

China's Official Assistance and Corresponding Trade Flows to Africa

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Over the last decade, the scale of China's official assistance to African countries has increased sharply, driven mainly by China's desire to secure natural resources in Africa. From 2000 to 2012, China provided assistance mainly to the transport and storage, energy generation and supply, industrial, mining and construction, agriculture, forestry, and fishing sectors. During the same period, China's imports from Africa in several sectors—machinery, minerals and metals, and agricultural and food products—also increased dramatically. The role of China's official assistance in Africa is important for the United States, which is expanding its own official assistance to Africa.

Growing Chinese Official Assistance to Africa (2000 –2012)

- China's official assistance¹ to Africa has risen more than 10-fold over the past decade, increasing from \$2.1 billion in 2000 to \$32.7 billion in 2012. According to an article published by the Brookings Institute in 2014, the increase was driven mainly by China's growing desire to secure natural resources, such as fuels, minerals, and metals, in Africa.
- Sectors linked to natural resources production, such as (1) transport and storage, (2) energy generation and supply, and (3) industrial, mining, and construction, were the top recipients of China's official assistance to Africa. These sectors received \$22.4 billion, \$16 billion, and \$5.5 billion respectively from 2000 to 2012.
- Ghana, Nigeria, Ethiopia, the Democratic Republic of the Congo, and Sudan were the top five recipient countries of China's official assistance. The three top recipient sectors mentioned above are also the top recipient sectors for these five countries, jointly receiving over 70% of China's total assistance (see table 1):

TABLE 1: Five Largest Recipient Countries of Official Assistance from China to Africa (ODA and OOFs), and Top Five Recipient Sectors for Each Country, 2000 to 2012
in 2012 billion U.S. dollars

Aid Recipients	Total Official Assistance Received	Percentage of Total Official Assistance Received
Ghana	14.38	100.00
Transport and Storage	5.92	41.18
Other Multisector ²	3.00	20.86
Energy Generation and Supply	1.50	10.46
Health	0.54	3.76
Water Supply and Sanitation	0.27	1.90
Nigeria	10.73	100.00
Transport and Storage	3.50	32.62
Energy Generation and Supply	1.73	16.12
Communications	1.16	10.77
Other Multisector	1.00	9.32
Industry, Mining, Construction	0.60	5.59

¹ This includes Chinese official development assistance (ODA) and other official flows (OOFs). According to the definition from the Organization for Economic Co-operation and Development (OECD), ODA is the “flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent.” OOFs are “transactions by the official sector with countries on the list of aid recipients which do not meet the conditions for eligibility as Official Development Assistance, either because they are not primarily aimed at development, or because they have a grant element of less than 25 percent.”

² “Other multisector” refers to ODA and OOFs that could not be classified into other categories, such as sports, cultural, consular services, diplomacy, administration, etc.

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Ethiopia	8.35	100.00
Energy Generation and Supply	4.01	48.05
Transport and Storage	0.95	11.36
Other Multisector	0.72	8.58
Industry, Mining, Construction	0.16	1.90
Agriculture, Forestry and Fishing	0.12	1.48
Congo, Dem. Rep.	6.71	100.00
Other Multisector	6.00	89.47
Energy Generation and Supply	0.37	5.47
Communications	0.27	3.98
Government and Civil Society	0.04	0.52
Industry, Mining, Construction	0.02	0.30
Sudan	4.94	100.00
Energy Generation and Supply	2.19	44.34
Transport and Storage	1.83	37.12
Communications	0.20	4.05
Water Supply and Sanitation	0.16	3.29
Industry, Mining, Construction	0.09	1.82

Source: China AidData (<http://china.aiddata.org>)

Increasing Trade Flows between China and the Top Aid Recipient Countries in Africa

- By assisting African countries in the development of their transport, energy generation, and industrial and mining sectors, China likely improved its access to natural resources for its economic growth. During the same period, China also increased its exports of machinery products to its top aid recipient countries.
- There are some correlations between Chinese official assistance to African countries and subsequent Chinese imports from those countries. For example, from 2000 to 2012, China's imports of minerals and metals and of agricultural and food products from its five top aid recipient countries rose many fold: its imports of minerals rose from \$39.6 million to \$667.6 million, and its imports of metals rose from \$762.7 million to \$2,365.1 million. Likewise, China's imports of vegetables increased from \$0.9 million to \$305.7 million, and its imports of food products increased from \$0.2 million to \$49.8 million. At the same time, the share of minerals and metals, vegetables, and food products in Chinese imports all increased sharply (see table 2).
- Trends during this period in China's exports to these countries—chiefly machinery, textiles and clothes, minerals and metals, and transport goods—were less dramatic. The share of machinery and of minerals and metals in Chinese exports both increased moderately, while the export share of transport goods stayed roughly the same from 2000 to 2012; the share of textiles and clothes declined. (see table 2).

	Chinese Import Share from the Top Five Aid Recipient Countries, by Sector (%)		Chinese Export Share of the Top Five Aid Recipient Countries, by Sector (%)	
	2000	2012	2000	2012
Fuels	83.9	50.3	Machinery	25.3
Minerals and Metals	12.4	41.5	Textiles and Clothes	15.8
Vegetables	0.3	4.2	Minerals and Metals	12.0
Food Products	0.1	0.7	Transport Goods	9.2

Source: World Integrated Trade Solutions (WITS)

Source: China AidData; World Integrated Trade Solutions; Brookings Institute.

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