

China's Expanding Presence in Africa: Opportunities, Dependencies, and the Path to Sustainable Development

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Africa possesses substantial natural wealth, yet persistent gaps between resource abundance and human development outcomes highlight structural constraints to inclusive growth. This article examines the developmental implications of China's expanding economic engagement in Africa, assessing whether it constitutes a catalyst for structural transformation or reinforces patterns of dependency. Over the past two decades, China has become one of Africa's principal economic partners through foreign direct investment, infrastructure financing, trade expansion, and institutional cooperation under the Belt and Road Initiative and the Forum on China–Africa Cooperation. Chinese investments in ports, railways, energy systems, and industrial zones have addressed critical infrastructure deficits, reduced trade costs, and supported regional integration. However, trade relations remain asymmetrical, with African exports concentrated in primary commodities and imports dominated by manufactured goods, contributing to persistent trade imbalances. Resource-backed lending and rising debt exposure further raise concerns regarding fiscal sustainability and long-term developmental impact. The findings suggest that infrastructure financing alone does not guarantee sustained economic growth; outcomes depend on governance quality, institutional capacity, export diversification, and industrial upgrading. Ultimately, the developmental trajectory of China–Africa relations is contingent upon African policy choices and the effective transformation of external capital into inclusive, resilient economic structures.

Keywords: China–Africa Economic Relations; Foreign Direct Investment (FDI); Resource-Backed Lending.

JEL Classification: F21, O55, Q32

1. Introduction

The African continent is endowed with abundant natural resources, including arable land, water, oil, natural gas, minerals, forests, and wildlife. It possesses a significant share of the world's renewable and non-renewable resources. According to the United Nations Environment Programme (UNEP), Africa possesses

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roughly 30 percent of the world's mineral reserves, 12 percent of global oil reserves, and 8 percent of the world's natural gas. The continent accounts for 40 percent of global gold and up to 90 percent of chromium and platinum. It also hosts the largest known reserves of cobalt, diamonds, platinum, and uranium. In addition, Africa contains 65 percent of the world's arable land and about 10 percent of the planet's renewable freshwater resources (UNEP, 2024).

In Africa, natural capital forms the foundation of the continent's economy, serving as a key driver for wealth creation and investment opportunities. The continent has the potential to gain significantly by collectively mobilizing and utilizing its abundant natural resources to fund its development agenda and promote greater prosperity, while safeguarding that future economic growth and resource use are outcome-focused, climate-resilient, and sustainable.

However, despite its vast natural resources, Africa remains the poorest continent in the world. Resource wealth has not translated into widespread prosperity due to factors such as weak governance, limited industrialization, historical exploitation, and reliance on raw commodity exports. As a result, most Africans continue to face low incomes, high poverty rates, and limited access to education, healthcare, and essential services. According to the Human Development Reports, 23 African countries—nearly half of the continent—fall within the low human development category (HDI < 0.550), a classification that underscores severe deficiencies in health, education, and income, and highlights their heightened vulnerability to conflict, climate shocks, disease, and economic instability. In contrast, only ten African countries achieve high or very high human development, while the remaining 21 countries are classified under medium human development (HDI 0.550–0.699), reflecting modest progress and expanding economies, yet still falling significantly short of global development standards (HDR, 2025). In the face of this reality, studies have focused on local-level impacts, trying to identify efficient ways to improve public policy and corporate behavior, thereby helping to convert resource wealth into sustainable human development. (Chuhan-Pole et al., 2017)

The United States and China are locked in a growing competition for influence and investment in Africa, a continent seen as strategically vital due to its abundant natural resources, young and expanding population, and geopolitical positioning. China leads in scale and visibility of investments, while the U.S. emphasizes governance, private-sector partnerships, and sustainable development. This article explores the scope, underlying motivations, and impacts of Chinese investments in Africa, while future research will extend the analysis to include United States investments, given the significant and growing global interest in the African continent.

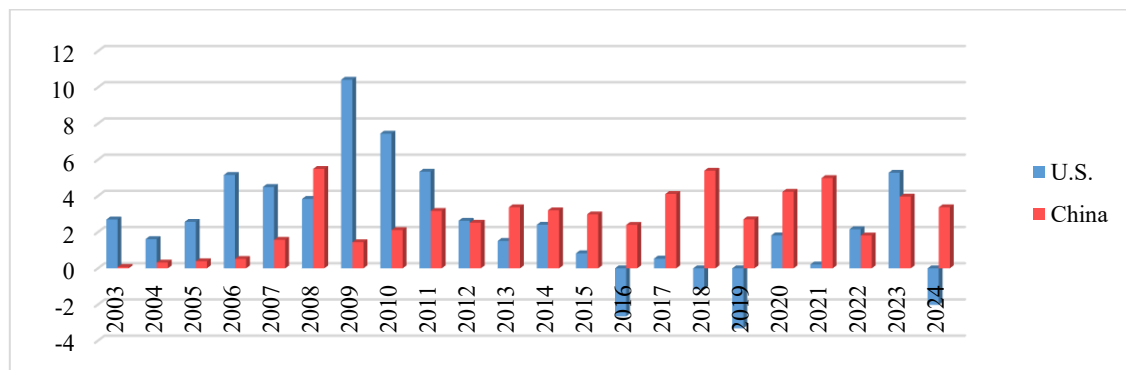


Figure 1. Chinese FDI vs. US FDI to Africa, Flow, (billion US\$)
 Source: China–Africa Research Initiative (CARI, 2025a)

Over the last twenty years, China has increased its presence in Africa (Figure 1), positioning itself as a key economic partner. According to the China–Africa Research Initiative (CARI), China's FDI in Africa have grown from US\$75 million in 2003 to US\$3.37 billion by 2024 (CARI, 2025a). China's engagement ranges from large infrastructure projects, such as railways, ports, and roads, to energy, telecommunications, and industrial zones. African countries view Chinese investments as a means to bridge infrastructure gaps, enhance industrialization, and stimulate economic growth. Conversely, critics argue that China's approach may reinforce dependency, reduce local industrial development, and create social or environmental risks. This article explores these dynamics in a systematic manner.

