Building Integrated Futures: China-Africa Investment and Africa's Regional Integration

2025

Chinese Investment in Africa

China-Africa Business Council

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Contents

Preface

Faced with the new opportunities brought by Africa's "integration" development, we call on Chinese enterprises deepen their localized operations in Africa, strengthen regional coordinated development, and actively align with the construction of the African Continental Free Trade Area, especially leveraging the positive role of the development of Africa's green industry and technological intelligence industry. We hope this report can provide useful references for Chinese and African enterprises to seize investment opportunities, deepen China-Africa practical cooperation, and jointly draw a new blueprint for Africa's integration development.

Wu Yanming,
Chairman of China-Africa Business Council (CABC), Chairman of Wynca Group

The Chinese Investment in Africa Report, relying on in-depth analysis of China-Africa economic and trade cooperation, has been successively included in the FOCAC-Dakar Action Plan and the FOCAC-Beijing Action Plan, which fully reflects the widespread recognition of the report from all sectors at home and abroad. The 2025 Annual Report is here as scheduled. The compilation of this report has received strong support from the Department of African Affairs of the Ministry of Foreign Affairs, the Mission of the People's Republic of China to the African Union, and the United Nations Economic Commission for Africa. We extend our sincere gratitude here!

Zhang Xin,
President of China-Africa Business Council (CABC), Chairman of TBEA

Amid the profound adjustments in the global landscape, the process of Africa's regional integration is accelerating, opening up broad space for China-Africa economic, trade and investment cooperation. The "2025 Report on Chinese Investment in Africa" focuses on the theme of "Building Integrated Futures: China-Africa Investment and Africa's Regional Integration", systematically sorting out cooperation practices and development trends.

Ding Jianlin,
Executive Chairman of China-Africa Business Council (CABC),
Chairman of Zhejiang Financial Assets Exchange

The 2024 Beijing Summit of the Forum on China-Africa Cooperation was successfully held. With important initiatives such as the Ten Partnership Initiatives, it has injected strong momentum into the cooperation between Chinese and African enterprises, and will promote fruitful results in cooperation between the two sides in fields such as infrastructure and industrial chains.

Wang Jiandong,
Executive Chairman of China-Africa Business Council (CABC),
Chairman of Fangtongzhou Holdings

Abbreviations

ADB	Asia Development Bank
AEC	African Economic Community
AFAP	African Fertilizer and Agribusiness Partnership
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
Afreximbank	African Export-Import Bank
Africa CDC	Africa Centres for Disease Control and Prevention
AfSEM	African Single Electricity Market
AGOA	African Growth and Opportunity Act
AGTF	Africa Growing Together Fund
AI	Artificial intelligence
AIDA	Accelerated Industrial Development for Africa
AMA	African Medicines Agency
AMU	Arab Maghreb Union
AMV	Africa Mining Vision
ARII	Africa Regional Integration Index
ASEAN	Association of Southeast Asian Nations
ATDC	Agricultural Technology Demonstration Centers
ATIGA	ASEAN Trade in Goods Agreement
AUC	African Union Comission
BOAD	West African Development Bank
BOP	Bottom of the Pyramid
BRI	Belt and Road Initiative
CAADP	Comprehensive Africa Agriculture Development Programme
CADFUND	China-Africa Development Fund
CAFTA	China-ASEAN Free Trade Area
CAGR	Compound annual growth rate
CEN-SAD	Community of Sahel–Saharan States
CET	Common External Tariff
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EU	European Union
EV	Electric vehicle
EV	Electric vehicle
FAL	1981 Final Act of Lagos
FDI	Foreign Direct Investment

FMCG	Fast-moving consumer goods
FOCAC	Forum on China-Africa Cooperation
FTA	Free Trade Agreement
GACC	General Administration of Customs of China
GDP	Gross Domestic Product
GTI	Guided Trade Initiative
GVC	Global value chain
HS	Harmonized System
ICT	Information and Communication Technology
IFC	International Finance Corporation
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IoT	Internet of Things
LFP	lithium iron phosphate
LPA	Lagos Plan of Action
MCDF	Multilateral Cooperation Centre for Development Finance
MNC	multinational corporation
MoU	Memoradum of Understanding
MRH	Medicines Regulatory Harmonization
NIC	National Implementation Committees
NTB	Non-tariff barriers
OAU	Organization of African Unity
OEM	Original equipment manufacturer
PAPSS	Pan-African Payment and Settlement System
PICI	Presidential Infrastructure Championing Initiative
PIDA	Programme for Infrastructure Development in Africa
PIDA-PAPII	The second phase of the PIDA Priority Action Plan
PPP	Public-private partnership
R&D	Research and Development
REC	Regional Economic Communities
RTIFF	Regional Transmission Infrastructure Financing Facility
RVC	Regional value chain
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SAPP	Southern African Power Pool
SEZ	Special Economic Zones
SKD	Semi-knowcked-down
SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary
TAZARA	Tanzania–Zambia Railway
TDB	Eastern and Southern African Trade and Development Bank
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
WAPP	West African Power Pool
WHO	World Health Organization

Executive Summary

Africa's six-decade-long journey toward economic integration has entered a decisive phase. The launch of the African Continental Free Trade Area (AfCFTA) in 2021 has injected unprecedented political and economic momentum, accelerating the continent's shift from fragmented markets toward a unified economic bloc of over 1.5 billion people. This transformative ambition is unfolding alongside the maturation of Chinese investment in Africa, which has evolved into a multi-faceted partnership spanning infrastructure, trade, industrial capacity, and development assistance for people's well-being. Focused on the implementation progress of the 8th Forum on China-Africa Cooperation (FOCAC8) commitments and the strategic direction of the 9th FOCAC's "Ten Partnership Initiatives," this 2025 report by the China-Africa Business Council shows that the strategic alignment of China-Africa cooperation with Africa's own integration goals is pivotal for driving sustainable economic transformation across the continent.

Aims and Objectives

This report aims to analyze the synergy between Chinese investment and Africa's regional integration agenda, demonstrating how this partnership can be optimized to accelerate Africa's industrialization, foster inclusive and sustainable economic growth, and achieve the aspirations of the African Union's Agenda 2063 and the United Nations' 2030 Sustainable Development Goals. As the African Continental Free Trade Area (AfCFTA) continues to transform Africa's fragmented markets into a unified economic space, understanding how Chinese enterprises contribute to and benefit from this process is both timely and essential for both sides. Accordingly, this report moves beyond traditional bilateral metrics to provide a new analytical foundation for assessing China-Africa economic relations, one that highlights how strategic cooperation contributes to Africa's collective transformation.

To achieve this aim, the report sets out the following key objectives:

- **To assess the current state and drivers of Africa's regional integration**, examining the opportunities presented by the AfCFTA and the persistent challenges.

- **To evaluate the implementation and impact of FOCAC8 commitments, by documenting the progress of Chinese engagement in key sectors** like trade, infrastructure, and industrial cooperation with concrete cases of investments, supplemented by an analysis of its aggregate economic impact on GDP growth and employment across African economies.

- **To clarify the evolving role of Chinese enterprises as catalysts for regional value chains**, moving beyond a narrative of resource extraction to highlight concrete case studies of investment that foster local processing, technology transfer, and cross-border production networks.

- **To map the strategic alignment between FOCAC9's "Ten Partnership Initiatives" and Africa's integration priorities**, identifying specific pathways for Chinese investment to address continental bottlenecks in connectivity and industrial capacity.

- **To provide actionable recommendations for diverse stakeholders**—including African governments, regional institutions, and Chinese policymakers and enterprises—on how to enhance coordination and maximize the integration-driven outcomes of the China-Africa partnership.

Methodology

The report combines policy review, case study analysis, and data analysis to provide a comprehensive assessment.

- The policy analysis examines the historical legacies of Africa's integration journey and the evolution of China-Africa cooperation under the FOCAC 8 and FOCAC 9 frameworks, highlighting the alignment of these initiatives with Africa's continental agendas like the AfCFTA and Agenda 2063.

- Detailed case studies across sectors—including transport, energy, digital infrastructure, health, agriculture, and green manufacturing—illustrate how Chinese enterprises are building industrial capacities and enhancing connectivity on the ground; the report draws on the investment practices of over 100 companies, with 25 featured as in-depth case studies.

- A data regression analysis quantifies the macroeconomic relationship, revealing that Chinese FDI has a positive and statistically significant effect on Africa's GDP growth and employment, with the most pronounced benefits in low-income economies.

Core Findings

The report is structured around the following core findings:

- **Historical Legacies and Africa's Integration Imperative**

The report frames regional integration through the lens of "developmental regionalism"—a holistic approach that combines market unification with coordinated industrial policies and infrastructure development. It finds that while Regional Economic Communities (RECs) have laid a foundational practice, progress has historically lagged behind set timelines. The AfCFTA has provided a critical leap forward, yet significant challenges persist. Data reveals that while

the most progress has been in the free movement of people, the most critical gaps remain in infrastructure and regional value chain integration, exacerbated by the "spaghetti bowl" of overlapping REC memberships.

- **Progress and Impact under FOCAC8**

FOCAC8 marked a shift towards explicitly supporting pan-African institutions like the AU and the AfCFTA Secretariat. Chinese engagements have contributed to cross-border connectivity and regional value chains, with key progress including:

-Trade & Market Access: China has remained Africa's largest bilateral trade partner. While a structural imbalance persists, targeted measures like "green lanes" and SPS agreements are successfully diversifying African exports, particularly in the agricultural sector.

-Infrastructure & Connectivity: Through the Belt and Road Initiative (BRI), Chinese companies have been instrumental in building and upgrading critical transport, energy, and digital infrastructure. These projects are increasingly designed as cross-border corridors, directly enabling the operationalization of the AfCFTA.

-Industrial Cooperation & Value Chain Upgrade: Chinese FDI has rebounded strongly since 2023, with a growing focus on manufacturing and value-addition. Case studies across agro-processing, automotive, and pharmaceuticals illustrate a tangible shift towards localized production, job creation, and technology transfer, further catalyzed by the development of Special Economic Zones (SEZs).

Data analysis confirms that Chinese FDI has a statistically significant positive impact on Africa's GDP growth and employment, with effects being most pronounced in low-income countries and investments targeting market efficiency.

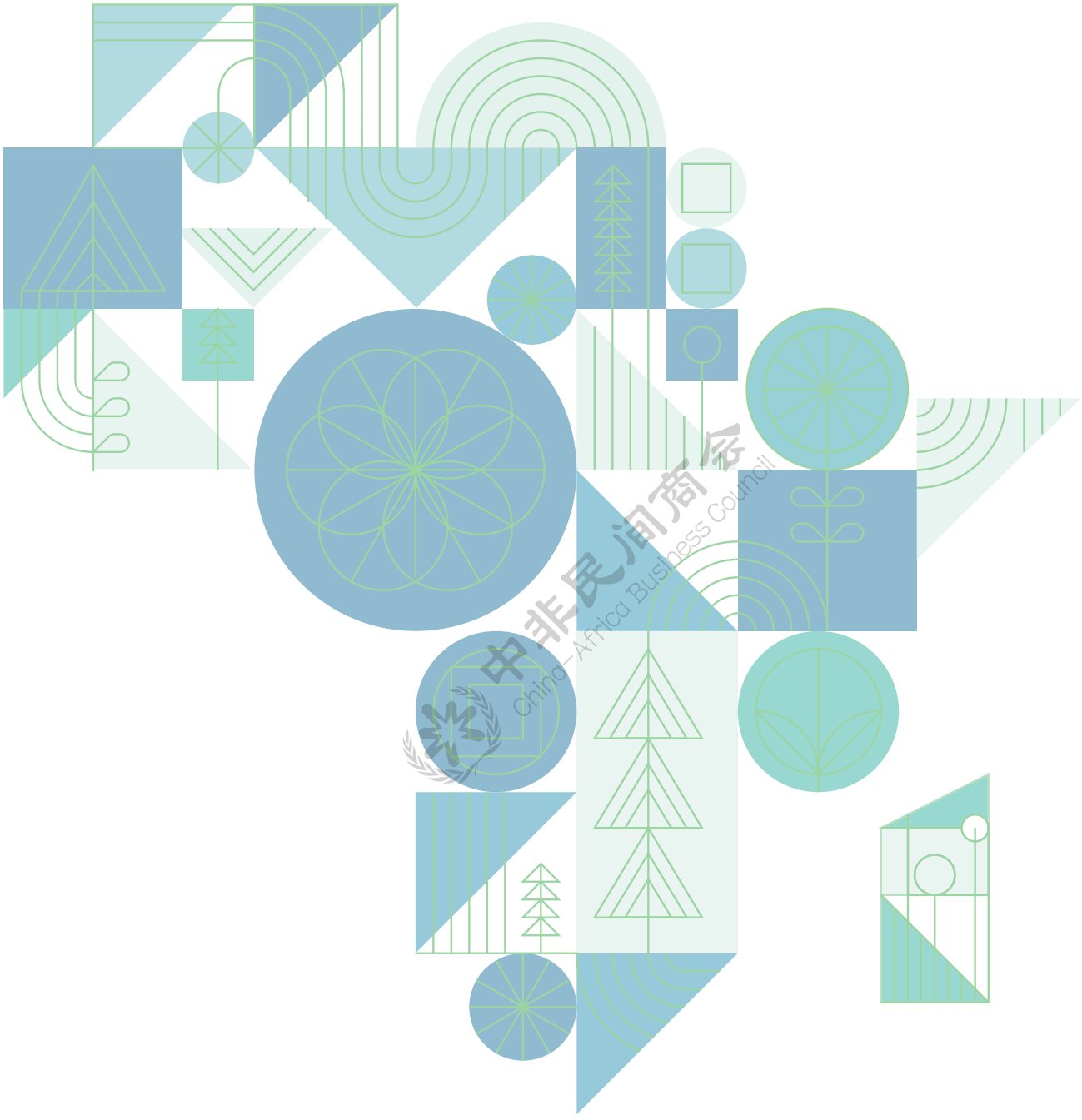
- **FOCAC9 as A New Strategic Blueprint for Synergistic Partnership**

Looking forward, the report positions the FOCAC9 "Ten Partnership Initiatives" (2025-2027) as a strategic blueprint designed to deepen this synergy. It details how these initiatives across trade, industrial chains, connectivity, health, and green development create new opportunities for investment that are inherently aligned with Africa's integration needs.

The report affirms that a virtuous cycle is emerging: Africa's regional integration creates larger, more predictable markets, making it a more attractive destination for quality Chinese FDI. Concurrently, targeted Chinese investment provides the essential physical and productive capital to make the AfCFTA a lived reality. To achieve its full potential, the report calls for continued commitment from all stakeholders—including the Chinese and African governments, the AU/RECs, and private enterprises—to enhance coordination, implement targeted strategies to overcome existing challenges, and maximize integration-driven outcomes for a connected and resilient Africa.

Building Integrated Futures: China-Africa Investment and Africa's Regional Integration

Chinese Investment In Africa 2025



01. Understanding the Linkages Between Regional Integration and Economic Development – Africa's Status and Historical Legacies

To lay the groundwork for analysing China-Africa investment's role in African regional integration, this chapter explores how regional integration drives economic development, traces Africa's integration journey, and uses data to illustrate its current status.

1.1 Mechanisms Through Which Regional Integration Drives Economic Development – A Perspective from Developmental Regionalism

In analyzing the synergies between African regional integration and economic development, this report adopts the concept of developmental regionalism as outlined in UNCTAD's Economic Development in Africa Report 2013, in the wake of renewed political commitment to integration. At the African Union Summit in January 2012, African leaders pledged to boost intra-African trade and accelerate the establishment of a continental

free trade area.[1] Unlike conventional approaches to regionalism[2]—which often focus narrowly on reducing tariffs and liberalizing trade—developmental regionalism views integration as a comprehensive driver of structural transformation. It encompasses not only trade facilitation, but also coordinated investment policies, shared research and development initiatives, regional industrial strategies, and the joint provision of infrastructure (such as cross-border transport corridors, energy grids, and communications networks).[3]

This broader lens is particularly suited to Africa for three reasons. First, the continent's integration agenda must tackle beyond just market access to encompass industrial upgrading, value addition, and diversification away from primary commodities. Second, developmental regionalism emphasizes building institutions and policy coordination, which are vital for overcoming fragmented national frameworks. Third, it recognizes the private sector as a central driver of growth, fostering vibrant regional markets where firms can leverage proximity to customers, reduced transport costs, and a better understanding of local needs to achieve economies of scale.

Within this, foreign direct investment (FDI)—including investment from emerging partners such as China—has a catalytic role. By targeting productive sectors and value-added industries, FDI can transfer technology, integrate local firms into regional value chains, and finance the infrastructure that underpins continental connectivity. Regional integration magnifies these benefits by creating larger, more predictable markets, harmonizing investment regimes, and lowering operational risks, making Africa a more attractive and competitive destination for long-term investors.

By adopting developmental regionalism as a guiding framework, Africa can complement the opening of internal markets with the parallel development of productive capacity, infrastructure, and coherent policies—enabling countries to cooperate more effectively among themselves while building the competitiveness needed to thrive in global markets. The following sections examine four core mechanisms through which this form of regional integration can drive economic development.

1.1.1 Expanding Market Size and Unlocking Demand Potential

Regional economic integration transforms fragmented national markets into a single, expanded economic space, fundamentally reshaping demand dynamics across the continent. A unified market of over 1.3 billion people with a combined GDP exceeding $3 trillion aggregates consumer and business demand that was previously siloed within national borders. For producers, this larger market offers access to a broader and more diverse customer base, enabling them to target multiple demographic and income segments across countries. Domestic firms, once constrained by the limited purchasing power of small national markets, can now scale output to meet cross-border demand, while foreign investors gain confidence to commit capital to production hubs serving regional—not merely local—markets.

1 United Nations Conference on Trade and Development (UNCTAD), 'Shift from Traditional Approach to Integration to "Developmental Regionalism", Report Urges', 11 July 2013, https://unctad.org/press-material/shift-traditional-approach-integration-developmental-regionalism-report-urges.

2 For example, the practices of NAFTA and the EU embody conventional regionalism theories such as the manner in which (neo)liberalism prioritizes market liberalization and tariff reduction or neofunctionalism — which emphasizes incremental integration through sectoral cooperation (see Ernst B. Haas, Uniting Of Europe: Political, Social, and Economic Forces, 1950-1957 (University of Notre Dame Press, 2004), https://doi.org/10.2307/j.ctv19m62zk; Patricia Fernandez-Kelly and Jon Shefner, NAFTA and Beyond: Alternative Perspectives in the Study of Global Trade and Development, The ANNALS of the American Academy of Political and Social Science Series (2007).) In contrast, a developmentalism perspective shifts focus to building productive capacity moving beyond mere trade statistics.

3 United Nations Conference on Trade and Development (UNCTAD), Economic Development in Africa Report 2013: Intra-Africa Trade: Unlocking Private Sector Dynamism, Https://Unctad.Org/System/Files/Official-Document/Aldcafrica2013_en.Pdf (Geneva, 2013). 96-97

This demand-driven expansion fuels competition, prompting firms to innovate, improve quality, and adapt pricing to appeal to regional consumers. In turn, consumers benefit from a wider range of goods and services, breaking local monopolies, boosting efficiency, and raising living standards. These shifts stimulate higher consumption, which further drives production, increases intra-African trade volumes, and broadens governments' tax bases.

Crucially, growing regional demand for specialized goods—from processed agricultural products and construction materials to apparel and household appliances—creates incentives for industries to upgrade capabilities, invest in workforce skills, and adopt new technologies. Over time, this steers structural transformation away from primary commodities toward diversified, value-added sectors, laying the foundations for sustainable growth.

1.1.2 Harmonizing Standards and Streamlining Procedures to Lower Trade Costs

While market size drives demand-side potential, realizing these benefits depends on the efficiency, predictability, and affordability of trade. At the core is the harmonization of regulatory frameworks—including uniform customs codes, mutual recognition of product standards, and standardized border procedures—which reduces compliance burdens, cuts redundant inspections, and lowers uncertainty for traders. While improvements in the "hard" areas of connectivity—such as transport and energy infrastructure—are critical, equally important are the "soft" aspects: the institutional systems and governance frameworks that make markets function smoothly.

This harmonization lowers the cost of market entry, encouraging more firms, including SMEs with limited resources, to expand beyond national borders. Streamlined border procedures, such as one-stop border posts and common transit guarantees, eliminate duplication of checks, reduce storage costs, and shorten delays that once held up shipments for days.[4] These efficiencies support just-in-time production models and strengthen supply chain reliability.

Digital transformation introduces a new dimension to regional integration by enabling trade via digital platforms.[5] The Pan-African Payment and Settlement System (PAPSS) enables cross-border transactions in local currencies, avoiding costly currency conversions and settlement delays. Regional single-window systems allow traders to submit documentation electronically, cutting paperwork costs and reducing opportunities for corruption. For SMEs, these tools help overcome the traditional disadvantages of limited networks and bureaucratic barriers, levelling the playing field in regional trade.

The combined effect is a virtuous cycle: lower transaction costs increase regional participation, which raises competition and innovation; growing trade volumes justify further investment in infrastructure and digital tools; and governments, buoyed by higher revenues, are better able to expand integration.

1.1.3 Facilitating the Flow of Technology, Skills, and Innovation

Regional integration enables multiple, mutually reinforcing channels for the diffusion of technology, skills, and innovation, transforming isolated national knowledge pools into a connected continental innovation system. Cross-border mobility of skilled labour and talent—supported by mutual recognition of professional qualifications and easier visa regimes—creates "talent corridors" where engineers, technicians, and specialists can work across

4 AUDA-NEPAD, 'Breaking Borders: How Africa's One-Stop Border Posts Are Transforming Trade', 2 April 2025, https://nepad.org/news/breaking-borders-how-africas-one-stop-border-posts-are-transforming-trade.

5 Nevein Elnahrawi, 'The Role of Digital Transformation in Africa's Regional Integration', SSRN Scholarly Paper no. 4595317 (Social Science Research Network, December 2022), https://doi.org/10.2139/ssrn.4595317.

borders without re-certification, spreading tacit knowledge through hands-on collaboration. Simultaneously, regional R&D collaboration allows countries to pool resources for joint research centres and innovation hubs, especially in high-value sectors such as value-added manufacturing, digital skills, renewable energy, and advanced agriculture. Alignment of research priorities at the REC and AU levels helps to scale successful innovations across the entire continent.

Knowledge spillovers also arise from regional value chains, where distributed production requires firms to share technical specifications, production methods, and quality standards. Suppliers gain capabilities through "learning by doing" and exposure to advanced practices introduced by lead firms. Digital integration further accelerates these knowledge flows through cross-border e-commerce, fintech, and logistics platforms, all supported by harmonized standards for data protection, cybersecurity, and telecommunications.

Underlying all these mechanisms is a unified regulatory environment that builds trust among innovators and professionals. Consistent technical standards and intellectual property protections give firms confidence to deploy new technologies regionally, while mutual recognition agreements for qualifications ensure smooth talent mobility. Together, these factors fuel a cycle of innovation-led growth which backs Africa's capacity for industrial upgrading and value addition.

1.1.4 Building Regional Value Chains through Industrial Cooperation

On the supply side, regional value chains (RVCs) are geographically concentrated variants of global value chains (GVCs), in which the production of a good is split into different tasks and phases performed in different countries. By linking production stages within Africa, RVCs allow countries to leverage their comparative advantages, participate more deeply in trade, and build capabilities that enable a more competitive entry into GVCs in the future.

Total value chain participation is often measured as the sum of backward and forward integration. Backward integration is the percentage share of foreign value-added in a country's export trade—essentially, the quantity of foreign inputs used by a country to produce exports. The greater the backward integration rate (especially for non-service exports), the better, as it signals that the country sources high-value intermediate goods from abroad and processes them into even higher-value goods for export. Forward integration refers to the volume of local inputs a country produces and employs in its production and export endeavours. Economies with a large natural resource base are often positioned upstream in RVCs, providing intermediate goods for further value addition elsewhere in the chain, while larger markets may rely less on imported inputs and have lower backward linkages.[6]

A more integrated network of RVCs enables African economies to pursue specialized production, particularly in complex manufacturing sectors where products require multiple components and processes. Automotive manufacturing is a prime example: components, materials, and expertise must come together seamlessly across borders. By building such production systems regionally, more countries can participate in high-value manufacturing, generate skilled employment, and create incomes that stimulate demand within Africa itself.

The optimal mix of backward and forward linkages will vary depending on each country's market size, resource profile, and industrial base. However, Africa's current RVC participation remains low: According to Afreximbank, around 88% of imported inputs are sourced from outside the continent, and the share of foreign value-added in African exports obtained from other African countries averages only 6%, compared to 45% in Asia. This indicates both backward integration (the proportion of African-sourced foreign inputs in exports) and forward integration (local inputs used in other African countries'

6 Afreximbank, Regional Value Chains and Intra-African Trade Promotion (African Export-Import Bank, 2024), https://media.afreximbank.com/afrexim/Regional-Value-Chains-and-Intra-African-Trade.pdf.

exports) are weak.

Strengthening RVCs requires coordinated action. Regional institutions play a critical role—frameworks such as the AfCFTA Industrial Development Program and REC-led industrialization strategies can align sector priorities, harmonize investment incentives, and present African countries as a unified production platform to global investors. Coordinated engagement increases the attractiveness of establishing regional production networks, where firms can depend on predictable supply chains and consistent industrial policies.

Infrastructure and connectivity remain essential enablers. RVCs depend on reliable transport corridors, cross-border energy grids, and efficient ports to move intermediate goods between production hubs. Large-scale infrastructure of this kind often exceeds the financial capacity of individual countries but becomes viable through joint investment, regional partnerships, and multilateral funding. Together, these physical and institutional linkages form the backbone of a resilient, competitive African production system—one that drives regional prosperity and positions the continent for stronger participation in global markets.

1.2 Africa's Journey to Integration: Pursuit of Institutionalized Transformation, and Lessons for Future Practice

As outlined in 1.1, regional integration is a powerful driver of economic growth and structural transformation—one that Africa has pursued through decades of conscious and deliberate effort. This section traces the continent's journey: from early initiatives to overcome colonial-era fragmentation via Regional Economic Communities (RECs) as foundational building blocks, to the landmark African Continental Free Trade Area (AfCFTA) as a pivotal step toward continental unity. It examines how institutions have evolved to advance shared development agendas while unpacking the persistent challenges that have hold back this process. To enrich this narrative, it also draws on a benchmark case: Southeast Asia's experience in building regional free trade agreements and leveraging external partnerships, including Chinese investment, to distil actionable lessons. Together, these elements illuminate the path forward for Africa's integration efforts, balancing homegrown experimentation with insights from global practice to accelerate structural transformation.

1.2.1 The Practice and Role of Regional Economic Communities (RECs)

Africa's regional integration agenda has deep roots in African-led efforts to overcome the limitations of small domestic markets and narrow industrial bases inherited

from the colonial era.[7] By the late 1970s, economic shocks and widening North–South tensions pushed African policymakers to view integration as both a political aspiration and an economic strategy—pooling resources, expanding markets, and strengthening bargaining power. The United Nations Economic Commission for Africa (UNECA), founded in 1958, championed subregional groupings as laboratories for integration. This vision aligned with that of the Organization of African Unity (OAU), created in 1963 to promote unity and cooperative development. In 1980, the OAU, with UNECA's support, adopted the Lagos Plan of Action (LPA), a blueprint for building an African Economic Community (AEC) through self-reliance, resource pooling, and expanded intra-African trade.[8] The 1981 Final Act of Lagos (FAL) reinforced this, envisioning sub-regional blocs as pillars of the future AEC, dismantling trade barriers, adopting common tariffs, harmonizing laws, and pursuing joint infrastructure.[9]

Table 1 Chronology of AU-Recognized Regional Economic Communities (RECs)

East African Community (EAC)
Early Origins: Kenya and Uganda formed a customs union in 1917 and Tanganyika joined in 1927 as a common external tariff and shared currency; Superseded by the East African High Commission, coordinating colonial administration from 1948 to 1961 and Transformed into the East African Common Services Organization (EACSO) from 1961. Treaty for East African Cooperation replaced EACSO in 1967 Collapsed: 1977, owing to political and ideological divergences Revived: 7 July 2000 under a new Treaty, with an expanded membership and a broader integration mandate
Economic Community of West African States (ECOWAS)
Established: 28 May 1975 by the Treaty of Lagos Mandate: Customs union and common market among initially 15 West African states
Southern African Development Community (SADC)
Precursor Founded: 1 April 1980 as Southern African Development Coordination Conference (SADCC) to reduce economic dependence on apartheid South Africa Transformation: August 1992 via the SADC Treaty, with a wider scope including political and institutional cooperation
Economic Community of Central African States (ECCAS)
Established: 18 October 1983 in Libreville Mandate: Economic cooperation and development among Central African states

7 The idea was not without precedent: several colonial-era cross-border arrangements continued to shape post-independence regional economic cooperation. For instance, the CFA franc zones—comprising the West and Central African monetary unions—laid the foundation for the eventual development of WAEMU in the ECOWAS region and CEMAC in Central Africa. Similarly, the Southern African Customs Union (SACU) and its associated Common Monetary Area persisted into the post-independence era, later becoming key components of the broader SADC framework. See United Nations Economic Commission for Africa (UNECA), 'History of Africa's Regional Integration Efforts', https://archive.uneca.org/oria/pages/history-africa%E2%80%99s-regional-integration-efforts.

8 United Nations Economic Commission for Africa (UNECA), 'History of Africa's Regional Integration Efforts'.

9 United Nations Economic Commission for Africa (UNECA), 'Implementation of the Final Act of Lagos', April 1985, https://repository.uneca.org/handle/10855/24668.

Arab Maghreb Union (AMU)
Established: 17 February 1989 in Marrakech Mandate: Economic and political integration among North African states (Algeria, Libya, Mauritania, Morocco, Tunisia)
Common Market for Eastern and Southern Africa (COMESA)
Precursor Founded: 1981 as the Preferential Trade Area (PTA) for Eastern and Southern Africa COMESA Launched: December 1994, replacing the PTA with a formal common market
Intergovernmental Authority on Development (IGAD)
Precursor Founded: 1986 as Intergovernmental Authority on Drought and Development (IGADD) to address drought and food security in the Horn of Africa Re-mandated as IGAD: 25 November 1996, with an expanded focus on economic cooperation, peace, and security
Community of Sahel–Saharan States (CEN-SAD)
Established: February 1998 by six founding members Mandate: Regional integration across the Sahel and Sahara zones, with a pan-African membership drive following its inception

The 1980s saw the establishment or strengthening of several RECs to advance the LPA's vision through geographically proximate blocs. Yet by the decade's end, its core pillars had faltered under an aggregate of pressures. Structural Adjustment Programmes (SAPs) imposed by the IMF and World Bank demanded trade liberalization and fiscal retrenchment, undermining the LPA's protectionist, state-led approach. Debt crises and collapsing commodity prices forced governments to adopt SAP conditions and sideline integration goals.[10] Chronic underfunding also weakened implementation: the LPA's 20-year inward strategy relied almost entirely on domestic resources, with pledged external financing never materializing at scale.[11] Meanwhile, import-substitution policies created uneven trade gains across countries, and in the absence of supranational enforcement, compliance with regional agreements remained largely voluntary and ineffective.[12]

While the pillars of the LPA collapsed amid 1980s debt crises and SAP-driven liberalization, its lessons endure: the need to mobilize external partnerships (concessional finance, technology, infrastructure) and cross-border coordination remains critical for Africa's integration today. The unique 1980s context—external indebtedness, volatile commodities, and neoliberal ascendance—derailed its inward focus, but African policymakers can build on this experience to craft flexible strategies that blend self-reliance with open trade and investor-friendly frameworks, seizing opportunities in today's global economy.

The 1991 Abuja Treaty marked a decisive shift in Africa's integration paradigm—moving from the inward-looking, protectionist model of the Lagos Plan of Action toward economic openness and market efficiency. It set out a six-stage roadmap toward a full African Economic Community (AEC) by 2028, with Article 88 explicitly designating the progressive integration of Regional Economic Communities (RECs) as the foundational

10 Theresa Egwure Chima, 'Lagos Plan of Action, and Africa's Development, 1980-2000', Icheke Journal of the Faculty of Humanities 21, no. 2 (2023): 319–31. 325-326

11 Chima, 'Lagos Plan of Action, and Africa's Development, 1980-2000'. 329

12 Francis Nguendi Ikome, 'From the Lagos Plan of Action (LPA) to the New Partnership for Africa's Development (NEPAD): The Political Economy of African Regional Initatives' (PhD Thesis., University of the Witwatersrand, 2004), https://core.ac.uk/download/pdf/39664014.pdf. 185-186

"building blocks" of continental unity.[13] In effect, the success of these subregional blocs became a prerequisite for achieving Africa-wide integration. Backed by the Treaty and subsequent African Union policies, RECs gained legitimacy, expanded mandates, and clearer strategic roles.

Table 2 Six-stage Roadmap of the Abuja Treaty

Stage	Timeline	Focused Activities
1	1991-1996 ≤5 years	Strengthen existing Regional Economic Communities (RECs) and establish new ones in regions without them.
2	1997-2004 ≤8 years	Stabilize existing trade barriers (tariffs, non-tariffs) and internal taxes; strengthen sectoral integration (trade, agriculture, energy, etc.); coordinate activities among RECs.
3	2005-2014 ≤10 years	Establish Free Trade Areas (via gradual removal of intra-community trade barriers) and Customs Unions (with common external tariffs) within each REC.
4	2015-2016 ≤2 years	Harmonize tariff/non-tariff systems across RECs to create a continental Customs Union with a unified external tariff.
5	2017-2020 ≤4 years	Launch an African Common Market through common policies (agriculture, transport, etc.), harmonized monetary/financial/fiscal policies, free movement of persons, and establishment of community resources.
6	2021-2025 ≤5 years	Consolidate the Common Market (free movement of people, goods, capital, services); integrate economic, political, social, and cultural sectors; establish a Pan-African Economic and Monetary Union (including a single central bank and currency); finalize Pan-African Parliament and executive structures.

Intended in part as a corrective to the LPA, the Treaty nonetheless inherited some of its weaknesses—particularly the absence of robust enforcement mechanisms and a dedicated legal body to harmonize trade laws and commercial practices.[14] The ambitious timelines for each integration stage have repeatedly slipped. Moreover, the six-stage sequence reflects a classical, linear model—progressing smoothly from free trade areas through customs unions, common markets, monetary union, and ultimately to a full economic community. In reality, integration in Africa has been uneven: breakthroughs in one area may outpace others, while political cycles, capacity constraints, and external shocks have caused interruptions, regressions, or reversals. Different RECs have also advanced at markedly different speeds (Section 1.3 will examine their current status).

Despite these challenges, the post-Abuja period has delivered tangible gains at the REC level—from more robust institutional frameworks and cross-border production networks to enhanced infrastructure connectivity. These advances have reinforced the continental integration agenda and created practical precedents.

13 Treaty Establishing the Africa Economic Community (1991), https://au.int/sites/default/files/treaties/37636-treaty-TREATY_ESTABLISHING_THE_AEC-compressed.pdf. 63

14 Theresa Egwure Chima and C.N. Dumle, 'Development Mechanism in Africa and the Abuja Treaty/African Community, 1991-2000', Niger Delta Journal of Gender, Peace & Conflict Studies 3, no. 4 (2023): 339–51. 349

Box 1 West Africa's Common External Tariff (CET) Experiment for Continental Trade Integration

The CET serves as a defining characteristic of a Customs Union. It refers to the uniform implementation of identical customs duties, import quotas, and preferential trade measures by the member countries within a customs union.[15] ECOWAS formally adopted its CET in October 2013 at a Heads-of-State summit in Dakar, structured as a five-band tariff system (0%, 5%, 10%, 20%, and a special 35% band for sensitive goods). Its rollout required establishing a single nomenclature aligned with the Harmonized System (HS) classification—later updated to HS-2022 at a 2021 regional meeting in Abidjan[16]

Implementing the CET was a practical exercise in regional coordination: ECOWAS developed mechanisms for negotiating and approving common tariff schedules, setting a precedent for collective alignment in AfCFTA tariff talks. CET enforcement also required standardized customs codes and NTB monitoring tools, which became early prototypes for AfCFTA's dispute-resolution and compliance mechanisms. [17]

Despite notable institutional progress, CET implementation has struggled to create a fully integrated market as the region's economies remain largely unindustrialized, import-dependent, and structurally similar—dominated by exports of primary or mineral commodities with limited intra-regional trade diversity.[18] In addition, inconsistent enforcement, political fluctuations within member states, and uneven customs capacity continue to hamper progress. The effective implementation of the CET also hinges on private sector engagement, yet when their interests are poorly represented at the regional level, which in the ECOWAS case – as seen in the resistance to CET within Nigeria, demanding waivers or other protective measures against cheap extra-regional imports – business actors may ignore or even obstruct regional trade policies.[19]

15 ECOWAS Trade Informastion System (ECOTIS), 'ECOWAS Common External Tariff (CET) – ECOWAS Trade Information System(ECOTIS)', https://ecotis.ecowas.int/?page_id=24111.

16 The Trade Law Centre NPC (tralac), 'ECOWAS Legal Texts and Policy Documents', https://www.tralac.org/resources/by-region/ecowas.html.

17 Amanda Bisong, 'ECOWAS and the Role of the RECs in AfCFTA Implementation', European Centre for Development Policy Management (ECDPM), 2020, https://ecdpm.org/work/the-african-continental-free-trade-area-from-agreement-to-impact-volume-9-issue-1-2020/ecowas-and-the-role-of-the-recs-in-afcfta-implementation.

18 E Chijioke Ogbonna et al., 'The ECOWAS Platform and the Persisting Challenges of Integrating the West African Region: A Discourse', Journal of Economics and Sustainable Development 4, no. 1 (2013): 104–13. 106

19 Karim Karaki and Elke Verhaeghe, ECOWAS Trade and Trade Facilitation: Advancing Economic Integration One Hurdle at a Time, Policy Brief, Political Economy Dynamics of Regional Organisations in Africa (European Centre for Development Policy Management (ECDPM), 2017), https://ecdpm.org/work/ecowas-trade-and-trade-facilitation-advancing-economic-integration-one-hurdle-at-a-time. 2

Box 2 Regional Power Pools as Building Blocks for Continental Electricity Integration

Power pools[20] allow countries to share generation capacity, diversify energy sources, and improve energy security, all of which are critical supports for industrialization and sustainable growth. Established in 1995, Southern African Power Pool (SAPP) was Africa's first and most advanced regional power pool, transforming bilateral electricity trade into a coordinated market.[21] The model is backed by intergovernmental Memoranda of Understanding (MoUs), utility-level coordination[22], and specialized sub-committees focused on market operations, system planning, and environmental impact. SAPP has also spearheaded the development of essential cross-border infrastructure, including high-voltage interconnectors between South Africa and Zimbabwe (1995), Mozambique and South Africa (1997), the MoZASA (Mozambique-Zimbabwe-South Africa) corridor (initiated in 2018), and more recently the Malawi–Mozambique 400kV line commissioned in 2021. The latest master plan in 2017 estimated that the full integration of the SAPP could deliver over USD 42 billion in cumulative investment and operating cost savings by 2040, compared with a scenario in which each country pursues their own power system strategies.[23]

As a model, SAPP demonstrates how a regional power pool can deliver both critical cross-border infrastructure and tested institutional mechanisms. However, challenges persist – for example despite an installed generation capacity of approximately 78,000 MW in 2023, only around 60,000 MW was reliably available due to aging infrastructure, maintenance backlogs, and system inefficiencies.[24] Moreover, SAPP's energy mix remains heavily imbalanced. Over 59% of generation relies on coal, primarily from South Africa and Zimbabwe, while hydropower contributes 24%, and renewables such as solar and wind account for just 10–15%—far below the 2040 target of 80% renewable integration. Limited grid stability and the lack of advanced storage technologies have further constrained the adoption of variable renewables.[25]

Continental integration efforts like the African Single Electricity Market (AfSEM) launched in 2021 must therefore go beyond physical infrastructure. They also require robust institutional frameworks, harmonized regulations, technical readiness, and innovative financing mechanisms. The Regional Transmission Infrastructure Financing Facility (RTIFF), initiated by SAPP and SADC recently to mobilize private sector capital through blended finance, stands out as an important model to watch as Africa advances its broader electricity integration agenda.[26]

20 A power pool is defined as a group of two or more electricity utilities that coordinate their operations and planning—spanning generation, transmission, trade, and reliability standards.

21 Donal T. O'Leary et al., 'Promoting Regional Power Trade—The Southern African Power Pool', Public Policy for the Private Sector Note 145 (June 1998).

22 Since its establishment in 1995, SAPP has evolved from basic cooperation and resource-sharing arrangements into a more competitive wholesale electricity market. This includes the gradual introduction of various trading platforms such as a monthly and weekly forward physical market (FPM-M, FPM-W), a day-ahead market (DAM), an intra-day market (IDM), and a balancing market (BM). See Jarrad Wright et al., Evolving Competitive Markets in SAPP: Leveraging Competitive Wholesale Electricity Markets to Drive Renewable Generation Capacity in the Southern African Power Pool (SAPP) (National Renewable Energy Laboratory (NREL), 2024), https://doi.org/10.2172/2473014.

23 EU Technical Assistance (TAF) for Sustainable EnergyFacility, Policy Paper and Roadmap 2040: Towards an African Single Electricity Market-AFSEM (African Union Commission, 2021). 9

24 Mozambique Expert, 'The Southern African Power Pool (SAPP): A Regional Energy Integration Hub', https://www.mozambiqueexpert.com/en/mozamqbique-energy-sector-the-southern-african-power-pool-sapp/.

25 Remeredzai Joseph Kuhudzai, 'Ramping Up Distributed Renewables Could Help Solve Perennial Load-Shedding Issues In Southern Africa', CleanTechnica, 5 May 2024, https://cleantechnica.com/2024/05/05/ramping-up-distributed-renewables-could-help-solve-perennial-load-shedding-issues-in-southern-africa/.

26 Rebecca Campbell, 'New Fund to Finance Cross-Border Electricity Transmission in Southern Africa', Engineering News, https://www.engineeringnews.co.za/article/new-fund-to-finance-cross-border-electricity-transmission-in-southern-africa-2024-03-06.

1.2.2 Fast-Tracking Continental Integration: AfCFTA's Political Momentum and Institutional Innovation

Drawing on the legacies and operational experience of the RECs, those that pioneered trade liberalization and customs coordination provided essential groundwork for AfCFTA negotiations, offering tested models for scaling up. The Agreement explicitly designates REC FTAs and customs unions as "building blocs" (Article 5) and protects higher levels of integration already achieved among REC members (Article 19).[27] Yet, by AfCFTA's launch, only five RECs—EAC, ECCAS, ECOWAS, COMESA, and SADC—had fully operational FTAs, and progress remained uneven.[28] Another identified problem is that over time, Africa's regional integration efforts have become entangled in a classic "spaghetti bowl" of overlapping RECs, where countries juggle conflicting tariffs, rules of origin, and implementation schedules—averaging participation in eight regional organizations (including the RECs) per country.[29] Since the 1990s, this proliferation has led to duplicated mandates, bureaucratic gridlock, and higher business costs as firms navigate competing customs and regulatory regimes. As a result, RECs have delivered mixed outcomes—often falling short of fulfilling their own treaty obligations and failing to harmonize effectively in line with Abuja Treaty's linear vision of sequential integration toward an African Economic Community.

While the progress of regional integration has faced significant delays, the AfCFTA has emerged with unprecedented political momentum among Heads of State and Government across the continent. In this context, many view the AfCFTA as a strategic leapfrogging response to the shortfalls at the REC level: rather than waiting for RECs to sequentially evolve into customs unions and eventually a continental economic community, the AfCFTA compresses these stages into a much more accelerated and unified framework.[30] As the largest free trade area in the world by number of participating countries, AfCFTA was launched with remarkable speed and unity—from negotiations in 2015 to trading in January 2021, compressing a decades-long Abuja roadmap into under six years, the fastest AU treaty turnaround in history.[31]

This strong momentum is underpinned by AfCFTA's status as a flagship of Agenda 2063 and the AU's decision to make it a continental priority. The AU Commission (AUC) led negotiations as interim Secretariat, ensuring political coordination among Heads of State until the permanent Secretariat was established in 2020. The Secretariat[32]—politically accountable to the AU Assembly, Council of Ministers, and Committee of Senior Trade Officials—has legal autonomy to coordinate implementation, convene negotiations, and monitor compliance. The Secretariat[33] thus receives funding from the overall AU annual budget,

27 African Union, 'Agreement Establishing the African Continental Free Trade Area', 2018.

28 Bruce Byiers et al., How Afcfta-Regional Relations Can Support Continental Trade, Discussion Paper no. 376 (European Centre for Development Policy Management (ECDPM), 2024). 6

29 "Spaghetti bowl effect" is a term created by trade economist about a situation where multiple, intersecting trade agreements create conflicting rules and trade diversion. Rather than streamlining trade, such complexity often unintentionally fosters regulatory fragmentation and protectionist tendencies, undermining the goals of integration. See Tito Mbathi, 'The Spaghetti Bowl of African Regional Trade Integration', Botho Emerging Markets Group, May 2025, https://www.bothogroup.com/blog/the-spaghetti-bowl-of-african-regional-trade-integration.

