong, who sees South Africa as a continent on the rise, with the prospects of frenzied activity to come.

But there is a danger that China and South Africa may be growing faster than is now. Some investment links are being formed as part of the economic diplomacy, but others – Continental Cement – are doing business with the Chinese.