This study examines the expanding economic and strategic engagement of China in Africa within the broader context of the continent's abundant natural resource endowment and persistent development

challenges. While Africa possesses substantial reserves of minerals, hydrocarbons, arable land, and renewable resources, these assets have not translated into widespread human development gains. Against this backdrop, the article analyzes the scale, structure, and evolution of Chinese foreign direct investment (FDI), infrastructure financing, trade relations, and lending practices across Africa from 2000 to 2024. Particular attention is given to sectoral allocation patterns, resource-backed lending mechanisms, trade imbalances, and the institutional framework of cooperation under the Belt and Road Initiative (BRI) and the Forum on China–Africa Cooperation (FOCAC).

The primary objective of this study is to assess whether China's growing presence in Africa contributes to sustainable economic transformation and inclusive development or whether it risks reinforcing structural dependency, commodity-based trade patterns, and debt vulnerabilities. By evaluating economic data, sectoral trends, and policy frameworks, the article seeks to provide a systematic and balanced assessment of the developmental, financial, and geopolitical implications of China–Africa relations, while emphasizing the critical role of African governance, institutional capacity, and domestic policy choices in shaping long-term outcomes.

2. Literature Review

Over the past two decades, China's rise as a major foreign investor in Africa has generated a substantial body of scholarship that seeks to unpack its scope, motivations, and impacts. Much of the early literature emphasized the scale and sectoral breadth of Chinese investment, noting its concentration in infrastructure, extractives, and energy, while more recent studies point to diversification into manufacturing and technology sectors. Bräutigam (2010) underscores how Chinese finance and construction packages have filled critical infrastructure gaps, while more recent analyses (Chen et al., 2018) highlight the growing role of Chinese private enterprises in Africa's industrial and service sectors.

From a motivational perspective, literature takes into consideration economic but also geopolitical explanations. Scholars like Mrdaković and Todorović (2023) emphasize China's search for markets, raw materials, and investment opportunities aligned with its "Go Global" policy, integrated within the Belt and Road Initiative (BRI). Some works view Chinese investment as an instrument of strategic influence, particularly in resource-rich and geopolitically significant states. Power and Mohan (2010) argue that China's engagement with Africa cannot be reduced to simple narratives of "aid" or resource extraction; rather, it must be understood through a critical geopolitical lens that links development and foreign policy. In their work, Yuan and Ji (2025), conclude that China has clear market-, and efficiency-motives for outward FDI in Africa, but weak resource- and strategic-asset-seeking motives.

The developmental impacts of Chinese investment are equally contested. Optimistic accounts frame Chinese FDI as an engine of growth, employment creation, and technology transfer, particularly in infrastructure development that reduces transaction costs and fosters regional integration. Miao et al. (2020) emphasize that Chinese FDI and trade can significantly enhance economic growth in African countries when complemented by strong institutional frameworks. Yanne Sylvaire et al. (2022) explores the impact of Chinese FDI on Africa's economic development, noting that such investments have contributed to economic growth and technological advancement in various African nations. Conversely, critical studies highlight risks of debt dependency, weak governance, and the environmental and social costs of extractive projects. Ross (2012) and other proponents of the "resource curse" thesis caution that resource-oriented investment can reinforce rentier dynamics, undermining long-term institutional development.

A third strand of literature adopts the lens of South–South cooperation, stressing mutual benefit, non-interference, and partnership between China and African states. These studies argue that Chinese engagement differs from traditional Western aid or investment models, and can provide African governments with greater policy autonomy. Yet, others note that this framing can obscure asymmetries in bargaining power and the uneven distribution of benefits within African societies.

Taken together, the literature reflects a dual narrative: Chinese investment is simultaneously viewed as a transformative force capable of addressing Africa's infrastructure and industrialization deficits, and as a potential source of new dependencies and governance challenges. This study builds on these debates by synthesizing quantitative data and qualitative assessments across multiple African countries, offering a balanced evaluation of the economic opportunities and structural risks embedded in China–Africa economic relations.

3. Methodology

This study employs a mixed-methods research design combining quantitative data analysis with qualitative case study examination to assess the scale, structure, and developmental implications of Chinese engagement in Africa. The methodological approach is designed to capture both macro-level investment and trade trends and micro-level institutional and sectoral dynamics, thereby providing a comprehensive evaluation of China–Africa economic relations.

The research adopts a descriptive-analytical framework. First, it systematically compiles and analyzes longitudinal data on Chinese foreign direct investment (FDI), loan commitments, trade flows, and labor presence in Africa from 2000 to 2024. Second, it integrates qualitative evidence from policy documents, institutional reports, and selected country case studies to interpret the strategic motivations and developmental outcomes of Chinese involvement. This approach allows for triangulation between statistical trends and contextual interpretation.

The study relies exclusively on secondary data drawn from reputable international and institutional databases. Quantitative FDI and trade data are obtained from the China–Africa Research Initiative (CARI), UNCTAD, and national statistical agencies. Information on Chinese lending is sourced from the Boston University Global Development Policy Center database, which provides detailed loan-level records from 2000 onward. Macroeconomic and development indicators, including Human Development Index (HDI) classifications, are drawn from the United Nations Development Programme (UNDP) Human Development Reports. Additional sectoral and infrastructure deficit estimates are collected from the African Development Bank (AfDB), UNEP, and other multilateral institutions. Policy and institutional analysis draws upon official Chinese and African government documents, including frameworks under the Forum on China–Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI), as well as peer-reviewed academic literature examining resource governance, debt sustainability, and development economics. The quantitative component focuses on trend analysis, sectoral distribution, and regional concentration patterns. Time-series data from 2000 to 2024 are analyzed to identify growth trajectories in Chinese FDI stock, loan commitments, and bilateral trade volumes. Particular attention is paid to structural shifts, such as changes in sectoral allocation (construction, mining, manufacturing, energy), the evolution of RMB-denominated lending, and fluctuations in Chinese labor presence.