30 Byiers et al., How Afcfta-Regional Relations Can Support Continental Trade. 4

31 Joseph K. Manboah-Rockson, '"Grabbing the 'Bull' by the 'Horns'": A Critical Analysis of the Establishment of AfCFTA', Open Journal of Political Science 11, no. 02 (2021): 301–15, https://doi.org/10.4236/ojps.2021.112020.to attain maximum gains from trade and bolster AU's growth and development objectives. But several regional blocs, including the Tripartite Free Trade Areas (T-FTA 303

32 In addition to State Parties, RECsare also represented in the Committee in an advisory capacity. See United Nations Economic Commission for Africa (UNECA), 'Q & A on the AfCFTA | United Nations Economic Commission for Africa', https://www.uneca.org/african-trade-policy-centre/flip-book. 11

33 While the Secretariat leads technical negotiations on specific protocols, AU's institutional architecture, where the Assembly (comprising heads of state) and Council of Ministers approve major policy frameworks and resolve disputes to ensure the political coherence.

but is autonomous of AUC structures and supplemented by development partners and dedicated initiatives such as the AfCFTA Adjustment Fund[34].

To maintain the rapid pace, the AfCFTA adopted phased implementation. Trading officially commenced on 1 January 2021, based on provisional rules of origin and customs procedures, even though several key protocols—such as those on investment, competition, and intellectual property—were still under negotiation.[35] This phased approach enabled eligible Member States to begin trading immediately, demonstrating a clear commitment to practical implementation rather than delaying until full legal finalization. Another similar strategy is the Guided Trade Initiative (GTI) the AfCFTA Secretariat launched in October 2022 as another innovative strategy to operationalize the agreement. The GTI initially involved eight willing Member States and focused on a limited set of value chain–driven products (including ceramic tiles, batteries, tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup, dried fruits, sisal fibre)—to test, demonstrate, and accelerate the agreement's real-time trade functionality on the ground.[36]

Another distinctive feature of the AfCFTA is its comprehensive, "one-stop" legal framework, which—unlike most RECs that focus primarily on trade in goods—integrates protocols on trade in services, intellectual property, investment, and competition policy from the outset.[37] This holistic approach significantly reduces institutional fragmentation and promotes greater coherence across different dimensions of economic integration.

Box 3 Objectives and Practical Priorities of AfCFTA

The overall mandate of the AfCFTA is to create a single continental market with a population of about 1.3 billion people and a combined GDP of approximately US$ 3.4 trillion. The AfCFTA is one of the flagship projects of Agenda 2063: The Africa We Want, the African Union's long-term development strategy for transforming the continent into a global powerhouse.

According to Article 3 of The Agreement on Establishing the African Continental Free Trade Area, the general objectives of the AfCFTA are to:

- create a single market for goods and services, facilitated by movement of persons in order to create deeper economic integration on the African continent and in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063;
- create a liberalised market for goods and services through successive rounds of negotiations;
- contribute to the movement of capital and natural persons and facilitate investment, building on the initiatives and developments in the State Parties and RECs;
- lay the foundations for the establishment of a Continental Customs Union at a later stage;
- promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
- increase the competitiveness of the economies of State Parties within the continent and across the global market;

34 The AfCFTA Adjustment Fund - AfCFTA, 20 June 2022, https://au-afcfta.org/operational-instruments/the-afcfta-adjustment-fund/.

35 Trudi Hartzenberg, 'AfCFTA: Is It Finally the Right Time for Africa?', Italian Institute for International Political Studies (ISPI), 10 March 2021, https://www.ispionline.it/en/publication/afcfta-it-finally-right-time-africa-29580.

36 United Nations Economic Commission for Africa (UNECA), Advancing the Implementation of the Agreement Establishing the African Continental Free Trade Area: Proposing Transformative Strategic Actions, Economic Report on Africa 2025 (UNECA, 2025). 39

37 'The African Continental Free Trade Area | African Union', https://au.int/en/african-continental-free-trade-area.

- promote industrial development through diversification and regional value chain development, agricultural development, and food security; and
- resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

The specific objectives of the AfCFTA State Parties involve the obligations to:

- progressively eliminate tariffs and non-tariff barriers to trade in goods
- progressively liberalise trade in services
- cooperate on investment, intellectual property rights and competition policy
- cooperate on all trade-related areas
- cooperate on customs matters and the implementation of trade facilitation measures
- establish a mechanism for the settlement of disputes concerning their rights and obligations and
- establish and maintain an institutional framework for the implementation and administration of the AfCFTA.

AfCFTA also promotes regional cooperation which results in knowledge sharing and capacity building, enabling African countries to leverage their collective strengths and address common challenges, and ultimately positioning the continent as an influential player in the global economy.

In sum, the AfCFTA honours the RECs as essential building blocks while acting as a continental reset—injecting political urgency and coherence into Africa's integration agenda. Importantly, AfCFTA complements rather than replaces RECs. Initiatives like the COMESA–EAC–SADC Tripartite Free Trade Area—which began implementation in July 2024 with 14 of its 29 members ratifying, covers over 600 million people, and exemplifies a stepping-stone approach for RECs to deepen their trade networks— is deliberate, phased expansion of integration that feeds directly into AfCFTA ambitions.[38] Therefore, sustained alignment between AfCFTA and RECs will be vital in particular for advancing regional value chains and attracting FDIs.

1.2.3 Case Study of China-ASEAN Free Trade Agreement: Lessons for AfCFTA in Building Regional Value Chains and Engaging FDI

The China-ASEAN Free Trade Area (CAFTA) is a landmark regional economic agreement between China and the ten member states of the Association of Southeast Asian Nations (ASEAN). Formal dialogue between China and ASEAN began in 1991, and in 1996, China became a full dialogue partner of ASEAN. After years of negotiation, CAFTA was officially launched on January 1, 2010, as the largest free trade area among developing economies, covering China and the ten ASEAN member states. [39]

Together, China and ASEAN account for over 20% of the global economic output, with China's population exceeding 1.4 billion and ASEAN's exceeding 600 million. In 2023, the combined GDP of ASEAN members reached USD 3.8 trillion, making the region the fifth-largest

38 Monica Byarugaba, 'RECs and TFTAs: A Stumbling or Building Block for AfCFTA?', The Citizen, 28 April 2025, https://www.thecitizen.co.tz/tanzania/oped/recs-and-tftas-a-stumbling-or-building-block-for-afcfta--5020174.

39 Association of Southeast Asian Nations (ASEAN), 'ASEAN-China Economic Relation', ASEAN Main Portal, https://asean.org/our-communities/economic-community/integration-with-global-economy/asean-china-economic-relation/.

economy in the world.[40]

Bilateral trade between China and ASEAN saw significant growth following the establishment of CAFTA, rising from USD 292.8 billion in 2010 to USD 587.9 billion in 2019, when the upgraded CAFTA protocol took effect in October. By October 2024, with the substantial conclusion of the CAFTA 3.0 negotiations, bilateral trade had reached USD 982.3 billion.[41]In the first seven months of 2025, trade between China and ASEAN totalled USD 597 billion, marking an 8.2% increase compared to the same period in the previous year.[42]China has remained ASEAN's largest trading partner since 2009, while ASEAN also became China's top trading partner in 2020.[43]Beyond bilateral flows, CAFTA also stimulated intra-ASEAN commerce: by integrating local firms into regional value chains, China emerged as a critical supplier of intermediate goods and a market for finished products. Such trade linkages were also strengthened among ASEAN members themselves after integrating local firms into regional and global value chains.

ASEAN's internal frameworks, as outlined in its institutional design, laid critical groundwork. Since 1992, under the ASEAN Trade in Goods Agreement (ATIGA), member states have established transparent, predictable tariff-reduction schedules, and a unified approach to rules of origin. This includes a comprehensive Inclusion List (IL), under which 99% of products from founding members face tariffs of just 0–5%, alongside clear criteria for determining regional value content—allowing businesses to reliably plan cross-border production. Coupled with sector-specific accords on services (ASEAN Framework Agreement on Services) and investment (ASEAN Comprehensive Investment Agreement), these frameworks have provided firms with predictable market access, strengthened regional market conditions, and attracted sustained external investment..[44]

Complementing this trade growth, Chinese investment in ASEAN surged in tandem with CAFTA, particularly in manufacturing, infrastructure, and energy. Chinese FDI in ASEAN grew significantly, rising from less than USD 4 billion in 2010 to USD 17 billion in 2023, marking a year-on-year increase of nearly 20%[45] and more than 35% of this FDI went to manufacturing[46]. Over the same period, the number of Chinese enterprises operating in ASEAN surged from 2,600 in 2012 to 6,500 in 2022. Many of these investments aligned with local industrial policies, enabling the creation of regional hubs. For example, SAIC Motor Corporation partnered with Thailand's CP Group to establish MG-brand vehicle production to tap into the ASEAN market. The total production and sales volume of SAIC Motor-CP reached 32,000 units in 2022.[47]This strengthened industrial cooperation with China also fostered deeper integration of ASEAN economies into regional and global value chains. For example, Chinese firms invested in component assembly and supply hubs in countries like Thailand and Indonesia, helping these

40 Jia Duqiang, 'China-ASEAN Cooperation Rising to Higher Level', China Daily, 14 2025, https://www.chinadaily.com.cn/a/202504/14/WS67fc46f7a3104d9fd381f010.html.

41 Global Times, 'China-ASEAN Bilateral Trade: 2010-2024', 16 April 2025, https://www.globaltimes.cn/page/202504/1332251.shtml.

42 中华人民共和国驻东盟使团经济商务处, '贸易快报|2025年1-7月中国—东盟贸易简况', 中华人民共和国商务部, 11 August 2025, https://asean.mofcom.gov.cn/zgdmjm/tj/art/2025/art_a3b123a1259b4f76bb8fa95a83ade2aa.html.

43 Global Times, 'China Marks 16th Year as ASEAN's Top Trading Partner: MOFCOM', 8 September 2025, https://www.globaltimes.cn/page/202509/1342944.shtml.

44 博鳌亚洲论坛, '报告|亚洲自贸协定"优等生"—东盟各领域机制梳理', 澎湃新闻, 3 February 2021, https://www.thepaper.cn/newsDetail_forward_11096579.

45 Yang Han, 'ASEAN Set to Benefit from China's Growth', 19 December 2024, https://www.chinadaily.com.cn/a/202412/19/WS67637d7fa310f1265a1d3bb3.html.

46 Association of Southeast Asian Nations (ASEAN), 'ASEAN Investment Report 2024 : ASEAN Economic Community 2025 and Foreign Direct Investment', ASEAN Main Portal, 2025, https://asean.org/wp-content/uploads/2024/10/AIR2024-3.pdf.

47 SAIC MOTOR, 'SAIC Motor Expands Its Global Footprint', 11 May 2023, https://www.saicmotor.com/english/latest_news/saic_motor/58759.shtml.

economies move up the value chain in electronics, automotive parts, and machinery.[48]A standout example is the Morowali Industrial Park in Indonesia's Central Sulawesi, co-developed by Tsingshan Holding Group. This integrated complex links upstream nickel mining with midstream processing and downstream exports, supplying global electric vehicle (EV) battery markets while nurturing local supplier ecosystems—showcasing how targeted investment can transform resource endowments into industrial capacity.[49]

In the process of building regional industrial hubs, CAFTA facilitated technology transfer and capacity building through investments in innovation centres, and provided training in logistics, customs systems, and e-commerce, which are critical enablers for regional trade. Chinese companies have a strong presence in the ASEAN market –Huawei, for example, has established over 20 ICT training centres across the region and partnered with local universities to offer certifications in 5G, cloud computing, and AI.[50]

Building on these achievements China and ASEAN are now pursuing a "CAFTA 3.0" upgrade—substantially concluded in 2024—which will expand cooperation into the digital economy, green development, supply chain connectivity, and trade facilitation.[51]Beyond China, ASEAN has also developed a broad network of external economic partnerships, concluding free trade agreements with Japan, South Korea, Australia, and New Zealand, and currently negotiating with the European Union.[52]This proactive engagement with multiple partners demonstrates ASEAN's strategy of leveraging its integrated regional value chains and unified market to extend global trade linkages and attract diverse forms of investment.

For the AfCFTA, the China–ASEAN experience offers two layers of implications, particularly in building competitive regional value chains:

Operationally, ASEAN's trajectory underscores the importance of concise, enforceable rules of origin and phased tariff-reduction schedules, backed by transparent compliance guidelines. Moving beyond goods-trade liberalization, ASEAN's sector-specific protocols and investment frameworks highlight the value of introducing clear, operational investment provisions early. For AfCFTA, this could mean identifying a small set of priority value-chain products and production corridors—geographically defined trade and transport routes linking key manufacturing or resource hubs with domestic, regional, and global markets—aligning rules and logistics along these routes, and inviting anchor foreign investors to co-invest in demonstrator projects (e.g., a new-energy products cluster). Such pilots can reduce investor risk, generate early successes, and create replicable standards. With the ultimate aim of fostering integrated production networks, major FDI projects should be tied to measurable milestones for local content, supplier development, and workforce training—ensuring investment delivers tangible integration gains.

Strategically, ASEAN demonstrates how rules, predictability, and market scale can attract and anchor sustained Chinese and other external investment. Harmonized trade and investment regimes, transparent dispute-settlement mechanisms, and common rules

48 United Nations Industrial Development Organization (UNIDO), Global Value Chains and Southeast Asian Industrialization: Lessons from China–ASEAN Cooperation. (2018), https://www.unido.org/sites/default/files/files/2018-06/EBOOK_GVC.pdf.

49 Angela Tritto, 'How Indonesia Used Chinese Industrial Investments to Turn Nickel into the New Gold | Carnegie Endowment for International Peace', Carnegie Europe, 11 April 2023, https://carnegieendowment.org/research/2023/04/how-indonesia-used-chinese-industrial-investments-to-turn-nickel-into-the-new-gold?centre=europe&lang=en

50 Tutun Juhana, 'ITB & Huawei: Spearheading Indonesia's Digital Talent Transformation', Huawei, March 2025, //www.huawei.com/en/huawei-tech/publication/202501/itb-huawei-indonesia-digital-talent-transformation.

51 中华人民共和国商务部, '商务部国际司负责人介绍中国—东盟自贸区3.0版谈判实质性结束相关情况_', 中国政府网, 10 October 2024, https://www.gov.cn/lianbo/fabu/202410/content_6979185.htm.

52 林涵, '自由贸易协定：东盟的选择', 新浪看点, 5 May 2023, https://k.sina.cn/article_3974550866_ece6d552001014smt.html?from=news.

of origin reduce uncertainty. The integrated market with a large population creates economies of scale and encourages capacity investments serving multiple countries. Streamlined customs, interoperable digital governance systems, and coordinated infrastructure corridors further lower transaction costs for producers, logistics providers, and exporters. Although initially foreign capital was drawn to this region primarily by the abundant low-cost labour, they helped to nurture the growth of these production networks. As the networks developed and markets expanded across member countries, this not only enhanced regional integration but also made the region increasingly attractive to multinational corporations (MNCs) seeking to tap into these evolving, interconnected markets.[53]

Southeast Asia's experience also shows that integration and targeted FDI can form a mutually reinforcing cycle: integration attracts investors, and investment deepens value chains, boosts intra-regional trade, and accelerates integration. AfCFTA holds similar potential to serve as a platform for linking African production hubs to each other and to global markets, while using targeted investment to build competitiveness in high-value sectors such as agro-processing, automotive components, and renewable energy products. If effectively operationalized, AfCFTA could help shift Africa's trade profile away from primary-commodity dependence toward diversified, higher-value production, with stronger regional linkages and more balanced trade with external partners—positioning the continent to compete as a cohesive economic bloc.

1.3 The Status of Regional Integration in Africa – Insights from Data

As discussed, Africa's integration process is guided by various Regional Economic Communities (RECs), yet the pace of integration remains uneven across these RECs. Understanding this process is crucial, as it sets the benchmark for mutual learning and provides a framework for comparing progress and best practices among the RECs. The data used for this section is obtained from the Africa Regional Integration Index (ARII),[54] constructed by UNECA and a host of other partners. It is a composite index made of 5 dimensions and 16 indicators to capture the complexity and heterogeneity of regional integration both conceptually and practically. The five dimensions are: (i) trade, (ii) production, (iii) macroeconomy, (iv) infrastructure and (v) free movement of people. Each dimension is composed of a varying number of indicators (See Table 3) .

These dimensions capture essential elements of integration. Trade integration involves harmonized policies that reduce barriers and upgrade intra-regional trade. Production integration follows, encouraging regional value chains in which production processes are distributed

53 Qiaomin Li et al., 'Effects on China and ASEAN of the ASEAN-China FTA: The FDI Perspective', Journal of Asian Economics 44 (June 2016): 1–19, https://doi.org/10.1016/j.asieco.2016.05.001.

54 United Nations Economic Commission for Africa (UNECA), 'Africa Regional Integration Index Platform', https://arii.uneca.org/en-US.

across countries to leverage economies of scale. Both trade and production integration are facilitated by robust infrastructure, which enables efficient movement and connectivity. Additionally, the free movement of people is integral to deeper integration, while macroeconomic convergence—measured through indicators like inflation and interest rates—indicates the health of the region's economies as they integrate.

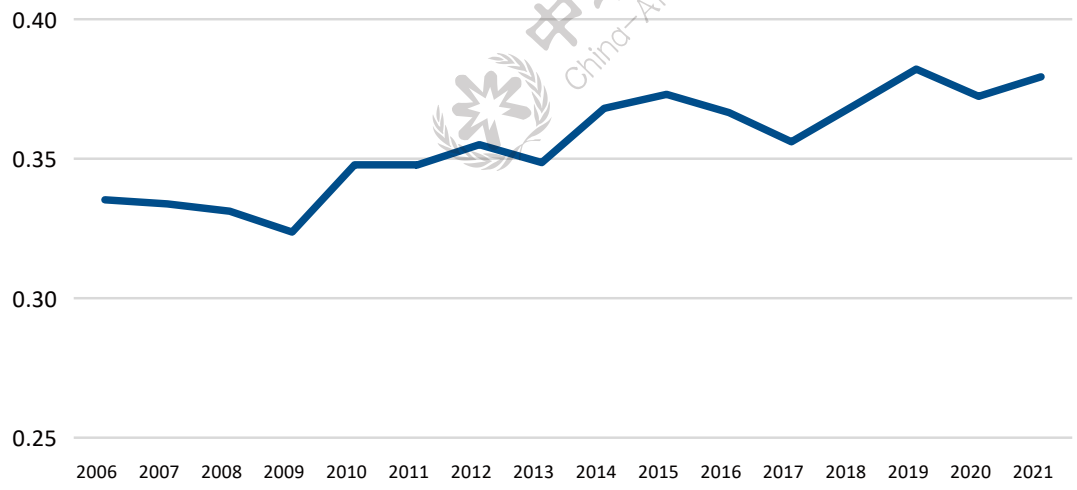
The ARII weights these indicators to reflect their significance within each dimension and to enable comparison across dimensions. The index normalizes values between 0 and 1, with 0 indicating no integration and 1 representing full integration. Note that the index presents data until 2021, this allowing us to see the state of integration on the continent before the polycrisis triggered by the COVID-19 crisis which impacted the process of regional integration.

1.3.1 Global Comparison of the Overall Progress on Africa's Regional Integration: Slow Start, Accelerating Momentum

This section puts the state and progress of Africa's regional integration efforts in global perspective by comparing Africa to other regions of the world by using the data from the Asia Development Bank's (ADB) Asia Pacific Regional Cooperation Integration Index. The ADB index includes additional dimensions and uses different nomenclature, but the comparison offers valuable insights.[55] The following graphs drawn from the ADB data shows Africa's progress in regional integration compared with the rest of the world.

Over the past two decades, Africa's regional integration has improved modestly, with the ARII score increasing by 0.04 points from 0.34 in 2006 to 0.38 in 2021.

Figure 1 Progress of Regional Integration in Africa (2006-2021)



Source: Asia Development Bank

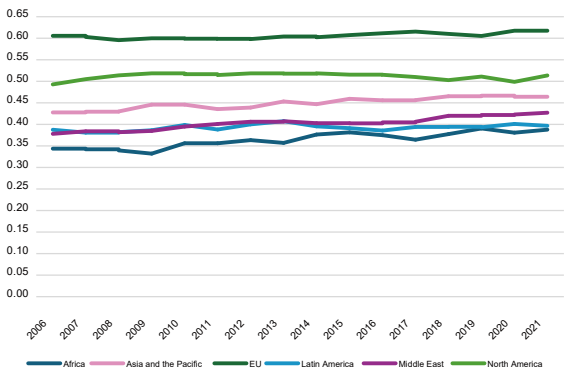
55 Asian Development Bank (ADB), 'Asia-Pacific Regional Cooperation and Integration Index (ARCII)', https://aric.adb.org/database/arcii.

Table 3 Dimensions of the Africa Regional Integration Index

DIMENSION	INTERPRETATION	INDICATORS
Trade	Volume of trade (exports and imports) within the region	Share of Intraregional Trade Average Tariff on Imports Share of Intra-Regional Exports over GDP Share of Intra-Regional Imports over GDP AfCFTA ratification
Production	The extent to which a country has complementary productive capacities with respect to other countries in the region whereby it can specialize in the production stages where it has a comparative advantage.	Share of Intra-Regional Intermediate Imports Share of Intra-Regional Intermediate Exports Merchandise Trade Complementarity Index: measures the extent to which the export profile of a country matches the region import profile
Macroeconomic	The convergence of macroeconomic policies creates a healthy financial climate that attracts cross-border investments and is, therefore, conducive to financial and macroeconomic integration.	Regional Convertibility of Currency: measures the ease with which foreigners and businesses can transact Regional Inflation Differential: measures the difference between a country's inflation rate to the target inflation rate set by the region Number of Bilateral Investment Treaties: capture the scope of cross-border capital flows
Infrastructure	The extent to which a country has adequate infrastructure that facilitates the workings of regional integration.	AfDB Composite Infrastructural Index: a composite index that accounts for development in electricity; transport; ICT; and water and sanitation Proportion of Intra-Regional Flights: captures cross-border connectivity
Free movement of people	The ease with which people can move in the region for tourism and social purposes, and to conduct businesses.	Number of Countries that Require a Visa Number of Countries that may obtain a Visa on Arrival Free Movement of Persons Protocol: whether countries have adhered to the protocol on the free movement of people, right of residence and right of establishment

Despite being the least integrated region globally, Africa has made some of the fastest relative gains in regional integration in recent years, narrowing its gap with other regions and progressing at a pace comparable to that of the Asia–Pacific region.

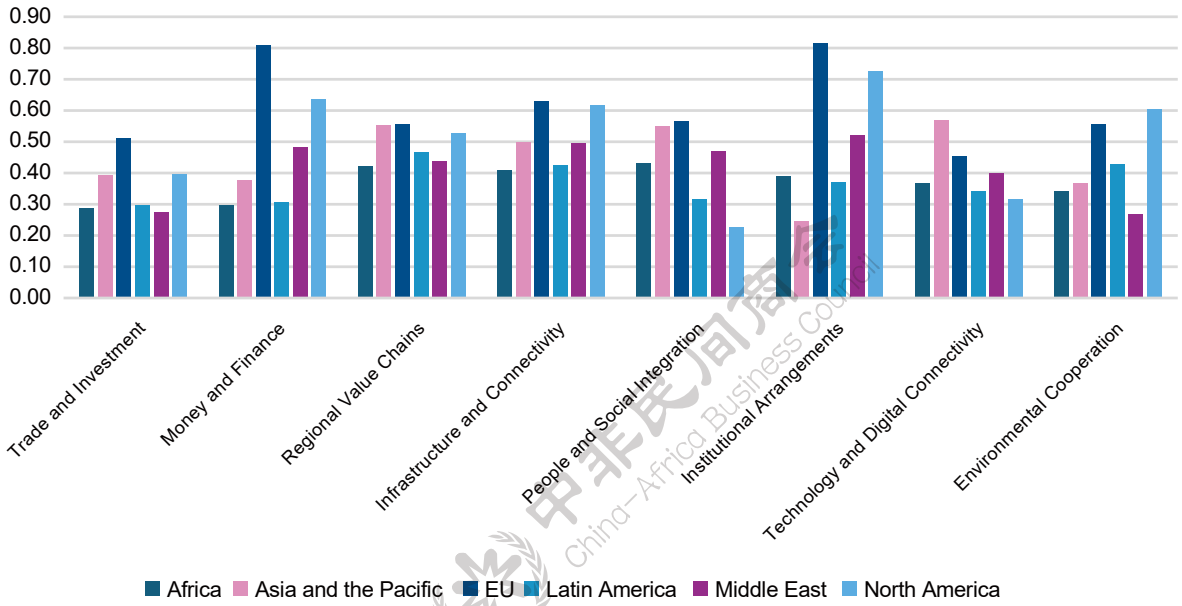
Figure 2 Regional Integration Across Different Regions (2006-2021)



Source: Asia Development Bank

Relative to other regions of the world, Africa ranks 4/6 in technology and digital connectivity; 5/6 in environmental cooperation; 4/6 in institutional arrangements; 4/6 in personal and social integration; 5/6 in trade and investment; 6/6 in infrastructure and connectivity; 6/6 in regional value chains and 6/6 in monetary and finance integration.

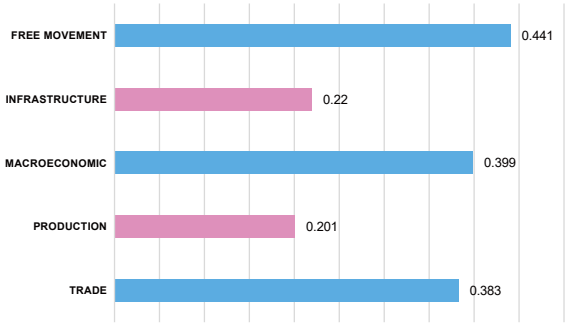
Figure 3 Africa's regional integration in a comparative perspective



Source: Asia Development Bank

As a reference the data from ARII, using a different set of dimensions, shows similar trends. As of 2021, Africa has made the most progress in free movement of people, with a score of 0.441, followed by macroeconomic integration at 0.399, and trade integration at 0.383. However, the least progress has been made in infrastructure (0.22) and production integration (0.201), indicating significant gaps in these areas that hinder further regional development.

Figure 4 Progress of Regional Integration in Africa
(Continental Average)



Source: UNECA

Progress across ARII dimensions mirrors the uneven implementation of the mechanisms discussed in Section 1.1. The data emphasises that Africa's lag in infrastructure and connectivity remains a critical bottleneck for regional integration, with the infrastructure deficit discouraging foreign investment due to high transaction costs. Africa's low ranking in regional value chains exacerbates this issue, as limited cross-border production collaboration prevents the continent from capturing a larger share of value-added production, as most African countries' exports still rely on primary commodities instead of specialized intermediates. On a positive note, Africa's stronger performance in technology and digital connectivity presents an opportunity to leapfrog traditional development stages. Digital tools like e-payment systems and electronic customs processes can streamline trade, reduce transaction costs, and accelerate integration across other dimensions.

1.3.2 REC-Level Progress Comparison: "Building Blocks" with Uneven Foundations

Table 4 Africa's Regional Economic Communities and the Member States

S/N	Regional Economic Community	Member States
1	Arab Maghreb Union (AMU)	Algeria, Libya, Morocco, Mauritania, Tunisia
2	Community of Sahel-Saharan States (CENSAD)	Benin, Burkina Faso, Central African Republic, Chad, the Comoros, Côte d'Ivoire, Djibouti, Egypt, Eritrea, the Gambia, Ghana, Guinea-Bissau, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, the Sudan, Togo, Tunisia
3	Common Market for Eastern and Southern Africa (COMESA)	Burundi, the Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Seychelles, Uganda, Zambia, Zimbabwe
4	East African Community (EAC)	Burundi, Kenya, Rwanda, South Sudan, Tanzania, Uganda
5	Economic Community of Central African States (ECCAS)	Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome and Principe
6	Economic Community for West African States (ECOWAS)	Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo

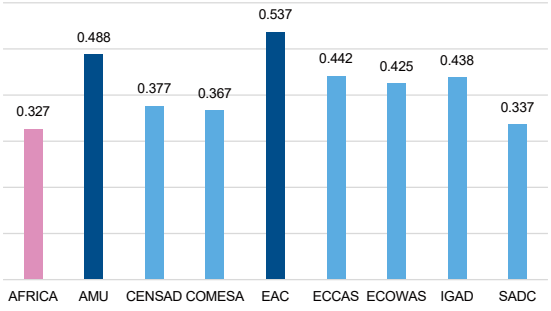
S/N	Regional Economic Community	Member States
7	Inter-Governmental Authority on Development (IGAD)	Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan, Uganda
8	Southern African Development Community (SADC)	Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe

Source: The list of member states is based on the version by UNECA. [56]

1) Average score

The ARII provides data for eight Regional Economic Communities (RECs) recognized by the African Union. On average, the East African Community (EAC) ranks as the most integrated REC, with a score of 0.537, followed by the Arab Maghreb Union (AMU) at 0.488. This suggests that East Africa is leading in regional integration efforts compared to other regions on the continent.

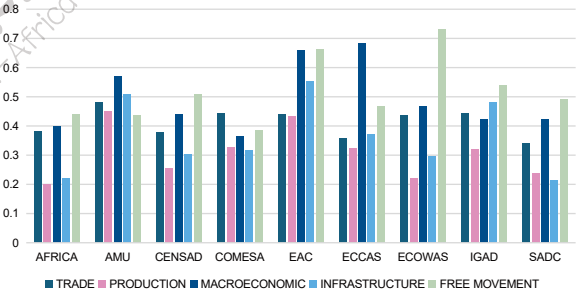
Figure 5 Regional Integration Progress Across Africa's RECs (Average Score)



Source: UNECA

2) Dimensional perspective

Figure 6 Regional Integration Progress Across Africa's RECs (Dimensional Perspective)

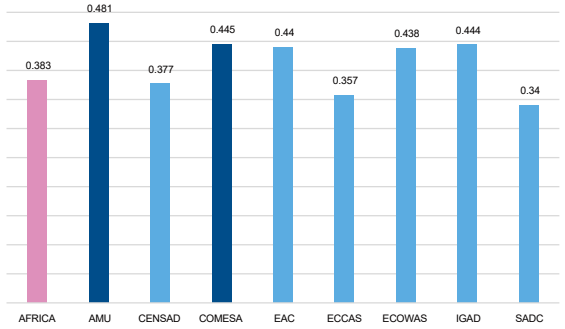


Source: UNECA

a) Trade integration: In terms of trade integration, AMU (0.481) is the most integrated region, followed by COMESA, IGAD, EAC and ECOWAS. SADC, ECCAS and CENSAD are the least integrated in terms of trade.

56 United Nations Economic Commission for Africa (UNECA), 'Regional Economic Communities', https://archive.uneca.org/oria/pages/regional-economic-communities.

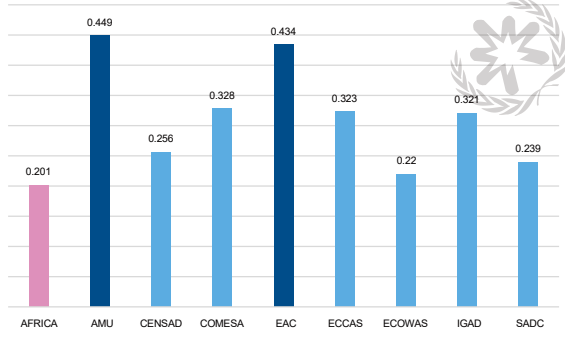
Figure 7 State of trade integration across Africa's RECs



Source: UNECA

b) Production integration: In terms of production integration, AMU (0.449) is the most integrated, followed by the EAC (0.434). ECOWAS (0.22), CENSAD (0.256) and SADC (0.239) have the least production integration.

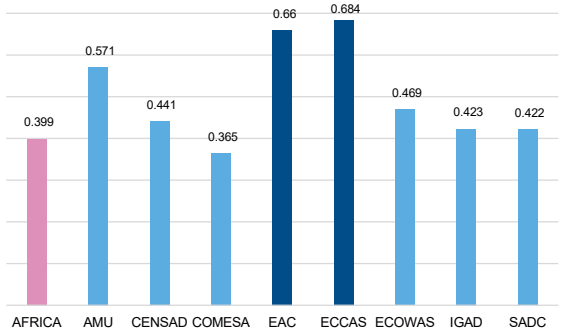
Figure 8 State of production integration across Africa's RECs



Source: UNECA

c) Macroeconomic integration: ECCAS (0.684) is the most integrated in terms of macroeconomic indicators, followed by EAC (0.66) and AMU (0.571). COMESA, with a score of 0.365, is the least integrated in this dimension. This suggests that macroeconomic convergence remains a challenge for several regions, especially for COMESA, where fiscal and monetary policy coordination still lags.

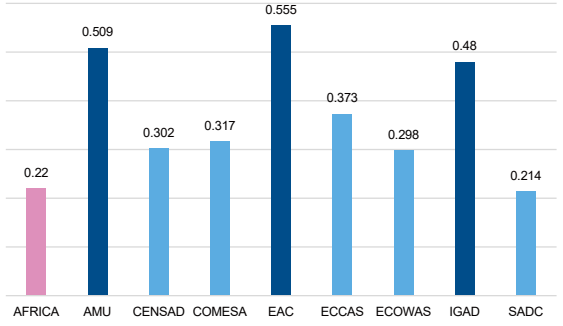
Figure 9 State of macroeconomic integration across Africa's RECs



Source: UNECA

d) Infrastructural integration: EAC (0.555) leads in infrastructure integration, followed by AMU (0.509) and IGAD (0.48). ECOWAS (0.298) and SADC (0.214) are the least integrated in this dimension. The significant disparity in infrastructure integration across these regions highlights that critical transport corridors are missing in certain areas, which limits physical connectivity.

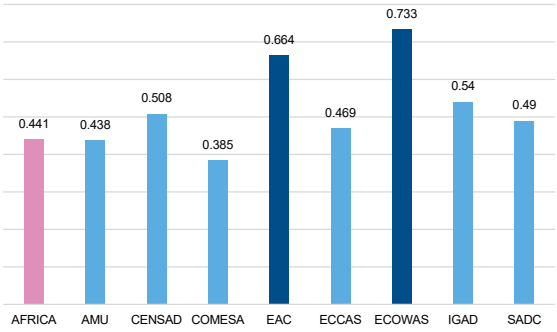
Figure 10 State of infrastructural integration across Africa's RECs



Source: UNECA

e) Free movement of people: In terms of free movement of people, ECOWAS (0.733) is the most integrated, followed by EAC (0.664) and IGAD (0.54). COMESA (0.385) is the least integrated.

Figure 11 State of free movement of people across Africa's RECs



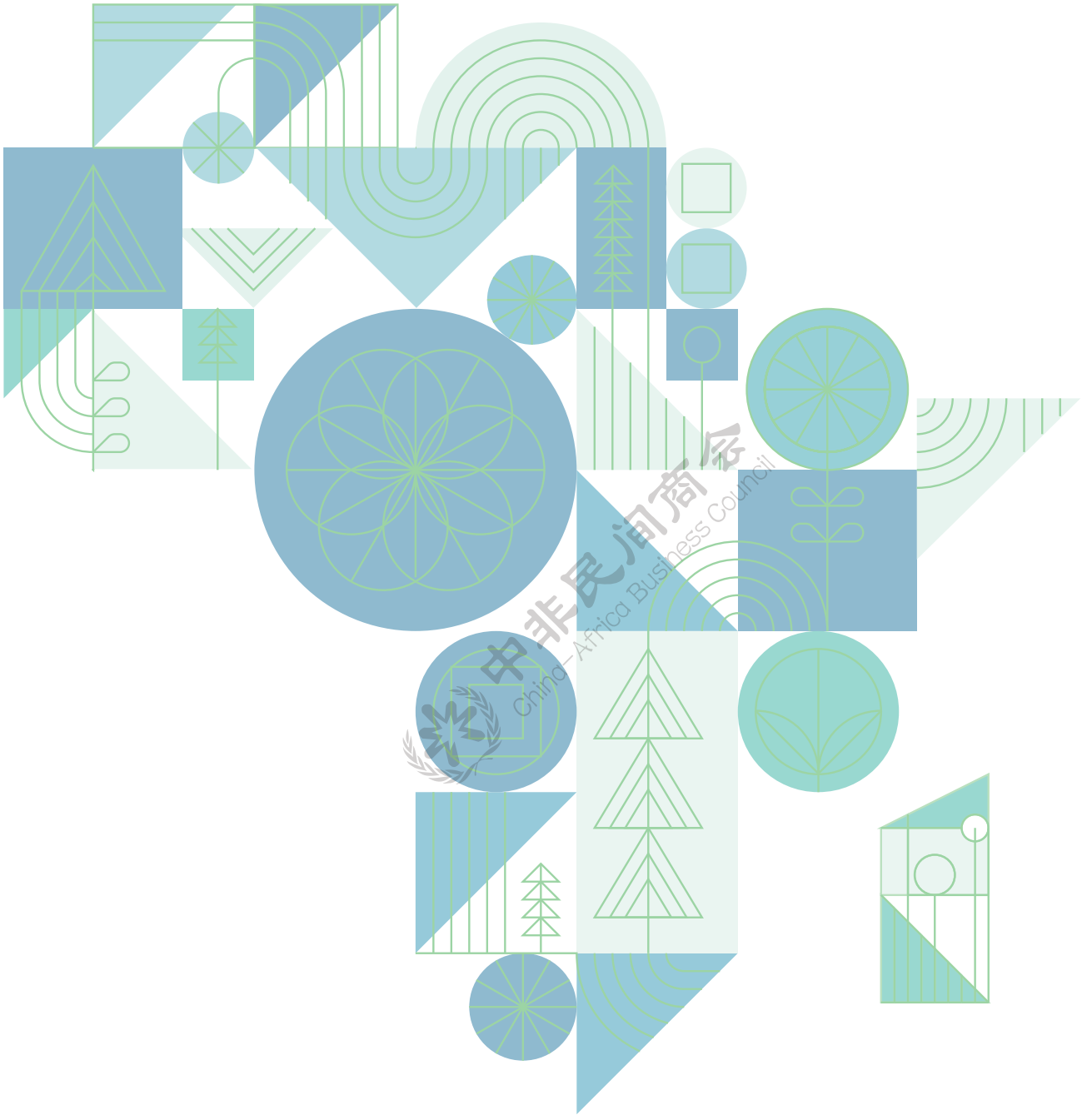
Source: UNECA

These ARII data reveal significant regional disparities in Africa's integration progress. While regions like the EAC and AMU have advanced in areas such as trade and production, others, such as SADC and ECCAS, still face considerable challenges, particularly in infrastructure and production. This uneven progress underscores the need for targeted efforts to address regional disparities, particularly in infrastructure, value chains, and macroeconomic coordination. Accelerating integration in lagging areas will be critical to ensuring that the full benefits of AfCFTA can be realized continent-wide.

Notably, Africa's lowest scores in infrastructure (0.22) and production (0.20) align with areas where Chinese investments have significantly added value in ASEAN countries. For Africa, this suggests that targeting Chinese investment towards infrastructure development and value-added manufacturing—especially in upstream and downstream production—can help build stronger RECs.

Since RECs are integral to AfCFTA, their successes in specific areas (e.g. ECOWAS in free movement of people and EAC in infrastructure) offer valuable lessons for scaling regional integration efforts. Moreover, key African countries that act as regional anchors—such as South Africa in Southern Africa, Egypt in Northern Africa, and Kenya in Eastern Africa—can play pivotal roles in building integration corridors. Foreign investments into these countries could support the development of regional transportation and manufacturing hubs that link multiple countries, thereby extending regional value chains and fulfilling AfCFTA's goal of inclusive transformation.

Meanwhile, a challenge highlighted by UNECA is the "spaghetti bowl effect," where most African countries are members of an average of eight regional organizations, including RECs. This overlapping membership creates conflicting tariff schedules, rules of origin, and regulatory standards, which forces even resource-rich "anchor states" to navigate a complex web of contradictory obligations. This fragmentation undermines their ability to coordinate cross-REC initiatives, such as establishing pan-regional manufacturing hubs, and dilutes the cohesive market needed to integrate lagging regions into regional production networks. Going forward to address this challenge the AfCFTA has to act as a "continental harmonizer," providing the needed platform to streamline and align conflicting frameworks.



02. Aligning Chinese Investment with Africa's Economic Growth and Regional Integration: Progress of Commitment under FOCAC8

From a practical perspective, this chapter focuses on how Chinese investment supports Africa in pursuing economic growth and regional integration goals. Taking the commitments of the 8th Forum on China-Africa Cooperation (FOCAC8) as its analytical framework, it reviews the implementation of these commitments in areas such as connectivity and industrial cooperation, and quantifies the impact of Chinese investment on Africa's GDP and employment.

2.1 Retrospective on FOCAC8 Commitment Implementation: Multifaceted Impacts of China-Africa Cooperation on Africa's Economic Transformation and Regional Integration Goals

The 8th Forum on China-Africa Cooperation (FOCAC8), held in 2021, took place at a pivotal moment for Africa: the continent was still reeling from the sweeping disruptions of the COVID-19 pandemic, while simultaneously launching transformative integration agendas like the African Continental Free Trade Area (AfCFTA). In response, FOCAC8 defined comprehensive commitments that addressed Africa's multifaceted development needs—spanning connectivity, investment, industrial collaboration, and more. Today, a retrospective assessment of the FOCAC8 commitments is essential: it tracks progress in delivery while also yields critical insights to guide future China-Africa cooperation and to target investment flows toward Africa's most pressing priorities.

2.1.1 China's Recognition of Pan-African Institutions and Continental Integration Efforts

Before delving into the progress made across different thematic areas, it is important to recognize that FOCAC8 marked a critical milestone in China's support for pan-African institutions and continental integration efforts—particularly by laying out more concrete, institutionalized pathways for cooperation with entities such as the AU, the AfCFTA Secretariat, and frameworks like the Programme for Infrastructure Development in Africa (PIDA). While earlier forums, such as FOCAC7 in 2018, acknowledged Africa's development aspirations, FOCAC8 was convened at a pivotal moment—as landmark continental initiatives like the AfCFTA and the second phase of the PIDA Priority Action Plan (PIDA-PAP II) entered their implementation phases. This evolution illustrates a dynamic interplay: as African agency advances, China follows up with increasingly structured and responsive support.

First, China has committed to increasing the capacity of the AU and sub-regional organizations, reinforcing the AU's role in integration and fostering coordination through platforms like the China-AU Strategic Dialogue. This approach embeds cooperation into Africa's institutional framework, ensuring greater coherence between national, regional, and continental initiatives.

Second, Support for the AfCFTA also saw significant progress, notably through the establishment of an economic cooperation expert group, advancing institutional engagement in its implementation. In parallel, China has aligned its cooperation frameworks—such as the China–Africa Industrial Plan and the China–Africa Agricultural Modernization Plan—with the AU's continental strategies, including the Comprehensive Africa Agriculture Development Programme (CAADP), the Africa Mining Vision (AMV),the Accelerated Industrial Development for Africa (AIDA) as well as building capacity in the Africa Centres for Disease Control and Prevention (Africa CDC) in the public health space. This synergy ensures that Chinese support reinforces Africa's homegrown priorities rather than imposing external models.

Third, infrastructure cooperation under FOCAC 8 shifted towards more regionally integrated efforts. China pledged to align its infrastructure financing and construction with PIDA-PAP II and the Presidential Infrastructure Championing Initiative (PICI). This reflects a more networked vision of infrastructure—where cross-border railways, highways, energy corridors, and digital infrastructure connect markets while serve as enablers for AfCFTA implementation and continent-wide mobility.

Fourth, FOCAC 8 introduced more diverse financing models to supplement traditional sovereign lending. A key feature was the promotion of multi-stakeholder financial cooperation, combining capital with technical assistance for integration-related projects. China reaffirmed its partnership with pan-African and sub-regional financial institutions, including the African Development Bank (AfDB), the African Export-Import Bank (Afreximbank), the Eastern and Southern African Trade and Development Bank (TDB), and the West African Development Bank (BOAD). The AfDB, in particular, was recognized as a central platform for financing the AU's Agenda 2063, with support from mechanisms such as the Africa Growing Together Fund (AGTF) and the Multilateral Cooperation Centre for Development Finance (MCDF). These partnerships expand Africa's access to financing and also ensure that China's support is channelled through African-led platforms.

Taken together, China's support under FOCAC 8 can be understood across three dimensions: institutional coordination, project alignment, and capacity and financial cooperation. These commitments laid a structural foundation for aligning China–Africa cooperation with Africa's own integration priorities—anchoring engagement in the AU's vision and building mechanisms for long-term, continent-wide collaboration.

2.1.2 FOCAC8-Driven Connectivity Progress: Boosting Trade, Infrastructure, and Digital Integration

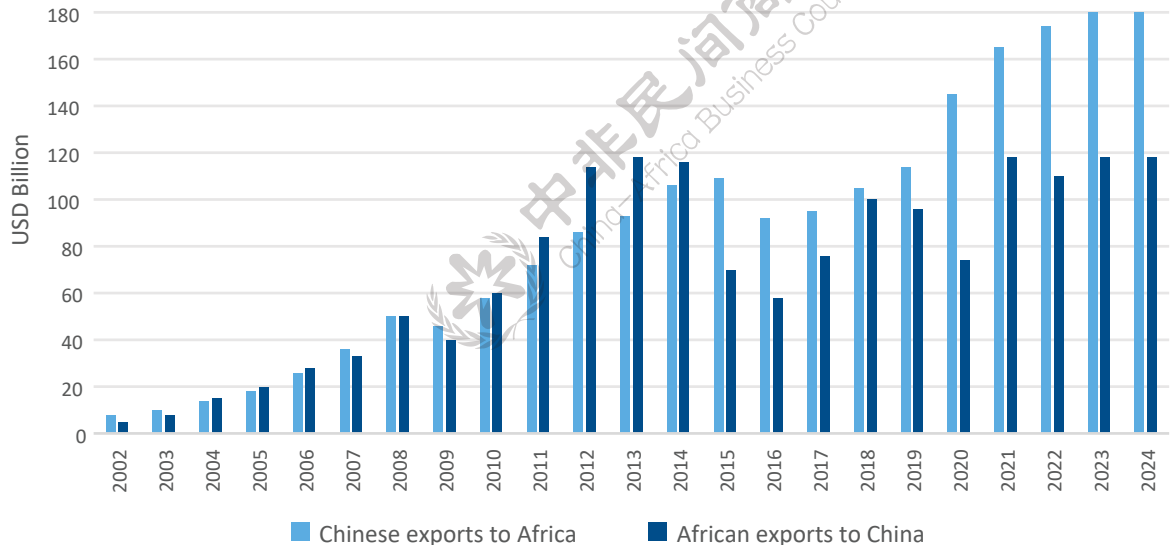
A core pillar of FOCAC8's commitment to African continental integration, connectivity-centred cooperation focuses on three interdependent areas—trade, infrastructure, and digital systems—that directly address

the "link gaps" between African economies. These pillars work in tandem: expanded trade connectivity unlocks market access for African goods, infrastructure connectivity builds cross-border physical corridors, and digital connectivity layers a continental digital ecosystem to reduce transaction costs for the AfCFTA. Together, they form both the hard and soft links needed to operationalize Africa's integration agenda.

A) Trade: Expanding Market Access and Redressing Trade Imbalances

In 2024, the value of China–Africa trade reached USD 295.6 billion, a 4.8% increase from 2023, marking the 16th consecutive year that China represented Africa's largest bilateral trade partner. Trade relations have shown steady growth despite global economic volatility, with the total increase in trade during FOCAC 8's three-year period at USD 41.27 billion. This represents a 16.23% rise with a compound annual growth rate (CAGR) of 5.17%, which significantly outpaces China's overall foreign trade growth. At FOCAC 8, China committed to increasing its imports from Africa, setting a target of USD 300 billion in 2022-2024. This target was surpassed as the total African exports to China reached 343.6 billion during the three-year period.[57]

Figure 12 The Trend of China-Africa Trade (2022-2024)



Data Source: General Administration of Customs of China

Key sectors include mechanical and electrical products, mineral products, and agricultural exports. Specifically, Chinese exports to Africa in 2024 showed substantial increases in mechanical and electrical products, including ships (+44.8%), automobiles (+35.8%), and wind turbine engines (+253.1%). In terms of African exports to China, metal ores and energy products (52.8%) have continued to be dominant while some agricultural products such as sesame (+38.8%), tobacco (+32.8%), and macadamia nuts (+106.2%) showed notable growth.[58]

57 2 September 2024, http://gdfs.customs.gov.cn/customs/xwfb34/302425/6073055/index.html?ess%24ctr151088%24ListC_Info%24ctl00%24KEYWORDS=%E4%B8%AD%E5%9B%BD%E5%92%8C%E9%9D%9E%E6%B4%B2.

58 海关总署, '前7个月中国和非洲贸易稳步增长', 2 September 2024, http://gdfs.customs.gov.cn/customs/xwfb34/302425/6073055/index.html?ess%24ctr151088%24ListC_Info%24ctl00%24KEYWORDS=%E4%B8%AD%E5%9B%BD%E5%92%8C%E9%9D%9E%E6%B4%B2.

Table 5 Top 10 Countries in Export to China in 2024

Ranking	Country	Export Value (Billion USD)
1	South Africa	30.64
2	Democratic Republic of Congo	21.59
3	Angola	17.64
4	Guinea	7.64
5	Zambia	5.27
6	Republic of Congo	4.21
7	Nigeria	2.99
8	Gabon	2.92
9	Zimbabwe	2.45
10	Ghana	1.99
	African Continent	116.80

Data Source: Monthly Bulletin from General Administration of Customs of China[59]

Table 6 Top 10 Countries in Import from China in 2024

Ranking	Country	Import Value (Billion USD)
1	South Africa	21.81
2	Nigeria	18.90
3	Egypt	16.80
4	Liberia	13.06
5	Algeria	11.68
6	Ghana	9.84
7	Kenya	8.58
8	Tanzania	8.17
9	Morocco	7.74
10	Senegal	4.73
	African Continent	178.76

Data Source: Monthly Bulletin from General Administration of Customs of China[60]

59 中华人民共和国海关总署,'（2）2024年12月进出口商品国别（地区）总值表（美元值）', 18 January 2025, http://gdfs.customs.gov.cn/customs/302249/zfxxgk/2799825/302274/302277/302276/6325065/index.html.

60 中华人民共和国海关总署,'（2）2024年12月进出口商品国别（地区）总值表（美元值）'.

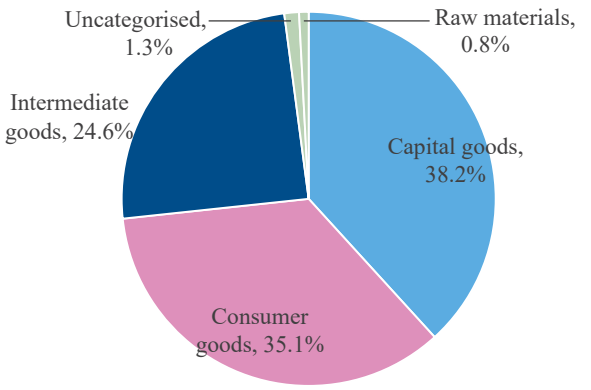
Table 7 Top 10 Countries with the Largest Trade Deficit and Surplus (Billion USD) in 2024

Country	Trade Deficit	Ranking	Country	Trade Surplus
Egypt	16.22	1	Democratic Republic of the Congo	17.24
Nigeria	15.91	2	Angola	14.40
Liberia	12.96	3	South Africa	8.83
Algeria	10.88	4	Zambia	3.87
Kenya	8.34	5	Guinea	3.71
Ghana	7.85	6	Republic of Congo	2.70
Tanzania	7.47	7	Gabon	2.20
Morocco	6.44	8	Zimbabwe	1.07
Senegal	3.65	9	Equatorial Guinea	0.81
Côte d'Ivoire	3.26	10	Botswana	0.53

Data Source: Compiled and calculated[61] based on the statistics from the Monthly Bulletin General Administration of Customs of China[62]

Despite strong growth in bilateral trade, the trade imbalance persists. Africa's exports to China continue to be heavily concentrated in mineral and resource-based commodities. For instance, minerals, base metals, and precious stones account for a significant share of exports. In contrast, consumer goods and capital goods—which make up the majority of China's exports to Africa—represented less than 4% of Africa's exports to China in 2024. This underscores the limited value addition and diversification within Africa's export structure to China. Moreover, a regional imbalance in exports is evident. In 2024, the top 10 African countries accounted for 81.6% of the total exports from Africa to China. This geographical concentration suggests that the production base in Africa remains limited and relies on a narrow range of products.

Figure 13 Chinese Exports to Africa by Product Category, 2024



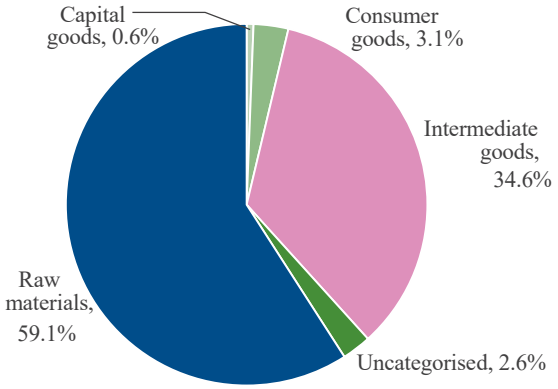
Data Source: World Bank, World Integrated Trade Solution (WITS)[63]

61 The trade deficit and surplus for each African country are calculated by subtracting the total imports from China (as reported in China's export data on the GACC Monthly Bulletin) from the total exports to China (as reported in China's import data from the same source). A positive value indicates a trade surplus, while a negative value reflects a trade deficit.

62 中华人民共和国海关总署,'（2）2024年12月进出口商品国别（地区）总值表（美元值）'.

63 The categorization of goods follows UNCTAD-SoP classification.

Figure 14 Chinese Imports from Africa by Product Category, 2024



Data Source: World Bank, World Integrated Trade Solution (WITS)

A key commitment under FOCAC8 was China's pledge to expand imports of high-quality African agricultural products. By the first eight months of 2024, agricultural imports from Africa had grown by 4.8% year-on-year[64] to a total of RMB 28.47 billion, marking the eighth consecutive year of growth. Significant increases were seen in products such as cocoa beans (+88.6%, 65.4% of the total imports of the products of the same category respectively), frozen strawberries (+82%, 84.8% of the products of the same category), and specialty items like sesame, tobacco, and macadamia nuts (increasing by 38.8%, 32.7%, and 106.2%, respectively).[65] At the same time, new African agricultural exports, including avocados, lamb, and chili peppers, have also gained competitiveness, supported by China's "green lanes" initiative to streamline inspections. For perishable goods like Kenyan roses, which now reach Chinese consumers in just 48 hours, and seafood, 24-hour customs clearance has facilitated faster trade.

Box 4 The "Production–Processing–Trade" Model: Building Integrated Agricultural Value Chains in Africa

The concept of "Integration of production, processing, and trade" represents a development approach that aligns agricultural cultivation, industrial processing, and commercial distribution within a single value chain. Increasingly adopted by Chinese enterprises in Africa, this model seeks to modernize agri-industries and raise smallholder incomes and strengthen trade linkages between African economies and global markets, particularly China.

A vivid example comes from Rwanda, where Hunan Grain & Oil Import & Export Group has developed the Rwanda–Hunan Chili Demonstration Base at the Gashora Farm in Nyagatare district, Rwanda. Spanning 100 hectares, the project employs hundreds of local women, who now earn 3,000 to 5,000 Rwandan francs per day—three to five times their previous income—through seasonal chili harvesting. At peak times, the initiative provides jobs for around 400 women. Once harvested, the chilies are dried in a nearby facility before being exported to Hunan, China, where they undergo further processing in Changsha-based factories. The finished products are then distributed through major Chinese supermarket chains. Beyond generating income, the project has introduced export-grade quality standards for Rwandan chili, enabling compliance with Chinese customs regulations and unlocking large-scale cross-border trade.

A parallel model is unfolding in Côte d'Ivoire, led by Meilan Group, which since 2020 has invested in five rubber processing plants with a combined annual capacity of 380,000 tons. As Africa's largest and the world's third-largest rubber producer, Côte d'Ivoire has long relied on exporting raw latex. Meilan's facilities are helping to shift this trajectory, transforming raw latex into value-added rubber blocks destined for

64 杨鹤 et al., '中非合作谱写全球南方发展新篇章', 中国政府网, 28 December 2024, https://www.gov.cn/yaowen/liebiao/202412/content_6995122.htm.

65 中国新闻网, '今年前5个月中非贸易规模创历史同期新高', 11 June 2025, https://qwgzyj.gqb.gov.cn/cj/2025/06-11/10430322.shtml.

tire manufacturing. This local processing reduces delivery times, increases prices for farmers, and anchors value creation within the country. According to company sources, over 5,000 jobs have been created and more than 500,000 smallholder households now supply raw materials to Meilan's plants.[66]

Together, these cases illustrate how the Production–Processing–Trade model can catalyse structural transformation. Reduced dependence on raw material exports drives local industrialization, encourages infrastructure and logistics upgrades, and even supports policy innovation—such as Côte d'Ivoire's recent restrictions on raw rubber exports, made feasible by expanded domestic processing capacity. Through these strategic interventions, Chinese enterprises are not simply sourcing commodities; they are helping African economies build integrated value chains that combine immediate economic empowerment with long-term foundations for industrial development and regional trade.

In line with the "green lanes" initiative, Sanitary and Phytosanitary (SPS) measures refer to the regulations, standards, and procedures implemented by countries to protect human, animal, and plant health from risks associated with the international trade of food, animal products, and plants. To support the expansion of agricultural trade, China has strengthened its SPS coordination with African countries. During the FOCAC8 period, China entered into SPS agreements with 13 African countries, covering 17 new agricultural products approved for entry into the Chinese market. These agreements ensure that the products meet international health standards, facilitating smoother and safer trade flows between Africa and China. This marks a significant shift from live sheep exports to processed meat products which have higher added-value and can create more local employment opportunities.[67]

66 新华社, '辣椒与橡胶的故事："产工贸一体化"赋能中非经贸合作', 中国一带一路网, 6 June 2025, https://www.yidaiyilu.gov.cn/p/0ALFB9EN.html.

67 杨鹤 et al., '中非合作谱写全球南方发展新篇章'.

Table 8 Sanitary and Phytosanitary (SPS) agreements signed during FOCAC 8

Product	Country	Announcement Date
Stevia rebaudiana	Rwanda	2022/1/7
Pear	South Africa	2022/1/17
Wild Aquatic products	Kenya	2022/4/26
Avocado	Kenya	2022/6/1
Citrus	Zimbabwe	2022/7/1
Pomegranate	Egypt	2022/8/8
Soybean meal	Zambia	2022/8/19
Stevia rebaudiana	Zambia	2022/9/5
Avocado	Tanzania	2022/11/15
Wild Aquatic products	Tanzania	2022/12/2
Aquatic animal proteins and oils	Gambia	2023/1/18
Edible aquatic animals	Comoros	2023/2/16
Lamb/goat Meat	Madagascar	2023/7/13
Avocado	South Africa	2023/8/28
Pineapple	Benin	2023/9/5
Blueberry	Zambia	2023/9/19
Mango	Egypt	2023/9/22
Unroasted coffee beans	Ethiopia	2023/11/1
Dried chili	Egypt	2024/6/6
Cashew nut	Guinea-Bissau	2024/7/18
Sunflower seed cake	Tanzania	2024/8/30

Source: compiled from the Monthly Bulletin from General Administration of Customs of China (GACC)

As part of FOCAC8, a significant commitment was made to increase the visibility and competitiveness of African products in China. This included measures such as online shopping festivals and the establishment of logistics hubs to improve market access. A prime example is the "Online Shopping Festival for High-quality African Commodities" held in April 2022, showcasing a diverse range of African products through dynamic platform-based promotions and livestreaming. Major e-commerce platforms like Douyin, Kuaishou, Taobao, and Tmall hosted livestreams with African ambassadors and business owners, as well as matchmaking events and product debuts. The event promoted over 200 high-quality products from 20 African countries, expanding their presence and driving sales in China. [68] Additionally, Kilimall became the first Chinese e-commerce platform to set up an overseas warehouse in Africa, offering next-day or same-day delivery and enabling 100% online payments, thus fostering smoother cross-border trade. These platforms, while primarily opening new sales channels for Chinese imports in Africa, also promote changes in local consumer behaviour in online shopping which will stimulate intra-regional trade.[69]

68 新华社, '网购助力更多非洲商品走进中国市场', 中国政府网, 18 August 2022, https://www.gov.cn/xinwen/2022-08/18/content_5705950.htm.

69 李卓群, 'Kilimall：生长于非洲本土的中国电商平台 - 中国一带一路网', 中国一带一路网, 19 October 2023, https://www.yidaiyilu.gov.cn/p/0FDPI-E6T.html.

Box 5 Weihai Huatan: Integrated Trade and Logistics Platform Driving Bilateral Trade and East Africa's Market Connectivity

- **Company Name:** Weihai Huatan Supply Chain Management Co., Ltd.
- **Sector:** Trade and logistics services
- **Regional Coverage:** Core focus on Tanzania and spillover effects to wider African markets
- **Type of Investment and Operations:** investment in trade and logistics service platform integrating physical infrastructure and digital platforms
- **Main Products or Services:** Offline trade and exhibition centres, bonded warehousing, cross-border e-commerce, supply chain finance, and industrial collaboration services
- **Contribution to Regional Integration:** Facilitates cross-border trade flows, increases supply chain efficiency, and serves as a bridge for Chinese companies to access African markets

In 2019, Huatan, a mixed-ownership company jointly held by private and state-owned capital, established a subsidiary in Tanzania and took over the construction and operations of what would become the East Africa Trade and Logistics Industrial Park Comprehensive Service Cooperation Zone. Launched in 2020, the zone adopts a "one zone, multiple parks" model with four key components:

- **East Africa Commercial and Logistics Centre :** a 44,000 m² complex with 75,000 m² of built-up area, offering 2,000 shops, 1,000 parking spaces, and on-site customs, tax, inspection, finance, and logistics services to provide one-stop cross-border trade facilitation.
- **Overseas Exhibition Centres:** long-term display spaces for Chinese products, enabling continuous B2B engagement.
- **Huatan Overseas Warehouse:** a 11,700 m² bonded facility near Dar es Salaam Port, providing storage, packaging, and after-sales services to support cross-border e-commerce and bulk trade.
- **Zanzibar Airport Bonded Logistics Park:** bonded storage and re-export services to enhance regional connectivity.

By 2022, the cooperation zone had generated USD 210 million in output and facilitated over USD 270 million in Chinese exports. As of October 2023, before the Third Belt and Road Forum, more than 300 companies—including 60+ Chinese firms—had settled in the park, creating 2,000 direct and indirect jobs. Upon full completion the target is 5,000 jobs. The platform has also enabled Tanzanian construction firms to secure major contracts and supported Shandong-based industries such as apparel, hardware, and medical devices to expand into African markets, contributing to a 30% surge in Africa trade volume for the city of Weihai in 2024. Recognized as a "practical cooperation project" under the Third Belt and Road Forum in 2023, the zone has become a flagship for China–Africa economic cooperation.[70]

The zone's flagship project, the East Africa Commercial and Logistics Centre, officially opened in August 2025 with 1,300 merchants across diverse sectors, making it Tanzania's largest and most modern commercial complex. The centre has pioneered a supply chain finance model that links logistics services with financial institutions, reducing operational costs, easing liquidity constraints, and improving trade efficiency.

Looking ahead, Huatan plans to expand the zone to 130,000 m² by 2026, targeting USD 2 billion in annual trade and 500 participating enterprises from Shandong Province and beyond. Through this integrated platform, Huatan is positioning itself as a trade and logistics bridge that connects China and Tanzania, and drives regional value chain development and East Africa's economic integration.

These measures to facilitate access to the Chinese market for African products are rooted in the recognition of the continued imbalance in China-Africa trade. Their primary goal is to create reliable market opportunities for emerging sectors that move beyond resource extraction. This market access helps foster production in sectors

70 陶相银, "'云话山东"|威海华坦：中坦合作"明珠"，带动国内出口超2.7亿美元！', 大众日报, 23 October 2023, https://dzrb.dzng.com/articleContent/39_1202276.html.

that can drive diversification and industrialization. While this process is long-term, it must be complemented by increased investment in infrastructure, technology, and capacity-building in diverse sectors to further accelerate Africa's economic transformation.

B) Infrastructure and Connectivity: Building Diverse Cross-Border Linkages for Mobility

Africa is widely regarded as a natural and historical extension of the Belt and Road Initiative (BRI), and in practice, the BRI has served as a vehicle for transforming high-level FOCAC commitments into concrete infrastructure projects on the ground. According to a report on the achievements of China–Africa cooperation under the BRI released in late August 2024 – ahead of the 9th FOCAC conference – Chinese companies have participated in the construction and renovation of more than 10,000 kilometres of railways, nearly 100,000 kilometres of highways, close to 1,000 bridges, and almost 100 ports. Additionally, they have helped deliver over 66,000 kilometres of power transmission and transformation lines across the continent.[71] While Chinese infrastructure engagement in Africa spans a wide range of sectors—from housing and water supply to digital connectivity—transport and energy projects have consistently accounted for the largest share of Chinese-contracted engineering activities. These two sectors are both quantitatively significant and strategically critical for advancing Africa's regional integration agenda.

i) **Transport Infrastructure**

From an integration perspective, transport infrastructure addresses an ongoing problem – that fragmented transport links continue to raise logistics costs and impede the free flow of goods. In this context, the projects in which Chinese partners actively participate, either as financiers or as constructors—ranging from roads and railways to ports, airports and urban transit systems, and in particular, connecting landlocked countries and isolated production zones to regional markets—enable more African economies and populations to participate in regional logistics networks, thereby laying the groundwork for operationalizing AfCFTA provisions (such as rules of origin and tariff preferences).

Roads and highways remain the backbone of Africa's transport network, essential for connecting people, markets, and production hubs. A flagship example is the Kenya's Nairobi Expressway, a 27.1-kilometer toll road financed, built, and operated by China Road and Bridge Corporation (CRBC). Connecting Jomo Kenyatta International Airport, the Mombasa–Nairobi Railway terminus, and the central business district, it is Kenya's first public-private partnership (PPP) expressway and a model for new financing approaches in China–Africa infrastructure cooperation.[72] In West Africa, the Outer Southern Expressway expansion in Abuja, completed in June 2024 by CGCOC Group Nigeria Ltd., [73] has supported the government's "Renewed Hope" agenda by significantly improving mobility in Nigeria's Federal Capital Territory,.[74]

China's involvement also extends to critical cross-border corridors aimed at improving connectivity across the continent. In Côte d'Ivoire, the Tiébissou–Bouaké Highway, constructed by CRBC and financed by China Eximbank, opened in August 2023. This highway forms a key link between major cities in Côte d'Ivoire and connects to the Abidjan–Ouagadougou corridor, facilitating trade from landlocked countries in West Africa to coastal

71 CGTN, 'Key Milestones of China-Africa Cooperation under BRI', 29 August 2024, https://news.cgtn.com/news/2024-08-29/Key-milestones-of-China-Africa-cooperation-under-Belt-and-Road-1wsvxkHcFgI/p.html.

72 Jevans Nyabiage, 'China-Backed Nairobi Expressway Opens, Paving Way for Cautious Financing', South China Morning Post, 2 August 2022, https://www.scmp.com/news/china/diplomacy/article/3187354/china-backed-nairobi-expressway-opens-kenya-paving-way-more.

73 中地海外集团, '尼日利亚副总统谢蒂马出席阿布贾南外环高速公路竣工仪式', 6 June 2024, http://en.cgcoc.com.cn/Group/info/10513.

74 The Phase II of this project has been completed in June 2025. See新华网, '中企承建尼日利亚首都南外环高速公路二期项目竣工-新华网', 16 June 2025, https://www.news.cn/world/20250616/47a76126ed6b4117b25c6383e28c29db/c.html.

ports. [75] Similarly, in Namibia, the rehabilitation of the Keetmanshoop–Mariental section of the B1 Highway, completed by Chinese contractor Henan International in 2024, has significantly increased transport efficiency, particularly to South Africa, which remains Namibia's largest trading partner. [76]

In the rail sector, Chinese companies have supported the development of important railway links that reduce Africa's logistics costs and connect inland production hubs with global markets. A historic example is the Tanzania–Zambia Railway (TAZARA), built with Chinese assistance in the 1970s, which entered a new revitalization phase in 2024 under a bilateral agreement between Tanzania and Zambia that was endorsed at presidential level. [77] Chinese contractors are also assisting with new multimodal hubs, such as the Dar es Salaam Inland Container Depot project, which will connect Dar es Salaam Port with various regional rail lines, increasing trade efficiency across East Africa. [78] In addition, the Maréba–Simandou Railway Project in Guinea, funded by a consortium of 10 Chinese companies, is expected to facilitate iron ore exports and improve regional connectivity, benefiting industries such as agriculture and logistics along the corridor. [79]Besides construction, China–Africa railway cooperation also encompasses skills transfer. The Ethiopia–Djibouti Standard Gauge Railway, operated by China for six years, was fully handed over in 2024 after extensive local training, laying the foundations for sustainable, localized railway operations. [80]

Box 6 Wuhan Jinhuasheng: Private-Sector Rail Solutions Reviving Liberia's Railway and Advancing Resource Corridor Development

- **Company Name:** Wuhan Jinhuasheng Railway Locomotive Co., Ltd.
- **Sector:** Railway Construction and Maintenance
- **Regional Coverage:** West Africa (Liberia, Guinea)
- **Type of Investment and Operations:** EPC contracts and operations
- **Main Products or Services:** Railway construction and track-laying, locomotive traction for heavy-haul trains, railway equipment maintenance, technical consulting, and workforce training for railway operations
- **Contribution to Regional Integration:** helped re-establish a critical transport link that supports the movement of bulk commodities from inland resource zones to coastal export hubs

75 中华人民共和国驻科特迪瓦共和国大使馆, '吴杰大使出席科特迪瓦铁布高速公路通车仪式_', http://ci.china-embassy.gov.cn/zxyw/202308/t20230826_11133086.htm.

76 Xinhua, 'Namibia's Main Transport Route Reopens after Rehabilitation', 4 September 2024, https://english.news.cn/20240904/a62ebf7d-0427482b8e083fe23cd9d90d/c.html.

77 The Citizen Reporter, '$1 Billion Tazara Rehabilitation Closer to Reality', The Citizen, 5 September 2024, https://www.thecitizen.co.tz/tanzania/news/national/-1-billion-tazara-rehabilitation-closer-to-reality-4750018.

78 中国海外工程有限责任公司, '坦桑尼亚达累斯萨拉姆港内陆集装箱码头及铁路轨道设计施工总承包项目正式签约', 5 February 2024, http://www.covec.com/news/447.html.

79 舒靓, '我国承建的几内亚CTG铁路（马西铁路）开始全线架梁施工', 中国日报中文网, 14 March 2024, https://cn.chinadaily.com.cn/a/202403/14/WS65f295e2a3109f7860dd568a.html.

80 Xinhua, 'Ethiopia, Djibouti Embark on Management, Operation of Chinese-Built Railway', 11 May 2024, https://english.news.cn/africa/20240511/107f570afc9c48bfbf516a5ec40c355f/c.html.

Wuhan Jinhuasheng Railway Locomotive Co., Ltd. is one of China's few private enterprises specializing in comprehensive railway services. Combining expertise in heavy-haul transport, track construction, equipment maintenance, and professional training, the company is also the only private Chinese enterprise providing 10,000-ton train traction services for overseas projects, with ISO-certified quality systems and licenses for overseas investment and labour cooperation.

In 2023, Jinhuasheng, as part of a consortium with large central and state-owned enterprises, undertook the comprehensive management of operations and maintenance of Liberia's Bong Mine, the Bong Mine Railway, and Monrovia Freeport. The 85-kilometer railway, originally built by Germany in the 1950s, had severely deteriorated—over 90% of sleepers required replacement, locomotives were non-functional, and key bridges had corroded beyond safe use.

To adapt Chinese locomotives to German rail standards, Jinhuasheng's engineers developed specialized wheel-lathing equipment to ensure precise compatibility between wheels and tracks. It also managed to source and re-engineer locomotive components, and complete full railway restoration in six months. The reopening of the line has enabled the annual carriage of 1.5 million tons of iron ore from Bong Mine to Monrovia Port while revitalizing a corridor that passes through Bong and Montserrado counties—home to over two million people, nearly 40% of Liberia's population. The railway also holds future potential to expand into passenger transport, further strengthening national and regional connectivity.[81]

In the course of construction, Jinhuasheng has trained over 800 local employees and created more than 300 jobs, providing skills in locomotive maintenance, track operations, and rail logistics.[82]

Beyond Liberia, Jinhuasheng has contributed to Guinea's Dapilon-Santou (DAS) Railway since 2019, offering traction services to support the country's mining exports. Together, these projects highlight how Chinese private enterprises—leveraging operational flexibility and specialized technical expertise—can complement state-owned enterprises in advancing Africa's resource corridor development and broader regional connectivity.

Another emerging area of opportunity is regional logistics hubs, which support diverse functions and contribute to Africa's integration agenda. In February 2024, Ethiopian Airlines inaugurated a 15,000-square-meter e-commerce logistics hub in Addis Ababa, built by China National Aero-Technology International Engineering Cooperation. With the capacity to process 150,000 tonnes of goods annually, the hub facilitates the sorting and redistribution of e-commerce products from China and other global markets across Africa, improving delivery times and reducing logistics costs.[83] In Southern Africa, the SADC Regional Logistics Centre near Gaborone, Botswana started construction in December 2024, led by Jiangxi International. Designed to serve SADC's emergency force and member states, the centre will include logistics warehouses, an office building, and a vehicle maintenance workshop. Once operational, it will strengthen the region's capacity for critical goods storage, emergency response, and supply chain resilience across 16 member countries.[84]

ii) Energy Infrastructure

Energy cooperation likewise plays a foundational role in supporting industrialization and reducing Africa's dependence on external exports. Long-term energy

81 李源, '武汉三台火车发往非洲 荒废10年铁路重焕新生 利比里亚驻华大使致信感谢', 荆楚网, 26 June 2025, http://m.cnhubei.com/content/2025-06/26/content_19287368.html.

82 长江日报, '锦华盛承接非洲铁路项目', 武汉市商务局, 27 April 2025, https://sw.wuhan.gov.cn/xwdt/mtbd/202504/t20250427_2574343.shtml.

83 Xinhua, 'Chinese-Built Logistics Hub Inaugurated in Ethiopia to Promote e-Commerce', 1 March 2024, https://english.news.cn/africa/20240301/23d9d873274a4b5ca0914fca31b0b805/c.html.

84 Xinhua, '南共体待命部队地区物流仓库在博茨瓦纳开工建设-新华网', 14 December 2024, https://www3.xinhuanet.com/world/20241214/1a5ba9afda4e4d3cbbdb8b7f57c94376/c.html.

shortages, uneven access to electricity, and fragmented national grids have long constrained Africa's industrial capacity and cross-border economic cooperation. In addition, Africa's energy endowments (especially in clean energy) are unevenly distributed across countries and regions. In this context, energy infrastructure supports both diversification and interconnection goals of the African Continental Power Systems Masterplan[85]. By expanding the generation mix and investing in transmission networks, these efforts strengthen the resilience of national power systems and create the conditions for cross-border electricity trade.

Hydropower remains one of the most mature and reliable renewable energy technologies worldwide. In Africa, where river resources are abundant, modern hydropower plants provide stable, low-cost electricity in addition to a range of comprehensive benefits such as flood control, irrigation, drinking water supply, and cross-border energy interconnections. Several Chinese-contracted hydropower projects in Africa in recent years have begun contributing to regional power systems: In Mali, the Gouina Hydropower Station, built by Power China and opened in 2022, is a landmark project that alleviates Mali's power shortages while contributing to the regional energy supply. This plant is linked to the West African Power Pool, allowing for electricity exports to Senegal and Mauritania, boosting regional electricity trading.[86] Similarly, in Zambia, the Lower Kafue Gorge Hydropower Station, also built by Power China, began operations in 2023 and now supplies nearly 40% of Zambia's total electricity, easing long-standing power shortages while also supporting neighbouring countries in Southern Africa. [87]

Photovoltaic (PV) power has become a significant focus of China–Africa cooperation given its scalability, cost-effectiveness, and suitability for Africa's solar-rich landscapes. A The Kom Ombo Solar Power Plant in Egypt, constructed by China Energy Engineering Group and inaugurated in 2024, is set to supply clean electricity to around 256,000 households annually, [88] and will help Egypt meet its revised target of 42% renewable energy in its power mix by 2030 and position itself as a regional energy hub.[89] In April 2024, Zambia's Itimpi Solar Power Project, built by Power China in partnership with Copperbelt Energy Corporation, was successfully connected to the grid and is expected to generate over 100 million kWh of electricity annually.[90]

Box 7 Weihai International.: Battery Solutions to Link West Africa's Grids and Accelerate Regional Green Power Integration

- **Company Name:** Weihai International Economic & Technical Cooperative Co.
- **Sector:** Power engineering and electrical equipment
- **Regional Coverage:** Côte d'Ivoire

85 AUDA-NEPAD, The African Continental Power Systems Masterplan., Synthesis Report, Quantifying the Transformative Value of a Continent-Wide Electricity Power Network (African Union Development Agency - NEPAD, 2023).

86 孔金鹏, '四国总理出席中国电建马里古伊那项目竣工发电庆典', 中国电建, 5 December 2022, https://www.powerchina-intl.com/index.php/show/9/2773.html.

87 周輞 and 韩硕, '"助力赞比亚成为南部非洲的电力中心"（新时代中非合作）', 人民日报, 15 January 2025, https://paper.people.com.cn/rmrb/pc/content/202501/15/content_30052063.html.

88 Xinhua, '中企承建埃及500兆瓦光伏电站投入运营-新华网', accessed 5 July 2025, https://www.news.cn/world/20241216/794407ff80704f5e8a0a98da0cd59867/c.html.

89 Egypt State Information Service, 'Egypt Reaffirms Renewable Energy Localization, Regional Energy Hub Vision in Shanghai', 25 June 2025, https://www.sis.gov.eg/Story/209484/Egypt-reaffirms-renewable-energy-localization,-regional-energy-hub-vision-in-Shanghai/?lang=en-us.

90 Lusaka Times, 'Zambia : President Hichilema Inaugurates 60MW CEC Itimpi Solar Plant in Kitwe', 11 April 2024, https://www.lusakatimes.com/2024/04/11/president-hichilema-inaugurates-60mw-cec-itimpi-solar-plant-in-kitwe/.

- **Type of Investment and Operations:** EPC (Engineering, Procurement, Construction) combined with investment-led operations, funded through private capital, World Bank co-financing, and partnerships with ECOWAS energy programs.
- **Contribution to Regional Integration:** Stabilizes Côte d'Ivoire's northern grid, increase renewable energy integration in the West Africa power pool (WAPP) ; develops local expertise and industrial capacity in energy infrastructure.

As one of China's leading infrastructure enterprises with extensive experience in Africa, Weihai International Economic & Technical Cooperative Co., Ltd. has played a pioneering role in advancing clean energy and power stability across the continent. The company is the general contractor and consortium lead for the battery energy storage project in Côte d'Ivoire—a flagship component of the Regional Electricity Access and Battery Energy Storage Technology (BEST) Project, jointly initiated by the World Bank and the Economic Community of West African States (ECOWAS) in 2021.

Located across Korhogo, Ferkessédougou, and Odienné in northern Côte d'Ivoire, the BESP represents an investment exceeding €50 million and will deploy 105 MW/105 MWh of advanced battery storage capacity. The project, financed by the World Bank and implemented by Côte d'Ivoire Énergie, aims to enhance grid reliability, integrate renewable power, and improve electricity access for thousands of households and businesses. Scheduled for completion by the end of 2025, the project will help stabilize Côte d'Ivoire's northern grid.[91]

Beyond its technical contribution, the project has also become a platform for local capacity development and youth employment. More than 200 Ivorian workers, including engineers, translators, and technicians, are currently employed on-site. Local staff have gained hands-on experience in engineering design, construction management, and cross-cultural project coordination, which reflecting Weihai International's commitment to knowledge transfer and human capital development.

For Côte d'Ivoire, this initiative comes at a pivotal time. Despite its abundant solar and wind potential like many West African countries, it faces challenges of intermittent generation, unstable grids, and high curtailment rates. The BEST directly addresses these bottlenecks by providing frequency control and reserve power to balance renewable energy variability, making it a cornerstone for the region's transition toward a more integrated and resilient electricity market. The success of the Côte d'Ivoire BESP is expected to inform similar renewable energy and storage projects across the subregion, including in Senegal, Niger, and Mali. Looking ahead, participation in similar cross-border renewable and storage projects in Senegal, Niger, and Mali presents new opportunities for Chinese companies to align commercial engagement with Africa's clean energy and regional integration goals.

The World Bank and ECOWAS launched the Regional Electricity Access and Battery Energy Storage Technology (BEST) Project in 2021 with the objective to increase access to grid electricity, enhance power system stability, and increase renewable energy integration in the West Africa power pool (WAPP).

To help bridge this gap, Weihai International launched the Côte d'Ivoire Battery Energy Storage Project in 2022—a flagship initiative under the West African Power Pool (WAPP) framework, co-financed by the World Bank, representing an investment of more than €50 million. Spanning Korhogo, Ferkessédougou, and Odienné in northern Côte d'Ivoire, the project integrates 50MW/100MWh of lithium iron phosphate (LFP) battery storage with a 100MW solar farm. This integrated solar-storage microgrid delivers clean power to 30,000 households, reduces solar curtailment from 35% to below 5%, and stabilizes the national grid.

Beyond national benefits, the project has the potential to advance regional energy integration. By increasing grid reliability, it enables surplus electricity exports to neighbouring countries and supports WAPP's vision of a unified regional electricity market that lowers power costs and reduces shortages through shared infrastructure.

91 李志浩 and 周昊瑾, '通讯丨实现高效储能　点亮更多光明——探访中企承建科特迪瓦电池储能项目-新华网', 新华网, 28 October 2024, https://www.news.cn/world/20241028/cd308e2ed4524d17955c3f21aa1ffdda/c.html.

Chinese companies in Africa are diversifying their renewable energy portfolio to tap into the continent's vast potential. In Egypt, the Amunet Wind Power Project, a 500 MW wind farm in the Gulf of Suez, is a significant step in diversifying the country's energy mix. Expected to be fully commissioned by May 2025, the PowerChina project is a key part of Egypt's clean energy transition. [92] Geothermal energy, an abundant but underutilized resource in East Africa, has also seen important breakthroughs. The Menengai Geothermal Project, a pioneer since 2021, and the Sosian Geothermal Power Plant (35 MW), developed by Kaishan Group, began operations in 2023. Kenya aims for 60% geothermal energy by 2030, with the Sosian project setting a model for expansion, while also prioritizing local employment and technology transfer.[93] In Côte d'Ivoire, the Aboisso Biomass Power Plant (46 MW), jointly financed by France's Électricité de France (EDF) and constructed by China Energy Engineering Group, sets a model of trilateral cooperation. Using agricultural waste—primarily palm oil production residues—as its fuel source, the project is expected to generate approximately 348 GWh of clean electricity annually, enough to meet the energy needs of around 1.7 million people.[94] The project contributes to agricultural sustainability and rural livelihoods. During its construction and operation, the plant is expected to deliver tangible social and economic benefits to local communities by creating over 1,000 full-time jobs and providing supplemental income to more than 12,000 palm growers.[95]

Box 8 TBEA: Leveraging Power Infrastructure to Drive Regional Industrialization

- **Company Name:** TBEA Co., Ltd.
- **Sector:** Power engineering and electrical equipment
- **Regional Coverage:** Multiple countries spanning Eastern, Southern, Western, and Northern Africa
- **Type of Investment and Operations:** EPC engineering contracting; product sales, installation, operation and maintenance services
- **Main Products or Services:** Substation equipment and construction, new energy equipment, and integrated power solutions
- **Contribution to Regional Integration:** Enhancing electricity supply and transmission systems to underpin industrial development, enable cross-border power trade, and lay the foundation for energy-driven regional integration.

To address Ethiopia's rising electricity demand and unlock its potential as a regional power exporter, TBEA Co., Ltd—a leading Chinese electrical equipment manufacturer and EPC contractor—was awarded a landmark project to support the transmission of power generated by the 1,870 MW Gibe III Hydropower Dam, commissioned in 2016. The project included the installation of two high-voltage transmission lines, most notably a critical segment linking Gibe III to the Wolayta substation. This infrastructure not only strengthened Ethiopia's national grid by evacuating power to Addis Ababa and surrounding regions, but also alleviated local shortages, stabilized the grid, and established a backbone for future cross-border electricity trade. The €1.47 billion project was financed through a partnership model: 85% was provided by the China Eximbank under a concessional loan, while the Ethiopian government covered the remaining 15%.[96] By channeling hydropower from generation centres to regional interconnection points, the project positions Ethiopia to export surplus electricity to Kenya, Sudan, and Djibouti—advancing its ambition to become a regional hub for power production and distribution.

92 曲金玮 and 杨鹏, '中国电建埃及苏伊士湾阿蒙内特500兆瓦风电项目顺利投入商业运行', 中国电建, 3 June 2025, https://www.powerchina.cn/col/col7449/art/2025/art_1443251516.html.

93 黄炜鑫, '"中企为我们开发地热资源带来全新技术"（共创繁荣发展新时代）', 人民日报, 15 August 2024, https://www.peopleapp.com/column/30046248762-500005672496.

94 新华网, '中企承建科特迪瓦生物质电站项目奠基', 21 July 2023, https://www.xinhuanet.com/world/2023-07/21/c_1129762559.htm.

95 中国能建, '西非最大生物质电站1号汽机基座浇筑完成', 中国能源网, 12 August 2024, https://www.china5e.com/news/news-1175117-1.html.

96 'Gilgel Gibe III Hydroelectric Power Project', Power Technology, 5 March 2021, https://www.power-technology.com/projects/gilgel-gibe-iii-hydroelectric-power-project/.

TBEA's model covering design, construction, commissioning, and personnel training has been pivotal for the sustainability of such projects. This model serves both purposes to delivers infrastructure and fosters local employment and facilitates skills transfer, ensuring long-term operational capacity. TBEA has replicated similar models across Africa, implementing high-voltage transmission and substation projects in Angola, Zambia, Kenya, Uganda, Sudan, Tanzania, and Nigeria, cumulatively contributing to the continent's energy connectivity.[97]

C) Digital Innovation: Layering a Continental Digital Ecosystem for Integration

FOCAC8 marked a historic milestone by dedicating a section to digital technologies, building on China-Africa's long-standing ICT collaboration. By the time of FOCAC8, Chinese companies had contributed to over 50% of Africa's wireless network stations and high-speed broadband networks. These collaborations have enabled near-total telecom coverage across the continent.[98] By August 2024, China's efforts in ICT infrastructure had connected nearly 700 million user terminals and expanded 66,000 km of power transmission and 150,000 km of communication backbone networks.[99] These is crucial for improving access to the internet and connecting millions of people across Africa to global digital networks.

A key driver of this transformation is China's investment in undersea cables. The 2Africa submarine cable, launched in 2020, is the world's largest transoceanic cable system, spanning 45,000 km and connecting 33 countries across Asia, Europe, and Africa. It provides faster and more accessible international connections, benefiting about 3 billion people.[100]By 2023 and 2024, the cable had already connected countries such as Egypt, Somalia, South Africa, Mozambique, Seychelles, Comoros, Angola, Tanzania, Nigeria, Ghana, and Senegal. The 2Africa cable will not only boost internet connectivity but also accelerate the development of data centres and cloud services across Africa, providing critical infrastructure for mobile internet applications and digital devices.

Beyond fiber optics, regional data centres serve as digital hubs for RECs, reducing latency and enhancing cross-border collaboration. Key examples of Chinese involvement include the Galaxy Backbone Data Centre in Nigeria, completed in September 2022 with Huawei's FusionDC1000B solution.[101] In Botswana, the Digital Delta Data Centre, under construction by Jiangxi International Economic and Technical Cooperation Co., is expected to launch in October 2025. Located in the Botswana Innovation Hub in Gaborone, it will provide critical local data storage capabilities, allowing the country to host content domestically and retain personal data. This data centre is expected to boost Botswana's digital sector, attracting further investment and strengthening its position as a key player in regional digital infrastructure.[102]

FOCAC 8 committed to expanding the use of digital solutions across various sectors, including cloud computing, big data, artificial intelligence (AI), the Internet of Things (IoT), and mobile internet. China has actively shared its experiences in building smart cities with African countries and by the time ahead of FOCAC 9, 17 cities in 15 African countries and over 1,500 enterprises have chosen Chinese companies as their partners for digital transformation. 29 African countries have selected

97 李杨, '特变电工：跨越千山万水点亮非洲', 腾讯网, 7 September 2024, https://news.qq.com/rain/a/20240907A004IX00.

98 曲颂 et al., '助力非洲走可持续发展之路（新时代中非合作）', 人民日报, 17 June 2023, https://www.peopleapp.com/column/30035362541-500005124681.

99 王珩, '中非人工智能合作：助力非洲可持续发展的新引擎', 中国日报网, 7 March 2025, https://world.chinadaily.com.cn/a/202503/07/WS-67ca9955a310510f19eea509.html.

100 光明网, '2Africa国际海缆项目——构筑环非信息高速公路，拥抱非洲智能数字未来', 世界互联网大会, 19 November 2024, https://cn.wicinternet.org/2024-11/19/content_37728109.htm.