Descriptive statistical techniques are used to assess concentration ratios, including the distribution of loans among recipient countries and the share of Africa within China's global outward FDI stock. Trade balance analysis evaluates the magnitude and persistence of Africa's trade deficit with China, while sectoral trade composition analysis distinguishes between primary commodity exports and manufactured imports. Where relevant, comparative analysis is conducted to contextualize Africa's position relative to global investment flows. To complement the quantitative analysis, the study employs illustrative case studies of selected infrastructure and resource-backed financing projects, including railway systems, port expansions, and energy transmission initiatives. These cases are selected based on their strategic relevance within the BRI framework, their financial scale, and their regional importance. The case study approach enables examination of financing structures (e.g., concessional loans, resource-backed lending), institutional arrangements, labor practices, and geopolitical implications. The qualitative analysis also evaluates policy coordination mechanisms under FOCAC and BRI to understand how infrastructure, resource security, and industrial development are integrated into China's broader geoeconomic strategy.

The study is structured around three interrelated analytical dimensions. First, it evaluates the economic impact of Chinese investment and lending by examining their contributions to infrastructure development, industrialization, trade expansion, and job creation. Second, it analyzes structural transformation, assessing whether Chinese engagement promotes economic diversification and value addition within African economies or instead perpetuates reliance on primary commodity exports. Third, it considers issues of debt sustainability and governance, focusing on the implications of resource-backed financing arrangements, the concentration of debt among specific borrowers, and the institutional capacity of recipient countries to manage external obligations effectively. Together, these dimensions form a comprehensive analytical framework that enables a balanced and nuanced assessment, avoiding simplistic portrayals of the relationship as either wholly beneficial or inherently exploitative.

The study is subject to several limitations. First, reliance on secondary data may introduce reporting inconsistencies, particularly given variations in transparency regarding loan contracts and investment flows. Second, the use of aggregate national-level data limits the ability to measure project-level socio-economic

impacts or local community outcomes. Third, the analysis focuses primarily on Chinese engagement; while acknowledging the broader geopolitical context, comparative analysis with other major actors such as the United States is reserved for future research.

Despite these limitations, the combination of longitudinal quantitative analysis and targeted qualitative case studies provides a robust methodological foundation for evaluating China's evolving economic role in Africa and its implications for sustainable development.

4. China–Africa Economic Integration: FDI, Trade, and Resource-Backed Lending

In terms of foreign direct investment (FDI) outward stock, since 2018, China ranks third globally, following the United States and Netherlands. Its share of global outward FDI stock has increased significantly, from 0.36% in 2003 to 7.15% in 2024, giving the world a clear sign that China has become one of the world's leading sources of international investment capital, shaping economies beyond its borders.

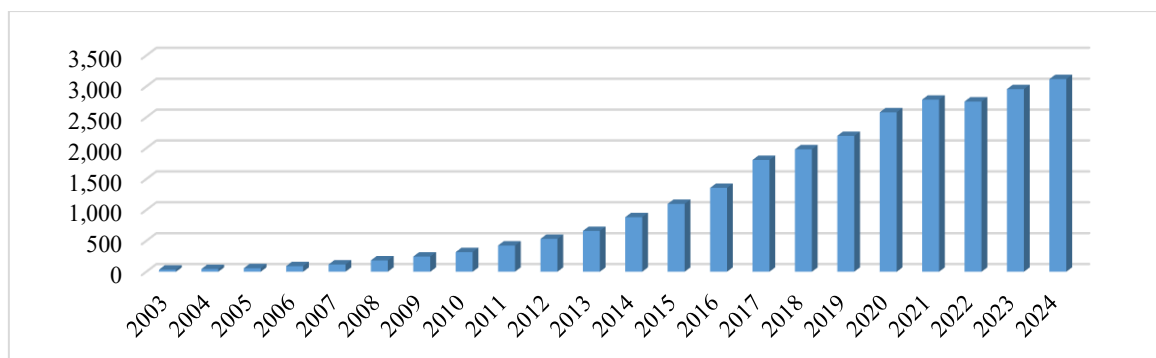


Figure 2. China's FDI outward stock, 2003-2024 (billion US\$)
 Source: (UNCTAD, 2025a)

As shown in Figure 2, China's outward FDI stock has exhibited continuous and substantial growth since 2003, with the sole exception occurring in 2022. That year, the Chinese government implemented stricter controls on capital outflows in an effort to stabilize the yuan, safeguard foreign exchange reserves, and mitigate financial risks. These measures coincided with heightened economic and pandemic-related uncertainty, as well as the global disruptions precipitated by the Russia–Ukraine war, which led to rising energy prices, supply chain disturbances, accelerating inflation, and increasing interest rates, particularly in the United States and Europe.

Regionally, Africa represented 1.40% of China's outward FDI stock in 2024, amounting to approximately US\$43.8 billion (Figure 3). China is the fifth-largest investor in Africa, following the Netherlands, the United Kingdom, the United States, and France. Its investments have become increasingly diversified beyond extractive industries, expanding into manufacturing and social infrastructure sectors, with a growing emphasis on renewable energy (UNCTAD, 2025b).

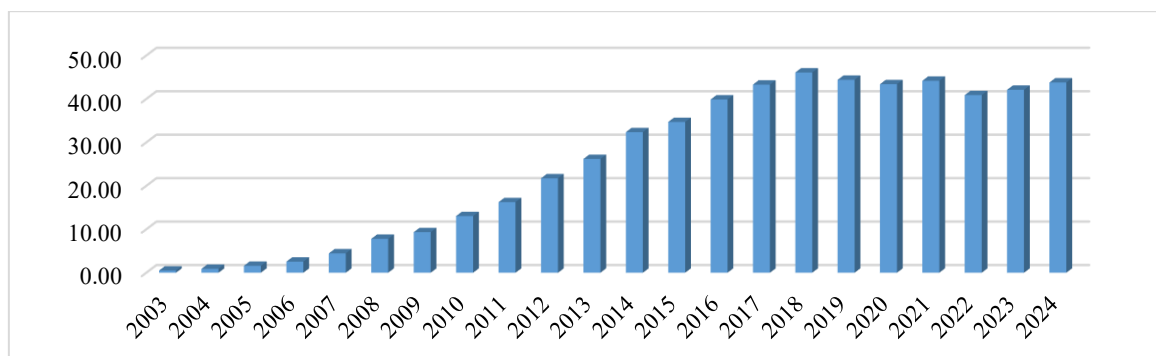


Figure 3. Chinese FDI Stock in Africa 2003-2024 (billion US\$)
 Source: China–Africa Research Initiative (CARI, 2025a)

In 2000, China and the African countries formally established the Forum on China–Africa Cooperation (FOCAC) as a dedicated platform to strengthen diplomatic, economic, and social ties between China and the

African continent. The forum was designed to promote mutual development, political dialogue, and strategic partnerships, enabling China and African nations to coordinate on trade, investment, infrastructure, and technology projects, becoming the cornerstone of Sino-African relations (Atitianti, 2024).

China's interest in Africa has continued to grow in recent years, as Africa plays a key role in China's Belt and Road Initiative (BRI). Announced in 2013 by the Chinese President Xi Jinping, Belt and Road Initiative (BRI) is a global development strategy designed to enhance trade, infrastructure, and economic cooperation between China and partner states across Asia, Africa, Europe, and beyond. By May 2025, the BRI had expanded to encompass approximately 146 to 150 participating countries, including those from Africa, Latin America and the Caribbean, Europe, Asia, and the Pacific (Nedopil, 2025).

The Belt and Road Initiative consists of two principal components: the Silk Road Economic Belt, comprising overland corridors such as roads, railways, pipelines, and industrial zones that connect China with Central Asia, the Middle East, and Europe; and the 21st Century Maritime Silk Road, encompassing sea routes through ports and shipping lanes that link China to Southeast Asia, Africa, and Europe via the Indian Ocean and the Mediterranean. Africa holds a pivotal position within the 21st Century Maritime Silk Road, which extends across the Indian Ocean, the Red Sea, and the Mediterranean. Of the 54 African states recognized by the United Nations (UN DGACM, 2025), 48 have formally joined China's Belt and Road Initiative (BRI), ranking the continent second only to Asia in terms of participation (Nedopil, 2025).

China's Belt and Road Initiative (BRI) strategy is manifested in Africa mostly through targeted investments across construction, mining, and manufacturing. In 2024, China's investments, amounting to US\$43.8 billion, were directed predominantly toward the construction sector, with comparatively smaller allocations to mining and manufacturing, as illustrated in Figure 4.

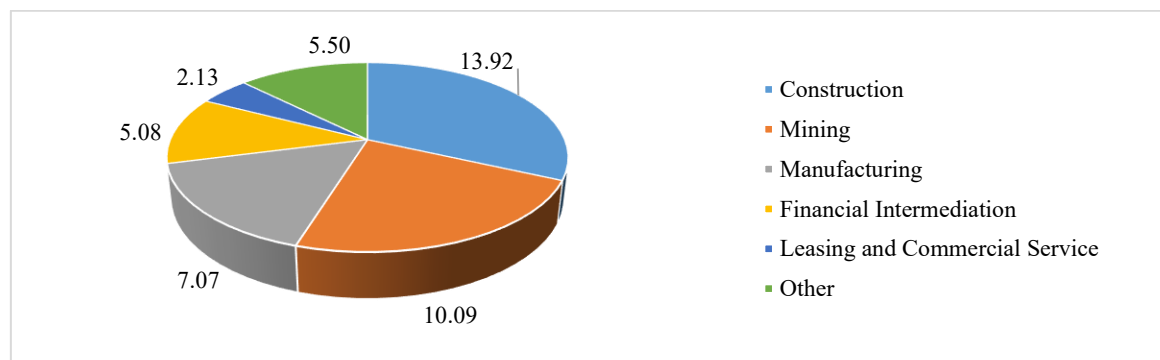


Figure 4. Chinese FDI Stock in Africa in 2024, top 5 sectors (billion US\$)
 Source: China–Africa Research Initiative (CARI, 2025a)

In the construction sector, large-scale infrastructure projects—such as roads, railways, ports, airports and power plants—not only address Africa's annual infrastructure deficit of approximately US\$100 billion (African Development Bank Group, 2023) but also enhance connectivity and trade routes that align with the BRI's goal of improving global integration. Apart from facilitating trade, such projects also create new markets for Chinese construction firms, many of which face industrial overcapacity in sectors such as steel, cement, and engineering. In mining, China secures access to vital energy resources and strategic minerals, including cobalt and rare earth elements, thereby supporting both its domestic industrial needs and its green energy transition, while simultaneously reinforcing resource-driven economic corridors promoted under the BRI. By investing in Africa's extractive industries, China secures long-term access to strategic supply chains, thereby mitigating its exposure to fluctuations in global commodity markets. Manufacturing investments, particularly through industrial parks and special economic zones, integrate African economies into global value chains, advancing industrialization in line with both African Union Agenda 2063 and BRI objectives. Furthermore, as labor costs in China have risen, Africa's abundant and comparatively inexpensive workforce provides an attractive destination for relocating labor-intensive industries. Collectively, the BRI provides opportunities for economic growth, industrial diversification, and regional integration.

Figure 5 presents an analysis of the principal destinations of Chinese foreign direct investment (FDI) in Africa in 2024, highlighting the top 20 countries in terms of accumulated FDI stock. Apart from Niger, Mauritius and the Republic of Congo, all the states in the graph are part of the Belt and Road Initiative (BRI).