101 华为, '华为助力Galaxy Backbone打造尼日利亚首个Uptime Tier IV设计和建造双认证数据中心-华为数字能源', https://digitalpower.huawei.com/cn/success-stories/huawei-galaxy-backbone-nigeria-dual-certified-data-centre.html.

102 Africa -Press, Bofinet Boosts Digital Access, Cuts Data Costs in Botswana, 27 April 2025, https://www.africa-press.net/botswana/all-news/bofinet-boosts-digital-access-cuts-data-costs-in-botswana.

Chinese companies to provide smart governance solutions.[103]

Box 9 ZTE: Building Digital Foundations for Africa's Regional Connectivity

- **Company Name:** Zhongxing Telecommunication Equipment (ZTE) Corporation
- **Sector:** Telecommunications and Digital Infrastructure
- **Regional Coverage:** Operations across 50+ African countries
- **Investment and Operational Model:**
- **Type of Investment and Operations:** Capital investment; joint ventures with local telecom operators; large-scale EPC contracts
- **Main Products or Services:** Construction of telecommunications networks (from 2G to 5G), cross-border fibre optic systems, data centres, broadband solutions, and affordable terminal devices.
- **Contribution to Regional Integration:** Built cross-border fiber optic systems and regional data centres for cross-border digital services; Expanded broadband and low-cost terminal solutions to rural and underserved areas;

Africa's digital divide remains profound: as of 2023, global internet penetration stood at 67%, while Africa lagged at just 37%, leaving nearly 900 million people offline.[104] High terminal costs, unreliable power supplies, and limited broadband infrastructure have hindered inclusive connectivity and constrained the continent's ability to realize its digital potential.

Since entering Africa in 1997, ZTE Corporation has played a pivotal role in narrowing this divide, advancing telecom infrastructure from 2G to 5G and serving over 400 million African users.[105] More than a commercial player, ZTE has embedded itself as a long-term partner, aligning its business with Africa's regional integration agenda.

By collaborating with national telecom operators and regional governments, ZTE has developed digital corridors—cross-border fibre optic networks and data centres—that form the backbone of Africa's emerging digital economy. These projects are not merely national upgrades; they underpin the connectivity required for AfCFTA's integrated market, reducing transaction costs and enabling continent-wide services.

Affordability and accessibility are central to ZTE's approach. Through affordable terminals and broadband solutions, particularly in rural and underserved areas, the company has broadened digital access for marginalized populations, catalysing participation in mobile banking, regional e-commerce, and digital public services. These initiatives directly advance the African Union's Agenda 2063, which recognizes digital infrastructure as a driver of cooperation and shared prosperity.

In combining global expertise with localized operations—including 41 subsidiaries, 19 logistics centres, and a majority-local workforce—ZTE exemplifies how foreign investment can foster inclusive digital transformation while laying the groundwork for a connected, competitive, and integrated Africa.

A notable example is the Smart Burkina Faso Project, launched in September 2021 and funded by China's Export-Import Bank. This initiative, implemented by Huawei and China Communications Construction Group,

103 中国新闻网, '（经济观察）中非数字合作再添新成果-中新网', 30 July 2024, https://www.chinanews.com.cn/cj/2024/07-30/10260413.shtml.

104 中国对外贸易杂志, '【特别报道】为非洲量体裁衣，助通信行业"非"跃', 新浪财经, 17 October 2024, https://finance.sina.com.cn/wm/2024-10-17/doc-incsvfqf9829414.shtml.

105 ZTE中兴, 'P2C领军者：促进全球有意义连接', 中兴官网, 2023, https://www.zte.com.cn/content/zte-site/www-zte-com-cn/china/about/sustainability/ESG-our-initiatives-meaningful-connectivity-itu-p2c-digital-coalition-champion.

developed a national backbone network and a smart city system that connects 22 cities and benefits over 5 million people.[106] The project completed preliminary handover in 2024, and this smart city system has notably increased the efficiency of local government departments and businesses and improved the delivery of public services.[107] In Nairobi, Kenya, a smart traffic system pilot, developed by JARI Electronics and the Kenya National Highways Authority (KeNHA), was successfully delivered in December 2023. The project improved traffic efficiency by 15%-20% in tested areas. [108] In Ethiopia, the Smart Traffic System Improvement Project in Addis Ababa, led by Hisense and Shandong Hi-Speed Group, aims to optimize public transport scheduling and general traffic flow. The project, funded by the World Bank, has equipped 170 bus routes with Hisense vehicle-mounted systems and 4 routes with handheld systems. The system allows residents to access real-time bus information via an app, while public transport operators can monitor and optimize bus scheduling based on passenger demand. [109] trial runs began in June 2024, marking a significant step towards improving public transport services in Addis Ababa through digital innovation. [110] These digital solutions are expected to significantly improve public service delivery across Africa, showcasing the positive spillover effects that technology improvements can have on various sectors, including transport, governance, and urban management.

Efforts to bridge Africa's digital divide are not confined to large-scale infrastructure projects. In July 2024, Huawei unveiled Zambia's first smart village in Muzila Village, featuring a micro-solar power station that provides electricity to a local school, clinic, and smart classrooms.[111] The village also includes a communication tower using Huawei's Rural-Star technology, offering mobile and internet connectivity for remote education, healthcare, and optimized farming practices. [112] Built in just 30 days, this pilot project exemplifies "small but beautiful" development, with high scalability potential for expansion across other African countries

Box 10 PERCENT Technology: Smart Governance Solutions Driving Digital Transformation

- **Company Name:** PERCENT Technology Group Co., Ltd.
- **Sector:** Data intelligence solutions
- **Regional Coverage:** Angola and the Democratic Republic of Congo
- **Investment and Operational Model:**
- **Type of Investment and Operations:** Digital infrastructure deployment and long-term system integration services
- **Main Products or Services:** National-level big data platforms, AI technologies deployment, and smart governance applications

106 中国一带一路网, '中国进出口银行融资支持的"智慧布基纳法索"项目开工 - 中国一带一路网', 7 September 2021, https://www.yidaiyilu.gov.cn/p/186307.html.

107 中国电信, '中国通服：走出去，点亮新非洲！', 澎湃新闻, 21 October 2024, https://m.thepaper.cn/newsDetail_forward_29074611.

108 连云港杰瑞电子有限公司, '创新出海，杰瑞智慧交通亮相肯尼亚，带出"新节奏"！', 11 September 2024, http://www.jariec.com/zxdt/qy-dt/86422eff11804839b5e800a64ce21b0a.htm.

109 王楠, '出埃塞俄比亚记：这家中企把"智能交通"带到非洲', 环球网, 22 March 2022, https://tech.huanqiu.com/article/47IBtkfQaxw.

110 海信网络科技, '海信承建埃塞俄比亚智慧公交项目取得新进展 170余条公交线启动试运行', 1 June 2024, https://www.hisense-transtech.com.cn/html/information_centre/2024/News_1654.html.

111 央视财经, '建海缆、建智慧村庄…中企发力助非洲经济发展，数字领域合作成效显著', 搜狐, 4 September 2024, https://www.sohu.com/a/806324591_114960.

112 中国日报, '华为与赞比亚科技部联合发布智慧村庄全球样板点', 10 March 2025, http://china.chinadaily.com.cn/a/202004/07/WS5e8c2316a-310395ca8f7402d.html.

- **Contribution to Regional Integration:** Establishes interoperable digital systems that enhance governance capacity

PERCENT Technology is one of China's leading providers of smart governance solutions. Since entering overseas markets in 2016, its business and partner network has expanded to more than 20 countries and regions, delivering trillion-level big data platforms, national data infrastructure, AI laboratories, and sector-specific "smart governance" applications that enable digital and intelligent transformation of public services.

In Africa, PERCENT's flagship engagement began in 2017 with Angola, where it helped design and implement three integrated national systems: population management, tax administration, and public safety.

- **Population Management:** Before the project, Angola's population data was fragmented and largely paper-based, with limited national ID coverage that excluded many citizens from modern public services. PERCENT developed a national population data management system, comprising an electronic ID platform, a centralized population information database, and a government analytics dashboard. Using next-generation ID chips and large-scale biometric data collection, the system linked data across agencies, enabling dynamic tracking of births, education, marriage, and social security. Within six months of operation, the platform had migrated more than 20 million records, issued 11 million new IDs, and automated data exchange among ministries—modernizing governance while expanding access to services.

- **Tax Administration:** In 2018, PERCENT launched Angola's integrated tax information management system, which includes multidimensional analytics, tax risk management, and dynamic monitoring subsystems. Built on cloud and AI technologies, the platform created taxpayer profiles and relational maps to identify compliance gaps and improve efficiency. After one year of operation, the system covered all tax regions, 58 bank branches, 24 municipal offices, and 7 national agencies, serving over 200,000 corporate taxpayers. By 2020, Angola had added more than 500,000 registered taxpayers and reduced its tax gap by 56%, boosting both revenue and transparency.

- **Public Safety:** To overcome data silos in Angola's emergency response systems, PERCENT developed national and provincial public safety command centres, integrating data from police, fire, medical, and municipal agencies. Powered by IoT and AI, the system analyses five key dimensions—people, locations, events, assets, and organizations—to improve incident detection and response. Today, it serves over 100,000 police officers across 1,000+ agencies, generates more than 10,000 annual alerts, and provides 50,000 inter-agency information queries, significantly improving public security management and citizen safety.[113]

Through these projects, PERCENT has modernized core state functions while building local capacity by training data-literate professionals and introducing AI-driven methodologies for decision-making. During FOCAC 9 in September 2024, PERCENT signed an MoU with the Democratic Republic of the Congo to explore the development of an emergency management system and electronic ID platform, leveraging data technologies and analytics to increase governance capacity and efficiency.[114]

These examples suggest that digital solutions not only improve cross-sectoral coordination within countries but also lay the groundwork for regional data interoperability—enabling future cooperation on cross-border governance, trade, and value chain development.

The success of projects like these demonstrates the essential role of private sector companies with the technical capacity to drive digital transformation in Africa. The digital initiatives provide the infrastructure; they also lead efforts in talent cooperation. Programs such as the Luban Workshop, established in partnership with

113 百分点科技, '人民日报 | 百分点科技在共建"一带一路"中的实践_百分点科技', 20 October 2023, https://www.percent.cn/News/Details/renminribaoccc.html.

114 百分点科技, '中非合作论坛期间百分点科技与刚果（金）签署谅解备忘录_', 6 September 2024, https://www.percent.cn/News/Details/zhongfeilt.html.

Kenya's Machakos University, Tianjin City Vocational College, and Huawei, focus on developing crucial skills in AI, cloud computing, and cybersecurity. [115] Similarly, Huawei's Seeds for the Future program has trained over 6,000 students across Africa, with expansions into countries such as Mozambique and Tanzania, and has supported more than 20 start-ups. [116] With its Seeds for the Future 2.0 initiative, whose goal is to train 3 million people worldwide by 2026, the program plays a key role in boosting employability and nurturing the local tech ecosystem, both of which are essential for Africa's digital and economic growth. [117]

2.1.3 Investment and Industrial Cooperation: Catalysing Africa's Value Chain Upgrade

According to the 2024 Statistical Bulletin released by the Ministry of Commerce, Chinese FDI in Africa reached USD 3.37 billion in 2024, following USD 3.96 billion in 2023.[118] While the 2024 figure represents a year-on-year decline of about 15 percent, this largely reflects portfolio adjustments and a higher base year following the strong rebound of 2023, when Chinese investment surged by nearly 120 percent year-on-year. The moderation in 2024 was also influenced by negative net inflows in a small number of countries, particularly Angola and Ethiopia, which offset gains elsewhere. In fact, 14 countries recorded negative inflows, while the majority continued to attract new investments. Notably, South Africa, Mozambique, Niger, Algeria, and Mauritius saw significant increases, reflecting both sectoral diversification and evolving regional investment dynamics. Over the three-year period (2022–2024), China's FDI stock in Africa continued to rise steadily from USD 40.9 billion in 2022 to USD 43.8 billion in 2024, and the cumulative Chinese FDI inflow to Africa reached approximately USD 9.1 billion, equivalent to over 90 percent of the USD 10 billion investment pledge made under FOCAC 8. This near-fulfilment shows the resilience and scale of China's investment engagement in Africa. However, the shortfall also reflects the uncertainties posed by evolving economic and political conditions across parts of the continent, highlighting the importance of adapting investment strategies and identifying new opportunities under the next FOCAC cycle to sustain momentum. In terms of global comparison, according to UNCTAD China remained one of the top five sources of FDI stock in Africa in 2023, with a total of USD 42 billion—behind only the Netherlands, UK, US, and France. [119]

In terms of industry distribution, the latest data from MOFCOM shows that Chinese FDI in Africa remains heavily concentrated in construction, mining, and manufacturing. By the end of 2024, the top five sectors—construction, mining, manufacturing, finance and leasing, and business services—accounted for 87.7% of China's total investment in Africa. Despite the prominence of mining in China's investment portfolio in Africa, UNCTAD reports a one-third growth in extractive projects in 2023, with significant flows directed to resource-rich countries like Guinea, DRC, and Uganda. However, investors from Singapore, France, Canada, the UK, and Italy collectively account for around 80% of capital in the extractive sector, challenging the perception that China is the dominant mining investor in Africa.[120] In alignment with its FOCAC8

115 新时代中国外交思想库, '从鲁班工坊到非洲农田：一群非洲青年如何用中国AI技术改写命运？', 今日头条, 20 March 2025, https://www.toutiao.com/article/7483723429514871348/.

116 崔越 and 张悦, '华为在阿尔及利亚举办"2023年未来种子"颁奖仪式', 人民网, 4 December 2023, https://world.people.com.cn/n1/2023/1204/c1002-40131706.html.

117 '未来种子2.0，助力培养ICT人才，激发创新', 华为, //www.huawei.com/cn/sustainability/the-latest/stories/seeds-cultivating-ict-talent-to-stimulate-innovation.

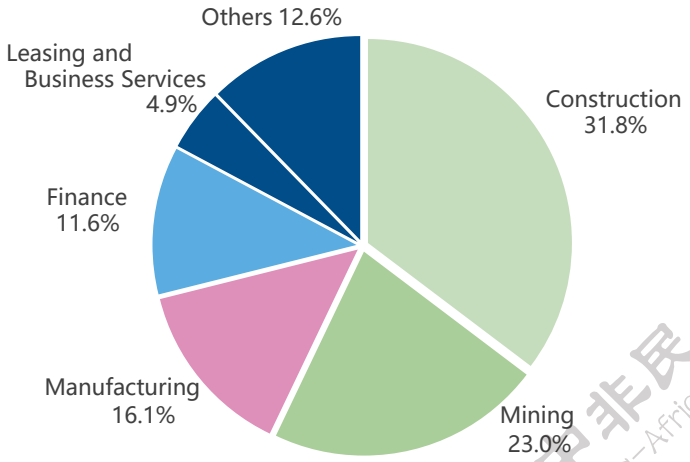
118 中华人民共和国商务部 et al., 2024年度中国对外直接投资统计公报 (北京, 2025).

119 United Nations Trade and Development (UNCTAD), World Investment Report 2025: International Investment in the Digital Economy, 1st ed, United Nations Conference on Trade and Development (UNCTAD) World Investment Report (WIR) Series (United Nations Research Institute for Social Development, 2025). 32 Note that the latest World Investment Report 2025 by the UNCTAD is based on data from 2023.

120 United Nations Trade and Development (UNCTAD), World Investment Report 2025. 33

strategy, China's FDI approach now emphasizes expanding the mineral value chain, particularly in downstream activities such as smelting and refining, alongside investments in critical infrastructure such as power and transportation networks. Additionally, both China and Africa have committed to developing resource-processing industrial zones, designed to transform Africa's rich natural resources into a catalyst for broader industrial development.

Figure 15 Share of China's direct investment in Africa by industry



Manufacturing and industrialization have long been central to Africa's development agenda, as outlined in Agenda 2063. Africa's trade imbalance—both with China and other global partners—stems from its reliance on raw material exports and the import of value-added goods. Without a robust manufacturing base, African economies risk remaining locked in the export of low-value commodities, and missing the high-value opportunities emerging from global supply chain shifts, while other regions such as Southeast Asia and Latin America are pursing high-value production. Beyond correcting trade imbalances, manufacturing acts as a catalyst for broader socio-economic transformation – it fosters technological diffusion and innovation and creates large numbers of jobs. FDI should therefore prioritize labour-intensive, productivity-increasing sectors with strong linkages along the value chain, rather than focusing solely on resource extraction. [121] Intra-African trade also plays a crucial role in industrialization. UNECA data shows that, while Africa's extra-continental exports remain commodity-heavy, intra-African trade is more industrialized and value-added. [122] This highlights the potential for sectors with strong continental demand to thrive under the AfCFTA's harmonized market, driving further industrial growth and reducing dependency on imports.

Industrial cooperation has been a core focus of the FOCAC framework since the 2015 Johannesburg Summit, with the **China-Africa Industrialization Cooperation Plan** designed to help African countries establish modern industrial systems.[123] At FOCAC8, this commitment was reinforced by a focus on sector-specific cooperation, targeting industries that align with each country's resource endowments and development level. Key sectors include resource-intensive industries (e.g. food, beverages), labour-intensive industries (e.g. textiles, apparel), and technology-intensive industries (e.g. pharmaceuticals, ICT), all aimed at fostering green manufacturing and high-value growth in emerging sectors. The following sections detail how these commitments have translated into

121 China-Africa Business Council, China-Africa Investment Cooperation: A New Impetus to Africa's Industrialization, Chinese Investment in Africa (2024), https://www.cabc.org.cn/report-en-2024.pdf. 40

122 United Nations Economic Commission for Africa (UNECA), 'African Continental Free Trade Area: A Catalyst for Industrial Development on the Continent', Policy Brief, 16 October 2018, https://archive.uneca.org/sites/default/files/PublicationFiles/atpc_brief_afcfta_as_a_catalyst_for_industrial_development_final.pdf.

123 中华人民共和国商务部, '中非合作论坛约翰内斯堡峰会暨第六届部长级会议 "十大合作计划"经贸领域内容解读', 11 December 2015, https://m.mofcom.gov.cn/article/ae/ai/201512/20151201208518.shtml.

concrete investments across key industries.

A) Agro-processing

The agro-processing sector bridges primary agricultural production and value-added manufacturing, connecting smallholder farmers to broader markets. A significant portion of the rising demand for processed and semi-processed food products is driven by intra-African trade. Even before the AfCFTA became operational, processed goods accounted for 72% of intra-African agricultural exports between 2018 and 2020, up from 63% in 2003-2005.[124] Recognizing both the quality of Africa's raw agricultural materials and local processing gaps, Chinese enterprises have increased investments in agro-processing. These investments aim to tap into Africa's growing consumer base and support exports of African agricultural products to China, where demand is rising, bolstered by new trade facilitation measures under FOCAC.

Box 11 Lianfeng Overseas: Integrating Agri-Tech, Processing, and Trade to Advance Africa's Agricultural Upgrading

- **Company Name:** Hubei Lianfeng Overseas Agriculture Development Group Co., Ltd.
- **Sector:** Agricultural Technology; Agriculture product trade
- **Regional Coverage:** Agricultural cooperation projects in Southern Africa (Mozambique, Zimbabwe, Malawi, Angola); agricultural trade and sourcing from Tanzania, Ethiopia, Burkina Faso, and Nigeria.
- **Type of Investment and Operations:** Agricultural technology aid and demonstration farms; development and transfer of innovative bio-inputs; establishment of overseas warehouses and primary processing plants; two-way trade in agricultural products (import of African products to China, export of agricultural inputs and machinery to Africa)
- **Main Products or Services:** Agricultural inputs (seeds, pesticides, fertilizers, farm machinery); primary processing and branding of sesame and other cash crops; import of sesame, cashew, and cotton into China.
- **Contribution to Regional Integration:** Facilitating technology transfer and boosting agricultural productivity through localized innovation; building cross-border agro-industrial value chains that link African production, localized processing, and Chinese consumer markets.

Lianfeng Overseas, a subsidiary of Hubei Provincial Grain & Oil Import & Export Group, began its engagement in Africa in 2008 with the establishment of the Hubei–Gaza Friendship Farm and an agricultural technology demonstration centre in Mozambique, focusing on raising rice yields through improved seed varieties, mechanization, and farmer training.[125]

In 2023, the company deepened its technological footprint by signing a strategic agreement with Mozambique's National Institute of Agricultural Research (IIAM) to co-develop bio-herbicides and biopesticides tailored to local agroecological conditions. Leveraging the expertise of China's National Key Laboratory of Green Pesticides, Lianfeng collects weed and pest samples in Mozambique, conducts targeted R&D in China, and implements joint field trials locally. This approach reduces input costs, improves yields, and promotes sustainable farming in alignment with Africa's green agricultural agenda.[126]

124 Ousmane Badiane et al., 'The Rise of Africa's Processing Sector and Commercialization of Smallholder Agriculture', in Agrifood Processing Strategies for Successful Food System Transformation in Africa, ed. Chakib Jenane et al., ReSAKSS Annual Trends and Outlook Report (2022). 14

125 湖北新闻, '湖北新闻报道：聚焦2024年中非合作论坛峰会丨"双向奔赴"的鄂非农业合作', 湖北省农业农村厅, 5 September 2024, https://nyt.hubei.gov.cn/bmdt/yw/mtksn/202409/t20240905_5325847.shtml.

126 戴文辉 and 张熙, '联丰海外：为莫桑比克"定制"生物除草剂', 湖北日报, 3 December 2024, https://news.hubeidaily.net/pc/c_3400999.html.

At the same time, Lianfeng has localized the downstream segment of its operations by constructing two primary processing plants for sesame in Mozambique: a 5,000-square-meter facility in Nacala, now operational, and a 3,000-square-meter facility in Beira nearing completion. These plants handle cleaning, grading, packaging, and quality testing, enabling higher-quality exports at lower costs. Supported by these investments, Lianfeng planned to import 60,000 tons of sesame into China in 2024—a 361.5% increase from 2023—with half sourced from Mozambique and the rest from Tanzania, Ethiopia, and Burkina Faso.[127]

By integrating technology transfer, localized processing, and cross-border trade, Lianfeng illustrates how Chinese enterprises can link Africa's agricultural production to global value chains while supporting the continent's shift from raw commodity exports toward higher-value, locally anchored agro-industrial development.

A prime example of such investments is Jin Zai Foods' project in Kenya. A leader in China's fish snack industry, Jin Zai's flagship product, deep-sea anchovies, generates over RMB 1 billion in annual sales.[128] In 2018, the company capitalized on Kenya's marine resources by setting up a processing facility for dried anchovies, which are then shipped to China for snack production. This initiative links Kenya's wild-caught anchovies to global markets; at the same time it supports Kenya's blue economy vision. By 2021, the facility had become a national training hub for the Fisheries Department, focusing on quality control and standards. The project has also fostered collaboration with the Kenyan government to improve local fishery practices, and develop fishermen's skills and techniques. As operations scale up, Jin Zai Foods plans to expand sourcing to countries like Tanzania and Somalia.[129]

Jiangsu Jielong Agricultural Development Group Co., Ltd. has been a pioneer in agro-processing in Africa since the Belt and Road Initiative launched in 2013. When the Chinese market faced overcapacity in edible oil production, Jielong recognized Tanzania's untapped oilseed potential and its lack of local processing capability. The company then transferred its operational model to its facilities in Shinyanga Province. This strategic shift utilized the region's scattered farmlands and involved hiring nearly 20,000 local farmers for oilseed cultivation. The company now produces 26,000 tons of edible oil, 10,000 tons of cottonseed, 50,000 tons of animal feed, and 5 million oil barrels annually, making it Africa's largest cottonseed oil producer. Its products are sold across East and Southern Africa, contributing to local food security. In 2024, Jielong also invested USD 3 million in a modern egg production facility in Tanzania, the total inventory of laying hens is projected to reach 500,000 per annum and generate USD 2 million in annual profits.[130]

Leveraging the benefits of market access facilitation through the SPS (Sanitary and Phytosanitary) agreement, a significant milestone was achieved in September 2024 when a batch of frozen lamb from Madagascar arrived in China. The investment by Yuan's Hi-Tech Seed Co.,Ltd in Madagascar created a full production chain for livestock fattening, slaughtering, processing, and export. The zero-tariff policy under the SPS agreement significantly reduced costs and is expected to enable the annual export of 20,000 tons of lamb to China within 3–5 years. This project is projected to generate RMB 2.4 billion in GDP annually for Madagascar and lift 50,000 people out of poverty.[131] It also opens doors for further investments

127 戴文辉 et al., '武汉热干面或将拌上非洲芝麻酱', 荆楚网, 24 April 2025, http://m.cnhubei.com/content/2025-04/24/content_19124336.html.

128 Xinhua, 'African Food Landing on Chinese Dinner Tables', 16 September 2024, https://english.news.cn/20240916/3623285c92234b5a9278a-90cea25eb26/c.html.

129 证券日报网, '中国首次进口肯尼亚野生鲽鱼产品 劲仔食品瞄准非洲丰富海洋资源', 29 June 2023, https://news.sina.com.cn/min-sheng/2023-06-29/doc-imyywywy8953063.shtml.

130 贾凡, '十年"牵手"，杰龙集团投资非洲结硕果--射阳日报', 射阳日报, 9 September 2024, http://syrb.sheyangnews.com/Article/index/aid/8506000.html.

131 李毅 and 廖艺棋, '马达加斯加总统在长沙为首批输华羊肉剪彩', 华声在线, 10 September 2024, https://hunan.voc.com.cn/news/202409/22034197.html.

in production stages, driving technology transfer and local capacity building. As meat imports typically require high standards for logistics, preservation, and cold chain transport, the facilitation measures have already made such imports possible, while creating the potential to catalyse investments in various stages of the production chain, which will encourage technology transfer and local capacity building.

B) Construction materials

Africa's infrastructure sector is expanding rapidly, fuelled by urbanization, population growth, and a renewed focus on public infrastructure. The Africa construction market is expected to grow from USD 240.55 billion in 2025 to more than USD 345.34 billion by 2030, with a CAGR of 7.5%.[132] To meet this demand, a steady, cost-effective supply of construction materials is essential. Localized production offers a strategic advantage by reducing transport and logistics costs, accelerating project delivery, and mitigating foreign exchange volatility. It also reduces dependency on imports, which is vital for countries with significant infrastructure needs and limited foreign currency reserves.

A leading example of Chinese engagement in Africa's construction materials sector is the China National Building Material Group (CNBM). In 2018, its subsidiary Beijing New Building Materials (BNBM) entered Tanzania by acquiring a local gypsum board manufacturer, and later built a gypsum board production line in Tanzania with an annual capacity of 15 million square meters. Operational by 2022, the facility became East Africa's first to meet international standards, enabling full local substitution for imported products. In addition to supplying major domestic construction projects (such as the Presidential Office Complex), the plant has reinforced regional supply chains by extending its market reach to neighbouring countries including Uganda, Rwanda, Burundi, Malawi, Zambia, the Democratic Republic of the Congo, and Kenya.[133]

In Zambia, CNBM's Zambia Industrial Park was launched in 2018with a USD 198 million investment. The park includes a 2,500-ton-per-day clinker line, a 1 million-ton-per-year cement production line, a sintered brick facility, a 200,000 m³ concrete plant, and a 700,000-ton-per-year aggregate production line. Its SINOMA brand supplies key infrastructure projects, including Zambia's major airports, hospitals and conference centres.[134] CNBM has also initiated a project combining waste heat recovery with solar power, which will reduce energy costs and emissions while meeting the park's energy needs. By 2024, the park had created over 3,650 jobs, generated USD 4.47 million in tax revenue, and expanded exports to neighbouring countries including Democratic Republic of the Congo, Malawi, and Zimbabwe.[135]

In North Africa, CNBM's China Jushi subsidiary has invested nearly USD 1 billion in Egypt, establishing Africa's largest fiberglass manufacturing base. Between 2013 and 2023, China Jushi built four production lines with a combined annual capacity of 320,000 tons. This project positioned Egypt as the world's fourth-largest fiberglass producer, fostering innovation, technology transfer, and local raw material sourcing. It has helped Egypt integrate into global and regional value chains, supporting its goal of becoming a manufacturing hub.[136]

Another illustrative case is Chinestar (China Star). This private Chinese enterprise specializing in steel

132 Mordor Intelligence, 'Africa Construction Market Size', 2025, https://www.mordorintelligence.com/industry-reports/africa-construction-market.

133 中国建材股份, '国际范儿 | 从投建到领跑：坦桑北新七年锻造建材"非洲样本"_企业动态_中国建材集团有限公司', 9 July 2025, https://www.cnbm.com.cn/CNBM/000000020004/68513.html.

134 中国建材集团有限公司, '【中非友好 合作共赢】中国建材：以"中国制造"服务推进赞比亚现代化发展', 国务院国有资产监督管理委员会, 5 September 2024, http://ysp.net.sasac.gov.cn/n2588025/n2588124/c31580686/content.html.

135 中国财富网, '《2024中国建材赞比亚工业园可持续发展报告》正式发布_腾讯新闻', 腾讯网, 30 December 2024, https://news.qq.com/rain/a/20241230A06OOK00.

136 中国建材杂志, '中国建材集团为非洲加快实现现代化添砖加瓦', 网易, 8 September 2024, https://www.163.com/dy/article/JBJ82V850550OS9J.html.

construction began its partnership with Rwanda in 2008 by exporting prefabricated steel components. Recognizing Rwanda's strategic position as a member of the East African Community (EAC), a regional bloc with tariff-free trade among its member states, Chinestar decided to use Rwanda as a springboard to serve the wider East African market of over 160 million people by setting up a local processing facility in 2012.[137] In 2015, Chinestar's expansion into Uganda allowed localization of its entire steel structure production chain. This expansion allowed Chinestar to increase regional production and contribute to Africa's industrial upgrading, including technology transfer and skills development. In 2021, Chinestar further localized in Uganda by establishing its first steel pipe production line, filling a critical gap in regional manufacturing. [138]

Box 12 Keda: Localizing Construction Materials Production to Leverage Africa's Regional Market Potential

- **Company Name:** Keda Co., Ltd.
- **Sector:** Construction Materials
- **Regional Coverage:** Kenya, Ghana, Tanzania, Senegal, Zambia, and Cameroon (Eastern and Western Africa)
- **Type of Investment and Operations:** Local subsidiaries with manufacturing plants; joint ventures with Chinese partner (Sunda International)
- **Main Products or Services:** Construction materials, including ceramics and glass
- **Contribution to Regional Integration:** Addressing capacity gaps by substituting imports with localized production, expanding building materials supply to regional markets, fostering industrial clusters, and generating local employment while facilitating technology transfer.

Africa's accelerating urbanization has exposed a significant bottleneck: the lack of local production capacity for essential construction materials. A global leader in ceramic plant equipment and integrated building materials solutions, Keda has strategically positioned itself to address these gaps through combining localized production with regional market integration.

Keda's early entry into Africa began with the Twyford ceramic tile plant in Kenya, which commenced operations at the end of 2016. Developed in partnership with Sunda International—whose distribution network spans over 3,000 outlets across Africa—the Twyford plant allowed locally produced tiles to directly replace imports from China.[139] Importantly, the tiles were tailored to the Kenyan market, with an additional protective glaze that enhanced durability to meet local consumer needs.[140] By leveraging Sunda's established sales channels, Twyford rapidly expanded its market presence, demonstrating how localized production coupled with regional distribution networks can create a strong competitive advantage while reducing import dependency.

137 南方+客户端, '承建非洲多个国际机场建设项目，这家佛山民企是如何做到的？', 今日头条, 23 March 2019, https://www.toutiao.com/article/6671541747656425997/.

138 中辰科建（广东）集团有限公司, '中辰国际集团乌干达钢管厂成功投产', 17 June 2021, https://www.zcgg.net/news/54.html.

139 王谦, '科达制造："陶机大王"的非洲传奇', 腾讯网, 4 August 2022, https://news.qq.com/rain/a/20220804A04VK400.

140 南方都市报, '走出去！佛山企业打造非洲最大陶瓷厂！', 搜狐, 12 September 2018, https://www.sohu.com/a/www.sohu.com/a/253328449_99986028.

Building on this success, Keda commissioned its first overseas float glass manufacturing facility in Tanzania in 2023, addressing another critical materials gap. Previously reliant on imports, Tanzania is now a net producer of float glass and an exporter to East African markets including Kenya, Uganda, and Rwanda. Over 95% of the plant's raw materials are sourced locally, stimulating upstream sectors such as mining and transport while driving downstream activities like deep-processing of glass, packaging, and regional logistics.[141] This integrated model fosters industrial clusters that increase regional self-sufficiency.

Keda is replicating this approach in other markets, including Nigeria, Zambia, Angola, and Sudan. By synchronizing operations across multiple zones and leveraging joint ventures, Keda's strategy aligns with Africa's urbanization and regional integration agenda in terms of expanding markets, embedding technology transfer, and enabling locally anchored industrial ecosystems.

C) Pharmaceuticals and medical devices

According to IQVIA, the health information technology company, excluding COVID-19 vaccines the value of Africa's pharmaceutical market reached USD 25 billion in 2022 and is projected to grow to USD 34 billion by 2027, with a CAGR of 6%.[142] However, according to the AfDB, the continent currently meets only 30–40% of its pharmaceutical demand locally ,with just 20 countries having any production capacity, and only eight accounting for 80% of that capacity. Imports cover up to 70% of the market, and local vaccine production addresses less than 1% of demand.[143] The COVID-19 pandemic laid bare the continent's vulnerabilities in health security, highlighting the urgent need for robust and regionally integrated manufacturing hubs capable of rapidly scaling the production of essential medical supplies. Developing these hubs is essential for Africa's regulatory harmonization efforts, which aim to facilitate cross-border circulation of locally produced pharmaceuticals. Initiatives like the African Medicines Agency (AMA) and the East African Community's Medicines Regulatory Harmonization (MRH) are working to align standards, streamline approvals, and pool inspection capacities.

Amid these evolving frameworks, African governments are increasingly pursuing collective strategies to strengthen local pharmaceutical production and improve health resilience. Following the COVID-19 pandemic, Chinese investment in this sector has been pivotal. One example is the partnership between Sinovac and Egyptian Holding Company for Biological Products and Vaccines (VACSERA) in 2021 to launch Africa's first local production line for Chinese COVID-19 vaccines, producing 40 million doses. This was followed by the completion of Africa's largest automated vaccine storage facility in September 2022, with a capacity of 150 million doses, solidifying Egypt's role as a regional vaccine hub.[144] This cooperation exemplifies how Chinese engagement in health infrastructure extends beyond immediate pandemic response to long-term capacity building.

Building on these efforts to strengthen Africa's health sovereignty, Chinese investment is emerging as a key enabler—contributing not only financial resources but also research collaboration and technical expertise. One illustrative case is Fosun Pharma's Côte d'Ivoire Industrial Park Project, launched in November 2022 in the Grand-Bassam area near Abidjan. In June 2023, Fosun Pharma

141 Xinhua, 'Chinese-Owned Factory in Tanzania Exports Float Glass to 6 African Countries', XinhuaNet, 22 May 2024, https://english.news.cn/africa/20240522/7b353c1ea8ea4b38bb761824cf81ca75/c.html.

142 Sarah Rickwood and Stefan Lutzmayer, 'Africa's next Chapter: A Continent of Opportunity', IQVIA, 22 September 2023, https://www.iqvia.com/locations/emea/blogs/2024/10/africas-next-chapter-a-continent-of-opportunity.

143 African Development Bank (AfDB), A New Frontier for African Pharmaceutical Manufacturing Industry (2022), https://www.afdb.org/sites/default/files/documents/publications/pharmaceutical_industry_and_vaccine_production_web.pdf. 6

144 SINOVAC科兴, 'SINOVAC科兴援埃自动化疫苗冷库竣工，中国政府捐赠的1000万剂科兴疫苗成首批入库疫苗', 25 September 2022, https://www.sinovac.com/zh-cn/news/id-3183.

secured €50 million in financing from the International Finance Corporation (IFC).[145] Phase I, set to localize the production of 1 billion tablets annually, meets WHO prequalification standards and includes a pharmaceutical warehouse with EU GDP standards. By its completion, the facility will have a capacity to produce 5 billion tablets per year, while creating 1,000 local jobs. This project addresses critical health needs and positions Côte d'Ivoire as a healthcare hub for West Africa.[146] In May 2025, the Phase I main structure was completed marking significant progress toward full-scale operation.

Box 13 SanSheng Pharmaceutical: Localizing Essential Drug Production to Strengthen Ethiopia's Health Security and Build a Regional Pharmaceutical Hub

- **Company Name:** SanSheng Pharmaceutical P.L.C.
- **Sector:** Pharmaceutical
- **Regional Coverage:** Ethiopia, with export potential to Sudan, South Sudan, Somalia, Uganda, and exploratory links to Egypt, Kenya, and Djibouti.
- **Type of Investment and Operations:** Direct investment in a local subsidiary with a manufacturing plant
- **Main Products or Services:** Active pharmaceutical ingredients (APIs); essential medicines including vitamins, gastrointestinal drugs, anti-tuberculosis treatments, analgesics, antivirals, anti-infectives; and large-volume infusions (e.g. sodium chloride, glucose)
- **Contribution to Regional Integration:** Filling critical gaps in Ethiopia's pharmaceutical production, reducing import dependency, and positioning the country to supply essential medicines to neighboring markets

Africa currently imports between 70% and 90% of its medicines and medical equipment, a structural dependency that drives up healthcare costs, strains foreign exchange reserves, and leaves countries vulnerable to global supply chain disruptions. Ethiopia exemplifies these challenges, with chronic shortages of essential drugs and a domestic pharmaceutical sector unable to meet even basic demand.

In response, Chongqing SanSheng Industrial Co., Ltd. invested USD 85 million of self-raised capital to establish SanSheng Pharmaceutical P.L.C. in Addis Ababa in 2016. The facility was designed to be one of the most advanced pharmaceutical plants in East Africa, with annual production capacities of 5 billion tablets/capsules, 300 million small-volume injections, and 10 million large-volume infusions.[147] This scale enables SanSheng to supply a wide portfolio of high-demand medicines—including vitamins, gastrointestinal treatments, anti-tuberculosis drugs, analgesics, antivirals, and anti-infectives—critical to addressing Ethiopia's disease burden.

The impact has been significant. By substituting imports with local production, SanSheng is estimated to be saving Ethiopia approximately USD 80 million annually in foreign exchange, while making life-saving drugs more available and affordable. The company's surplus capacity also positions Ethiopia as an emerging supplier to regional markets, with USD 40 million in annual export revenues projected through distribution channels to Sudan, South Sudan, Somalia, and Uganda.[148]

145 International Finance Corporation (IFC), 'IFC支持复星医药在科特迪瓦建设该国最大的药厂', 6 June 2023, https://www.ifc.org/zh/press-room/2023/27585.

146 复星医药, '复星医药科特迪瓦园区项目奠基 未来将实现非洲本地化药品制造及供应', 11 November 2022, https://www.fosunpharma.com/content/details37_9473.html.

147 黄利飞, '埃塞俄比亚三圣药业：缓解非洲地区缺医少药的困境', 新浪新闻, 21 June 2019, https://news.sina.cn/2019-06-21/detail-ihytcitk6650302.d.html.

148 杨朝文, '中非・案例方案典范|埃塞俄比亚第一家现代化药品生产企业', 红网时刻, 23 June 2019, https://moment.rednet.cn/pc/content/2019/06/23/5609433.html.

Beyond producing pharmaceuticals, SanSheng is actively building local capacity. Structured training programs in manufacturing, quality control, equipment maintenance, and supply chain management are cultivating a skilled workforce. At full operation, the plant is expected to create 1,000 skilled jobs and contribute over USD 200 million in annual tax revenues, supporting both human capital development and fiscal capacity.

By embedding advanced manufacturing, technology transfer, and regional trade potential into its operations, SanSheng Pharmaceutical is more than a drug producer. It is helping Ethiopia transition from dependency to resilience, while laying the groundwork for a regional pharmaceutical hub that could support East Africa's health security and industrial upgrading.

Affordable and high-quality medical devices are essential for disease prevention, diagnosis, and treatment. In March 2024, Kenya launched its first Chinese-invested medical equipment factory operated by Fullcare Medical (Kenya), a subsidiary of Zhende Medical. The 13,000-square-meter facility financed by the IFC produces disposable surgical gowns and trauma care products, with an annual capacity of 30 million units and projected export revenues of USD 60 million. IFC financing supports the project's role in strengthening Africa's post-pandemic resilience and accelerating technology transfer. Building on the success of this initial phase, the expansion project under planning will create up to 5,000 local jobs and a stable supply of medical products for the East African market.[149]

Box 14 Wepon Pharmaceutical: Cross-Border M&A and Collaborative Innovation Driving Africa's High-End Medical Device Manufacturing

- **Company Name:** Wepon Pharmaceutical Group Co.,Ltd.
- **Sector:** Medical Devices
- **Regional Coverage:** Primarily Southern Africa, with expansion into 12 African markets (including Kenya and Nigeria) and global distribution to Europe, the United States, and Australia.
- **Type of Investment and Operations:** Cross-border mergers and acquisitions combined with new investments in manufacturing plant
- **Main Products or Services:** High-end medical devices, particularly orthopedic implants; device testing, medical talent training
- **Contribution to Regional Integration:** Establishing Africa's first localized R&D and manufacturing ecosystem for high-end medical devices, reducing reliance on imports

Wepon Pharmaceutical Group Co., Ltd. entered the high-end medical device sector through the acquisition of Elite Surgical and Tecmed in 2016, two South African companies with strong capabilities in orthopedic implant R&D and advanced regulatory approvals.[150] This strategic move created a globally integrated model in which South Africa functions as the R&D hub, China as the manufacturing base, and international markets as the distribution destination—positioning Wepon to compete in the premium segment of the medical device industry.

By 2023, Wepon's orthopedic devices were sold in 12 African markets—including Kenya, Nigeria, and other regional economies—with sales exceeding USD 80 million. Its African operations generated over 500 direct jobs and more than 2,000 indirect jobs across manufacturing, logistics, and professional services, helping to strengthen the region's industrial base.

149 李亚辉 et al., '肯尼亚首家中国医疗器械工厂正式投入生产', 新华丝路, 28 March 2024, https://www.imsilkroad.com/news/p/520126.html.

150 万邦德制药集团有限公司, '万邦德集团布局非洲大健康产业收购南非特迈克公司和爱立特公司_', 10 June 2016, https://www.wanbang.com.cn/news/wan-bang-de-ji-tuan-bu-ju-fei-zhou-da-jian-kang-chan-ye-shou-gou-nan-fei-te-mai-ke-gong-si-he-ai-li-te-gong-si-56.html.

To further embed itself into Africa's medical device ecosystem, Wepon launched a 100,000 m² China–Africa Science and Technology Park in Johannesburg in 2019. The park integrates a medical device testing centre, a China–Africa medical talent training base, and a medical industry incubator to support African and Chinese enterprises in technology transfer, regulatory compliance, and market expansion. In partnership with local financial institutions such as Standard Bank, Wepon also introduced leasing services for large medical devices—including CT and MRI equipment—to improve hospital access to advanced technologies.

Chinese companies have also actively participated in technological support and transfer to local partners in Africa. In Uganda, Wondfo Biotech partnered with Microhaem Scientifics (MHS) to establish a diagnostic reagent manufacturing facility, operational since November 2023. Wondfo provided technological support to diversify products and achieve World Health Organization (WHO) certification, enhancing the credibility of Uganda's local manufacturing. The facility is projected to generate over 1,500 direct and 5,000 indirect jobs, strengthening the country's public health capacity and positioning Uganda as a regional hub for diagnostics manufacturing.[151]

D) Automobile

The African automotive market is projected to grow from USD 21.55 billion in 2025 to USD 27.63 billion by 2030, with a compound annual growth rate (CAGR) of 5.1%. With abundant reserves of critical raw materials such as copper, cobalt, bauxite, and lithium, Africa is increasingly important to the global automotive value chain, especially as demand for electric vehicles (EVs) rises. [152] Beyond raw materials, automotive production relies on complex assembly processes—including body welding, fabrication, stamping, drive train and gearbox production, steering systems, and electronics. The automotive sector therefore has the potential to serve as a game-changer for Africa's industrialization strategy, driving both economic diversification and value addition.

Chinese automotive companies have become key partners in Africa's drive to develop its automotive industry, leveraging rising demand, strategic policies, and regional value chain integration. First Automobile Works (FAW) is among the pioneers that progressed from exporting vehicles to establishing local manufacturing and integrated service networks. Present in South Africa since 1994, FAW partnered with CADFUND to build a plant in the Coega Industrial Development Zone, inaugurated in 2014. The facility is now Southern Africa's largest and most advanced truck manufacturing plant. By early 2025, it had produced over 17,000 Jiefang trucks, with 2024 sales exceeding 5,000 units—a 31.9% year-on-year increase—and capturing 18% of the market. [153] FAW's high-end JH6 tractor truck sold over 700 units in April 2024, a 146% year-on-year increase, outperforming global brands. [154] The company has also built centralized spare parts warehouses and a comprehensive sales and service network of more than 30 outlets across Southern Africa—including Namibia, Botswana, Zimbabwe, Zambia, and Mozambique—creating a full value-chain ecosystem that delivers reliable transport solutions to support regional construction, logistics, and trade.

In West Africa, the Lagos State Government partnered with Guangzhou Automobile Group (GAC) in 2019 to establish a semi-knocked-down (SKD) assembly plant, operational by October 2022. The highly automated 3,000 m² facility boosted annual capacity from 2,000 to 5,000 vehicles. The project supports industrialization, employment, and technology transfer, serving Nigeria and the wider West

151 CACLP体外诊断资讯网, '万孚生物技术援助！辐射3亿人 乌干达工厂启用', 10 December 2023, https://www.caclp.cn/article/?detail_11621.html.

152 Mordor Intelligence, 'Africa Automotive Market Size & Share Analysis - Growth Trends & Forecast (2025-2030)', 2025, https://www.mordorintelligence.com/industry-reports/africa-automotive-industry-outlook.

153 长春发布, '2024年销量突破5000辆！一汽解放夺得南非卡车市场销量冠军', 新浪财经, 21 January 2025, https://finance.sina.com.cn/roll/2025-01-21/doc-ineftrwv8533321.shtml.

154 全国党媒信息公共平台, '一汽解放：三十年深耕南非市场 民族品牌越擦越亮', 今日头条, 9 June 2024, https://www.toutiao.com/article/7378415980437029412.

African market.[155] The initiative aligns with Lagos State's broader strategy to industrialize the economy, create employment opportunities, and accelerate technology transfer serving both Nigeria and the wider West African region.

These cases illustrate a strategic shift by Chinese automakers from exporting finished vehicles to localizing production. Chery, for example, struggled initially in South Africa but re-entered the market in 2021 with the Tiggo 4 Pro. By April 2023 it had sold 5,389 SUVs, reaching 19,971 units in 2024—almost 1,440% growth compared to 2014.[156] Building on this momentum, in June 2025 Chery introduced its first EVs and is now assessing a local assembly plant, reflecting how strong sales traction encourages investment in localized manufacturing.[157] Therefore, while Africa's growing imports of manufactured vehicles from China contribute to the continent's trade deficit, this trend is not entirely negative. For Chinese companies, exporting vehicles provides a critical market test—sales performance and consumer acceptance inform decisions on whether to invest in local manufacturing. In this way, initial imports help pave the path for eventual localization, supporting both market development and industrialization in host countries.

The availability of locally manufactured components presents an equally important opportunity to attract upstream and midstream investments. North Africa—in particular Morocco—has rapidly emerged as a hotspot for Chinese lithium battery investments. Morocco's extensive network of free trade agreements with the EU, Turkey, African nations, Arab countries, the United States, and Canada positions it as a vital gateway for China's electric vehicle (EV) supply chain to access European and North American markets. The country also holds over 70% of the world's phosphate reserves, a key raw material for lithium iron phosphate (LFP) batteries. By mid-2024, Morocco had reached an annual vehicle production capacity of 700,000 units, making it Africa's second-largest producer. The sector now contributes 22% of GDP and generates USD 14 billion in exports, with strong momentum in EV manufacturing.[158]As a key global supplier to leading battery manufacturers—including BYD, CATL, Volkswagen, and Tesla—BTR New Material Group stands out with its large-scale battery material projects. In April 2024, the company began construction of a USD 489 million cathode materials plant in Tanger Tech City, followed by a USD 360 million anode materials project in August 2024. Both plants, with a combined capacity of 110,000 tons, are scheduled for completion by 2026. [159] BTR also aims to source over 90% of its power from green energy through an on-site photovoltaic power, aligning with Morocco's green transition goals.[160]

155 郭辰, '5000台/年 广汽国际非洲SKD工厂竣工', 汽车之家, 30 October 2024, https://m.autohome.com.cn/share/article/1268934-1.

156 Malcolm Libera, 'Chinese Car Giant Looking at Building a Factory in South Africa', BusinessTech, 10 July 2025, https://businesstech.co.za/news/motoring/831089/chinese-car-giant-looking-at-building-a-factory-in-south-africa/.

157 Nqobile Dludla, 'Chery Launches Omoda and Jaecoo Hybrid Electric SUVs in South Africa', Reuters, 6 June 2025, https://www.reuters.com/world/africa/chery-launches-omoda-jaecoo-hybrid-electric-suvs-south-africa-2025-06-05/.

158 Sam Metz, 'Morocco's Automotive Industry Shifts Gears to Prep for Electric Vehicle Era', AP News, 15 May 2024, https://apnews.com/article/morocco-automobile-industry-electric-vehicles-2981a049578c411b95b525752d243f93.

159 BTR贝特瑞, '贝特瑞摩洛哥基地:正负极材料双线出海，驱动行业飞跃创新', 13 August 2024, https://www.btrchina.com/news/info.aspx?itemid=1242.

160 人民网, '走进摩洛哥丹吉尔科技城', 20 February 2020, http://world-app.people.cn/n1/2025/0220/c1002-40422163.html.

Box 15 Gotion High-Tech: Building Africa's EV Battery Hub to Link China, Africa, and Europe in Green Manufacturing

- **Company Name:** Gotion High-Tech Co.,Ltd.
- **Sector:** Battery Manufacturing
- **Regional Coverage:** Morocco (with forward linkages to European and African markets)
- **Investment and Operational Model:**
- **Type of Investment and Operations:** local subsidiary with manufacturing plant
- **Main Products or Services:** New energy vehicle (NEV) power batteries, including localized production of cathode and anode materials.
- **Contribution to Regional Integration:** Facilitating technology transfer to Morocco as it emerges as a regional hub for automotive and green industries; anchoring a regionally integrated battery supply chain that links African raw materials, Moroccan manufacturing, and European markets

In 2024, Gotion High-Tech, one of China's leading EV battery manufacturers, broke ground on Africa's first large-scale electric vehicle (EV) battery plant in Morocco's Kenitra Atlantic Free Zone. With a planned investment of over USD 1 billion and a footprint on 100 hectares, the project is designed to make Morocco a strategic hub for battery production, serving both European EV markets and Africa's nascent green industrial ecosystem. The plant will be developed in two phases. By the third quarter of 2026, the first phase is expected to deliver 20 GWh of annual capacity—enough to power approximately 300,000 EVs. Upon completion of the second phase, capacity will double to 40 GWh, positioning the facility as the largest EV battery manufacturing base in Africa. Beyond assembly, the factory will integrate key parts of the battery value chain, including localized production of cathode and anode materials, and will deploy smart manufacturing systems to reduce costs and increase competitiveness.[161]

Gotion's Morocco investment exemplifies a "China technology + Africa manufacturing + Europe market" model. It builds on Morocco's established automotive ecosystem, which already hosts global original equipment manufacturers (OEMs) such as Renault and Stellantis, and it aims to embed itself within regional supply networks. Over time, the plant is expected to anchor a regionally integrated battery supply chain by sourcing phosphate from Morocco and cobalt from neighbouring African countries like the Democratic Republic of Congo, with value-added processing taking place within the continent.

The project also prioritizes human capital and sustainability. It is expected to create 2,300 direct jobs and more than 5,000 indirect jobs while training 200 Moroccan engineers in advanced battery technologies. Plans include establishing battery recycling systems and implementing water reuse solutions, aligning with Morocco's ambitions to become a regional leader in green manufacturing. By securing a mix of tax incentives, land subsidies, and USD 280 million in equity investment from Morocco's Caisse de Dépôt et de Gestion (CDG)[162], Gotion has positioned itself to supply European markets such as Germany and France. Therefore, it is reshaping global EV battery supply chains and supporting Africa's entry into high-value segments of the clean energy economy.

Beyond Morocco, Chinese automakers are expanding across North Africa. In Algeria, companies like JAC, Chery, and Geely are securing approvals for local production facilities.[163] In Egypt, GV Investments and FAW Group's partnership focuses on affordable EVs for ride-hailing services, with plans to reach 65% local content in the next 3–5 years and positioning Egypt as an export hub to the Africa, Middle East, Europe, and Latin America.[164]

161 集邦新能源EnergyTrend, '国轩高科摩洛哥20GWh动力电池工厂开建', 新浪财经, 30 May 2025, https://cj.sina.com.cn/articles/view/2122131425/http%3A%2F%2Fcj.sina.com.cn%2Farticles%2Fview%2F2122131425%2F7e7d27e100102csva.

162 盖世汽车, '国轩高科摩洛哥超级工厂即将动工', 盖世汽车资讯, 27 May 2025, https://auto.gasgoo.com/news/202505/27I70425920C108.shtml.

163 中国汽车报, '中国汽车助力非洲展开"绿色版图"', 腾讯网, 10 September 2024, https://news.qq.com/rain/a/20240910A07GLZ00.

164 黄培昭, '中国车企助力埃及电动汽车产业发展', 人民网, 27 June 2024, https://world.people.com.cn/n1/2024/0627/c1002-40265274.html.

The tyre manufacturing sector is gaining significant attention, with CCLE's motorcycle tyre factory in Uganda serving as an early pioneer. Established in 2013 with an initial investment of USD 25 million, the factory now dominates the Ugandan market, having captured 90% of the local market share, and 60% of the wider East African market. [165] More recently, Chinese tyre investments have expanded in both scale and sophistication. Sentury Tire inaugurated a smart factory in Tangier, Morocco, with a USD 470 million investment. By October 2024, the factory will begin production, with an expected annual output of 6–8 million tyres by 2025, positioning Morocco as a key player in the region's tyre manufacturing landscape.[166]

As the automotive sector in Africa continues to grow, driven by increasing investments in manufacturing plants across strategic locations, the next crucial step is developing a well-connected supply chain. Efficient movement of components and intermediate products across countries will foster synergetic development along the value chain, boosting local assembly and manufacturing, and ultimately enhancing the competitiveness of Africa's automotive industry.

E) Textiles and Apparel

Africa is a major producer of raw materials, with cotton grown in 37 countries. Its diverse and high-quality natural fibres offer a strategic advantage for developing a competitive fashion and textile industry. However, this potential remains largely untapped, with over 81% of Africa's cotton exported in raw form rather than processed locally.[167] Limited capacity in upstream processing—such as spinning, weaving, and knitting—remains a critical bottleneck. Pre-AfCFTA data (2017–2019) shows Africa accounted for less than 2% of global capacity in these stages. While the continent contributes about 15% of global cotton exports, its share of global yarn (2%), fabric (2%), and made-up apparel (3%) exports is much lower. Few African countries have developed textile and apparel industries, but these remain largely dependent on imported fabrics.[168]

Chinese investment in the African textile and apparel sector has a long legacy, predating the current regional integration push. A key example is Huajian Group, which launched its shoe factory in 2012 and later developed the Huajian International Light Industry City—a 130-hectare complex employing over 30,000 people.[169] These investments laid the groundwork for local skill development, technology transfer, and employment generation in partner countries. Over time, they have evolved into large-scale operations with increasing levels of automation and integration.

165 驻外之家, '勇闯热土：一家轮胎厂的非洲历险记', 网易, 12 September 2023, https://www.163.com/dy/article/IEEM2EEM0528CJEP.html.

166 Xuda Wang, '森麒麟摩洛哥工厂正式投产', Tyrepress 中国, 7 October 2024, https://www.tyrepresschina.com/2024/10/sentury-morocco-factory-officially-put-into-production/.

167 UNESCO, The African Fashion Sector: Trends, Challenges & Opportunities for Growth (2023), https://unesdoc.unesco.org/ark:/48223/pf0000387230.

168 Lindsay Whitfield and Chema Triki, Current Capabilities and Future Potential of African Textile and Apparel Industries, Policy Brief No. January 2023 (Centre for Business and Development Studies, 2023), https://research.cbs.dk/en/publications/current-capabilities-and-future-potential-of-african-textile-and-.

169 中华网, '华坚集团：助力广汽加速埃塞汽车工业现代化进程', 25 May 2025, https://m.life.china.com/2025-05/23/content_443635.html.

Box 16 King Deer: Early-Mover Advantage Driving Madagascar's Textile Industrialization

- **Company Name:** Inner Mongolia King Deer Cashmere Group
- **Sector:** Textile and Apparel (Cashmere)
- **Regional Coverage:** Madagascar
- **Investment and Operational Model:**
- **Type of Investment and Operations:** local subsidiary with manufacturing plant
- **Main Products or Services:** Cashmere apparel production, workforce training, and integrated digital management systems
- **Contribution to Regional Integration:** Strengthens local textile value chain by linking manufacturing with global markets and developing skilled labor to support broader industrial upgrading

King Deer, one of China's leading cashmere producers, exemplifies the early-mover advantage of Chinese firms in Africa's textile sector. In 1997, before China's accession to the WTO, export quotas on cashmere constrained the company's growth. To bypass these restrictions, King Deer established its first overseas production and sales centre in Madagascar.

Over the past 28 years, the company has expanded to five modern factories covering 48,000 square meters, equipped with 252 fully automated knitting machines and 3,070 supporting production devices, with an annual production capacity of 2 million cashmere products. In 2018, King Deer introduced a comprehensive Enterprise Resource Planning (ERP) system, seamlessly linking its Madagascar operations to its Chinese headquarters through a 100M broadband network. This digital integration enables real-time task management, precise production tracking, accurate wage calculation, and better quality control, marking a high level of operational professionalization.[170]

Today, King Deer's Madagascar subsidiary employs over 3,300 workers, with more than 99% being local staff, and exports over USD 100 million in products annually. Since its establishment, the company has trained over 20,000 textile professionals—some rising to become core company personnel, while others have taken key technical or managerial positions in other local firms, contributing to the broader development of Madagascar's textile industry.[171]

Notably, textiles are now Madagascar's largest manufacturing employer. King Deer and other Chinese textile companies together account for nearly 20% of national employment and around one-third of industrial output, underscoring their pivotal role in advancing local industrialization and integrating Madagascar into global textile value chains.[172]

C&D Products Rwanda Ltd, established in 2019, has grown from one factory to four, becoming Rwanda's largest apparel manufacturer and Africa's largest jacket production base. In 2023, C&D produced 2.5–3 million garments, 90% of which were exported to Europe and North America, generating around USD 6.9 million in export value. Rwanda's investment-friendly policies, such as rent-free factory space in the Kigali Free Trade Zone, and competitive labour costs have been key to its growth. C&D's strategy is heavily export-driven. While the company supplies uniforms to Rwandan government departments for the "Made in Rwanda" initiative, it intentionally limits its domestic market focus. Due to Rwanda's small consumer base and low purchasing power, C&D believes that competing locally could harm the growth of smaller homegrown enterprises. Instead, the company leverages

170 郝杰 and 孟文利, '鹿王羊绒植根非洲数十载，2018年创汇额为投资额2倍', 网易, 24 September 2019, https://www.163.com/dy/article/EPR3KP-M605508UEO.html.

171 李卓群 and 李亚辉, '一带一路故事绘丨中国羊绒助马达加斯加织就新工业画卷', 中国一带一路网, 30 June 2025, https://www.yidaiyilu.gov.cn/p/01UVA50T.html.

172 李卓群 et al., '【见・闻】中国纺织企业助力马达加斯加加速工业化进程', 新华财经-中国金融信息网, 10 May 2025, https://www.cnfin.com/gs-lb/detail/20250510/4230933_1.html.

its efficiency and scale to dominate international markets, especially in Europe and North America, where it can maintain cost competitiveness. [173] This strategic focus minimizes negative impacts on Rwanda's local industry while maximizing export growth.

In Ethiopia, Orient International Group—one of China's largest textile exporters—launched its first overseas greenfield project in November 2021, establishing a sweater manufacturing base. Despite challenges like COVID-19 logistics disruptions and Ethiopia's suspension from AGOA in 2022, the factory exported 1.5 million units in its first year. Tendam has secured partnerships with major retailers such as LIDL, ADIL, KIK, GEMO, and the plant primarily produces basic sweaters for mid to low-end European and African markets. Domestically, it has aligned with Ethiopian government priorities and received an order for over 230,000 school uniforms. Recent infrastructure upgrades in 2024 are set to increase production capacity to 4 million units per annum.[174]

From the above, it is evident that Africa's apparel exports remain heavily oriented toward Europe and North America, largely shaped by AGOA and EU–North Africa trade deals. Ethiopia, for example, earned over USD 525 million under AGOA before U.S. sanctions in 2021. [175] Yet the uncertainty of such preferences underscores the need to reduce dependence on external markets. The AfCFTA offers a long-term pathway to resilient, diversified textile and apparel value chains within Africa. Realizing this potential requires developing regional production bases and engaging Chinese investors, while national and continental blueprints must clearly identify capacity gaps—from fibre processing to garment manufacturing—to strategically guide investment.

F) Chemicals

The chemicals sector in Africa spans agrochemicals, petrochemicals, and household/personal care products, making it central to industrial growth, agricultural productivity, and consumer markets. The Africa Chemicals Market is projected to more than double from USD 100 billion in 2024 to USD 230 billion by 2030 (CAGR 6.9%)[176], while the petrochemicals market[177] is expected to expand from USD 17.3 billion in 2023 to USD 24 billion by 2029, potentially surpassing USD 40 billion by 2035. [178] Despite abundant natural resources, much of the continent remains dependent on imports due to limited domestic production.[179] Even major crude oil exporters such as Nigeria, Angola, and Zambia lack adequate refining and petrochemical infrastructure, exposing critical gaps in downstream industrial development. Similar challenges exist in agrochemicals. By the end of 2022, the continent produced roughly 30 million metric tons of fertilizer annually—twice its consumption—yet nearly 90% of fertilizer used in Sub-Saharan Africa was imported, largely

173 林东云, '"跳出"非洲 C & D服饰的"爆单"生意经_腾讯新闻', 腾讯网, 7 September 2023, https://news.qq.com/rain/a/20230907A069N000.

174 汤洁, '国企出海 | 东方创业：在"一带一路"编织中非"新丝路"', 新浪财经, 10 February 2025, https://finance.sina.com.cn/roll/2025-02-10/doc-ineiyyff4058033.shtml.

175 Aschale Tesfahun Kebede et al., 'US Sanctions on AGOA: A Political Economy Analysis of Ethiopian Trade Development Challenges and Prospects', Insight on Africa, 8 June 2025, 09750878251338070, https://doi.org/10.1177/09750878251338070.

176 6Wresearch, 'Africa Chemicals Market | Analysis & Outlook 2031', August 2022, https://www.6wresearch.com/industry-report/africa-chemicals-market-outlook.

177 The petro chemical market covers more specialized outputs like methanol, ethylene, propylene, C4 stream, benzene, toluene, and xylene (which are crucial inputs for plastics, rubber, adhesives, paints, dyes, and pharmaceuticals).

178 Ashwini Moharir, 'The Global Petrochemical Market Size Will Be USD 625142.2 Million in 2024.', Cognitive Market Research, June 2025, https://www.cognitivemarketresearch.com/petrochemicals-market-report.

179 Beyond crude oil and gas, the continent holds significant reserves of phosphate—particularly in Morocco, which accounts for over 70% of global reserves—as well as soda ash from Kenya and oleochemical feedstocks such as palm oil, coconut oil, and other natural oils from West and Central Africa.

from outside Africa.[180] According to the African Fertilizer and Agribusiness Partnership (AFAP), over 40% of African soils face nutrient depletion due to insufficient fertilizer application. For many small-scale farmers, the cost of synthetic fertilizers remains prohibitively high.[181]

In this context, Chinese enterprises are increasingly positioning themselves across Africa's chemicals value chain. In the past two decades of operations in Africa, China National Chemical Engineering Group Corporation (CNCEC) has signed more than 100 projects across 18 countries, with a total contract value exceeding USD 15 billion.[182] One of its most prominent and transformative projects in recent years is the Dangote Refinery, located in the Lekki Free Trade Zone in Nigeria. Commissioned in January 2024, the refinery is both the largest in Africa and the world's largest single-train facility. Built with advanced Chinese engineering techniques, it is expected to meet Nigeria's domestic fuel demand while exporting about 40 percent of its output. [183] In addition to fuel production, the complex integrates petrochemical production, with annual capacity of 850,000 tonnes of polypropylene and 500,000 tonnes of polyethylene. Notably, since its launch the refinery has also begun sourcing crude oil from other African countries such as Angola, Ghana, and Equatorial Guinea, highlighting its potential role as a regional hub for refining and petrochemical processing.[184]

Alongside refining and petrochemicals, Chinese companies are also playing an increasingly important role in strengthening Africa's fertilizer production—a sector vital for addressing agricultural productivity challenges. In Zimbabwe, Fertop Agriculture launched a USD 10 million plant in 2024, financed by Heliconvest Investments Ltd., with a capacity of 300 tonnes per day.[185] The facility eases reliance on imports while improving fertilizer accessibility for local farmers.[186] In Zambia, CNCEC's subsidiary, China Wuhuan Engineering, is constructing East Africa's first modern urea plant for United Capital Fertilizer. With an annual output of 300,000 tonnes, the project combines construction with technology transfer and, once operational, will significantly reduce the region's dependence on imported fertilizers.[187] On a larger scale, the Algeria-China Fertilizer Company launched a landmark USD 7 billion phosphate-based fertilizer and chemicals project in March 2022. The joint venture brings together China Wuhuan and Yunnan Tian'an Chemical Co. Ltd. on the Chinese side, and ASMIDAL (Fertilizers and Plant Protection Products Group) and MANAL (National Mining Group) on the Algerian side. This initiative is designed to position Algeria as a competitive hub for phosphate-based agrochemicals, serving both African and export markets. [188]

180 David Malpass, 'A Transformed Fertilizer Market Is Needed in Response to the Food Crisis in Africa', World Bank Blogs, 21 December 2022, https://blogs.worldbank.org/en/voices/transformed-fertilizer-market-needed-response-food-crisis-africa.

181 Kiptoo Kosgei, 'Largest Fertiliser-Producing Countries in Africa and Their Output', The Exchange, 22 August 2022, https://theexchange.africa/industry-and-trade/list-of-largest-fertiliser-producing-countries-in-africa-and-their-output/.

182 中国化学, '中国化学在非洲！', 澎湃新闻, 4 September 2024, https://m.thepaper.cn/newsDetail_forward_28632218.

183 薛世华, '非洲最大规模炼厂在尼日利亚投产', 中国石化新闻网, 26 January 2024, http://www.sinopecnews.com.cn/xnews/content/2024-01/26/content_7087779.html.

184 Adekunle Agbetiloye, 'Dangote Refinery to Process 100% Nigerian Crude by End of 2025', Business Insider Africa, 8 July 2025, https://africa.businessinsider.com/local/markets/dangote-refinery-to-process-100-nigerian-crude-by-end-of-2025/57kpkjt.

185 张保平, '中企助力津巴布韦工业化和农业现代化', 新华丝路, 28 April 2024, https://www.imsilkroad.com/news/p/521240.html.

186 Desire Tshuma, 'Fertop Agriculture Fertilizer Plant Commissioned In Norton', The Observer Zim, 21 April 2024, https://theobserverzim.co.zw/2024/04/21/fertop-agriculture-fertilizer-plant-commissioned-in-norton/.

187 中国五环, '公司签约赞比亚化肥项目 打造东非地区首个现代化尿素项目_澎湃号・政务', 澎湃新闻, 9 December 2022, https://www.thepaper.cn/newsDetail_forward_21096825.

188 吴天雨, '中企签约阿尔及利亚磷酸盐一体化项目', 新华网, 23 March 2022, https://www.news.cn/world/2022-03/23/c_1128497112.htm.

Box 17 Wynca Group: Building West Africa's Agrochemical Hub through Local Production and Technology Transfer

- **Company Name:** Wynca Group
- **Sector:** Chemical
- **Regional Coverage:** Mostly West Africa, with manufacturing plants in Ghana and Nigeria
- **Investment and Operational Model:**
- **Type of Investment and Operations:** Acquisition of a local company, investment in local subsidiaries with manufacturing plants
- **Main Products or Services:** Agrochemical formulations (herbicides, insecticides, fungicides), agricultural equipment (sprayers, drone application technologies)
- **Contribution to Regional Integration:** Addressing critical local supply gaps for agro-inputs, building West Africa's first modern agrochemical production base, and leveraging cross-border trade networks to serve neighbouring markets while providing technical training to increase agricultural productivity.

Wynca Group entered West Africa in 2009 by acquiring a 70% stake in Sunshine Agrochemical Company in Ghana, laying the foundation for localized operations. In 2012, it established West Africa's first modern agrochemical formulation plant, introducing the region's first automated production line and transforming Ghana into a manufacturing hub for agro-inputs. Over the past decade, the company has expanded from producing a single pesticide variety to nearly 100 agrochemical products—including herbicides, insecticides, and fungicides—with an annual production capacity reaching 30,000 tons. Today, Wynca controls over 40% of the West African agrochemical market, with distribution channels spanning Côte d'Ivoire, Togo, Benin, and Nigeria, making it the largest Chinese agrochemical supplier in the region.

Beyond production, Wynca has developed a comprehensive regional service ecosystem. In Ghana it established a cross-border e-commerce platform and bonded overseas warehouse, integrating over 40 Chinese enterprises into an "agricultural operations complex" that provides warehousing, logistics, and last-mile delivery services across West Africa.[189] This logistics innovation has reduced export costs and increased reliability, positioning Ghana as a strategic distribution hub.

Wynca also prioritizes technology transfer and capacity building. Each year, the company organizes hundreds of farmer training sessions—reaching 250,000 participants annually—covering pesticide application techniques, integrated pest management, and crop protection strategies. Its "High-Yield Maize Solution" has enabled farmers to boost yields and increase incomes by 450–810 Ghanaian cedis per acre[190], while its introduction of drone-based spraying technologies has modernized agricultural practices and reduced input costs.[191]

By combining localized manufacturing, regional trade integration, and agricultural innovation, Wynca's production model has extended its influence across West Africa, transforming Ghana into a regional hub for agro-input distribution and trade—a model that supports both agricultural modernization and deeper regional integration.

Household chemicals—ranging from detergents and soaps to cosmetics and personal care products—are emerging as a promising subsector of Africa's chemical industry. Demand is being driven by rapid urbanization, growing consumer markets, and heightened public health awareness. Localizing production across the value chain—from saponification and formulation to filling and branding—enables African economies to capture

189 孟晶, '阳光洒非洲', 中化新网, 11 September 2023, https://www.ccin.com.cn/detail/43566258d8759f94df46859008555a9d/news.

190 新安集团, '嘿，WE GO 非洲！跨越万里 携手共绘"一带一路"美好图景', Wynca新安, 6 September 2024, https://www.wynca.com/infos/index/872.html.

191 AgroPages世界农化网, '新安在加纳开展无人机业务 当地玉米产量翻番', 世界农化网中文网, 15 August 2017, https://cn.agropages.com/News/NewsDetail---14797.htm.

more end-market value while ensuring supply security and strengthening the industrial base for the wider fast-moving consumer goods (FMCG) sector.

Chinese enterprises have been early movers in this space, investing in manufacturing capacity even before the AfCFTA came into effect. In Angola, Nice Group built on nearly a decade of trade with local partner NAKFA Comércio e Indústria Lda to establish a joint venture in 2019. Its factory in the Luanda-Bengo Special Economic Zone, which came online in March 2020, was the first Chinese-invested household chemical plant in the country, with an initial capacity of 20,000 tons of detergent per year. The venture leverages Nice's established customer base in Angola while positioning the company to expand exports to regional markets.[192] A similar trajectory is evident in Nigeria, where Longrich shifted from developing distribution networks to localized production. After opening its first African branch in Cameroon in 2011, the company inaugurated a modern facility in the Lekki Free Trade Zone in 2021. Producing health supplements, cosmetics, and cleaning products, the plant now serves as a regional hub for Nigeria, South Africa, Cameroon, and the Republic of the Congo.[193]

These cases illustrate how Chinese investors have already acted as early movers in Africa's chemical industries, bringing cost efficiencies, market responsiveness, and technology transfer into their strategies. At the same time, the localization of production is helping to reduce import dependence, generate skilled employment, and strengthen linkages with wider manufacturing ecosystems.

G) Special Economic Zones (SEZ)

Special Economic Zones (SEZs) play a unique role in Africa's industrial landscape, standing apart from individual sectors by creating geographically concentrated hubs where infrastructure, policy and regulatory frameworks are all tailored to accelerate manufacturing and export-oriented growth. Within SEZs, governments typically provide an integrated package that includes improved utilities, streamlined customs procedures, tax policies, and dedicated one-stop investment services. Global experience—most prominently China's pioneering SEZs—demonstrates that such zones can catalyse powerful synergies: by co-locating firms in related industries, SEZs promote clustering and technology spillovers, enabling local enterprises to absorb foreign know-how and innovation. Infrastructure upgrades embedded within zones—such as logistics corridors or on-site power plants—further reduce costs and strengthen competitiveness.

In Africa, SEZs have proliferated over the past two decades. According to UNCTAD, i some countries have consolidated long-standing programmes (including Egypt, Morocco, South Africa, and Ethiopia), while others have launched new zones to attract FDI and drive industrial restructuring. [194] A recent UNCTAD survey of SEZ representatives placed China as the leading source of investment in African zones, underlining how Chinese stakeholders have leveraged these tailored environments to anchor their industrial projects.[195]

China's engagement with African SEZs dates back to the mid-2000s, when zones were identified as key instruments for industrial transformation under FOCAC commitments following the 2006 Beijing Summit. The first milestone was the 2007 launch of the China–Zambia Economic and Trade Cooperation Zone. Since then, the model has expanded through diverse structures and partnerships. Examples

192 Lusa Verangola, 'Chinese Cleaning Products Group Expands Factory in Angola', VerAngola, 7 May 2021, https://www.verangola.net/va/en/052021/Industry/25392/Chinese-cleaning-products-group-expands-factory-in-Angola.htm.

193 时代周报猛犸工作室, '隆力奇勇闯非洲：探索海外市场，打响"中国智造"', 新浪财经, 20 May 2022, https://finance.sina.cn/chanjing/gsxw/2022-05-20/detail-imcwipik0943549.d.html.

194 United Nations Conference on Trade and Development (UNCTAD), Handbook on Special Economic Zones in Africa: Towards Economic Diversification Across the Continent (2021).37

195 United Nations Conference on Trade and Development (UNCTAD), Special Economic Zones & African Continental Free Trade Agreement: Results from a Continent-Wide Survey (2021).

include the Eastern Industrial Park in Ethiopia's Hawassa cluster, developed by Jiangsu Yongyuan Investment Co.; the China–Egypt TEDA Suez Economic and Trade Cooperation Zone, financed by Tianjin Economic-Technological Development Area Investment Holdings with support from the China-Africa Development Fund; and Nigeria's Lekki Free Trade Zone, jointly developed by China-Africa Lekki Investment Ltd (CALIL), the Lagos State Government, and Lekki Worldwide Investments Ltd. By leveraging local comparative advantages, these SEZs have fostered industry-specific clusters spanning textiles and apparel, building materials, chemicals, and automotive manufacturing.

A strong illustration of how SEZs can catalyse industrial ecosystems is the Hisense Industrial Park in South Africa, established in 2013 during the first year of the Belt and Road Initiative. By 2024, on the eve of FOCAC 9, the park had created over 1,000 direct jobs and expanded its market reach beyond South Africa, exporting televisions and refrigerators to more than 20 African countries—including Madagascar, Mozambique, and Zimbabwe—while steadily increasing its domestic market share. Central to this success has been Hisense's active engagement with local suppliers. In China, the company relies on a lamination process that allows refrigerator liner production and base assembly to be completed in a single cycle, enabling same-day delivery. In South Africa, however, suppliers used traditional methods that stretched delivery times to three days. To close this efficiency gap, Hisense introduced local firms to the lamination process through technical demonstrations and cost-benefit analyses. By April 2024, one packaging company had successfully adopted the technology, becoming the first in South Africa to apply lamination in refrigerator component production. By August 2024, 13 local firms had been integrated into Hisense's supply chain with upgraded technologies, processes, and equipment. These efforts expanded the park's production capacity from 550,000 units in 2013 to 1.5 million units in 2024, delivering a fivefold increase in revenues alongside major efficiency gains.[196]

Chinese SEZ investments have also increasingly targeted consumer goods industries to lower costs and expand accessibility for local populations. The China–Uganda Mbale Industrial Park, developed by Tian Tang Group and operational since 2018, exemplifies this shift. By 2024, the park had attracted over 40 companies and generated more than 5,000 jobs across diverse catalyse household appliances, chemicals, home textiles, building materials, pharmaceuticals, and automotive manufacturing. One of its flagship enterprises, Mingzhu Technology, has transformed Uganda's LED market by producing 3 million bulbs and tube lights annually, replacing what was once near-total reliance on imports. To sustain its industries, the park also invests in workforce development through a Luban Workshop vocational training base, equipping workers with skills in fitting, electrical automation, and CNC machining. Complementing this ecosystem, Tian Tang has established UHome, a retail chain sourcing appliances directly from the Mbale Industrial Park. This integrated "produce-and-sell" model shortens supply chains, lowers consumer prices, and improves access to essential products. The park has further incubated several Ugandan television and smartphone brands, illustrating how SEZs can both localize production and nurture homegrown brands within Africa's consumer goods landscape.[197]

196 林子夜 and 侯琳良, '海信南非工业园：跨越11年，见证中非合作新篇章', 光明网, https://tech.gmw.cn/2024-09/02/content_37537892.htm.

197 金正 and 聂祖国, '这座主打"非洲制造"的中国工业园靠什么深得人心', 中国一带一路网, 19 May 2024, https://www.yidaiyilu.gov.cn/p/084537I8.html.

Box 18 The Mbale Industrial Park: Advancing Sustainability Practices in African Manufacturing

The China–Uganda Mbale Industrial Park is bringing the "Made in Africa" ambition to life by embedding green governance and sustainable infrastructure into its design, positioning itself as a model for how Africa's emerging manufacturing hubs can align industrial growth with environmental responsibility. These advances have been underpinned by USD 2.5 million (approximately UGX 9 billion) in investment from Chinese stakeholders to build advanced pollution control and water purification systems—an important step toward improving environmental health in Uganda's Elgon sub-region.

At the centre of this transformation is Nice Textile Limited, which has introduced closed-loop systems to address two of the most pressing challenges in textile manufacturing: water and air pollution. Wastewater from dyeing and washing is collected, treated through multiple chemical stages, and recycled back into production—significantly reducing freshwater use. For air quality, a smoke purification system filters dense industrial emissions into clean exhaust, sharply cutting particulate pollution.

The park's environmental strategy also extends beyond factory walls. Situated in a flood-prone area, it has invested in stormwater channels and integrated water management systems that safeguard both industrial operations and surrounding communities—showing how industrial parks can serve as engines of climate resilience as well as economic growth.[198]

The momentum behind SEZ development in Africa is gaining speed, with new zones under construction reflecting both diversification and specialization strategies. Some zones embrace a comprehensive model, clustering industries across agriculture, consumer goods, and manufacturing to create integrated ecosystems. Others adopt a sector-specific approach in order to consolidate competitive advantages in industries where investors have expertise. A recent example of the latter is the Zambia-Jiangxi Economic Cooperation Zone, launched in October 2023 after five years of development. Led by Jiangxi International Economic and Technical Cooperation Co. Ltd., and co-financed by Jiangxi Copper Group, Jiangxi State-Owned Capital Operation Holdings, and four other provincial enterprises, the zone represents a provincial-led investment model inspired by China's own development experience. By May 2025, the zone had attracted 16 projects from 14 companies—including solar energy storage, power equipment assembly, and copper processing—totalling USD 161 million in investment and creating nearly 1,000 local jobs. To bolster investor confidence, the zone secured an investment protection agreement with the Zambian government, safeguarding assets in case of political instability, and is partnering with Sinosure (China Export & Credit Insurance Corporation), to offer risk-mitigation products.[199]

Selected examples of ongoing Chinese-invested SEZ projects include:

198 Joan Ainabyona, 'Chinese In Sino-Uganda Mbale Industrial Park Invest $2.5M in Water Treatment', Sunrise, 5 June 2025, https://sunrise.ug/business/202506/chinese-in-sino-uganda-mbale-industrial-park-invest-2-5m-in-water-treatment.html.

199 崔璐 and 张东阳, '在非洲建工业园，需应对哪些挑战？——来自赞比亚江西经济合作区的观察', 新华网, 20 June 2025, http://www.jx.xinhuanet.com/20250620/de9768686a604100886f81f5761624f7/c.html.

Table 9 Selected Chinese Investment in Special Economic Zones in Africa Under Construction

SEZ Name	Scope	Investment Value and Expected Capacity	Chinese Investor
Huatong Aluminum Industrial Park (Angola)[200]	Alumina preparation, aluminum electrolysis, aluminum product manufacturing	- Value: 250M (1st phase); 1.6B (5 phases) - Production: 120,000 tons of electrolytic aluminum annually (Phase 1).- Jobs: 12,000 direct jobs (Phase 1).	Huatong Angola Industrial Co., Ltd.
Kwala Industrial Park (Sino-Tanzania Industrial Park) (Tanzania)[201]	7 zones covering agriculture, food processing, Construction materials, household chemicals garments, equipment manufacturing	- Jobs: 100,000 direct jobs and 400,000–500,000 indirect jobs (full capacity).	China United Construction Group; Arise IIP
Haier Egypt Ecological Park (Phase II) (Egypt) [202]	Refrigerators and freezers	- Value: $40M - Production: 300,000 units of refrigerators/ freezers annually (Phase II).- Jobs: ~1,000 direct jobs (Phase II).- Total Capacity: Over 1.3M home appliances (Phase I+II combined).	Haier Group
Palm River Energy Metallurgical SEZ (Zimbabwe)[203]	Chromium-based materials, coke, thermal coal, power generation, steel production	- Value: $3.6B - Production: - 500,000 tonnes of thermal coal annually. - 500,000 tonnes of coking coal annually. - 250MW of power generation. - 1 million tonnes of steel annually	Xintai Resources

While SEZs can be powerful catalysts of industrialization, their success hinges on strong policy and institutional support. SEZs create agglomeration effects by bringing firms together to share infrastructure, reduce costs, and form clusters. With reliable utilities, efficient services, and fiscal incentives, they attract investment and foster value chains. Chinese-invested SEZs above have already demonstrated how such zones can integrate local suppliers, incubate domestic brands, and expand into regional markets. Yet SEZs are only one piece of a wider industrial policy puzzle. For zones to drive genuine structural transformation, they must be complemented by strategies that boost technology transfer, skills development, and sustained public investment in infrastructure, alongside urban and governance frameworks that ensure benefits reach the public, which means proactive efforts required from African policymakers. [204]

200 Xinhua, 'Chinese-Funded Aluminum Industrial Park Will Boost Angola's Economic Diversification: Official', XinhuaNet, 24 June 2024, https://english.news.cn/africa/20240624/ddcce19603b04396b46669e9d348d2c1/c.html.

201 Xinhua, 'Sino-Tanzania Industrial Park Will Help Advance Country's Industrialization: Minister', The State Council of The People's Republic of China, 22 May 2024, https://english.www.gov.cn/news/202405/22/content_WS664d30eac6d0868f4e8e750a.html.

202 Xinhua, 'Chinese Home Appliance Giant Haier Launches Groundbreaking Ceremony for 40-Mln-USD Plant in Egypt', XinhuaNet, 24 September 2024, https://english.news.cn/africa/20240924/36f9c02020ad4d0ba6135c54b62c61fb/c.html.

203 Xinhua, 'Zimbabwean President Launches Chinese-Invested Industrial Park', XinhuaNet, 25 February 2025, https://english.news.cn/africa/20250225/fef7d769125a473ab9f8211e195c0f53/c.html.

204 黄正骊, '黄正骊：工业园能否帮助埃塞俄比亚实现工业化和城市化？', 欧亚系统科学研究会, 18 May 2021, https://www.essra.org.cn/?news/2602.

2.2 Data Analysis of Chinese Investment's Aggregated Economic Impact in Africa

This section investigates the impact of China's FDI on Africa's economic growth and employment outcomes over the past decade (2011 - 2023). Data sources include the Statistical Bulletin of China's direct investment stock in Africa, the World Bank Development Database, and IMF statistics. Using regression analysis and panel data covering 49 African countries,[205] we find that Chinese investment plays a positive role in driving both GDP growth and job creation. The analysis highlights variations across income groups, investment motives, and employment structures, offering nuanced insights into the developmental implications of China-Africa cooperation.

2.2.1 Model specification

The study employs a multiple linear regression model to assess how Chinese FDI contributes to Africa's economic growth and employment. The basic model is set as follows:

$$Growth_{it} = \alpha_0 + \alpha_1 FDI_{it} + \boldsymbol{\beta}\mathbf{X}_{it} + f_i + v_t + \varepsilon_{it} \quad (1)$$

$$Employ_{it} = \varphi_0 + \varphi_1 FDI_{it} + \boldsymbol{\beta}\mathbf{Z}_{it} + f_i + v_t + \varepsilon_{it} \quad (2)$$

$Growth_{it}$ represents the gross domestic product (GDP) of African country i in period t.

$Employ_{it}$ is the employment scale of African countries, quantified in this paper by the natural logarithm of the number of employed persons aged 15 and above

FDI is the core explanatory variable in this paper, referring to the stock of China's direct investment in Africa.

$\mathbf{X}_{it}$ is a vector of control variables used to control the impact of factors other than OFDI on Africa's economic growth. Control variables include trade openness, natural resource rents, financial development, inflation, government expenditure, population density, the age dependency ratio, governance capacity, and foreign aid (ODA).

$\mathbf{Z}_{it}$ is a vector of control variables used to control the impact of factors other than OFDI on Africa's employment including factors such as trade, government expenditure, social system, and inflation rate of African countries on employment effects.

f_i is the country fixed effect

v_t is the time fixed effect.

ε_{it} is the random disturbance term.

φ represents the coefficient of the primary explanatory variable under focus in this study. If this variable's coefficient is significantly positive, it indicates that the fundamental hypothesis—that China's direct investment in Africa drives employment in African countries—is validated.

2.2.2 Results: Quantifying Chinese Investment's Contribution to Africa's GDP Growth and Employment

Benchmark regression results on the impact of China's direct investment in Africa on Africa's economic growth: Model calculations show that China's investment in Africa has promoted the continent's economic growth. In addition, trade openness, financial development level,

205 There is missing data on GDP for Eritrea and Somalia; Swaziland lacks FDI data; the Democratic Republic of the Congo lacks national governance data; and Ethiopia lacks data on domestic credit to the private sector.

population size, age dependency ratio, and national governance capacity have all passed the significance test—these are key factors influencing Africa's economic growth. Among them, national governance capacity exerts a more prominent positive impact on economic growth: the stronger a country's governance capacity, the better its economic development. Benchmark regression results on the impact of China's direct investment in Africa on Africa's employmentModel calculations show that China's investment in Africa has boosted employment in African countries. From the perspective of control variables: the coefficient of inflation rate is significantly negative (exacerbating unemployment); the coefficient of international aid is significantly positive (promoting employment); the coefficient of old-age dependency ratio is significantly negative (aging reduces employment); and the coefficient of national governance capacity is significantly positive (enhancing employment stability).

2.2.3 Implications of Statistics and Forward-Looking Insights for Sectoral Investments

The trend analysis of Chinese FDI in Africa reveals that while investment growth was rapid between 2011 and 2017, it slowed somewhat between 2017 and 2023. Initially, Chinese FDI was concentrated in a few African countries, but from 2017 onwards, it became more diversified across the continent. Importantly, the data shows that Chinese FDI in Africa is positively correlated with growth in both GDP and employment.

The positive impact of Chinese FDI is more pronounced in low-income African countries than in middle and high-income countries. In these low-income countries, Chinese investments, especially in infrastructure projects such as roads, railways, and energy, have helped stimulate local employment and income levels. This increase in income has, in turn, driven consumption and overall economic growth. A key observation here is that Chinese FDI directed towards markets and efficiency (particularly in labour-intensive industries and infrastructure development) has proven to be more effective at stimulating both economic growth and employment in these countries.