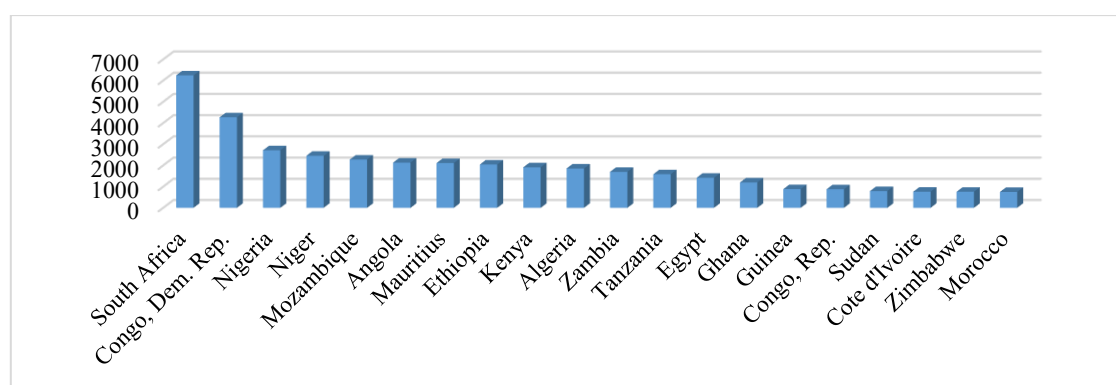


Figure 5. Chinese FDI Stock in top 20 African Countries in 2024 (billion US\$)
 Source: China–Africa Research Initiative (CARI, 2025a)

The largest Chinese FDI stock is in South Africa, a country which has consistently ranked among the top five African destinations in the past years. However, China's single largest investment in South Africa predates the Belt and Road Initiative, dating back to 2008. Then, the Industrial and Commercial Bank of China (ICBC) acquired a 20% equity stake in Standard Bank Group, Africa's largest financial institution, for approximately US\$5.6 billion. This acquisition not only strengthened China's access to South Africa's financial sector but also facilitated deeper engagement with the continent's broader economic landscape, marking a significant milestone in the expansion of China's economic footprint in Africa.

Within the framework of the 21st Century Maritime Silk Road, six strategic hubs operate as critical chokepoints in global trade flows linking Asia, Europe, and the Americas: the ports in South Africa at the Cape of Good Hope, Djibouti in the Horn of Africa, Egypt with control over the Suez Canal, Kenya's port of Mombasa, Morocco's Tangier Med Port, and Tanzania's Dar es Salaam and Bagamoyo Port.

In 2013, China Merchants Port Holdings Co., Ltd. (CMPort) acquired a 23.5% stake in Port de Djibouti S.A. (PDSA), the state-owned port authority responsible for owning, managing, and operating multiple port facilities in Djibouti, including the Doraleh complex. Subsequently, in 2017, the Doraleh Multipurpose Port (DMP)—a new terminal within the Port of Doraleh designed to handle bulk cargo, general cargo, Ro-Ro shipments, and livestock—was constructed by Chinese firms, with financing largely provided through loans from China's Export-Import Bank (ExIm Bank), totaling approximately US\$405 million (Styan, 2022). This investment expanded Djibouti's cargo-handling capabilities, boosting regional trade efficiency and strengthening its position as a key maritime hub. At the same time, China established its first overseas military base next to the Port of Doraleh, raising concerns that similar arrangements could be implemented elsewhere in Africa, using commercial port infrastructure to support potential military operations.

Another flagship Chinese-financed infrastructure project in East Africa, central to the Belt and Road Initiative (BRI), is the Djibouti–Addis Ababa Railway, a 756 km line inaugurated in 2018. Built mainly by Chinese firms, the railway connects Djibouti's Port of Doraleh with Addis Ababa, Ethiopia's capital, enhancing regional connectivity, promoting trade, and fostering economic integration between the two countries. It represents both the first modern cross-border Standard Gauge Railway (SGR) and the first fully electrified railway line in Africa. The project, costing roughly US\$4 billion, was primarily funded by loans from the Export–Import Bank of China (China Eximbank), which provided US\$2.5 billion to Ethiopia and US\$492 million to Djibouti (Chen, 2021), thereby increasing both countries' debt exposure to China. While addressing Ethiopia's pressing infrastructure needs, the project simultaneously enhanced China's strategic influence in East Africa, serving as a model of China's development approach that integrates railway, port, and industrial zones into a unified regional trade network.

Following a similar pattern, China has financed and constructed the expansion of the Port of Mombasa, Kenya's largest and busiest port, which functions as the primary maritime gateway not only for Kenya but also for Uganda, Rwanda, South Sudan, and parts of the Democratic Republic of Congo. Building on this strategic investment, China subsequently funded and constructed the Mombasa–Nairobi–Naivasha Standard Gauge Railway (SGR) between 2017 and 2019, with the Export–Import Bank of China (China Eximbank) providing loans totaling approximately US\$5 billion (Huang, 2022). The expansion of the Port of Mombasa and the Mombasa–Nairobi–Naivasha Railway strengthens regional trade connectivity and links Kenya with neighboring countries across East Africa, but it has also substantially raised Kenya's debt reliance on Chinese

loans. The railway was originally intended to extend further to Kisumu (on Lake Victoria) and the Ugandan border at Malaba, but financial constraints have delayed this extension.

Chinese companies and financiers have continued their involvement in Kenya, contributing to the construction, financing, and technical collaboration of Lamu Port. The Lamu port is part of the Lamu Port–South Sudan–Ethiopia Transport (LAPSSET) Corridor Project, conceived by the Kenyan government as a national/regional infrastructure project. Even if it is not exclusively a “Chinese-led” project, China has been a major financier and contractor for many LAPSSET-related projects, including highways, rail links, and port infrastructure as it aligns with the BRI’s objectives. By linking landlocked South Sudan and Ethiopia to a Kenyan port, the LAPSSET Corridor boosts regional commerce, lowers transportation costs, and fosters economic integration across East Africa. It also draws investment, encourages industrial development along the corridor, and generates employment opportunities, thereby supporting local economies and increasing Africa’s engagement in global trade networks.