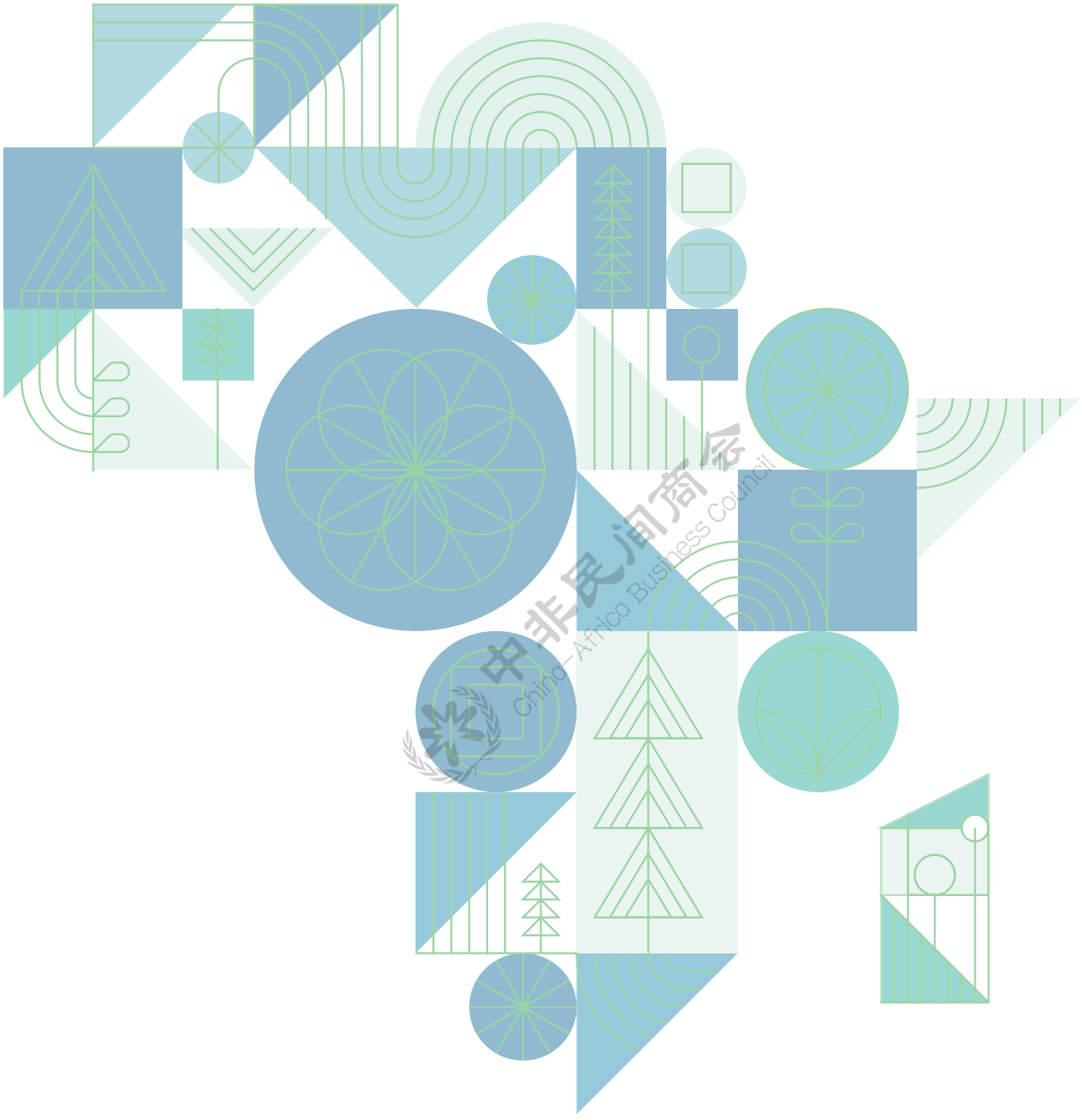
Furthermore, the impact of Chinese investment in low-income countries is more pronounced due to the lack of local infrastructure. Chinese investment in infrastructure—such as the construction of roads, ports, and airports—directly leads to job creation, as these projects require substantial local labour. For example, Kenya's Mombasa-Nairobi Standard Gauge Railway project has created tens of thousands of local jobs, directly benefiting the local workforce.

The implications of these findings underscore the importance of Chinese investment for Africa's structural transformation. The stronger impact in low-income countries suggests that Chinese investments complement rather than crowd out domestic development initiatives in these economies. In addition, FDI directed towards markets and efficiency, especially in infrastructure and manufacturing, holds more promise for fostering both growth and job creation than investment in resources, which tend to be less labour-intensive.

While these results highlight significant progress, the uneven distribution of benefits points to the necessity for targeted policy interventions. African governments must address gaps in governance and infrastructure to maximize the potential of Chinese FDI across all income groups. Strengthening governance, improving absorptive capacity, and diversifying investments into sectors with higher employment multipliers, such as manufacturing, are essential steps toward achieving more inclusive and sustainable growth. Additionally, the African regional integration agenda should prioritize cross-border infrastructure projects and the creation of interconnected regional value chains to fully leverage the benefits of FDI.

Overall, the evidence affirms that Chinese FDI has positively contributed to both GDP and employment growth in Africa. The challenge moving forward is to ensure that these investments are more evenly distributed and that their benefits extend beyond industrial and infrastructure projects. It is equally important to build up sectors such as agriculture, services, and other areas crucial for inclusive economic development, ensuring that these sectors achieve higher quality and greater value-add. African governments should also aim to channel investments into strategic sectors with strong forward

and backward linkages along the value chains, engaging more domestic or cross-border stakeholders. By doing so, African countries can ensure that Chinese FDI not only drives economic transformation but also contributes to a more connected, integrated, and resilient African continent.



03. Fostering Synergy Between China-Africa Cooperation under FOCAC9 and African Regional Integration

Building on FOCAC8's achievements reviewed in Chapter 2, this chapter focuses on how FOCAC9's cooperation agenda can further synergize with Africa's regional integration goals to create greater mutual value. It first unpacks FOCAC9's overall framework and its alignment with the AfCFTA and AU Agenda 2063, then analyzes seven key economic domains.

3.1 FOCAC 9 "Ten Partnership Initiatives": Overall Framework, Measures, and Linkages with Africa Regional Integration Agenda

The Economic Report on Africa 2025 by UNECA noted that the AfCFTA, as the most critical accelerator of Africa's regional integration process, cannot be viewed in isolation: to unlock its transformative potential, it must be embedded in Africa's wider development challenges and long-term priorities under Agenda 2063. Structural gaps such as food insecurity, weak healthcare systems, uneven access to energy, dependence on raw materials, and persistent poverty and inequality continue to constrain inclusive growth and integration. Addressing these challenges—particularly in agriculture, health, and the energy transition—is essential for the AfCFTA to catalyze trade expansion, and further to drive broader developmental shift. UNECA further highlights that as African countries build regional value chains, the AfCFTA should broaden its sectoral focus beyond the four currently prioritized areas—agro-processing, automotive, pharmaceuticals, and transportation/logistics—to also include processed food, tourism, health, wood and paper, metals, textiles,

apparel, and leather.[206] Many of these sectors are already emerging frontiers for Chinese investment in Africa, underscoring strong complementarities between African integration priorities and FOCAC's agenda. Against this backdrop, the Ten Partnership Initiatives outlined in the FOCAC 9 Beijing Action Plan (2025–2027) are more than a continuation of the momentum from FOCAC 8: they represent a strategic, targeted response to these integration challenges. By leveraging China's comparative strengths—industrial capacity, technological expertise, and financial resources—the initiatives are designed to align with Africa's structural advantages, such as resource endowments, demographic dividends, and growing market potential.

The underlying logic is one of two-way empowerment between regional integration and China–Africa investment. On one hand, FOCAC 9 commitments—such as unilateral zero-tariff treatment, standardization cooperation, and support for cross-border infrastructure—are creating conditions for Chinese enterprises to pursue regionalized operations and scaled-up investment layouts. On the other, Chinese investments in sectors such as agro-processing and clean energy are already helping to remedy market fragmentation and foster cross-country production networks, positioning integration as both an enabler and an outcome of these investments. Taken together, FOCAC 9's Ten Partnership Initiatives—spanning agriculture, health, green development, infrastructure, and livelihoods—are thus positioned not only as vehicles of trade and investment, but also as strategic tools for tackling Africa's pressing structural challenges in ways that reinforce AfCFTA implementation and accelerate progress toward the aspirations of Agenda 2063.

The Ten Partnership Initiatives span ten domains—civilization exchange, trade, industry, infrastructure, development, health, agriculture, livelihoods, green transition, and security—constituting the new "top-level design" of China–Africa cooperation. Each initiative combines quantitative targets with specific measures to ensure implementation, and collectively they converge on addressing Africa's most critical integration bottlenecks, from policy harmonization and infrastructure deficits to dispersed industrial bases.

The table below provides a systematic overview of the initiatives and their linkages with Africa's regional integration agenda.

206 United Nations Economic Commission for Africa (UNECA), Advancing the Implementation of the Agreement Establishing the African Continental Free Trade Area: Proposing Transformative Strategic Actions. 55-56

Table 10 Ten Partnership Initiatives under FOCAC 9

Partnership	Key Measures	Expected Impact
Mutual Learning Among Civilizations	Establish Global Civilization Initiative dialogue platform; Create China–Africa Knowledge Network and 25 research centres; Train 1,000 African party and policy leaders through African Leadership Academy	Strengthen governance and policy coordination; Deeper cultural and institutional linkages that support continental integration frameworks
Trade Prosperity	Grant 100% zero-tariff treatment to LDC imports; sign framework agreements on economic partnership Increase cooperations in standards, inspection, and quarantine Expand agricultural exports; develop e-commerce platforms and a Digital Trust Verification Platform	Improved market access and export diversification; Alignment with AfCFTA standards; digital platforms that facilitate cross-border trade and reduce non-tariff barriers
Industrial Chain Cooperation	Support local value chains and processing of critical minerals; Establish five regional industrial growth circles and 10 industrial parks; hold 100 industrial training sessions; Launch SME financing, matchmaking, and training; Create China–Africa Digital Technology Cooperation Centre with 20 digital infrastructure and transformation projects	Stronger regional value chains; enhanced SME participation; localized digital infrastructure to support industrial upgrading and cross-border production networks
Connectivity	Implement 30 transport and energy infrastructure projects; integrate industrial parks with transport corridors; Develop a multimodal sea–rail network linking China and Africa; Expand local-currency settlement, fintech solutions, and support African “panda bond” issuance	Reduced logistics and transaction costs; expanded cross-border financial integration; Improved physical and financial connectivity to operationalize AfCFTA
Development Cooperation	Publish Joint Statement on Global Development Initiative; implement 1,000 small-scale “livelihood projects” Establish China–Africa–UNIDO demonstration centre; forgive LDC interest-free loans; contribute to China-World Bank Group Partnership Facility	Strengthen institutional capacity and grassroots resilience; Greater financial sustainability for regional integration efforts; Stronger AU engagement mechanisms
Healthcare	Establish China–Africa Hospital Alliance; create joint medical and traditional medicine centres; Deploy 2,000 medical and public health personnel; Launch “100 Medical Teams in 1,000 Villages” program; Build 10 healthcare facilities and 10 malaria elimination projects; Support local vaccine production and Africa CDC operations	Expanded healthcare access and cross-border disease surveillance; regional pharmaceutical capacity; Improved resilience of Africa’s public health systems

Partnership	Key Measures	Expected Impact
Agriculture & Livelihoods	Build 10 agricultural technology demonstration centres and 100,000 mu (6,667 hectares) of standardized demonstration zones; Provide RMB 1 billion in emergency food aid; establish agricultural tech alliances, 100 demonstration villages, and 500 welfare projects; Train 1,000 agricultural leaders and send 500 experts; Create "100 Companies in 1,000 Villages," targeting 1 million jobs	Accelerated agricultural modernization; Integrated rural-urban value chains; Enhanced food security and employment, enabling broader participation in regional markets
PeopletoPeople Exchanges	Expand "Future of Africa" vocational plan; build China–Africa Engineering Academy, 10 Luban Workshops, and 20 schools; Provide 60,000 training opportunities (with women and youth focus); advance Cultural Silk Road and media/arts cooperation; Designate 2026 as China–Africa Year of People-to-People Exchanges	Regional talent development and mobility; Strengthened cultural and educational networks underpinning integration
Green Development	Implement 30 clean energy and green projects; Launch China–Africa Green Industrial Chain Fund; Build joint labs for early warning, biodiversity, and environmental management; Expand nuclear technology, remote sensing, and lunar exploration cooperation	Diversified energy mix and regional power trade; Stronger climate resilience and science–technology collaboration to support green industrialization
Common Security	Operationalize Global Security Initiative partnership; Provide RMB 1 billion military grant; Train 6,000 military and 1,000 police personnel; Conduct joint exercises and demining; Develop BRI security mechanisms	Enhanced regional security and crisis response; Safer cross-border trade and infrastructure corridors critical to economic integration

3.2 FOCAC9's Key Economic Domains: Cooperation Priorities and Integration Drivers

Building on the priorities of FOCAC 9, this section focuses on seven partnerships most relevant to Chinese enterprise operations in Africa: trade prosperity, industrial chain cooperation, connectivity, development cooperation, health, rural revitalization and livelihoods, and green growth. For each partnership, the analysis covers priorities in the measures, emerging prospects for sectoral opportunities, along withand elaborations on how this partnership will contribute to Africa's regional value chains and regional integration objectives. This framework ensures that FOCAC9 commitments are organically linked to practice, highlighting how FOCAC 9 initiatives are both shaping business opportunities and enabling deeper regional integration.

3.2.1 Trade Prosperity Partnership: From Volume Expansion to Value Chain Upgrading

1) FOCAC 9 Commitment Priorities

Trade has long been a cornerstone of the FOCAC agenda, and in 2024 China–Africa trade reached USD 295.6 billion, with China remaining Africa's largest bilateral trading partner for the 16th consecutive year in succession. Under FOCAC 9, the Trade Prosperity Partnership signals a shift from focusing primarily on trade volumes to building the rules, systems, and technologies needed for more diversified and higher-value trade flows. Key measures include:

- Tariff symmetry for processed goods: China announces a comprehensive tariff-free trade pact with 53 African countries, eliminating import duties [207]. This makes China the first major partner to offer such a comprehensive scheme. Crucially, the new tariff scheme alters long-standing incentives that have constrained Africa's industrialization. Historically, tariff schedules worldwide—including those of major trading partners—treated raw and processed goods asymmetrically: raw commodities often enjoyed low or zero tariffs when exported to processing hubs, while processed goods faced significantly higher tariffs when sold to end markets. This created a perverse incentive for African economies: exporting raw materials was cheaper and more profitable than processing them domestically, because higher tariffs on processed exports eroded potential margins.

- Tackling non-tariff barriers (NTBs): The partnership commits to cooperation on inspection, quarantine, and standards, including the creation of a China–Africa Centre for Standardization Cooperation and Research. This will help exporters address challenges related to inconsistent certification and phytosanitary compliance.

- Trade digitalization: Recognizing the growing role of e-commerce in connecting African SMEs to global markets, the partnership includes measures to establish Silk Road e-commerce national pavilions and launch the China–Africa Trade Digitalization Trust Verification Platform. [208] These steps align with Africa's own push, through AfCFTA's Digital Trade Protocol, to integrate e-commerce into cross-border trade regimes. Such platforms can lower costs for SMEs, improve transparency, and facilitate connections to regional payment systems such as the Pan-African Payment and Settlement System (PAPSS).

207 Ministry of Foreign Affairs of the People's Republic of China, 'China-Africa Changsha Declaration on Upholding Solidarity and Cooperation of the Global South', 11 June 2025, https://www.fmprc.gov.cn/mfa_eng/wjbzhd/202506/t20250611_11645736.html.

208 Kholofelo Kugler, 'The AfCFTA Digital Protocol', International Institute for Sustainable Development, 30 October 2024, https://www.iisd.org/articles/policy-analysis/afcfta-digital-protocol.

Box 19 Cotti Coffee's New China-Rwanda Coffee Industry Park: Reinventing Rwanda's Coffee Value Chain

- **Company:**Cotti Coffee
- **Investment Location:** Rwanda
- **Sector and Product/Service:** Agriculture (Coffee)

In June 2025, Cotti Coffee, one of the world's leading coffee chain brands, entered into a strategic partnership with the Rwandan Ministry of Agriculture to develop the China-Rwanda International Coffee Industry Development Demonstration Park in Kigali, Rwanda. The park will include key projects such as the Smart Coffee Planting Demonstration Garden, the International Coffee Processing Centre, and the International Coffee Trading Centre.

Rwanda, known for its high-quality coffee grown in the volcanic highlands, has consistently ranked among the top coffee producers in East Africa. One of the first African countries to participate in the cup of excellence (COE) competition, Rwanda's coffee beans have frequently received scores above 86, surpassing the 80+ benchmark for specialty coffee. This ranks Rwanda's coffee among the best in the world, creating a unique opportunity for Cotti Coffee to secure a stable supply of high-quality beans for its global operations.

By investing in the upstream plantation, Cotti Coffee can lock in a consistent supply of premium coffee beans, which is crucial for its branding strategy and operational needs. The investment benefits from tax incentives and leverages local labour , making it a cost-effective strategy for value-added processing in Rwanda. The final processed coffee products will be distributed across Cotti Coffee's global network of over 14,000 stores in 28 countries, expanding Rwanda's coffee market access.

The most notable aspect of the investment is its focus on preserving the higher value-added segments of the coffee value chain—processing and sales—within Rwanda. By processing the coffee locally, Cotti Coffee contributes to Rwanda's industrial development, creating a sustainable model that could be replicated across other agricultural sectors in Africa.

Moreover, the Industry Park will play a significant role in boosting the branding of Rwandan coffee. As part of the project, Cotti Coffee and the Rwandan Ministry of Agriculture will organize annual global coffee festivals to promote Rwanda's coffee internationally. These events will raise awareness of Rwanda as a source of quality coffee, strengthening its global recognition and positioning Rwandan coffee as a premium product.[209]

2) Further Business Opportunities

The rise of Africa's food and beverage sector underscores the transformative potential of regional markets under the AfCFTA. The World Bank projects that the continent's combined food and beverage market will expand from USD 313 billion in 2013 to nearly USD 1 trillion by 2030, fuelled by rapid urbanization, rising incomes, and shifting dietary preferences.[210] This surge in demand highlights a clear opportunity for agro-processing industries to replace costly imports with competitively priced, locally produced alternatives. Strategically locating processing facilities in areas with abundant agricultural resources allows firms to leverage regional value chains more effectively: raw materials can be sourced domestically, processed locally, and distributed across multiple countries under zero-tariff conditions. At the same time, Africa's preferential tariff-free access to the Chinese market further boosts the export potential of semi-processed agricultural products, offering investors an entry point into both African and global consumer markets.

209 王旭泉, '库迪咖啡与卢旺达建立战略合作 打造中卢国际咖啡产业示范园', 中国日报网, 9 June 2025, https://cn.chinadaily.com.cn/a/202506/09/WS68467178a310205377037173.html.

210 Badiane et al., 'The Rise of Africa's Processing Sector and Commercialization of Smallholder Agriculture'. 11

Beyond agro-processing, cross-border e-commerce represents another frontier where regional integration can unlock significant value. Africa's young demographic profile, and a mobile internet penetration rate growing by around 5% annually, provide fertile ground for digital trade solutions. Chinese e-commerce companies, working with African partners, are well placed to develop integrated supply chains and warehousing systems that serve the continent's growing demand for FMCGs and light industrial products. By embedding digital tools into these systems—particularly to address persistent bottlenecks in cross-border payments and logistics tracking—firms can increase efficiency and trust. Technological collaboration in support of platforms such as the Pan-African Payment and Settlement System (PAPSS) also opens the door for wider adoption of local currency settlements, reducing exchange rate risks while accelerating the transition to a more unified digital market.

3) Empowerment Impact on Africa's Regional Integration

These opportunities also carry broader implications for Africa's integration agenda. By taking advantage of zero-tariff provisions within the AfCFTA, processed goods become more price competitive across regional and international markets, accelerating the development of "regional value chains" in agro-processing and beyond. Moreover, harmonizing standards—such as the establishment of common agricultural quarantine and sanitary requirements between Africa and China—can reduce technical barriers to trade, sharply cutting clearance times for African exports and making intra-African and China-bound trade flows more predictable.

Equally important, the expansion of digital trade platforms and e-commerce infrastructure can reshape the participation of African SMEs in global value chains. Instead of being confined to fragmented national markets, SMEs can be drawn into regional and even global networks, leveraging digital platforms to expand their customer base and scale more efficiently. This shift transforms African economies from isolated trade units into a coordinated trade ecosystem, aligning directly with the AfCFTA's vision of a unified continental market. In doing so, it supports Africa's transition away from a resource-export-driven growth model toward one that is anchored in value addition, industrial linkages, and technology-enabled commerce.

At the same time, as noted in previous chapters that overlapping memberships across Africa's Regional Economic Communities (RECs) continue to create complexities in tariff schedules and regulatory regimes. While China, as an external partner, is not in a position to intervene directly in these political processes, FOCAC9 could provide constructive, technical-level support to ease such challenges. One option is to develop digital platforms to cross-reference tariff schedules and track "regional value content," thereby improving transparency and reducing compliance costs for firms engaged in cross-border trade. RECs could also be encouraged to pilot practical inter-REC harmonization measures—for example, adopting a single "corridor tariff schedule" covering a defined set of industrial inputs. Such technical innovations would lower transaction costs for both domestic and foreign investors in cross-border value chains, while further advancing Africa's regional integration agenda in line with AfCFTA objectives.

3.2.2 Industrial Chain Cooperation: Advancing Industrialization from "Isolated Breakthroughs" to "Cluster Development"

1) FOCAC 9 Commitment Priorities

Industrialization remains at the heart of Africa's economic transformation agenda. It is essential for diversifying economies, creating higher-value exports, and advancing AfCFTA commitments. Yet Africa's industrial development has long been constrained by fragmentation: many countries have pursued similar industries in parallel, but often at insufficient scale, with limited technological depth, and without regional complementarities. FOCAC 9 directly responds to this challenge by emphasizing the development of regional growth clusters, the empowerment of small and medium-sized enterprises (SMEs), and the promotion of digital upgrading as pathways toward more competitive and integrated industrialization. Key commitments include:

- **Five regional industrial growth corridors**: FOCAC 9 pledges to establish five Africa–China industrial growth corridors, anchored by ten priority industrial parks and infrastructure projects. These corridors are designed to link extraction, processing, manufacturing, and export nodes across borders, moving away from isolated national projects toward genuinely regional value chains. In doing so, they aim to strengthen complementarities, expand economies of scale, and improve Africa's integration into global production networks.

- **SME Empowerment Initiative**: The Action Plan also highlights the role of SMEs, which account for about 90 percent of enterprises and nearly 80 percent of employment across the continent. [211] Despite their significance, SMEs continue to face barriers to credit, technology, and skills. FOCAC 9 introduces an SME Empowerment Initiative that will provide tailored financing support, organize 50 business matchmaking events, and offer 1,000 training opportunities for African business managers. By improving SMEs' access to finance and capacity-building programs, the initiative aims to enable them to become reliable suppliers and service providers for larger industrial nodes. This is critical to ensuring that the benefits of regional industrialization extend beyond a handful of anchor firms to broader segments of the economy.

- **Critical minerals beneficiation**: For the first time, local processing of critical minerals is explicitly highlighted in a FOCAC Action Plan, including key minerals such as lithium and cobalt that essential inputs for renewable energy and battery storage. This aligns with the Africa Green Minerals Strategy and national beneficiation policies, enabling African economies to move up the global supply chain from exporters of raw ores to producers of higher-value precursors and manufacturing inputs. [212]

- **Digital transformation for industry**: A new China–Africa Digital Technology Cooperation Centre and 20 demonstration projects will support Africa's industrial digitalization. Priority applications include smart manufacturing, supply chain traceability, and digital trade systems to lower transaction costs and enhance cross-border competitiveness. Of equal significance, the initiative will invest in cultivating Africa's digital talent base, equipping entrepreneurs and professionals with specialized skills to drive productivity, innovation, and regionally scalable solutions.

Box 20 Sunrise Group's Green Textile Industrial Park in Morocco will Drive Sustainable Growth in the Textile Sector

- **Company:** Sunrise Group
- **Investment Location:** Morocco
- **Sector and Product/Service:** Textile and Apparel

In March 2025, Sunrise Group, a leading Chinese manufacturing conglomerate, signed an investment agreement with the Kingdom of Morocco to establish the Sunrise (Morocco) Green Textile Industrial Park. With an investment value of approximately 1.716 billion RMB (2.29 billion Moroccan dirhams, the project is set to transform Morocco's textile industry by incorporating sustainable production practices.

211 LSEG Africa Advisory Group, The Challenges and Opportunities of SME Financing in Africa, Report of Recommendations (London Stock Exchange Group, 2018), https://www.lseg.com/content/dam/lseg/en_us/documents/media-centre/africa-sme-financing.pdf.

212 African Minerals Development Centre, African Green Minerals Strategy. (African Union, 2024), https://au.int/sites/default/files/documents/44539-doc-AGMS_Final_doc.pdf.

The industrial park will cover an area of 34 hectares and will produce annual volumes of 100,000 spindles of high-quality yarn, 10,800 tons of high-grade woven fabric, and 15 million garments. The investment aligns with Shengtai Group's global strategy to establish a full supply chain, integrating every stage of textile production from spinning to garment manufacturing.

A key feature of the Shengtai Green Textile Industrial Park is its focus on sustainability. The park will employ green manufacturing processes, including energy-efficient technologies and wastewater treatment systems, to minimize environmental impact. This move positions Morocco as a regional leader in green manufacturing and contributes to the broader push for sustainable development in Africa. Beyond its environmental goals, the project is expected to create 7,000 direct jobs and over 1,500 indirect jobs, contributing significantly to local economic development. The partnership also reimforces Morocco's position as a hub for textile production, strengthening its manufacturing competitiveness in both regional and global markets.

2) Further Business Opportunities

Drawing on the sectoral analysis from the previous chapter, and building on FOCAC 9's commitments alongside Africa's evolving industrial landscape, several promising avenues for business cooperation stand out:

Firstly, Chinese enterprises, drawing on extensive experience in mineral processing and battery precursor manufacturing, are well positioned to invest in refining and precursor plants in resource-rich countries such as the Democratic Republic of Congo (cobalt) and Zambia (lithium). Products from these facilities can supply both Chinese new energy industries and advanced markets in Europe and North America. Investments in these fields will elevate Africa's role in global clean technology supply chains while helping to transform the continent from a raw material supplier into a hub for energy transition materials.

The second track focuses on automotive components manufacturing, where regional integration creates a compelling business case. AfCFTA's rules of origin provide strong incentives to localize value-add, and yet Africa's auto parts market remains highly import-dependent. The African Association of Automotive Manufacturers (AAAM) has long promoted a "hub-and-spoke" model in which production is anchored in a handful of strategic hubs such as South Africa and Morocco,[213] while surrounding economies contribute specialized components and services. Chinese investors can build on these existing hubs by establishing new component nodes in other African countries, leveraging AfCFTA provisions to enable duty-free intra-African flows of parts and tariff-free exports of finished vehicles. Tunisia already hosts over 280 auto component firms exporting more than USD 1 billion to the European and Middle-East markets annually, despite the absence of a major domestic automotive assembly. This case demonstrates the viability of such strategies.[214] For Africa, this approach fosters an inclusive regional ecosystem that sustains industrial activity today while laying the groundwork for future vehicle assembly capacity. For China, it provides proximity to both African consumers and nearby European and Middle Eastern markets.

Thirdly, Africa's apparel market is projected to expand from USD 73.6 billion in 2025 to nearly USD 88.7 billion by 2029, driven by rising incomes and a young consumer base. Yet the continent remains heavily reliant on imported textiles and garments. Scaling up regional textile production could reduce this dependency, create

213 Irma Venter, 'An African Automotive Industry Is Starting to Emerge', Engineering News, 10 April 2020, https://www.engineeringnews.co.za/article/an-african-automotive-industry-is-starting-to-emerge-2020-04-10.

214 Rupankar Majumder, 'Nigeria's Auto Spare Parts Industry: A Sleeping Giant Ready to Awaken', AL Circle, 15 August 2024, https://www.alcircle.com/news/nigeria-s-auto-spare-parts-industry-a-sleeping-giant-ready-to-awaken-111717.

strong backward linkages, and unlock substantial value-add[215]— according to the AfDB, up to 600% of value can be captured along the cotton-to-garment chain. [216] The AfCFTA provides a favourable framework, with strict rules of origin that require "double transformation" for preferential access, thereby incentivizing upstream investment in spinning, weaving, and finishing.

Finally, within the chemical sector the consumer market is becoming more differentiated, requiring products tailored to local conditions. For instance, drought-prone regions increasingly demand water-saving "no-rinse" detergents, while agrochemicals adapted to diverse climatic and soil conditions can both increase productivity and support public health goals. For Chinese enterprises, leveraging technological innovation to adapt chemical products to African needs represents both a commercial opportunity and also an opportunity to contribute to inclusive and sustainable development.

3) Empowerment Impact on Africa's Regional Integration

The Industrial Chain Cooperation Partnership under FOCAC 9 goes beyond a simple aggregation of investment projects. Its core ambition is to transform Africa's previously fragmented national capacities into a coordinated, cross-border value chain system, with each country taking on differentiated roles within the regional industrial ecosystem. From a capacity-building perspective, FOCAC 9 explicitly aims to integrate African SMEs into regional value chains, addressing a longstanding problem—those large-scale projects often siphoned away resources without delivering broad local benefits. By fostering broader participation, the partnership helps ensure that the gains from regional integration reach smaller economies and local communities, and strengthens the resilience and inclusivity of regional industrial networks.

3.2.3 Connectivity: Linking Infrastructure, Industrial Development, and Finance

1) FOCAC 9 Commitment Priorities

Connectivity gaps—across transport, energy, and digital infrastructure—remain among the most significant barriers to Africa's economic integration. UNCTAD estimates that weak connectivity drives up trade costs by nearly 50% above the global average, with road transport alone accounting for 29% of the price of goods traded within Africa, compared to just 7% for extra-African trade.[217] The Connectivity Partnership under FOCAC 9 addresses these challenges by combining strategic infrastructure upgrades, integrated corridor planning, and financial linkages to advance the AfCFTA's vision of a unified market. Key commitments include:

- Targeted regional infrastructure networks: China has pledged support for 30 infrastructure connectivity projects across the continent. While Africa's annual infrastructure financing gap is estimated at USD 68–108 billion, these projects—aligned with the African Union's Programme for Infrastructure Development in Africa (PIDA)—represent a targeted contribution to the expansion of regional transport and energy networks that is critical for trade and production. These upgrades are designed to reduce cross-border transport times by up to 40%, facilitating smoother movement of goods and people.

- Integrated "infrastructure + industrial" development: FOCAC 9 promotes the co-location of industrial parks along transport corridors. This approach, drawing on

215 Kohan Textile Journal, Africa's Textile and Apparel Industry Poised for Transformation, 22 February 2025, https://kohantextilejournal.com/africas-textile-and-apparel-industry-poised-transformation/.

216 African Development Bank (AfDB), 'Textile and Clothing Industries Can Drive Africa's Industrialization, Benefit Women', African Development Bank Group, 25 January 2019, https://www.afdb.org/en/news-and-events/textile-and-clothing-industries-can-drive-africas-industrialization-benefit-women-18427.

217 United Nations Trade and Development (UNCTAD), Economic Development in Africa Report 2024 (2025), https://unctad.org/publication/economic-development-africa-report-2024.

China's domestic experience in special economic zones, is designed to coordinate the construction of transport corridors with the establishment of industrial parks, creating industrial belts along key logistics routes. [218] For example, agricultural processing clusters are planned along the Tazara Railway, leveraging rail transport to reduce storage and logistics costs, while export-processing zones near Kenya's Mombasa port attract light manufacturing firms and enable seamless port–rail–park cargo flows. By aligning infrastructure investments with industrial development planning, this model can consolidate production clusters, facilitate the smooth movement of goods, lower trade costs, and improve the reliability of cross-border supply chains.

- **Financial and payment connectivity**: To support infrastructure and trade activities, China is expanding cooperation on local currency settlement and facilitating cross-border payment integration. Efforts include expanding the use of local currency for bilateral trade, supporting African countries in issuing Panda Bonds (RMB-denominated bonds) as demonstrated by Egypt[219] and Afreximbank[220] with a combined value exceeding USD 3 billion, and integrating projects with the Pan-African Payment and Settlement System (PAPSS). These measures aim to reduce cross-border payment costs from 8% to below 2% and shorten settlement cycles from 3–5 days to real-time, addressing key foreign exchange and liquidity constraints.

Box 21 Mufulira-Mokambo Road and Border Facility Upgrade as a Part of a Future Resource Corridor

- **Company:** Jasworld Ports Limited
- **Investment Location:** Zambia
- **Sector and Product/Service:** Infrastructure (Transportation and Border Facilities)

In November 2024, Jasworld Ports Limited, a subsidiary of Jiayou International Logistics, signed a $56.7 million concession agreement with Zambia's Ministry of Finance and National Planning to upgrade the Mufulira-Mokambo Road and modernize the Mokambo border facility, located at the Zambia-Democratic Republic of Congo (DRC) border. Developed under a Public-Private Partnership (PPP) model, this project seeks to strengthen infrastructure and streamline cross-border trade between Zambia and the DRC. [221]

The project involves providing a hardened bitumen surface on the 15.5 km stretch of Mufulira-Mokambo Road, alongside significant modernization of the Mokambo border facilities. These improvements will bolster cross-border logistics, accelerate customs procedures, and increase transport efficiency, paving the way for more seamless trade. This initiative is particularly crucial for the copper-rich mining regions in the southeastern DRC, which rely on efficient trade routes for exports.

218 Tang Xiaoyang, 'China's Belt and Road Initiative and African Industrialisation', Tricontinental: Institute for Social Research, 2 October 2023, https://thetricontinental.org/wenhua-zongheng-2023-3-belt-and-road-intiative-african-industrialisation/.

219 African Development Bank (AfDB), 'Egypt Issues Africa's First Sustainable Panda Bond Worth 3.5 Billion RMB Backed by African Development Bank and Asian Infrastructure Investment Bank', 17 October 2023, https://www.afdb.org/en/news-and-events/press-releases/egypt-issues-africas-first-sustainable-panda-bond-worth-35-billion-rmb-backed-african-development-bank-and-asian-infrastructure-investment-bank-65097.

220 African Export-Import Bank (Afreximbank), 'Afreximbank Issues First Panda Bond in China Interbank Market with RMB 2.2 Billion Issuance', 8 April 2025, https://www.afreximbank.com/afreximbank-issues-first-panda-bond-in-china-interbank-market-with-rmb-2-2-billion-issuance/.

221 Jane Chanda, 'Govt Signs $56.7m Deal with Jasworld to Upgrade Mufulira-Mokambo Road', Daily Revelation News, 7 October 2024, https://dailyrevelationzambia.com/govt-signs-56-7m-deal-with-jasworld-to-upgrade-mufulira-mokambo-road/.

As part of a broader regional integration effort, the Mokambo Road and border facility upgrades will complement other key infrastructure developments, such as the expansion of the Tunduma border post and the Port of Tanga. Together, these projects will establish a critical link between the DRC, Zambia, and Tanzania, facilitating the movement of goods and services along a key trade corridor that connects the copper and cobalt mining hubs of the DRC to major regional ports.[222]

2) Further Business Opportunities

In recent years, infrastructure initiatives have shifted from entirely new projects toward the renovation and upgrading of existing networks. Compared with large-scale projects, there is growing demand for initiatives that improve accessibility and connect underserved areas—improving the "last mile" for goods, services, and people. Rapid urbanization also makes urban transport and logistics networks essential for economic activity. Chinese investors can target megacities such as Lagos and Accra with integrated projects combining urban ring roads and suburban industrial parks. For example, Lagos' outer ring road could connect suburban textile parks to the port, alleviating city congestion while providing efficient logistics for manufacturing hubs

In the realm of the digital economy, local data centres and digital infrastructure are critical for supporting customs automation, supply chain tracking, and cross-border trade. Investments in community-level digital projects—such as smart villages—can reinforce data sovereignty, strengthen resource security, and extend the benefits of digitalization to smaller towns and rural areas. Beyond this, there are opportunities to scale smart village initiatives across regions, integrating IoT, digital health, and education platforms to improve service delivery. Similarly, smart governance projects that leverage digital solutions for public services—such as e-government platforms, municipal resource management, and digital citizen engagement—offer scalable business and partnership opportunities while strengthening administrative efficiency and transparency.

3) Empowerment Impact on Africa's Regional Integration

FOCAC 9's connectivity investments extend beyond physical infrastructure to promote inclusive regional development. The 30 priority projects address critical network gaps, establishing integrated "resource–processing–export" chains that increase the efficiency of intra-African trade. Under the "infrastructure + industrial" model, infrastructure shifts from being a passive cost to an active driver of economic activity. For example, agricultural processing zones along the Tazara Railway boost freight volumes, ensuring the railway operates as a productive asset while simultaneously supporting industrial growth.

Complementing these efforts, investments in community-level digital infrastructure—such as local data centres, smart logistics systems, and digital governance platforms—strengthen Africa's digital backbone, enabling SMEs and local enterprises to participate in cross-border trade, improve competitiveness, and foster a more resilient and inclusive digital economy.

3.2.4 Development Cooperation: Delivering Tangible Spillovers of Investments through Livelihood Projects

1) FOCAC 9 Commitment Priorities

FOCAC 9 advances development cooperation in Africa by linking grassroots interventions with institutional and financial mechanisms that support social and economic integration. Anchored in the Global Development Initiative (GDI), the partnership emphasizes system-oriented approaches that complement industrial and connectivity investments while directly improving local livelihoods. Key commitments include:

- Implementing "small but impactful" livelihood projects: A central commitment is China's pledge to deliver 1,000 "small but impactful" livelihood projects.

222 嘉友国际, '嘉友国际正式签约莫坎博口岸和穆富利拉至莫坎博道路升级改造项', 国复咨询GoalFore Advisory, 19 November 2024, https://news.goalfore.cn/topstories/detail/74930.html.

These initiatives—covering poverty reduction, agriculture, water and sanitation, healthcare, vocational education, and disaster preparedness—are designed to address immediate community needs while building the foundations for participation in regional economies. By reinforcing essential services and strengthening human capital, they create enabling conditions for mobility, trade, and cross-border labour markets, which are critical for AfCFTA's inclusive growth agenda. These initiatives both improve living conditions and strengthen citizens' sense of regional integration, laying the social foundations for more inclusive economic participation. [223]

- Capacity Building and Knowledge Transfer through Multilateral Partnerships: China and African partners launched the China–Africa–UNIDO Demonstration Center in Ethiopia, the first tripartite platform of its kind. The centre focuses on agricultural modernization, industrial standards training, and regional skills development, in order to cultivate a cadre of "integration-ready" professionals such as trade policy analysts and industrial planners. [224] By embedding multilateral expertise alongside Chinese and African priorities, this model signals a shift toward "co-created" development solutions that can be replicated across regions, accelerating knowledge transfer and harmonized standards for industrial upgrading.

- Enhancing financial sustainability: targeted debt relief and new funding channels. China's waiver of interest-free loans due by the end of 2024 for least developed African countries provides short-term fiscal space, while its USD 50 million replenishment of the China–World Bank Partnership Facility mobilizes resources for inclusive and sustainable development. Importantly, the Action Plan calls for collective international efforts to crowd in private capital, aligning with Africa's own strategy to diversify financing sources beyond concessional flows—an essential step to meeting the continent's infrastructure and integration financing gap.

2) Further Business Opportunities

Building on FOCAC 9's development cooperation commitments, Chinese enterprises have multiple avenues to align commercial investment with social impact. One direct opportunity is contributing expertise and technology to multilateral initiatives, such as participating in regional agricultural research centres. Engagement in livelihood and social infrastructure projects also allows firms to gain early insights into local needs, consumer behaviours, and supply chain gaps—information that can guide product development, distribution strategies, and partnership opportunities.

It is important to note that many Chinese firms operating in Africa have already implemented corporate social responsibility (CSR) initiatives along infrastructure corridors, including upgrading hospitals, schools, and sanitation facilities. Increasing the visibility of these interventions in corporate reporting can help policymakers and development planners better understand how private-sector investments complement regional development goals, while also informing strategies for deeper engagement and public–private collaboration.

3) Empowerment Impact on Africa's Regional Integration

FOCAC 9's Development Cooperation Partnership supports Africa's regional integration from a social development perspective. Initiatives such as the "small and beautiful" livelihood projects directly improve the daily lives of local communities, increasing their engagement with and receptiveness to foreign investment and industrial development. Collaboration with multilateral platforms, such as UNIDO, helps African countries build consensus on key issues including trade policy, industrial standards, and public service delivery. This fosters more standardized and coordinated governance in areas critical to regional integration.

On the financial sustainability front, China's debt relief

223 国家国际发展合作署，《国际发展合作的中国实践》"小而美"项目篇 (2025), http://www.cidca.gov.cn/download/gjhzxemxm.pdf.

224 United Nations Industrial Development Organization (UNIDO), 'UNIDO, China, and Ethiopia Inaugurate a Centre of Excellence to Boost Sustainable Industrialization in Africa', 15 July 2024, https://www.unido.org/news/unido-china-and-ethiopia-inaugurate-centre-excellence-boost-sustainable-industrialization-africa.

measures and fund contributions create enabling conditions for African countries to participate in regional initiatives without having to reduce spending on public services due to fiscal constraints. These measures help ensure that economic development and integration efforts proceed in a stable and inclusive manner.

3.2.5 Healthcare: Strengthening Systemic and Networked Regional Public Health

1) FOCAC 9 Commitment Priorities

Healthcare cooperation has been a long-standing feature of China–Africa engagement since the 1960s and remains an important part of the FOCAC agenda. Healthcare cooperation under FOCAC 9 moves beyond conventional aid models to address both immediate needs and long-term system resilience. Key commitments include:

- **Building regional healthcare networks:** FOCAC 9 establishes a China–Africa Hospital Alliance, linking 30 leading Chinese hospitals with 50 key African hospitals. The alliance will implement remote consultations, referral coordination, and joint medical management. In addition, 10 joint medical centres and traditional medicine centres will be constructed across East, West, and Southern Africa, creating a three-tier network of "regional hubs – national nodes – local clinics" to improve healthcare access.

- **Upgrading healthcare workforce capacity:** The "100 Medical Teams in 1,000 Villages" program will deploy 2,000 Chinese medical and public health personnel and train 10,000 These initiatives will help alleviate the significant shortage of healthcare workers in Africa, which is expected to reach 6.1 million by 2030.[225] This will build long-term health workforce resilience and increase the capacity of national health systems.

- **Strengthening disease prevention and control:** China has also pledged to implement ten healthcare facility programs and ten malaria elimination demonstration programs, which are targeted interventions that will help reduce the burden of preventable diseases such as malaria. According to the World Health Organization, Africa recorded 246 million malaria cases and 569,000 deaths in 2023, with children under five accounting for about 76% of fatalities.[226] Tackling malaria and other preventable diseases is essential to saving lives, but it will also increase productivity and ease pressure on public health systems.

- **Supporting local pharmaceutical capacity:** FOCAC 9 promotes the reduction of Africa's dependency on imported medicines, currently at around 80%, by supporting Chinese enterprises to invest in vaccine and drug production facilities in Africa. It is aligned with the African Union and Africa CDC's vision for pharmaceutical self-sufficiency.[227] This ensures more consistent and affordable access to medicines and vaccines, and helps lay the foundation for regional value chains in healthcare production. Chinese public and private capital can be leveraged to fund investments in critical infrastructure, digital health, and local production facilities across the continent, all of which are essential for achieving health security and economic stability.

- **Partnership with the Africa CDC:** the partnership includes a commitment to supporting the development and operation of the Africa CDC headquarters and its five sub-regional centres. Strengthening Africa CDC is vital for enhancing Africa's institutional capacity in disease surveillance, research, and emergency preparedness.

225 James Avoka Asamani et al., 'Projected Health Workforce Requirements and Shortage for Addressing the Disease Burden in the WHO Africa Region, 2022-2030: A Needs-Based Modelling Study', BMJ Global Health 7, no. Suppl 1 (2024): e015972, https://doi.org/10.1136/bmjgh-2024-015972.

226 World Health Organization (WHO), 'Fact Sheet about Malaria', 11 December 2024, https://www.who.int/news-room/fact-sheets/detail/malaria.

227 Africa Centre for Disease Control and Prevention (Africa CDC), 'Africa CDC Unveils Strategic Plan to Transform Health Financing and Advance Self-Reliance', 2025-4-11, https://africacdc.org/news-item/africa-cdc-unveils-strategic-plan-to-transform-health-financing-and-advance-self-reliance/.

As Africa's leading health agency, the CDC plays an indispensable role in responding to future health crises, minimizing health-related vulnerabilities, and ensuring trade and economic integration are not hindered by public health issues.

Box 22 Addis Ababa Silk Road General Hospital: Building Advanced Healthcare Infrastructure to Strengthen the Medical Capacity in Ethiopia

- **Company Name:** Addis Ababa Silk Road General Hospital (AASRGH)
- **Sector:** Healthcare and Public Health Services
- **Regional Coverage:** Ethiopia, with services extending to other African countries in particular during the COVID-19 pandemic
- **Type of Investment and Operations:** Private hospital investment, medical training programs, and public health infrastructure development
- **Main Products or Services:** Comprehensive tertiary healthcare (diagnostics, surgery, ICU, and specialized treatments), support for response programs during public health emergencies, and clinical training for medical students
- **Contribution to Regional Integration:** Reducing reliance on overseas treatment by providing advanced healthcare; Supporting public health resilience through critical care capacity and medical talent development

The Addis Ababa Silk Road General Hospital (AASRGH), developed by Afei Holding Co. Ltd., illustrates a shift in China–Africa health cooperation from aid-driven missions to strategic healthcare investment. Opened in 2019 as Ethiopia's first Chinese-invested comprehensive hospital, AASRGH is designed to address structural gaps in advanced medical services while positioning Addis Ababa as a regional healthcare hub. Built as a tertiary general hospital with 500 beds, the facility spans more than 20 departments—including internal medicine, surgery, obstetrics and gynaecology, and paediatrics—and is equipped with cutting-edge technologies such as a Da Vinci surgical robot and a 3.0T MRI scanner. The total investment exceeds USD 80 million, with 40% allocated to medical equipment, 35% to infrastructure, and the remainder to talent recruitment and digital systems development.

The hospital provides 80 inpatient beds, 10 emergency beds, and 6 ICU beds. It is equipped with modern diagnostic technologies, including Ethiopia's first locally operated MRI services. Its clinical team, drawn from multiple countries, offers more than 20 specialized services, allowing patients to access treatments in Ethiopia that previously required costly travel abroad. This import-substitution effect in healthcare lowers costs for patients and strengthens Ethiopia's medical system.

Equipped with eight multifunctional ventilators—a critical asset when national reserves were almost depleted—AASRGH was officially designated by Ethiopia's Ministry of Health in March 2020 as a COVID-19 treatment centre. It also became a contracted facility for the United Nations, African Union, and other international organizations, serving as a hub for severe COVID-19 cases and receiving UN and AU personnel evacuated from across East Africa.[228] In addition, the hospital leads the development of 10 China-Africa Public Health Emergency Centers across Ethiopia, Kenya, and Uganda. These centres, equipped with mobile labs and negative-pressure ambulances, form a regional disease surveillance and response network. Their role underscores the hospital's emerging function as part of a cross-border public health resilience network.

Beyond clinical services, the hospital is embedded in long-term capacity building. In collaboration with the Ethiopian Ministry of Health and Zhejiang University School of Medicine, AASRGH launched a "1+3" medical talent training program (one year of theoretical study plus three years of clinical practice). Over five years, it aims to train 500 African doctors, who, upon completion, can receive Chinese medical licensing and gain priority placement in Chinese-funded healthcare institutions across Africa.

228 王传军, '埃塞中企：扎根非洲 造福一方', 中国一带一路网, 27 November 2022, https://www.yidaiyilu.gov.cn/p/293010.html.

Looking ahead, AASRGH is designed to function not just as a hospital but as a platform for introducing advanced Chinese medical technologies into Africa. The hospital is actively partnering with specialized medical groups to expand its range of services and replicate its model across the region. For example, in November 2023, it facilitated the launch of the first overseas venous disease treatment centre led by the team of vascular surgery expert Zhang Qiang in Addis Ababa—completing all regulatory approvals within a month and providing core support such as surgical facilities, medical staff, and market outreach. These initiatives reflect AASRGH's vision to serve as a springboard for high-quality Chinese healthcare expertise in Africa, enabling more advanced technologies and medical practices to take root while fostering a regional network of specialized care.[229]

Box 23 Jijia Health's New Vaccine Manufacturing Plant in Zambia as a Landmark Step for Public Health in Africa

- **Company:** Jijia International (Beijing) Medical Technology Co., Ltd.
- **Investment Location:** Zambia
- **Sector and Product/Service:** Healthcare (Cholera vaccine production)

In October 2024, Jijia Health, a Chinese healthcare technology firm, signed a Memorandum of Understanding (MoU) with Zambia's Industrial Development Corporation (IDC) to establish Africa's first-ever cholera vaccine manufacturing facility. This project is part of the broader Zambia Pharmaceutical Manufacturing Initiative, supported by partners such as Shanghai United Cell Biotechnology Company.

Having faced recurring cholera outbreaks in recent years, Zambia is stepping up its efforts to address a key public health challenge and positioning itself as a regional leader in cholera prevention. The new plant is designed to meet Zambia's critical cholera vaccine needs and to serve as a hub for the entire continent, supporting efforts to combat cholera across Africa.[230]

This initiative underscores the alignment between Zambia's health priorities and China's growing interest in pharmaceutical production investments within Africa, marking a significant shift toward local manufacturing for critical health needs in the region. The vaccine plant is poised to play an important role in the regional health landscape and contribute to long-term solutions for cholera prevention.

2) Further Business Opportunities

Chinese enterprises can establish pharmaceutical distribution centres in Africa. These hubs will consolidate medicines, medical devices, and consumables, providing hospitals and pharmacies in neighbouring countries with integrated "centralized procurement + cold chain delivery" services. This approach can reduce delivery times, improve supply chain reliability, and expand market access across multiple countries.

Also, Africa currently faces a severe shortage of specialized healthcare services. Chinese companies can invest in regional urban centres to build specialty hospitals equipped with advanced medical technologies, serving patients from multiple countries. Digital solutions, including telemedicine platforms, can extend the reach of these centres to local clinics and rural hospitals, enabling remote consultations, diagnostics, and continuous professional training.

229 毛晓琼, '一个中国医生的非洲办医记：冒险、低谷与重拾职业骄傲', 腾讯网, 24 November 2023, https://news.qq.com/rain/a/20231124A00UM500.

230 'Zambia: Zambia Signs Landmark Agreement to Manufacture Cholera Vaccine, A First in Africa', Lusaka Times, 8 October 2024, https://www.lusakatimes.com/2024/10/08/zambia-signs-landmark-agreement-to-manufacture-cholera-vaccine-a-first-in-africa/.

3) Empowerment Impact on Africa's Regional Integration

Cross-border disease monitoring systems, combined with improved coordination among African countries and localized investments in essential medical supplies, strengthen the continent's ability to detect, prevent, and respond to public health emergencies. Beyond immediate disease control, these systems enable data-driven policymaking, early warning mechanisms, and standardized reporting protocols, which collectively enhance continental health governance.

Local vaccine production and harmonized drug standards contribute to the creation of a self-sufficient pharmaceutical ecosystem. By aligning regulatory frameworks and procurement practices across countries, African nations can reduce dependence on imports, stabilize supply chains, and improve affordability of essential medicines. This also encourages domestic innovation and the development of local biotech industries, generating high-skilled employment and fostering technology transfer.

Furthermore, these interventions promote regional integration by incentivizing cross-border collaboration in health research, joint manufacturing ventures, and shared logistics networks. Overtime, healthier populations and more resilient health systems underpin broader economic activity, facilitate labor mobility, and support the sustainability of regional trade networks under the AfCFTA.

3.2.6 Rural Revitalization and People's Wellbeing: Leveraging Agricultural Modernization for Value Chain Development

1) FOCAC 9 Commitment Priorities

Rural revitalization and the improvement in people's wellbeing are fundamental to achieving sustainable and inclusive development across Africa. In FOCAC 9, the Partnership Initiative for Rural Revitalization and People's Wellbeing builds upon China's extensive experience in agricultural modernization and decades of successful agricultural cooperation with African countries. This initiative spans traditional assistance—such as food relief, technology transfer, and skills development—as well as more comprehensive strategies aimed at fostering agro-industrial development and improving community livelihoods. Key commitments include:

Upgrading agricultural technology and demonstration systems: Building on 23 existing China-Africa Agricultural Technology Demonstration Centers (ATDCs), FOCAC 9 plans to establish 10 new centres focused on high-value crops and sustainable techniques. These centres will support approximately 100,000 mu (6,700 hectares) of standardized demonstration zones, promoting technologies such as Chinese hybrid rice and water-saving irrigation. These ATDCs will serve as hands-on learning platforms, promoting the adoption of high-yield crop varieties, mechanized equipment, and modern farming practices within local communities. Research has shown that well-managed ATDCs can boost crop productivity, strengthen food security, reduce dependency on imported food staples, and increase farm incomes, thereby directly contributing to rural livelihoods and fostering integrated local agricultural value chains.[231]

Promotion of innovative and sustainable agricultural practice: China will support the development of Juncao (fungus grass) and bamboo centres, providing eco-friendly solutions for soil rehabilitation, animal feed, and renewable energy. These initiatives offer opportunities for sustainable agriculture while also addressing broader environmental concerns and contributing to green development goals across the continent.

Developing full-value-chain "Agriculture +" initiatives: the "100 Companies in 1,000 Villages" initiative will incentivize the private sector to engage more deeply in rural revitalization, driving growth and ensuring sustainable livelihoods. China also commits to delivering 500 public

231 Shen Lin and Jingbo Cui, 'South-South Cooperation and Food Security: Evidence from Chinese Agricultural Technology Demonstration Center in Africa', China Economic Quarterly International 4, no. 1 (2024): 1–12, https://doi.org/10.1016/j.ceqi.2024.02.001.

welfare projects aimed at improving community well-being, further embedding social responsibility into business operations. By embedding livelihood improvement within broader agro-industrial transformation strategies, the rural revitalization partnership aims to connect poverty reduction with regional production networks, thus contributing to inclusive growth and economic integration across the continent.

Strengthening agricultural talent and local capacity: Through the China-Africa Agricultural Science and Technology Alliance, 500 Chinese experts will provide technical guidance, while 1,000 African agricultural leaders receive training in cultivation, processing, and cooperative management.

Box 24 Huaqiao Fenghuang Group: Uganda Aquatic Technology Centre as a Model for Private-Sector-Led Aid and Technology Upgrading

- **Company Name:** Sichuan Huaqiao Fenghuang Group
- **Sector:** Agricultural Technology / Aquaculture
- **Regional Coverage:** Operations centreed in Uganda and market linkages to other Eastern African countries including Tanzania, Rwanda, and Kenya
- **Type of Investment and Operations:** Public–private partnership under China's agricultural aid framework; establishment and operation of an Agricultural Technology Demonstration Centre specializing in aquaculture
- **Main Products or Services:** Introduction and breeding of new fish species (e.g. grass carp, silver carp, bighead carp); cage farming systems; fish feed processing
- **Contribution to Regional Integration:** Establishing a regional aquaculture hub that supplies farmed fish to domestic and neighboring markets

As part of commitments made at the 2006 FOCAC Summit, Huaqiao Fenghuang Group established the Uganda Aquatic Technology Centre (UATC) in 2009—the only aquaculture-focused project among the 14 Agricultural Technology Demonstration Centers (ATDCs) launched under China–Africa cooperation. It is also the first case of a private sector company taking up an aid project. The UATC introduced modern fish breeding and farming systems, including new species such as grass carp, silver carp, and bighead carp, as well as freshwater fry breeding techniques, cage farming systems, and fish feed processing technologies adapted to local needs. With an investment exceeding RMB 70 million, the centre has built thousands of demonstration cages and launched large-scale breeding programs, significantly boosting fish yields. These innovations have served both to increase production and ease pressure on wild stocks, supporting ecological sustainability while improving domestic food availability.

Designed as a regional platform for aquaculture integration, the UATC now supplies farmed fish not only to Uganda but also to neighbouring Tanzania, Rwanda, and Kenya, fostering cross-border trade in affordable aquatic products. At the same time, it serves as a hub for technology transfer and skills development, training local communities and regional aquaculture enterprises in fish breeding, cage farming, and feed processing.[232]

The UATC illustrates how agricultural cooperation can evolve from aid-driven projects to sector-wide transformation. By embedding modern production technologies, catalysing regional trade, and prioritizing sustainable practices, it offers a replicable model for future aquaculture investments in Africa—linking localized production with broader regional integration objectives.

232 华西都市报, '华商非洲闯天地 几十家川企当后盾', 中非友好经贸发展基金会, 11 September 2013, http://www.cnafrica.org/cn/lthy/4471.html.

2) Further Business Opportunities

Building on FOCAC 9 policies and Africa's agricultural resource endowments, Chinese enterprises can develop large-scale, regionally specialized agricultural production, applying unified technical standards to improve product quality and consistency. To address high post-harvest losses, companies can invest in shared processing centres in key production areas, offering services such as drying, threshing, and primary processing. Each centre could serve farmers within a defined catchment area, facilitating the formation of integrated "production–processing–regional distribution" value chains.

Additionally, investments in rural infrastructure—including farm-to-market roads, processing hubs, and local sales and service stations—can help dismantle barriers between villages, cities, and regional markets. These interventions improve the efficiency of agricultural supply chains but also create new opportunities for local enterprises and regional trade linkages.

3) Empowerment Impact on Africa's Regional Integration

Support for agriculture through technology transfer, financing, and market linkages strengthens Africa's food self-sufficiency while promoting the export of regionally specialized products. By reducing reliance on imports and improving the balance of regional agricultural trade, these initiatives inject new momentum into local and cross-border economies.

Moreover, agricultural development projects generate broad social and economic empowerment. Rural populations—particularly women and youth, who constitute a large share of the workforce—benefit from increased employment opportunities across farming, processing, logistics, and marketing. Improved rural infrastructure, such as roads, processing centres, and local service points, increase access to markets and public services, raising living standards and reinforcing social stability.

At the regional level, integrated value chains spanning production, processing, and distribution foster stronger economic linkages between neighbouring countries. This facilitates the flow of goods and services and strengthens institutional collaboration and policy alignment under frameworks like the AfCFTA. In this way, rural revitalization and agro-industrial projects act as a foundation for inclusive regional integration, connecting local economic empowerment to broader continental development goals.

3.2.7 Green Development: Strengthening Energy Networks and Driving Low-Carbon Industrial Leapfrogging

1) FOCAC 9 Commitment Priorities

Green development is increasingly central to China-Africa cooperation, underscoring the urgent need to address climate change while simultaneously unlocking the economic opportunities of a low-carbon transition. In FOCAC 9, the Partnership Initiative for Green Development lays out a comprehensive agenda that blends clean energy, environmental management, disaster risk reduction, and cooperation in frontier science and technology. Key commitments include:

- Continued constructions of regional renewable energy projects: China's pledge to implement 30 clean energy and green development projects, covering solar, wind, hydropower, and other renewable technologies. These investments are directly aligned with the Nairobi Declaration on Climate Change, whose goal is to scale renewable energy capacity in Africa from 56 GW in 2022 to 300 GW by 2030.[233] Renewable energy investments will help reduce energy costs, strengthen cross-border grid connectivity, and stimulate new manufacturing opportunities, thereby creating the foundations for competitive economic activities and regional value chain development.

- Establish dedicated green finance platform: the

233 African Union, 'The African Leaders Nairobi Declaration on Climate Change And Call To Action Preamble', 8 September 2023, https://au.int/en/decisions/african-leaders-nairobi-declaration-climate-change-and-call-action-preamble.

China-Africa Green Industrial Chain Special Fund will promote cooperation across the upstream, midstream, and downstream segments of clean energy, green transport, and green minerals.[234] By June 2025, this fund had already approved seven projects toa total value of RMB 6.2 billion (approximately USD 865 million).[235] The first project under the fund, which was launched in South Africa, focuses on solar energy development. This fund is essential to meet the USD 45 billion annual financing gap needed to achieve Africa's renewable energy goals, as estimated by the AfDB.[236] The fund also aligns with Africa's broader priorities of diversifying exports beyond raw commodities and building domestic capacity in green manufacturing, battery value chains, and sustainable transport. [237]

- Green technology cooperation networks for capacity building: China has committed to strengthening training and joint research in areas critical for boosting climate resilience, such as disaster prevention, biodiversity protection, environmental remediation, and desertification control. As of June 2025, China has successfully implemented Climate Information and Early Warning Systems (CIEWS) in partnership with the United Nations Development Programme (UNDP) in countries like Seychelles and Madagascar. [238]These systems help local communities better prepare for and respond to extreme weather events and environmental hazards. The creation of joint laboratories and the China-Africa Cooperation Center on Satellite Remote Sensing Applications will enable African countries to monitor land use, manage natural resources, and adapt to climate change—key capabilities essential for sustainable development and regional integration.

Box 25 Power Solutions (SPS): Empowering Africa's Off-Grid Communities through Sustainable Solar Energy Products

- **Company Name:** Shenzhen Power-solution Ind Co.,Ltd
- **Sector:** solar energy solutions for off-grid communities
- **Regional Coverage:** Across Africa
- **Type of Investment and Operations:** Sales through the Bottom of Pyramid (BOP) model to expand the user base; Investment in SKD factory in Ethiopia.
- **Main Products or Services:** Solar Lighting Products, Solar Home Systems, Solar Power Generation Systems.
- **Contribution to Regional Integration:** Expanding access to clean energy solutions in underserved regions and addressing the "last mile" electricity access challenge; Contributing to Africa's green transition by reducing carbon emissions and advancing sustainable energy solutions across the continent; Engaging with local communities through product distribution and sales, while creating local economic opportunities.

234 Development Reimagined, Report: How to Implement China's Support for Africa's Green Industrialisation (2025), https://developmentreimagined.com/how-to-implement-chinas-support-for-africas-green-industrialisation/.

235 Ministry of Foreign Affairs of the People's Republic of China, 'List of the Outcomes of the Implementation of the Follow-up Actions of the Beijing Summit of the Forum on China-Africa Cooperation', 11 June 2025, https://www.fmprc.gov.cn/mfa_eng/wjbzhd/202506/t20250611_11646041.html.

236 African Development Bank (AfDB), Mobilizing Private Sector Financing for Climate and Green Growth in Africa (Abidjan, Côte d'Ivoire, 2023).

237 African Union, 'Africa`s Green Minerals Strategy (AGMS)', 18 March 2025, https://au.int/en/documents/20250318/africas-green-minerals-strategy-agms.

238 Ministry of Foreign Affairs of the People's Republic of China, 'List of the Outcomes of the Implementation of the Follow-up Actions of the Beijing Summit of the Forum on China-Africa Cooperation'.

Founded in 2009 by Chinese entrepreneur Ms Li Xia, Power Solutions (SPS) is a Shenzhen-based social enterprise dedicated to providing clean, affordable energy solutions to off-grid communities. By 2024, SPS had served over 7.83 million households across Africa, reducing more than 6.7 million tons of carbon emissions and generating annual revenue of USD 20 million. SPS is the epitome of of Chinese entrepreneurs' impactful ventures into BOP (Bottom of the Pyramid) markets in Africa, and a global benchmark for socially driven innovation at scale.[239]

Rooted in Li's own childhood experience growing up without electricity in rural northeast China, SPS was inspired by a business trip to India where she witnessed extreme energy poverty. Channelling Shenzhen's hardware supply chain and solar expertise, Li launched SPS with the vision of eliminating kerosene dependency through low-cost, high-quality solar products. The flagship product, "Candles Killer", went through multiple major design iterations and six years of testing before reaching market—retailing at just $5, it lasts five years, emits brighter light than kerosene, and reduces annual household carbon emissions by 0.1 tons.

However, SPS's impact lies not just in affordability but in innovation tailored for the last mile. For example, shrinking the lamp's support structure from 13.5 cm to 6 cm—based on the idea of hanging it from local water bottles—enabled a 60% reduction in packaging volume, effectively halving logistics costs in Africa's expensive distribution networks. From 2018 onwards, SPS began expanding its footprint beyond lighting. It piloted the "Solar Media" project in Kenya—solar-powered tablets preloaded with educational and vocational content—which has reached over 5,000 users in off-grid villages. This initiative shifted the company's model from "lighting lives" to "empowering livelihoods."[240]

As SPS scaled up, localization became essential. The company shifted from exports to local assembly and co-distribution, forming joint ventures such as one in Ethiopia and collaborating with trusted local distributors like Kenya's Third Wave Power. These partnerships built community trust, adapted product design to local preferences, and expanded the company's cross-border reach in East and West Africa. By 2024, SPS spanned multiple African countries and was attracting growing interest from global stakeholders. Yet the enterprise still faced challenges: diversifying its product portfolio, localizing supply chains amid geopolitical volatility, and attracting mission-aligned investors and talent. These hurdles, however, have only strengthened Li's belief in Africa's untapped potential and the power of "serving those overlooked by the market."

SPS exemplifies a BOP-driven, mission-first enterprise model—one that proves solar energy can be both a poverty alleviation tool and a sustainable business. Its approach—frugal design, local supply chain development, and hybrid partnerships—offers a replicable pathway for companies seeking to scale impact across emerging markets.

2) Further Business Opportunities

As a region disproportionately affected by climate change but also committed to ambitious low-carbon goals under the African Union's Agenda 2063 and the Paris Agreement, Africa's energy transition is critical for both its own sustainable development and global climate action. According to estimates by Power Shift Africa, a 100% renewable energy system across the continent by 2050 could generate savings of USD 35 trillion, with fuel cost reductions alone more than covering the required investment. [241] China's 2021 announcement to halt new overseas coal power investments closely aligns with this immense potential for renewable energy development in Africa.

Another major frontier is in cross-border energy networks. Africa faces a paradox — the coexistence of electricity surpluses and shortages, with abundant renewable

239 隆基绿能, '隆基绿能以BC技术开启"光伏点亮非洲"行动计划', 国复咨询GoalFore Advisory, 18 January 2024, https://news.goalfore.cn/topstories/detail/58312.html.

240 李卓群 and 王旭琛, '让清洁能源产品覆盖更多非洲百姓——访诚信诺科技有限公司创始人李霞', 新浪财经, 18 March 2024, https://finance.sina.com.cn/jjxw/2024-03-18/doc-inantvpt0326273.shtml.

241 Power Shift Africa, Africa Energy Leadership: The Case for 100% Renwable Energy (2025), https://www.powershiftafrica.org/publications/african-energy-leadership-report. 6

potential in some regions but persistent power deficits in others. High-voltage direct current (HVDC) transmission projects can help bridge this gap, enabling more efficient cross-border energy trade and resource optimization. Complementary investments in battery storage systems—such as lithium-ion facilities—would address intermittency issues, ensuring reliable supply for industrial clusters, regional manufacturing hubs, and urban consumers. This kind of infrastructure supports local industrialization while supporting Africa's broader regional integration agenda by knitting together power pools across borders.

Opportunities are also emerging along the renewable energy manufacturing value chain. For example, in April 2023 Nigeria began building West Africa's first solar cell factory in Nasarawa State, a USD 171 million project led by NASENI and China Great Wall Industry Corporation, with 85% financing from the CADFUND.[242] This type of cooperation showcases how Chinese investment can catalyse localized renewable energy supply chains, build African technological capabilities, and drive green industrialization.

3) Empowerment Impact on Africa's Regional Integration

Linking regional renewable energy projects with power pool initiatives can help overcome Africa's current fragmentation of energy networks and help to ensure energy security. Greater cross-border electricity interconnection lowers energy costs and provides more stable and affordable power for regional manufacturing and agriculture, thereby attracting further investment. The processing of green minerals and the application of clean technologies can shift African industry from "high-pollution, low value-add" models to "low-carbon, high value-add" production, helping the continent avoid the trap of pollution-led industrialization.

In addition, from a technology and standards perspective, joint China–Africa research can support the development of common standards in renewable energy, green mineral processing, and environmental protection. Establishing continental standards—for example, in renewable energy certification and data governance—will be critical to avoid market fragmentation. Currently, "green trade barriers" is emerging as a new form of non-tariff measure globally, such as the Carbon Border Adjustment Mechanism (CBAM) of the EU and the Inflation Reduction Act (IRA) of the United States.[243] As an external partner China, can play a constructive role by providing technical cooperation that helps Africa adapt to evolving standards and enhance preparedness. This could include applying technologies like blockchain to enable traceability of green products, and supporting the development of carbon footprint certification for key export sectors such as agriculture and minerals. Such measures would link African producers to international green certificate markets, and in the long run, contribute to the harmonization of standards among African trade partners under the AfCFTA.

242 Sangita Shetty, 'Nigeria To Build West Africa's First Solar-Cell Factory for Green Energy Solutions', SolarQuarter, 5 April 2023, https://solarquarter.com/2023/04/05/nigeria-to-build-west-africas-first-solar-cell-factory-for-green-energy-solutions/.

243 United Nations Economic Commission for Africa (UNECA), Advancing the Implementation of the Agreement Establishing the African Continental Free Trade Area: Proposing Transformative Strategic Actions. 62

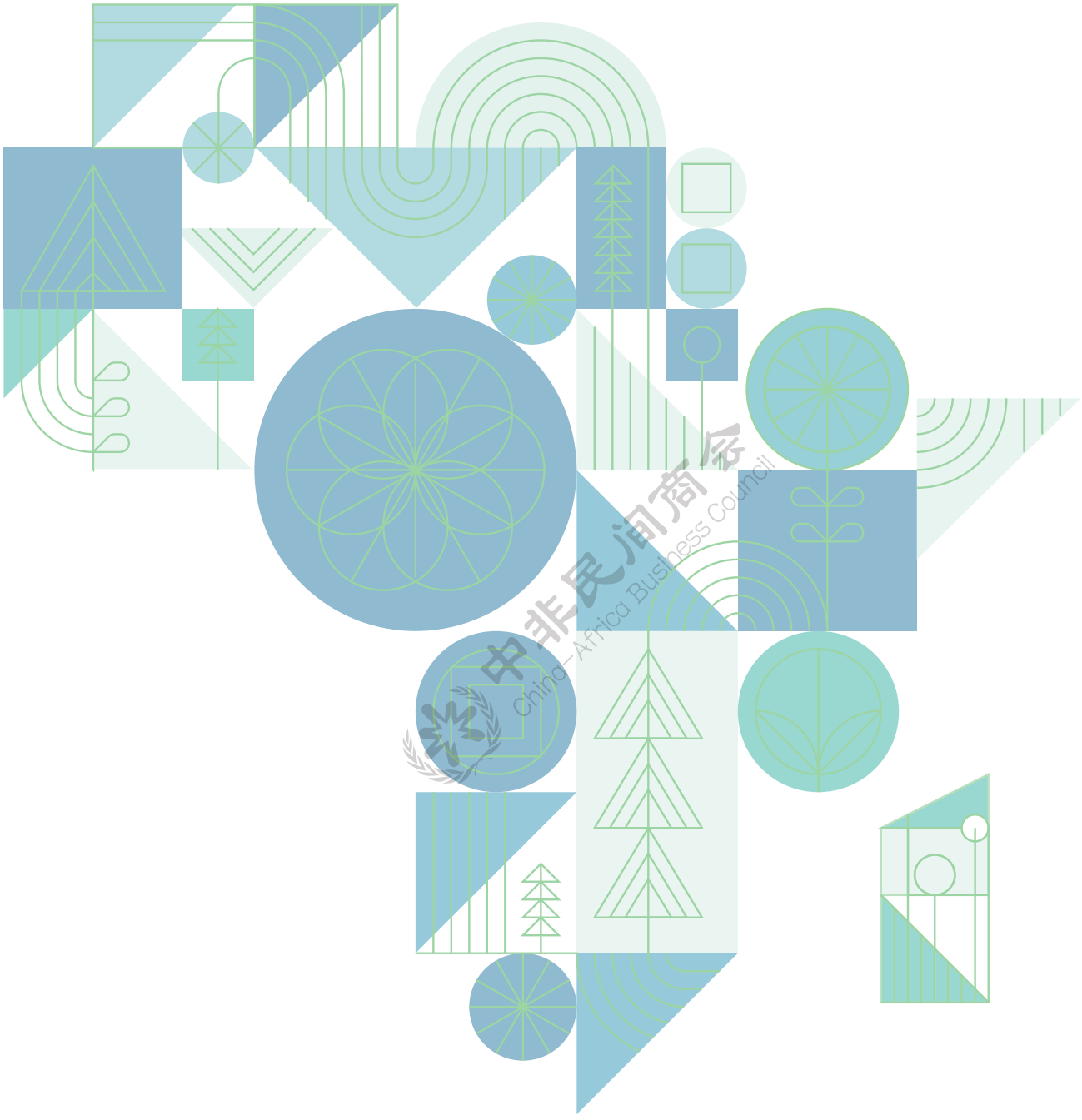
3.3 Summary of Synergies Among FOCAC9's Seven Key Economic Partnerships and its Connection with Africa's Regional Integration

The seven key partnerships closely linked to business operations of Chinese companies and investment under FOCAC 9 are not executed in isolation; instead, they form mutual synergies and provide support for Africa's regional integration from multiple dimensions:

Table 11 Synergies Among FOCAC9's Seven Key Economic Partnerships

Partnerships	Core Challenges Facing Africa's Integration To Be Addressed	Synergistic Relationships with Other Partnerships
Trade Prosperity	Trade fragmentation, high non-tariff barriers, short value chains	Dependent on connectivity for exports; supported by industrial and agricultural production.
Industrial Chain Cooperation	Low capacity, weak technology, poor cross-country complementarity	Builds on trade access and logistics; reinforced by agriculture and green energy inputs
Connectivity	Large gaps in infrastructure and related financing, high logistics costs	Links cross-regional markets in the industrial chain and trade sectors.
Development Cooperation	Significant gaps in governance capacity, inadequate livelihood security	Community-level capacity building extending benefits of economic development to underserved areas
Health and Sanitation	Weak public health system, insufficient local pharmaceutical production capacity	Ensures population health, thereby safeguarding the stable operation of social and economic industries as well as personnel mobility.
Agriculture and Livelihoods	Low agricultural efficiency, lack of diversity in rural economies	Supplies raw materials for trade and industrial chains; connects to regional markets by relying on connectivity infrastructure.
Green Development	Outdated energy structure, pressures in low-carbon transition	Provides green energy for various industries and ensures sustainable development.

These Partnership Initiatives expand China–Africa cooperation by building on FOCAC's longstanding commitment to practical, multi-stakeholder collaboration, while sharpening their focus on Africa's regional integration agenda. At their core, they foster synergies between Chinese stakeholders and African counterparts, marking a shift from fragmented projects to integrated ecosystems that unite economies. In this way, FOCAC9 functions as an integrated framework rather than a collection of isolated initiatives: progress in one domain generates spillovers in others; trade relies on connectivity and industrial upgrading; agriculture connects livelihoods with value chains; green energy underpins all sectors. Together, the partnerships systematically address Africa's integration challenges, while regional integration itself creates a more enabling environment for Chinese investment.



04. Recommendations for Diverse Stakeholders

To unlock the full potential of China-Africa cooperation in advancing African regional integration, targeted actions are required from all stakeholders—Chinese government, African national governments, AU/RECs, and Chinese companies. Below are tailored, actionable recommendations aligned with the opportunities and challenges outlined in Chapter 3, designed to foster coordination, reduce risks, and amplify mutual benefits.

4.1 Recommendations for the Chinese Government

4.1.1 Establish Regular Dialogue Mechanisms with the AfCFTA Secretariat RECs

At the forefront, structured dialogue between China and the AfCFTA Secretariat should be institutionalized to ensure that investments are aligned with Africa's continental integration priorities under the AfCFTA and Agenda 2063. Regular exchanges at the continental level would provide a coherent framework, preventing fragmented engagements and reinforcing Africa's unified market vision.

In addition, dialogue mechanisms with Africa's RECs can serve as complementary supporting channels, allowing for more tailored coordination at the subregional level. These dialogues should also include representatives from the AfCFTA Secretariat to ensure that continental priorities under the AfCFTA and Agenda 2063 are consistently reflected and serve as overarching guidelines. Annual or bi-annual meetings at ministerial or senior-official levels could bring together Chinese policymakers (e.g. Ministry of Commerce, Ministry of Foreign Affairs) and REC technical teams to coordinate sector-specific investment strategies. For example, a dialogue with SADC could focus on aligning Chinese investment in critical minerals and renewable energy value chains to ensure beneficiation and local processing before export. Such mechanisms will

create feedback loops—allowing RECs to communicate real-time needs while China shares policy updates—ensuring investments are both strategic and responsive to integration priorities.

4.1.2 Strengthen Cooperation on Customs and Trade Facilitation

High transaction costs and inconsistent border procedures remain major obstacles to intra-African trade, undermining the unification of AfCFTA markets. The Chinese government should strengthen collaboration between the General Administration of Customs of China and African customs authorities to streamline trade flows and standardize inspection and quarantine protocols. This should include technical support for digital "single-window" systems, training programs on risk-based inspection and clearance tools, and exchanges on modern border management practices. These measures will directly reduce delays and boost the competitiveness of African regional value chains.

4.1.3 Increase funding for feasibilities studies for potential investment projects

Insufficient funding for pre-feasibility and feasibility studies is a critical bottleneck for high-impact, integration-aligned projects—risk-averse financial institutions often view unstudied proposals as high risks and stall investment even for projects with high potential and catalytical impacts. Many investors view feasibility work as a burden or a cost centre, leading to underinvestment in precisely the studies that could de-risk projects. To address this gap, the Chinese government could take the lead and work with African government in mobilizing both policy banks and multinational development banks to establish special funding for feasibility studies, prioritizing cross-border infrastructure or regional value chain anchors

4.1.4 Address Uneven Distribution of FDI Benefits through Targeted, Risk-Smart Engagement Strategies

A concern often raised by African stakeholders is that Chinese FDI in Africa remains disproportionately concentrated in a handful of large economies, where cascading benefits such as infrastructure development, industrial clustering, and job creation further enhance their attractiveness to future investment. In contrast, smaller and more fragile economies capture only a fraction of these flows, risking long-term divergence that leaves them increasingly marginalized from regional and global value chains. To mitigate this uneven distribution, Chinese government agencies and enterprises should adopt risk-smart strategies that balance commercial viability with Africa's integration and development goals.

This could involve prioritizing "quick-win" sectors in fragile or smaller economies that offer shorter implementation cycles and tangible local benefits, such as small-scale agro-processing, decentralized renewable energy solutions for local communities, and vocational training centres. Demonstrating early successes in these sectors would help build trust and lay the groundwork for larger-scale investment. In addition, blended financing mechanisms that combine concessional resources with private capital could be expanded to de-risk projects and attract broader participation. By acknowledging legitimate risk realities while designing targeted engagement approaches, Chinese FDI can evolve into a more inclusive driver of regional integration, ensuring that both strong and fragile economies benefit from investment flows.

4.2 Recommendations for African National Governments

4.2.1 Fully Operationalize AfCFTA National Implementation Committees (NICs)

Experience from the launch of the AfCFTA Guided Trade Initiative (GTI) in October 2022 has revealed that the existence and effective functioning of a national AfCFTA institutional mechanism is essential to coordinate stakeholder participation in AfCFTA trade, and NICs can provide institutional and policy frameworks that translate continental rules into actionable strategies, therefore. Regulatory bodies such as standards authorities, customs agencies, and other trade facilitation actors must cooperate to minimize border delays, while private sector engagement needs to be strengthened through dedicated awareness-raising and capacity-building programs.[244] Therefore, to bridge the gap between continental commitments and local enforcement, African national governments must ensure that AfCFTA NICs are fully resourced, staffed, and empowered to drive alignment. These committees—composed of representatives from government and companies and serve as a "one-stop" hub for coordinating AfCFTA implementation at the national level. Their core mandates include aligning national trade policies (e.g. tariffs, import regulations) with AfCFTA rules and monitoring compliance with regional commitments (e.g. local content requirements for manufacturing). These committees should focus on ensuring local adaptation of regional integration measures and driving the effective enforcement of AfCFTA regulations. Robust NICs would also create predictable environments for investors by reducing policy contradictions between national and regional levels.

In addition, the effective functioning of NICs should be reinforced by the leadership of regional anchor countries such as South Africa, Egypt, and Kenya, which are well placed to build cross-border production hubs that integrate surrounding markets. At the same time, balanced attention must be paid to smaller economies, which often lack clear strategies to participate in and benefit from regional integration. Here, the AfCFTA Secretariat can play a critical guiding role by providing technical support and policy frameworks adapted to the specific conditions of these countries, ensuring that they are not left behind in the integration process.

4.2.2 Coordinate Infrastructure and Regulatory Frameworks with Regional Institutions

Cross-border infrastructure projects are critical for integration, but they are often designed and financed as fragmented, country-specific components. This approach delays implementation and undermines the intended regional benefits. National governments should work closely with RECs and the AU to establish joint project management structures that allow cross-border projects to be planned, financed, and implemented as unified undertakings. Rather than countries approaching financiers separately, governments should present projects collectively to syndicates of funders, with costs and returns shared across borders. Similarly, regulatory frameworks—such as energy pricing rules, transport regulations, and technical standards—must be aligned across countries to ensure cross-border projects function effectively. This coordinated approach will accelerate the rollout of transformative regional infrastructure while reducing risks and transaction costs.

244 United Nations Economic Commission for Africa (UNECA), Advancing the Implementation of the Agreement Establishing the African Continental Free Trade Area: Proposing Transformative Strategic Actions. 39-40

4.2.3 Promote Local Content, Supplier Development, and Technology Transfer

African national governments should more strongly encourage the adoption of local content requirements, supplier development programs, and technology transfer benchmarks in line with AfCFTA objectives. By embedding these provisions into investment frameworks and sectoral policies, governments can ensure that foreign and domestic investments go beyond enclave projects and actively contribute to building resilient regional value chains. Such measures would foster stronger linkages between large-scale investors and local enterprises, facilitate skills transfer, and support the gradual diversification of African economies.

4.3 Recommendations for the African Union (AU) and Regional Economic Communities (RECs)

4.3.1 Create Platforms for Learning and Sharing Best Practices

Africa's RECs have made uneven progress. To accelerate integration and avoid reinventing the wheel, the AU, working with RECs, should establish a continental "Integration Learning Platform" that facilitates the exchange of successful practices across regions. This platform could take the form of an online repository (hosted by the AU or AfCFTA Secretariat) and annual workshops, where RECs exchange lessons on best practices in trade facilitation, investment promotion, and building regional value chains. Importantly, these exchanges should also highlight how to leverage external partners, including China, in ways that maximize alignment with Africa's integration priorities. By institutionalizing cross-learning, Africa can turn diversity into strength.

4.3.2 Fast-tracking the establishment of an AfCFTA office in China

Chinese companies often lack sufficient information about AfCFTA rules, opportunities, and evolving policies, creating uncertainty and limiting their ability to design integration-supportive investments. Establishing a dedicated AfCFTA Office in China—staffed by AU, AfCFTA Secretariat, and REC representatives—would directly address this gap. This office would serve as a permanent bridge, promoting Africa's integrated market to Chinese investors, organizing outreach events, and facilitating direct dialogue with Chinese business associations and policymakers. It could also foster technical exchanges on customs procedures, SPS measures, geographical indications, and trade standards. This proposal builds on existing cooperation foundations. In August 2021, the AfCFTA Secretariat and China's Ministry of Commerce signed a memorandum of understanding (MoU) to collaborate on economic cooperation and establish an expert group in areas such as intellectual property rights, customs procedures, digital trade, and competition policy. However, while this

MoU provides a valuable starting point, Africa must take proactive steps to make such mechanisms more effective. Institutionalizing regular communications with China, embedding these dialogues within a formal AfCFTA Office in Beijing, and ensuring consistent follow-up on technical exchanges will transform episodic engagements into a systematic, strategic partnership.

4.3.3 Lay the Groundwork for a Continental Customs Union through CET Harmonization

Article 3(d) of the AfCFTA Agreement envisages a Continental Customs Union, which will require a Common External Tariff (CET). While AfCFTA implementation remains the priority, early work on CET convergence is needed. Africa can draw on REC experiences (EAC, ECOWAS, CEMAC, SACU), where tariff structures are already in place, and ECA studies highlight their growth and welfare implications. The AU, RECs, and the AfCFTA Secretariat should launch a technical process to compare existing CETs, assess options for convergence, and ensure WTO compliance. This process should not aim at a one-size-fits-all solution but instead explore differentiated options that balance the objectives of GDP growth, welfare enhancement, and intra-African trade promotion.

At the same time, African countries must begin thinking strategically beyond AfCFTA implementation alone. The adoption of a continental CET, accompanied by well-designed national and regional industrial policies, would represent a meaningful step toward raising Africa's position in the global trade system. AfCFTA-driven policy coherence is vital, but on its own it will not be sufficient to transform Africa's global trade share. Linking CET harmonization with broader industrialization strategies—such as technology upgrading, supplier development, and export diversification—will enable the continent to consolidate its internal market while engaging external partners from a position of greater strength. In this regard, CET harmonization would strengthen Africa's negotiating leverage with major trading partners, including China, the EU, and the United States, ensuring that future trade and investment partnerships contribute to industrial upgrading rather than reinforcing commodity dependence.

4.4 Recommendations for Chinese Companies

4.4.1 Expand Engagement Through Industry-Specific Exchange Mechanisms

To expand collaboration and identify targeted opportunities, Chinese companies should increase engagement with African counterparts through specialized, industry-focused exchange platforms. These could take the form of specialized industry chambers (e.g. in automotive, ICT, renewable energy, agribusiness) or annual sectoral conferences that bring together firms, REC technical teams, and African private sector players. These dialogues should prioritize two-way knowledge sharing for Chinese companies to share their interests in investment and strengths, and for African partners to share insights into local consumer preferences, supply chain dynamics, and regulatory requirements. By fostering

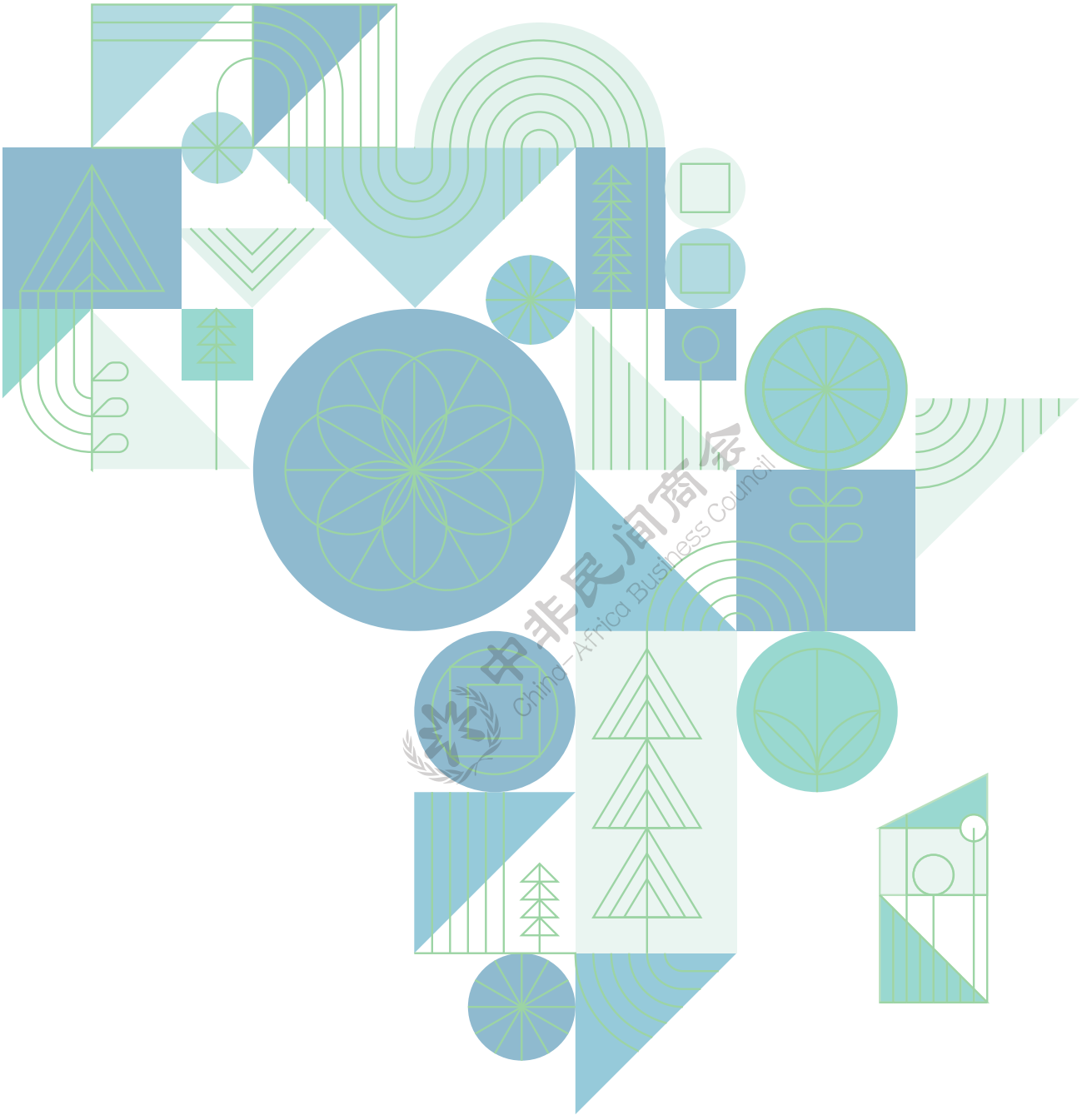
these targeted connections, companies can identify high-impact partnerships, avoid "blind" investments, identify partnerships that support regional value chains and local development, and build trust with African stakeholders.

4.4.2 Align Business Strategies with Regional Industrial Plans

To maximize impact and avoid misalignment, Chinese companies should systematically map their investment strategies against regional industrialization roadmaps, such as the EAC Industrialization Strategy (2012–2032) or SADC Industrialization Strategy and Roadmap. Dedicated teams within firms should monitor these plans and ensure business decisions are consistent with regional objectives. Additionally, companies should collaborate with national investment promotion agencies (e.g. the Nigerian Investment Promotion Commission, the Kenya Investment Authority, the Ethiopian Investment Commission) to identify projects that have both local and regional significance. This alignment will ensure Chinese investments support industrial clustering and integration rather than creating isolated units.