Infrastructure projects undertaken by Chinese companies in Africa frequently rely on Chinese labor in addition to local workers, a practice that has drawn considerable criticism for limiting the socio-economic benefits to host communities and raising concerns about the effective transfer of skills and the creation of well-paid jobs. In 2014 and 2015, the number of Chinese workers in Africa reached its peak, exceeding 259,000, but it has steadily declined to 90,793 in 2024 (Figure 6), despite the continued growth of Chinese foreign investments on the continent.

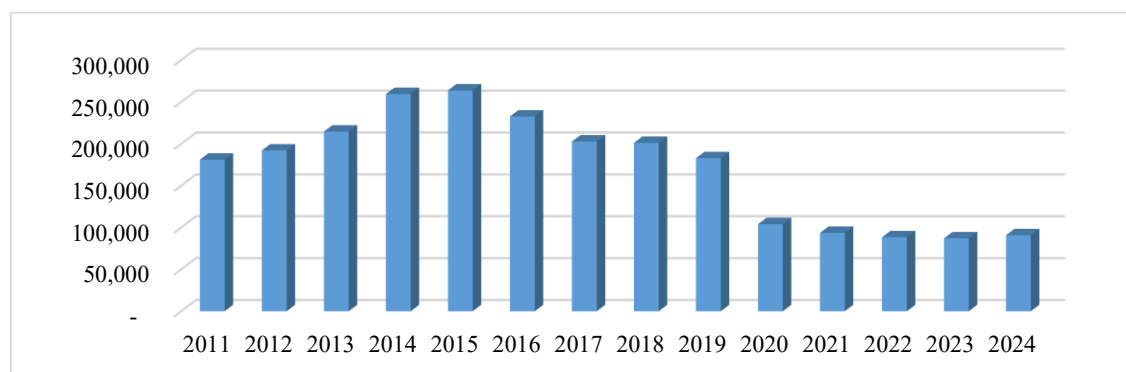


Figure 6. Number of Chinese workers in Africa between 2011-2024
Source: China–Africa Research Initiative (CARI, 2025b)

This trend reflects a strategic shift by Chinese companies toward greater reliance on local labor, particularly during construction and operational phases, to reduce costs and comply with host-country regulations. The adoption of modern machinery, automation, and more efficient construction methods has further reduced the demand for highly specialized expatriate workers, while enabling increased utilization of local labor. Recent studies show that Chinese investments in Africa have positively impacted the continent’s labor force by creating jobs, providing vocational training, and developing skills, which strengthen human capital and support long-term economic growth (An et al., 2025).

China’s investments in infrastructure across Africa have significantly boosted trade, both with China and with other international partners. By constructing ports, railways, highways, and industrial zones, Chinese-funded projects have improved transport networks, reduced logistical bottlenecks, and lowered shipping costs, allowing African goods to reach domestic, regional, and global markets more efficiently. Exports of minerals, agricultural products, and manufactured goods have become faster and more reliable, while imports of machinery, technology, and industrial inputs from multiple trading partners have increased.

Combined with bilateral agreements under platforms like Forum on China–Africa Cooperation (FOCAC), these investments have strengthened economic ties, increased trade volumes, and fostered a mutually beneficial commercial relationship between China and African nations. Under the framework of the Forum on China–Africa Cooperation (FOCAC), Special Economic Zones were created in Africa as industrial hubs supported by Chinese financing and expertise to promote manufacturing, attract investment, and boost exports. These zones offer preferential policies such as tax incentives and improved infrastructure, aiming to stimulate industrialization, job creation, and deeper economic integration between China and African countries.

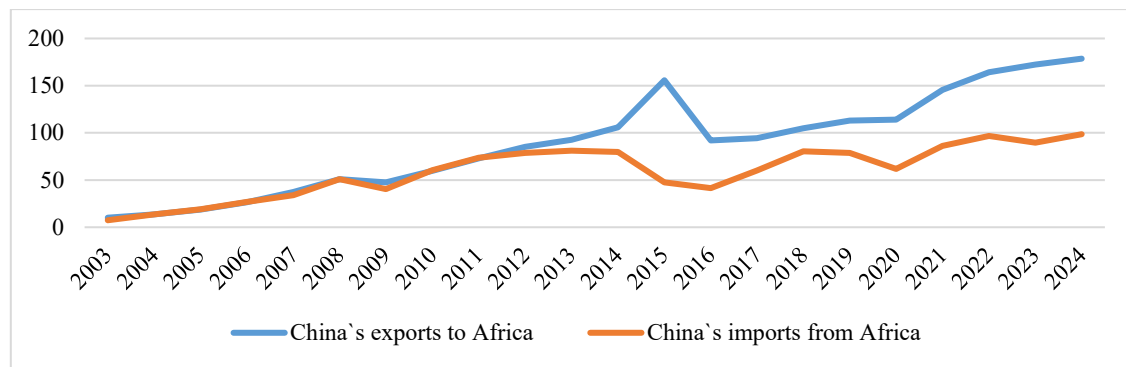


Figure 7. China – Africa Trade, 2003-2024 (billion US\$)
Source: China–Africa Research Initiative (CARI, 2025c)

China–Africa bilateral trade has grown steadily over the past two decades, reaching US\$277 billion in 2024. In 2024, China's imports from Africa rose 10% from the previous year to a record US\$99 billion, while exports to Africa grew 4% to US\$179 billion. China's imports mostly came from the Democratic Republic of the Congo, Angola, South Africa, Guinea, and Zambia, primarily mineral and oil purchases. South Africa is the leading destination for Chinese exports in Africa, followed by Nigeria and Egypt (CARI, 2025c), with these countries primarily importing manufactured and industrial products from China.

As illustrated in Figure 7, beginning in 2014—the year when Chinese investments in Africa intensified—the trade imbalance widened significantly. Africa recorded a trade deficit of approximately US\$80 billion with China, a figure exceeding the continent's overall global trade deficit and highlighting China's substantial contribution to Africa's trade gap. This imbalance largely stems from the structure of trade relations: African countries primarily import manufactured goods such as textiles, clothing, machinery, and electronics from China, while exporting mainly primary commodities and raw materials, including crude oil, copper, cobalt, iron ore, and agricultural products.