4.4.3 Partner Locally for Project Preparation

Many Chinese companies currently investing in Africa's local value chains began their engagement through exports—building market presence and demand first before considering local production or sourcing. While this export-first model has been a common entry pathway, moving into deeper integration requires more robust on-the-ground assessments. One effective strategy is for companies to partner with local African institutions—such as research institutes, business chambers, or investment promotion agencies—to co-lead feasibility studies. This kind of collaboration will provide access to granular, context-specific data on labour costs, regulatory frameworks (e.g. environmental permits, local content requirements), and supply chain dynamics (e.g. availability of regional raw materials) that external consultants working independently might overlook. By combining local expertise with financial support from dedicated feasibility study funds, companies can produce studies that satisfy the due diligence requirements of both Chinese and African financiers, reduce the risk of costly project delays or failures, and result in investment strategies that are better aligned with regional integration priorities.



Appendix:
Supplementary Data Analysis on the Impact of China's Outward Foreign Direct Investment (OFDI) in Africa on African Economic Growth and Employment

This data analysis appendix was developed and written by the CABC expert research team. It focuses on the impact of China's FDI on African economic growth and employment, as addressed in Chapter 2 of the report. The study provides quantitative evidence for the contribution of investment by Chinese enterprises in Africa to local economic development, complementing qualitative analyses at the industrial level. Together, they support the main report's core view that China's investment in Africa plays a positive role in promoting African economic development. This appendix provides further information on the study including variable selection, model specification, sample processing methods, and analysis of the regression results, providing more comprehensive technical support for the conclusions in the main report for readers' reference.

I. Variable and Sample Selection

- Dependent Variables: Two core indicators are included. First, African economic growth, specified as the natural logarithm of African countries' gross domestic product (GDP); second, African employment level, specified as the natural logarithm of the number of employed persons aged 15 and above, sourced from the World Bank Development Database.

- Independent Variable: The core variable is China's FDI in Africa, primarily measured by "China's FDI stock in Africa". Compared with investment flow (which fluctuates in the short term), stock better reflects the outcomes of long-term accumulated economic activities and capital formation. In subsequent empirical analyses, "the proportion of China's FDI stock in Africa to China's total FDI stock worldwide" is used as an alternative variable to

ensure the robustness of results.

● Control Variables: Selected by research theme to exclude other interfering factors:

1. For economic growth: Trade openness (Open), financial development level (FDS), population density (POPD), old-age dependency ratio (Old), natural resource rent ratio (Resource), and national governance capacity (WGI).

2. For employment: Trade openness (Open), inflation rate (INF), government expenditure (Gov), old-age dependency ratio (Old), national governance capacity (WGI), and international aid (ODA, adjusted by dividing net official development assistance received by African countries by national income).

● Sample and Data Sources: The research uses panel data of African countries from 2011 to 2023. After 2011, the global economy was less affected by the financial crisis, and data from African countries became significantly more complete. During data collection, countries with undisclosed core variables[1] were excluded; missing data for some years were supplemented using linear interpolation and moving average methods. The final sample covers 49 African countries, resulting in 613 country-year observations.

3. Data on China's OFDI in Africa: From the Statistical Bulletin of China's Outward Foreign Direct Investment, jointly released by the Ministry of Commerce of China, the National Bureau of Statistics of China, and the State Administration of Foreign Exchange.

4. Data on African economic growth, employment scale, and various control variables: From international authoritative databases such as the World Bank and the International Monetary Fund (IMF).

Table 1 Key Variables Basic Information

Variable Name	Symbol	Definition	Data Source
Economic Growth	Growth	Natural logarithm of Africa's GDP	World Bank Database
Employment Scale	Employ	Natural logarithm of employed persons aged 15 and above	World Bank Database
China's OFDI in Africa	OFDI	Natural logarithm of China's OFDI stock in Africa	Statistical Bulletin of China's OFDI
Trade Openness	Open	Total import and export trade of African countries / GDP	World Bank Database
Natural Resource Rent	Resource	Total natural resource rent / GDP	World Bank Database
Financial Development Level	FDS	Domestic credit to private sector / GDP	International Monetary Fund (IMF)
Inflation Rate	INF	GDP deflator	World Bank Database

1 Eritrea and Somalia have severe gaps in GDP data; Eswatini lacks OFDI data; the Democratic Republic of the Congo lacks national governance data; and Ethiopia lacks data on domestic credit to the private sector.

Variable Name	Symbol	Definition	Data Source
Government Expenditure	Gov	General government final consumption expenditure / GDP	World Bank Database
Population Density	POPD	Natural logarithm of population per square kilometer	World Bank Database
Old-age Dependency Ratio	Old	Population aged 64 and above / Population aged 15-64	World Bank Database
National Governance	WGI	National governance capacity index	World Bank Database
International Aid	ODA	Net official development assistance received / National income	World Bank Database

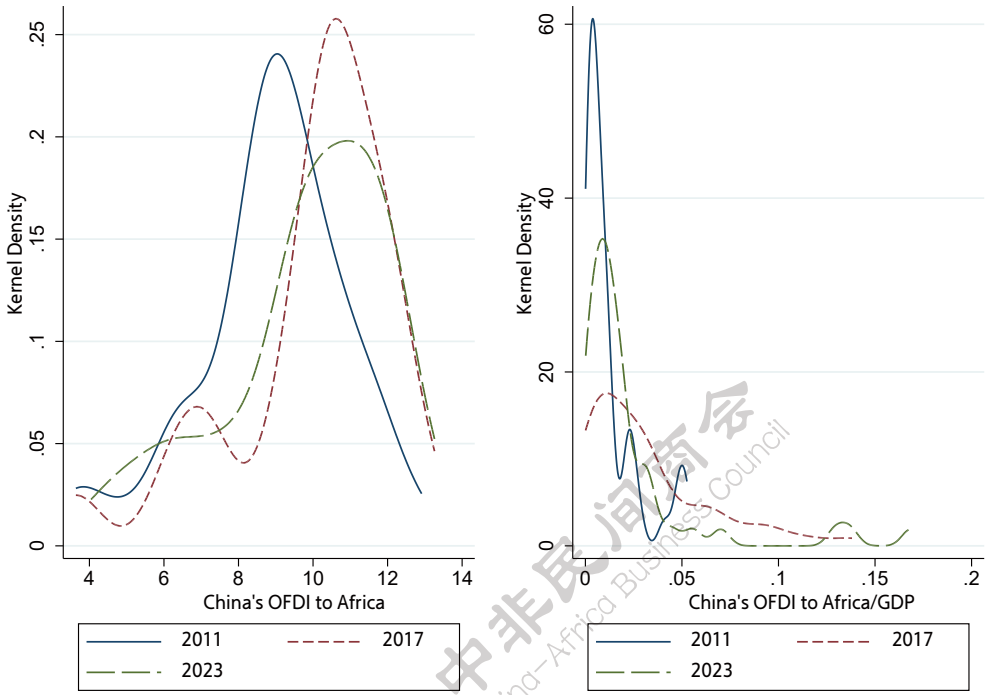
II. Stylized Facts Analysis of China's OFDI in Africa

To present China's investment in Africa from 2011 to 2023, kernel density estimation was conducted using 2011, 2017, and 2023 as representative years, and kernel density curves were plotted for "scale of China's OFDI in Africa" (left panel) and "China's OFDI in Africa / African countries' GDP" (right panel) (Figure 1 Below):

- Investment Scale (Left Panel): From 2011 to 2017, the curve shifted significantly rightward, indicating rapid growth in China's OFDI in Africa. Meanwhile, the curve's peak became steeper and its span narrowed, meaning the gap in investment among different African countries decreased. From 2017 to 2023, the curve's center shifted slightly rightward, reflecting a slowdown in investment growth; the peak flattened and the span widened, indicating an expanded investment gap among countries—this reflects the clearer strategic goals of China's outward direct investment amid its new economic normal.

- Relative Scale (Right Panel): From 2011 to 2023, the curve's center shifted slowly rightward, showing a gradual increase in the proportion of China's OFDI in Africa to African countries' GDP (slower after 2017). Overall peak characteristics indicate a narrowing gap in the relative scale of investment among African countries.

Figure 1: Kernel Density Curves

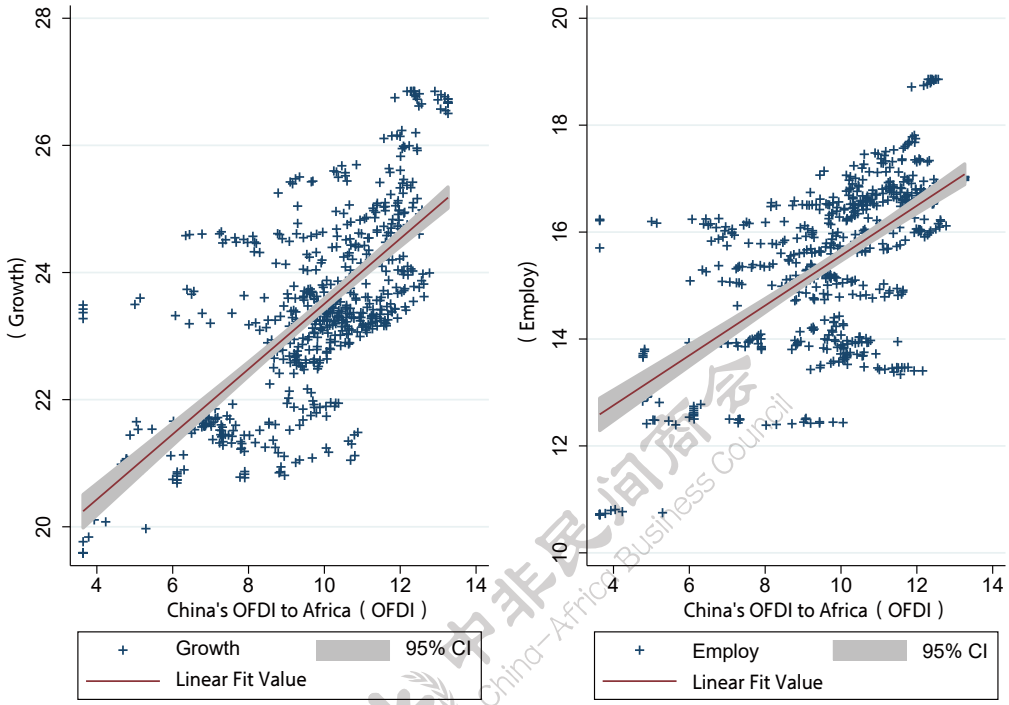


To preliminarily examine the correlation between China's OFDI in Africa and African economic growth/employment, stylized facts were depicted using scatter plots with fitted lines (Figure 2):

● OFDI and Economic Growth: The relationship can be fitted by an upward-sloping line, with most observations distributed around the line and within the 95% confidence interval. This suggests a potential positive linear relationship, indicating that China's OFDI has a significant promoting effect on African economic growth.

● OFDI and Employment: The fitting trend is similar to that of economic growth. The upward-sloping line and observations within the 95% confidence interval indicate a positive linear relationship, meaning China's OFDI has a significant driving effect on African employment.

Figure 2: Scatter Plots with Fitted Lines of China's OFDI in Africa vs. African Economic Growth and Employment Scale



III. The Impact of Chinese Enterprises' Investment on African Economic Growth

(I) Analysis of Benchmark Regression Results

Model calculations indicate that China's investment in Africa has promoted the continent's economic growth. Additionally, trade openness, financial development level, population size, age dependency ratio, and national governance capacity have all passed the significance test—these are all key factors influencing Africa's economic growth. Among them, national governance

capacity exerts a more prominent positive impact on economic growth: the stronger a country's governance capacity, the better its economic development.*Notes: ***, *, and * indicate significance at the 1%, 5%, and 10% levels, respectively. Values in parentheses are t-statistics. The same applies to the following tables.

(II) Heterogeneity Analysis

● Grouping by Income Level: Samples were divided into high-income groups (including upper-middle and high-income countries) and low-income groups (including lower-middle and low-income countries) based on World Bank classifications. Regression results showed that the OFDI coefficient was insignificant in the high-income group, while it was 0.050 and significant at the 1% level in the low-income group. This indicates that China's OFDI has a more pronounced promoting effect on economic growth in low-income countries—likely because Chinese enterprises establishing factories in low-income countries drives local employment, increases residents' income, and thereby stimulates consumption to boost growth.

Table 2 Subsample Regression Results Based on Income Level

	(1)	(2)
	High-income Group	Low-income Group
OFDI	-0.039	0.050***
	(-0.86)	(3.26)
Open	-0.457**	-0.121
	(-2.41)	(-0.77)
FDS	-0.215	-0.398
	(-0.94)	(-0.81)
Resource	0.671	-0.032
	(0.74)	(-0.10)
POPD	-1.722	-0.643
	(-1.34)	(-0.94)
Old	-4.282	-5.364
	(-0.78)	(-1.41)
WGI	0.020	0.235*
	(0.07)	(1.72)
_cons	30.235***	25.826***
	(7.71)	(9.45)
Country FE	Yes	Yes
Year FE	Yes	Yes
N	104	509
r2_w	0.539	0.489

● Grouping by Investment Motivation: OFDI was categorized into resource-seeking (investing in countries with high natural resource rent-to-GDP ratios) and market-and-efficiency-seeking (investing in countries with low natural resource rent-to-GDP ratios), based on the average natural resource rent-to-GDP ratio of African countries. The OFDI coefficient was positive in both groups, but only the market-and-efficiency-seeking group

was significant (coefficient = 0.036, significant at the 1% level). This is because market-and-efficiency-seeking investment tends to focus on labor-intensive industries and infrastructure development, which drives African economic development while expanding markets.

Table 3 Heterogeneity Test Results Based on OFDI Motives

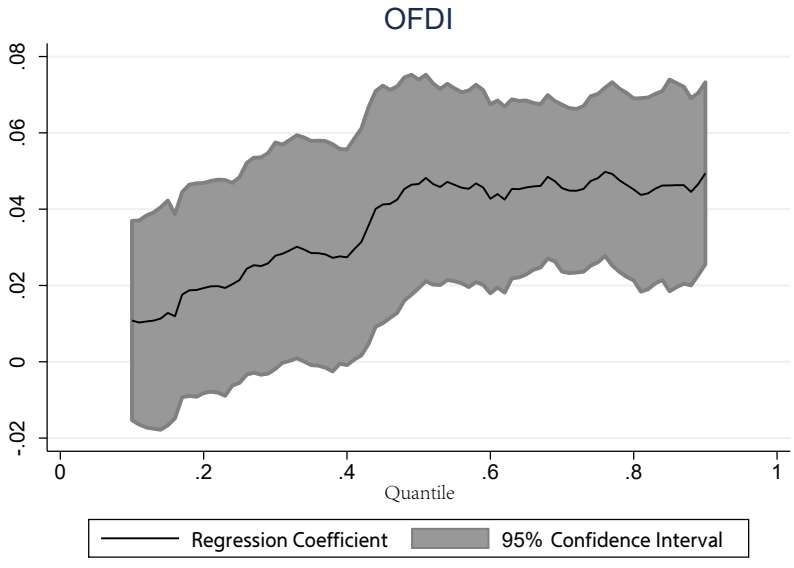
	(1)	(2)
	Resource-Seeking	Market-and-Efficiency-Seeking
OFDI	0.003	0.036***
	(0.08)	(2.69)
Open	-0.273	-0.340***
	(-1.04)	(-5.66)
FDS	0.130	-0.554***
	(0.24)	(-4.56)
Resource	0.643*	-1.999***
	(1.90)	(-3.91)
POPD	-1.744*	1.335***
	(-1.93)	(5.27)
Old	-16.331**	-0.808
	(-2.72)	(-0.54)
WGI	0.154	0.251***
	(0.57)	(3.52)
_cons	30.199***	18.072***
	(9.43)	(16.57)
Country FE	Yes	Yes
Year FE	Yes	Yes
N	236	377
r2_w	0.334	0.667

● **Grouping by Economic Growth Distribution:** The impact of OFDI on African economic growth at quantiles 0.1, 0.25, 0.5, 0.75, and 0.9 was analyzed. Results showed that as the quantile increased, the promoting effect of OFDI on growth gradually strengthened and became more significant: coefficients were insignificant in low quantiles (0.1, 0.25) but significant at the 1% level in high quantiles (0.5, 0.75, 0.9) (0.047, 0.048, and 0.049, respectively). Further analysis of quantiles 0.1-0.9 (with a step size of 0.01) revealed a "jump" in the promoting effect of OFDI after the 0.4 quantile, and reduced differences in impact after the 0.5 quantile. This suggests that African countries with higher economic development levels can better absorb and utilize China's OFDI, likely due to their more advanced port facilities and trade corridors.

Table 4 Quantile Regression Results

	(1)	(2)	(3)	(4)	(5)
	0.1 Quantile	0.25 Quantile	0.5 Quantile	0.75 Quantile	0.9 Quantile
OFDI	0.011	0.021	0.047***	0.048***	0.049***
	(0.81)	(1.56)	(3.33)	(4.29)	(4.08)
Open	-0.329***	-0.233***	-0.083	-0.127	-0.247**
	(-5.35)	(-3.19)	(-0.96)	(-1.17)	(-2.05)
FDS	-0.442**	-0.348*	-0.330	-0.675***	-0.804***
	(-2.55)	(-1.86)	(-1.64)	(-3.48)	(-3.71)
Resource	0.055	-0.076	0.263	0.390	0.382
	(0.18)	(-0.26)	(1.07)	(1.59)	(1.47)
POPD	0.565	0.565	-0.007	-0.191	0.262
	(1.14)	(1.29)	(-0.02)	(-0.59)	(0.68)
Old	-7.717*	-3.950	-6.305***	-6.341***	-1.062
	(-1.82)	(-1.45)	(-3.06)	(-3.69)	(-0.45)
WGI	0.345***	0.389***	0.403***	0.409***	0.344***
	(3.85)	(4.26)	(5.18)	(5.58)	(4.12)
_cons	23.645***	23.446***	25.155***	26.376***	24.919***
	(14.42)	(17.11)	(19.14)	(27.49)	(20.79)
Country FE	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes
N	613	613	613	613	613

Figure 3: Quantile Regression Coefficients of the Impact of OFDI on African Economic Growth



IV. The Impact of China's OFDI in Africa on African Employment

(I) Analysis of Benchmark Regression Results

Drawing on the econometric model of Ibnali Issah Kulo (2024) (controlling for country and time fixed effects), this study analyzes the impact of OFDI on Africa's employment (measured by the number of employed persons aged 15 and above). Model calculations show that China's OFDI in Africa has promoted employment in African countries. From the perspective of control variables: the coefficient of inflation rate is significantly negative (exacerbating unemployment); the coefficient of international aid is significantly positive (promoting employment); the coefficient of old-age dependency ratio is significantly negative (aging reducing employment); and the coefficient of national governance capacity is significantly positive (enhancing employment stability).

(II) Heterogeneity Analysis

- **Grouping by Employment Structure:** The impact of OFDI on the employment share of agriculture, industry, and services was analyzed. Results showed: The OFDI coefficient for agricultural employment was positive but insignificant; for industrial employment, it was 0.002 and significant at the 1% level (effectively promoting industrial employment); for service employment, it was -0.002 and significant at the 10% level (with no obvious promoting effect). This indicates that China's OFDI drives overall African employment primarily by boosting industrial employment.

Table 5 Impact of OFDI on Employment Structure

	(1)	(2)	(3)
	Agricultural Employment Share	Industrial Employment Share	Service Employment Share
OFDI	0.0001	0.002***	-0.002*
	(0.10)	(3.35)	(-2.01)
Open	-0.027*	0.014***	0.014
	(-1.83)	(2.73)	(1.18)
INF	-0.014	0.006***	0.007
	(-1.66)	(2.72)	(1.16)
Gov	-0.051**	-0.018	0.070***
	(-2.52)	(-1.30)	(3.35)
ODA	0.053**	-0.034**	-0.019
	(2.45)	(-2.57)	(-0.75)
Old	0.450***	-0.362***	-0.088
	(5.40)	(-4.68)	(-1.51)
WGI	-0.053***	0.012***	0.041***
	(-8.07)	(5.75)	(7.75)

	(1)	(2)	(3)
_cons	0.434***	0.148***	0.418***
	(27.90)	(63.79)	(25.50)
Country FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
N	612	612	612
r2_w	0.471	0.140	0.492

- Grouping by Income Level: The OFDI coefficient was insignificant in the high-income group, while it was 0.010 and significant at the 5% level in the low-income group. This indicates that China's OFDI has a more prominent promoting effect on employment in low-income countries. The reason is that low-income countries have weaker infrastructure; Chinese investments in local infrastructure (such as roads, railways, ports, and electricity) require a large number of local workers, alleviating employment pressure.

Table 6 Subsample Regression Results Based on Income Level

	(1)	(2)
	High-Income Group	Low-Income Group
OFDI	-0.014	0.010**
	(-0.89)	(2.24)
Open	-0.045*	0.004
	(-2.17)	(0.20)
INF	0.092**	-0.021***
	(3.16)	(-3.69)
Gov	0.280**	-0.088**
	(3.36)	(-2.51)
ODA	-2.079**	0.317***
	(-3.21)	(3.75)
Old	-8.168***	-3.555***
	(-8.87)	(-10.00)
WGI	0.168***	0.048**
	(4.64)	(2.09)
_cons	15.251***	15.688***
	(73.75)	(320.41)
Country FE	Yes	Yes
Year FE	Yes	Yes
N	104	509
r2_w	0.866	0.750

- Grouping by Investment Motivation: The OFDI coefficient was positive for both resource-seeking and market-and-efficiency-seeking investment, but only the market-and-efficiency-seeking group was significant (coefficient = 0.009, significant at the 5% level). This type of investment focuses on infrastructure development, which requires a large workforce from project construction to industrial operation (e.g., the Mombasa-Nairobi Standard Gauge Railway in Kenya created tens of thousands of local jobs), making it more effective in driving employment.

Table 7 Heterogeneity Test Results Based on OFDI Motives

	(1)	(2)
	Resource-Seeking	Market-and-Efficiency-Seeking
OFDI	0.005	0.009**
	(0.58)	(2.03)
Open	-0.058***	0.007
	(-3.35)	(0.55)
INF	0.008	-0.033***
	(0.46)	(-2.93)
Gov	-0.077*	-0.146
	(-1.89)	(-1.59)
ODA	0.219***	0.436***
	(2.82)	(4.63)
Old	-6.076***	-4.100***
	(-8.28)	(-8.57)
WGI	0.016	0.108***
	(0.36)	(3.35)
_cons	15.711***	15.594***
	(173.83)	(291.93)
Country FE	Yes	Yes
Year FE	Yes	Yes
N	237	376
r2_w	0.787	0.737

Index

Boxes

Figures

Tables

Corporate / Economic Zone Information

No	Company Name	Address	Website	Email	Tel
		Companies in the Case Study Boxes			
1	Hunan Grain & Oil Import & Export Group	Unit 101, Building 1 Huazhi Rice Biotechnology Co., Ltd. 618 Heping Road China (Hunan) Pilot Free Trade Zone	http://www.hunancof.com/	webmaster@hunancof.com	0731-82280070
2	Meilan Group	15th Floor, Building S1, Auxes Innovation Hub Business Centre Yanghu Subdistrict, Yuelu District Changsha City, Hunan Province	https://www.chinamainland.com/zh	marketing@chinamainland.com	+ 86 15576091717
3	Weihai Huatan Supply Chain Management Co., Ltd.	Room 210, 152 Zhuhai Road, Wendeng Economic Development Zone, Weihai City	http://www.huatansupplychain.com/en/	huatan@huatansupplychain.com	+86 6318357988
4	Wuhan Jinhuasheng Railway Locomotive Co., Ltd.	Floor 11, Jinning International Commercial Building, 336 Heping Avenue, Wuchang District, Wuhan City, Hubei Province	https://en.jhstljc.cn/about_index.html	admin@jhstljc.cn	027-8808 3086
5	Weihai International Economic & Technical Cooperative Co. Ltd. (WIETC)	No. 16, Tongyi Road, Weihai City, Shandong Province China	https://www.wietc.com/index.aspx	china@wietc.com	0086-631-5233588
6	TBEA Co., Ltd.	No. 189, Beijing South Road, Changji City, Xinjiang Uygur Autonomous Region	https://www.tbea.com/	zhanghongguang@tbea.com	18599330476
7	Zhongxing Telecommunication Equipment (ZTE) Corporation	ZTE Plaza, Keji Road South, Hi-Tech Industrial Park, Nanshan District, Shenzhen, P.R.China	https://www.zte.com.cn/global/	csr@zte.com.cn	0755-26770000
8	PERCENT Technology Group Co., Ltd.	Building S5, Jinyu AI Park□ Haidian District, Beijing	https://en.percent.cn/Company.html/	pr@percent.cn	010-8474-2000
9	Hubei Lianfeng Overseas Agriculture Development Group Co., Ltd.	129 Dufu Di, Zhonghua Road, Wuchang District, Wuhan	http://www.hbcof.com/ywjs/myjy/202305/t20230523_65006.shtml□HADG Website□	lianfenghaiwai@163.com	18402712086
10	Keda Co., Ltd.	No. 1, Huan Zhen West Road, Guanglong Industrial Park, Chen Village Town, Shunde District, Foshan City, Guangdong Province	https://kedachina.com.cn/	kedazx@kedachina.com.cn	0757-23832999

No	Company Name	Address	Website	Email	Tel
11	Sunda International	46th Floor, CITIC Plaza, No. 233 Tianhe North Road, Tianhe District, Guangzhou, Guangdong, China	https://www.sunda.com/contact/	sales.list@sunda.com	0086-20-38900600
12	Chongqing Sansheng Industrial Co., Ltd.	No. 99 Yunhan Avenue, Shuitu High-Tech Industrial Park, Liangjiang New Area, Chongqing	http://www.cqssgf.com/	sansheng_1997@163.com	0086023-68234428
13	Wepon Pharmaceutical Group Co.,Ltd.	No. 28, North Baizhang Road, Chengdong Subdistrict, Wenling City, Zhejiang Province	http://www.chinawepon.com/	wbdzy@wepon.cn	0576-86183999
14	Gotion High-Tech Co.,Ltd.	No. 566, Huayuan Avenue, Baohe District, Hefei	https://en.gotion.com.cn/	gotion@gotion.com.cn	400-110-8181
15	Inner Mongolia King Deer Cashmere Group	South Donghe Bridge, Bayantala Street Donghe District, Baotou, Inner Mongolia, China	https://kingdeer.com.cn/en/join.html	kdjofnyk@163.com	0472-4112266
16	Wynca Group	Xin'an Building, No.1 Jiangbin Middle Road,Xin'an Jiang Street, Jiande City, Zhejiang Province	https://www.wynca.com/en/	xinanche@wynca.com	400-102-9991
17	Nice Textiles Uganda Ltd	Kampala, Uganda			
18	Cotti Coffee	2nd Floor, Block B, Jiajing Tiancheng, No. 2A Wangjing Zhonghuan South Road, Chaoyang District, Beijing	https://www.cotticoffee.com/	MKT@COTTICOFFEE.COM	400-888-1717
19	Sunrise Group	No. 2, Wuhe East Road Economic Development Zone Shengzhou City Shaoxing City, Zhejiang Province	www.smart-shirts.com.cn	ir@smart-shirts.com.cn	86 0575-83262926
20	Jasworld Ports Limited (Subsidiary of Jiayou International Logistics Co.Ltd)	Lusaka, Zambia	http://jyinternational.com.cn/	jy_board@jyinternational.com	86-10-8899 8888
21	Jiayou International Logistics Co.Ltd	Room 608A, 6th Floor 31 Fuchengmenwai Avenue Xicheng District Beijing	http://jyinternational.com.cn/	jy_board@jyinternational.com	86-10-8899 8888
22	Ethiopia Addis Ababa Silk Road General Hospital (AASRGH)	Next to Sarbet Gibson Academy, opposite site of the Vatican Embassy, Egypt Road, Addis Ababa	https://silkroadhospitaladdis.com/	silkroadhospital@afeiholding.com	+251 93 661 0666
23	Jijia International (Beijing) Medical Technology Co., Ltd.	Room 1011, Block B, Shangdu SOHO North Tower, No. 8 Dongdaqiao, Chaoyang District, Beijing	http://en.jj-healthcare.com/	contact@jijia-med.com	86-10 64933922/86-13701346030
24	Sichuan Huaqiao Fenghuang Group	China Huashang Financial Centre 33 Jiaozi Avenue Wuhou District Chengdu, Sichuan Province China	http://www.hqfh.com/	hqfhhr@126.com	028-85182888
25	Shenzhen Power-solution Ind Co.,Ltd	6F, Bldg.C5, Hengfeng Industry Area, Hezhou, Xixiang, Baoan district, Shenzhen, China	https://www.power-solution.com/	info@power-solution.net.cn	+86 15012893073

No	Company Name	Address	Website	Email	Tel
		Companies in the Main Texts			
1	SAIC Motor Corporation	489 Weihai Road, Jingan District, Shanghai, China	https://www.saicmotor.com		86-021-22011888
2	Charoen Pokphand (CP) Group (Thailand)	18 True Tower, Ratchadaphisek Road, Huai Khwang, Bangkok 10310, Thailand	https://www.cpgroupglobal.com	prcpgroup@cp.co.th	+66(0)-2766-8000
3	Tsingshan Holding Group	Tsingshan Building A, No. 2666 Longxiang Road, Longwan District, Wenzhou City, Zhejiang Province, China	www.tssgroup.com.cn		0577-86628888
4	Kilimall	Derby Court, House No. 4, Ngong Road, Nairobi, Kenya	www.kilimall.com.cn	cc@kilimall.com	+254 709 717 000
5	China Road and Bridge Corporation (CRBC)	No.88 C, Andingmenwai Avenue, Beijing	https://www.crbc.com		(+86)-10-64280055
6	CGCOC Group	NO.2, Yard 28, Shangdi 6th Street, Haidian District, Beijing	http://www.cgcoc.com.cn/en/	office@cgcoc.com.cn	86 (10) 84373600
7	China National Aero-Technology International Engineering Cooperation	Floor6 & 19-20, AVIC INTL Plaza, NO.18 Beichen East Street, Chaoyang District,Beijing□China	https://yw.intl-gc.avic.com/		□86-10□84970337
8	Power China	Building 1, Courtyard 1, Linglongxiang Road, Haidian District, Beijing, 100037, P.R.China	https://www.powerchina.cn/	zgdj@powerchina.cn	010-88985000
9	Copperbelt Energy Corporation	23rd Avenue,Nkana East□P O Box 20819□Kitwe, Zambia	https://www.cec.com.zm/		'+260 212 244 274
10	Kaishan Group	No.9 Kaixuan(W) Road,Quzhou,Zhejiang Province,P.R of China.	http://en.kaishangroup.com/	kaishan@kaishangroup.com	0086-570-3662800
11	Électricité de France (EDF)	22/30 avenue Wagram 75008 Paris	https://www.edf.fr/en	jessica.goncalves@edf.fr	+33 (0)1 40 42 46 37
12	China Energy Engineering Group	Building 1, No. 26, XIDAWANG Road, Chaoyang District, Beijing China	https://www.ceec.net.cn/		8610 59098831
13	Jiangxi International Economic and Technical Cooperation Co.	No. 1198, Fenghe Middle Avenue, Honggutan New District, Nanchang City, Jiangxi Province	https://www.cjic.cn/	jic@cjic.cn	0791-86373154
14	Huawei	Huawei Campus, Banqiao, Longgang District, Shenzhen	https://www.huawei.com/cn/	support_e@huawei.com	(+86)755 28780808
15	China Communications Construction Group	No. 85 Deshengmenwai Street, Xicheng District, Beijing, China	https://www.ccccltd.cn/	webmaster@ccccltd.cn	(+86)-10-82016644
16	JARI Electronics	18 Shenghu road,Lianyungang,Jiangsu Province	http://www.jariec.com/index.htm	051885981799	0518-85981717
17	Hisense	Hisense International□Floor 22, Hisense Tower,17 Donghai Xi Road, Qingdao, China	https://www.hisense.com	service@hisense.com	400-6111-111

No	Company Name	Address	Website	Email	Tel
18	Shandong Hi-Speed Group	No. 8 Longao North Road, Lixia District, Jinan, Shandong Province	https://www.sdhsg.com/		
19	Yuan's Hi-Tech Seed Co.,Ltd	Dayutang Village, Chunhua Town, Changsha County, Hunan Province, China	http://www.yuanshiseed.com		
20	Jin Zai Foods	Pingjiang High-Tech Industrial Park, Yueyang City, Hunan Province	https://www.jinzaifood.com.cn/		jzsp@jinzaifood.com.cn
21	Jiangsu Jielong Agricultural Development Group Co., Ltd.	No. 362, Renmin West Road, County Town, West Zone, Sheyang County Economic Development Zone, Jiangsu Province	http://jsjielongjt.com/	jack_831123@163.com	0515-89212000
22	China National Building Material Group (CNBM)	Building 2, Guohai Plaza 17 Fuxing Road Haidian District Beijing Guohai Plaza, Building 2	https://www.cnbm.com.cn/	cnbmadmin@cnbm.com.cn	86-10-68138199
23	Beijing New Building Materials Public Limited Company (BNBM)	Block A, BNBM Center, Future Science City, Changping District, Beijing, China	https://www.bnbm.com.cn/		+86 105786 8888
24	China Jushi Co., Ltd.	318 Fenghuanghu Avenue, Wutong District, Tongxiang, Zhejiang	https://www.jushi.com/	info@jushi.com	0086-573-88181222
25	CHINESTAR Construction R&D (GuangDong) Group Co., Ltd.	14th Floor, Nature Home Building, No.1 Zhicheng Road, Daliang Street, Shunde District, Foshan City, Guangdong Province, China	https://www.zcgg.net/	fszcgg@126.com	+86-757-22236808/22615959
26	Sinovac	No. 21 Tianfu Street, Daxing Biomedical Industrial Base, Zhongguancun Science Park, Daxing District, Beijing, China	https://www.sinovac.com/zh-cn	sinovac@sinovac.com	\
27	Egyptian Holding Company for Biological Products and Vaccines (VACSERA)	51 Wezaret El-Zeraa st.,Giza,Egypt	https://egyvac.vacsera.com/	Vacsera News@ Vacsera News	(+202)37 61 11 11
28	Fosun Pharma	No. 1289 Yishan Road (Building A, Fosun Technology Park), Shanghai City	https://www.fosunpharma.com/en/	pr@fosunpharma.com	86-21-33987000
29	Kenya FullCare (Kenya) Medical SEZ Limited (Subsidiary of Zhende Medical)	Tatu City, Kiambu, Kenya			
30	Zhende Medical	No. 55 Xiangji Road, Gaobu Subdistrict, Yuecheng District, Shaoxing City, Zhejiang Province	https://www.zhende.com/	info@zhende.com	0575-88771820
31	Wondfo Biotech	No.8 Lizhishan Road, Science City, Huangpu District,Guangzhou, China	https://en.wondfo.com/	sales@wondfo.com.cn	(+86) 400-830-8768

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32	Microhaem Scientifics (MHS)	Plot 16 A-C Martyrs' Way Ntinda, P.O Box 73496 Kampala - Uganda	https://microhaem.co.ug/	info@microhaem.co.ug	□+256□ 393 246 401
33	Guangzhou Automobile Group (GAC)	GAC Group Panyu Headquarters 668 East Jinshan Avenue Panyu District Guangzhou City Guangdong Province	https://www.gacgroup.com/cn/	webmaster@gac.com.cn	(+86)-20-83151139
34	Chery Automobile	No. 8 Changchun Road, Wuhu Economic and Technological Development Zone, Wuhu City, Anhui Province	https://www.cheryinternational.com/		
35	BTR New Material Group Co. Ltd	East of Guangyuan 2nd Road, Guangming District, Shenzhen, North of Guangyuan 4th Road	https://www.btrchina.com/en/	sales@btrchina.com	'+86 755-26514655
36	GV Investments	62 South 90th St, New Cairo City, Cairo 11835	https://gvinvestments.co/		
37	First Automobile Works (FAW) Group	No. 288 TianFu Road, Jingyue Development Zone, ChangChun City, Jilin Province, China	https://www.faw.com/	wangchaoyi@faw.com.cn	(+86)-431-8112-1529
38	BYD	No. 3009, BYD Road, Pingshan District, Shenzhen City, Guangdong Province, China	https://www.byd.com/cn		+86-755-89888888
39	CATL	No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde, Fujian Province	https://www.catl.com/		+86 593-2583668
40	Huajian Group	Huajian International Light Industry City, Addis Ababa	https://www.huajian.com/	server@huajian.com	+86-185-6615-6789 / +251-929-933-000
41	C&D Products Rwanda Ltd	Street RD A/2. Kigali SpecialEcnomic Zone, Gasabo District, Kigali,Rwanda	https://www.cnd-productsgroup.com/rwanda-factory/	lily-li@cnd-products.com	(+86) 18668189100
42	Orient International Group	1488 Hongqiao Road, Changning District, Shanghai	https://www.oih.com.cn/	bussiness@oih.com.cn	021-22110288
43	China National Chemical Engineering Group Corporation (CNCEC)	No. 2 Dongzhimen Nei Street, Dongcheng District, Beijing, China	https://cncec.cn/	cncec@cncec.com.cn	+86 (010) 59765575
44	Fertop Agriculture	Norton, Mashonaland West Province, Zimbabwe			
45	Yunnan Tian'an Chemical Co. Ltd.	1417 Dianchi Road, Xishan District, Kunming City, Yunnan Province	http://www.yyth.com.cn/		400-860-1912
46	China Wuhuan Engineering Co. Ltd.	No. 1019 Minzu Road, Wuhan, Hubei Province, China	https://www.cwcec.com/wuhuan		+86(027)81927319
47	Fertilizers and Plant Protection Products Group (ASMIDAL)	Route des salines, BP 225, EL Bouni, Annaba	https://asfertrade-dz.com/		
48	MANAL (National Mining Group)	Algeria			

No	Company Name	Address	Website	Email	Tel
49	Nice Group	No. 19 Kuacang South Road, Liandu District, Lishui, Zhejiang Province, China	https://www.cnnice.com/		0578-2286666
50	NAKFA Comércio e Indústria Lda	Rua Ngola Kiluange, Luanda, Lunda Norte			+244 923 427 479
51	Longrich	Longrich Biological Industrial Park, Changshu, Jiangsu, P.R.China	https://www.longrich.com/		400-828-2503
52	Jiangsu Yongyuan Investment Co. Ltd.	No. 122 Xiangshan South Road, Zhangjiagang City, Jiangsu Province, China / Yidmek Building, Kebele 05 Nifas Silk Lafto, Addis Ababa, Ethiopia			
53	China-Africa Lekki Investment Ltd (CALIL)	21st Floor, Zhongtu Building No. 6 North Fengwo, Yangfangdian Subdistrict Haidian District, Beijing, China	www.calekki.com	ludapeng@calekki.com	010-5272 7027
54	Lekki Worldwide Investments Ltd.	47/49 Sinari Daranijo Street, Off Ligali Ayorinde Street Victoria Island Lagos, Nigeria	https://www.lekkizone.com.ng/	info@lekkizone.com.ng	\
55	Tian Tang Group	16th Floor, Xianjian Technology Building Nanshan District, Shenzhen City Guangdong Province, China	https://www.tiantang-group.com/		13103267878;+256 707932162
56	Pearlight Technology Co., Ltd.	6th Street Industrial Area at ABC mall, Kampala, Uganda		pearlight@163.com	+256 702 188888
57	Jiangxi International Economic and Technical Cooperation Co. Ltd.	No.1198, Fenghezhong Avenue, Honggutan District, Nanchang, 330038, P.R.China	https://www.cjic.cn/	jic@cjic.cn	+86-(0)791-86373154
58	Jiangxi Copper Co. Ltd.	No. 7666, Changdong Avenue, Nanchang City, Jiangxi Province	https://www.jxcc.com/		0791-82710117
59	Jiangxi State-Owned Capital Operation Holding Group Co. Ltd	Ji Cheng Building, 28th-29th Floors 929 Fenghuang Middle Avenue Honggutan New District Nanchang City Jiangxi Province, China	http://www.jxgzkg.com.cn/		0791-85227071
60	Hebei Huatong Cables & Wires Group Co. Ltd	No. 111, Huatong Street Fengnan Economic Development Zone Tangshan City, Hebei Province, China	https://www.huatongcables.com/		0315-5099808
61	China United Construction Group	1060 Bin'an Road, Binjiang District, Hangzhou City, Zhejiang Province, China	http://www.chinacuc.com/		0571-88151982/010-84982938
62	ARISE Integrated Industrial Platforms (ARISE IIP)	5th Floor, Building 11, No. 6055 Jinhai Highway Fengxian District, Shanghai, China	https://www.ariseiipcn.com/		
63	Haier Group	No. 1 Haier Road, Qingdao City, Shandong Province, Haier Information Industrial Park, China	https://www.haier.com/global/		

No	Company Name	Address	Website	Email	Tel
64	Xinganglian (Shanxi) Holding Group Co., Ltd. (Xintai Resources)	West Park, Fengzhen City, Ulanqab City, Inner Mongolia Autonomous Region	http://www.xgl-group.com/		0474-3218116
	Special Economic Zones and Industrial Parks in the Report				
1	Coega Industrial Development Zone	Port Elizabeth, South Africa	https://www.coega.co.za/site/sez-investments		+27 21 481 9960
2	Mohammed VI Tanger Tech City	Tangier-Assilah Prefecture, Morocco	https://www.satt.ma/company/	contact@satt.ma	+212 (0) 5393-76304
3	Huajian International Light Industry City	Addis Ababa, Ethiopia			
4	Kigali Free Trade Zone	Kigali,Rwanda	https://rdb.rw/departments/sez-and-exports/	info@rdb.rw	
5	Luanda-Bengo Special Economic Zone	Viana, Luanda, Angola	https://zee.co.ao/	marketing@zee.co.ao	+(244) 937 516 485
6	Lekki Free Trade Zone	Lagos, Nigeria	https://lfzdc.org/china-africa-lekki-investment-limited/	info@lfzdc.org	+234 1 454 3465-6
7	China–Zambia Economic and Trade Cooperation Zone	Kitwe, Copperbelt Pronvicce, Zambia	http://zccz.cnmc.com.cn		
8	Eastern Industrial Park	Addis Ababa, Ethiopia	http://e-eiz.com/en/		
9	Zambia-Jiangxi Economic Cooperation Zone	Chibombo, Central Province, Zambia	http://en.jxmfez.cn/	mfez@cjic.cn	+86 18840862527
10	Huatong Aluminum Industrial Park	Benguela Province, Angola			
11	Kwala Industrial Park	Dar es Salaam, Tanzania	http://www.stindustrialpark.com/en	sinotan_industrialpark@hotmail.com	+86 139 6717 3887
12	Haier Egypt Ecological Park (Phase II)	Cairo, Egypt	https://www.haier.com/eg/		
13	China–Egypt TEDA Suez Economic and Trade Cooperation Zone	Ain Sokhna, Egypt	https://www.setc-zone.com/	suez@teda.com.cn	002-01002211764
14	Hisense Industrial Park	Cape Town, South Africa	https://hisense.co.za/	jiangshun@Hisense.com	（+27）218322888
15	Palm River Energy Metallurgical SEZ	Beitbridge Town, Matabeleland South Province, Zambia			
16	China–Uganda Mbale Industrial Park	Mbale, Uganda	www.zwmip.com	shawn_lee@tiantang-group.com	+86 15900300299 /+256 759988888
17	C.C.L.E. Rubber Co., LTD	Mukono District, Central Region, Uganda			
18	Qingdao Sentury Tire Co.	No. 5 Tianshan Third Road, Daxin Town, Jimo District, Qingdao, Shandong Province, China	www.senturytire.com	zhangy@senturytire.com	0532-6896872
19	China Great Wall Industry Corporation	No. 88 Nan Cai Yuan Street Xi Cheng District, Beijing ,P.R.China	https://www.cgwic.com/	space@cgwic.com	86-10-88102000

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Africa's regional integration is a cornerstone of the continent's long-term transformation agenda. By connecting markets, harmonizing standards, and enhancing cross-border linkages, integration offers the foundation for industrialization, trade expansion, and shared prosperity. Within this process, China–Africa cooperation has emerged as a vital force — mobilizing investment, technology, and infrastructure to accelerate regional connectivity and industrial upgrading. This 2025 edition of the report series on Chinese Investment in Africa — titled Building Integrated Futures: China–Africa Investment and Africa's Regional Integration — reflects both the contributions of Chinese enterprises in filling critical connectivity and industrial gaps, and the growing opportunities that Africa's advancing integration provides for sustainable and mutually beneficial investment.

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Core Members

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Featured Case Studies

The case studies presented in this report featured 25 enterprises, which are draw on field research and enterprise data collected by CABC and its partners, covering a diverse range of Chinese-invested projects across Africa in infrastructure, trade, energy, manufacturing, technology and green development.

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