In an effort to mitigate this trade imbalance, China eliminated tariffs on 98% of products imported from 21 African countries, including Ethiopia, Guinea, Mozambique, Rwanda, and Togo. Furthermore, since December 1, 2024, China has implemented a zero-tariff policy on all imports originating from least developed countries (LDCs) with which it maintains diplomatic relations, encompassing 33 African nations (Ecofin Agency, 2025). Critics argue that China's recent expansion of duty-free access for imports is primarily intended to secure favorable conditions for Chinese investors seeking access to African raw materials, rather than to meaningfully liberalize its domestic market for African producers. Despite tariff reductions, African exporters continue to encounter significant non-tariff barriers, stringent quality and regulatory standards, and intense competition within the Chinese market. However, the overall impact of these decisions will depend on African countries' productive capacity, infrastructure, quality standards, and ability to move up value chains. If exports remain concentrated in primary commodities, the policy may deepen existing structural trade patterns rather than transform them. Thus, while tariff removal creates new opportunities, its long-term developmental benefits will largely depend on complementary domestic reforms, industrial upgrading, and export diversification strategies within African economies.

A particularly sensitive issue concerns Chinese lending to Africa and whether such financing fosters economic growth in African countries or reinforces their dependence on China. Many Chinese loans to African countries are structured as resource-backed financing, in which repayment is partially or fully secured by natural resource exports such as oil, copper, or cobalt. Angola, the first African recipient of Chinese loans, serves as a particularly notable case, with more than 75 percent of Chinese lending secured by oil exports. More recently, this resource-backed financing model has been applied extensively in the Republic of the Congo, the Democratic Republic of the Congo, Sudan, and Equatorial Guinea, where at least 57 projects have been implemented using resource-collateralized loans (Chuku et al., 2023). This approach, commonly used by the China Development Bank and the Export–Import Bank of China, allows African governments to access large-scale funding for infrastructure, debt refinancing, or economic development projects while providing Chinese lenders with greater repayment security. In addition to the fact that resource-backed loans help secure Chinese access to critical raw materials, they also expose African economies to commodity price volatility and may limit fiscal flexibility, raising concerns about long-term debt sustainability and developmental impact.

According to Boston University Global Development Policy Center, from 2000–2024, Chinese lenders signed 1,319 loan commitments amounting to US\$180.87 billion with 49 African governments and seven regional institutions. Chinese lending to African countries has been highly concentrated, with six nations—Angola, Ethiopia, Kenya, Zambia, Nigeria, and Egypt—receiving the majority of funds. Angola alone has accounted for over a quarter of total lending, approximately US\$49 billion since 2000, significantly exceeding Ethiopia, the second-largest recipient, which has received around US\$14 billion (Boston University Global Development Policy Center, (2025a). In 2024, China's loan commitments to Africa totaled just under US\$2.1 billion (Fig. 6), with only six projects financed across the entire continent, this pattern reflects a shift toward selective engagement with strategic partners.

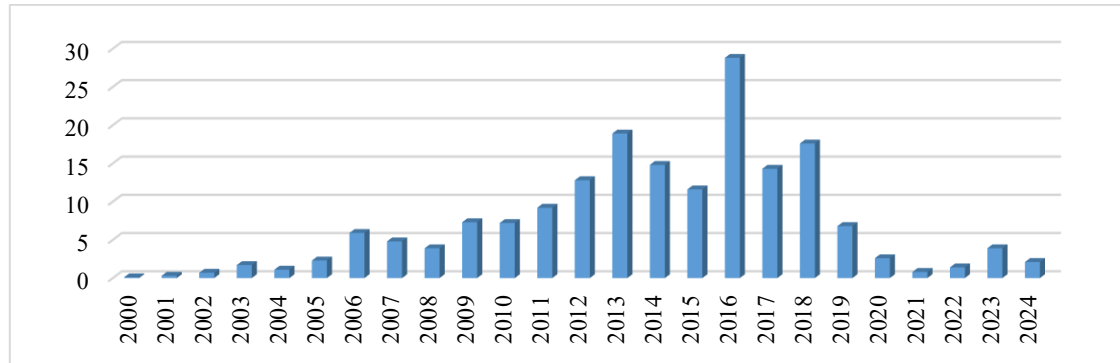


Figure 8. Chinese Loan Commitments to Africa, 2000–2024 (billion US\$)
 Source: Boston University Global Development Policy Center, 2025a

As we can see in Figure 8, the peak of China's loan commitment to Africa was in 2016, but US\$10 billion, provided by the China Development Bank (CDB), was to refinance existing debt. Specifically, Angola used the funds to repay earlier CDB loans taken out by Sonangol, the state-owned oil company. If we exclude Angola's loan, we notice that Chinese lending in Africa peaked in 2013, the year the Belt and Road Initiative (BRI) was launched. After having consistently exceeded US\$10 billion annually between 2012 and 2018, the later decline reflects China's focus on debt sustainability and adjustments in the composition of its overseas investors. In 2024, Chinese loans commitments to Africa remained concentrated among a small group of borrowers, falling again to just under US\$2.1 billion. The portfolio demonstrates Chinese banks' preference for resilient sectors such as transportation, energy transmission, water and sanitation and financial services. Lending was mostly concentrated in countries with established relationships, deeper markets and clearer profit potential, reflecting a more selective and risk-averse approach by Chinese financial institutions. Angola received the largest share, at US\$1.45 billion for energy transmission and road projects, followed by smaller commitments to Kenya, Egypt, the Democratic Republic of the Congo (DRC) and Senegal. Moreover, China is increasingly extending loans denominated in RMB. In Kenya, for instance, all infrastructure loans in 2024 were RMB-denominated, representing a marked departure from the USD-denominated borrowing that predominated during the 2010s. (Boston University Global Development Policy Center, 2025b).

Recent studies show that Chinese loans to African countries do not automatically lead to higher economic growth. While Chinese loans provide important financing for infrastructure and investment, their impact on long-term economic growth depends on how effectively the funds are utilized, the borrower country's institutional capacity, and broader economic conditions. In other words, loans alone are not sufficient to guarantee sustained growth; careful management, project selection, and complementary domestic policies are critical for translating financing into tangible development outcomes (Franses, 2025).

China and Africa seek to advance their partnership beyond trade and investment by promoting social and cultural integration. At the 2018 Forum on China–Africa Cooperation (FOCAC) Summit in Johannesburg, the China–Africa Year of People-to-People Exchanges was launched, an initiative designed to strengthen cultural, educational, and social ties between the two regions. The program aims to expand scholarships for African students in China, support vocational and skills training, and foster collaboration in the arts, sports, and community initiatives, thereby building stronger people-to-people connections as a foundation for a long-term China–Africa partnership. (Permanent Mission of the People's Republic of China to the United Nations, 2025).

6. Conclusion

Africa stands at a decisive historical crossroads. Endowed with extraordinary natural wealth—including vast reserves of minerals, hydrocarbons, arable land, and renewable resources—the continent possesses many of the structural prerequisites for long-term prosperity. Yet the persistent gap between resource abundance and human development outcomes reveals that natural capital alone is insufficient to guarantee inclusive growth. Weak governance structures, limited industrialization, commodity dependence, external vulnerability, and historical patterns of extraction have constrained the translation of resource wealth into broad-based improvements in living standards. Against this backdrop, China's expanding economic presence in Africa represents both a significant opportunity and a complex strategic challenge.

Over the past two decades, China has emerged as one of Africa's most influential economic partners. Through foreign direct investment, infrastructure financing, trade expansion, and institutional platforms such as the Forum on China–Africa Cooperation (FOCAC), China has embedded itself deeply within the continent's development landscape. Its engagement is closely linked to the Belt and Road Initiative (BRI), which positions Africa as a central node in global maritime and overland connectivity networks. Large-scale investments in ports, railways, highways, energy systems, industrial parks, and special economic zones have addressed critical infrastructure gaps that have historically constrained African economic transformation.

These infrastructure projects have generated tangible benefits. Improved transport corridors reduce trade costs, enhance regional integration, and facilitate access to global markets. Expanded energy and telecommunications networks strengthen productive capacity. Industrial zones and manufacturing investments offer pathways toward diversification and participation in global value chains. Moreover, the gradual shift toward greater use of local labor and growing emphasis on renewable energy suggest an evolving model of engagement that responds, at least partially, to earlier criticisms regarding limited spillover effects.

At the same time, structural concerns remain. Trade relations between China and Africa continue to reflect asymmetrical patterns: African exports are dominated by primary commodities such as oil, copper, cobalt, and agricultural products, while imports from China consist largely of manufactured and industrial goods. This composition reinforces commodity dependence and contributes to persistent trade imbalances. Although tariff reductions and expanded market access offer new opportunities, their transformative impact will depend on African countries' capacity to upgrade production, meet quality standards, and diversify exports beyond raw materials.

Debt sustainability represents another critical dimension. Chinese lending—often structured as resource-backed financing—has enabled governments to mobilize large-scale capital for infrastructure and development projects. However, reliance on commodity-collateralized loans exposes borrowers to price volatility and may constrain fiscal flexibility. Recent declines in Chinese loan commitments and a more selective, risk-averse lending strategy indicate that both lenders and borrowers are adjusting to concerns about debt sustainability. Empirical evidence suggests that infrastructure financing alone does not automatically generate sustained economic growth; outcomes depend heavily on institutional quality, project selection, governance transparency, and complementary domestic reforms.

Beyond economics, China's presence in Africa also carries geopolitical implications. Strategic port investments along major maritime chokepoints, combined with expanding diplomatic and cultural engagement, signal a comprehensive geoeconomic strategy that integrates infrastructure, trade, finance, and security considerations. Africa's participation in the BRI—encompassing the majority of its states—illustrates both the attractiveness of Chinese partnership and the continent's strategic importance within shifting global power dynamics. Simultaneously, growing competition between China and other global actors, particularly the United States and European partners, positions Africa as a central arena in twenty-first century geopolitical realignments.

Ultimately, the decisive factor in determining whether Chinese engagement becomes a catalyst for sustainable development or reinforces dependency lies within African agency. External investment can provide capital, technology, and market access, but domestic governance frameworks determine how effectively these resources are utilized. Strengthening institutions, enhancing transparency in loan agreements, promoting value addition in extractive industries, investing in education and skills development, and supporting regional integration are essential for converting infrastructure expansion into long-term productivity gains.

Africa's demographic dynamics further amplify both opportunity and urgency. With the world's youngest and fastest-growing population, the continent holds immense human capital potential. If

infrastructure investments are complemented by industrial policies that create employment, foster innovation, and encourage entrepreneurship, Africa can leverage its demographic dividend. Conversely, failure to generate sufficient economic opportunities risks deepening inequality and social vulnerability.

China–Africa relations are therefore neither inherently exploitative nor automatically transformative; they are contingent. The partnership reflects a convergence of interests—China's search for markets, resources, and global influence, and Africa's demand for infrastructure, financing, and economic integration. Whether this convergence yields inclusive prosperity depends on strategic coordination, policy coherence, and long-term planning on both sides.

In conclusion, Africa's abundant natural capital and expanding international partnerships offer unprecedented developmental possibilities. Chinese investment has undeniably reshaped the continent's economic landscape, contributing to infrastructure development, trade growth, and deeper global integration. Yet sustainable human development will not arise from capital flows alone. It requires structural transformation, diversification, institutional strengthening, and accountable governance. The future of Africa's development trajectory will depend less on the scale of foreign engagement and more on how effectively African states harness both their natural resources and international partnerships to build resilient, diversified, and inclusive economies.

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