

# China-Africa Trade Developments and Impacts: Case of China-Zambia Relations

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## 1. Introduction

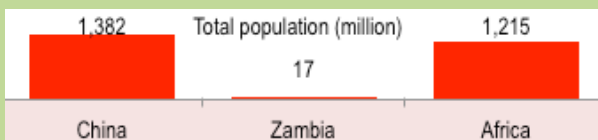
At a glance, China and Zambia – just like China and Africa – are strikingly different in many ways. They followed markedly different paths to development. They achieved significantly divergent trade and development results. However, they also have many striking commonalities, including a shared long history of developmental cooperation and relations. But, what are the lessons of China-Zambia relations for Zambia’s developmental goals and aspirations, including those in the Vision 2030?

This study sought to undertake a critical comparative assessment of the trade (and other underpinning socio-economic) developments in China, Africa and Zambia, with a view to understanding their impetus as well as their consequences, both positive and negative, for China-Africa and China -Zambia ties. It offers unique perspectives and understanding about China-Africa and China-Zambia relations. It takes a look at the history and present-day China-Africa and China-Zambia relations, considering the social and cultural ties that have defined cooperation as well as the political and diplomatic relations that have been forged over time. It unravels the trade and development implications of these relations for Zambia, Africa and China.

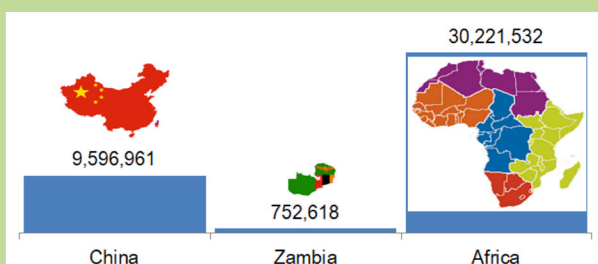
## 2. Main Observations at a Glance

### Box 1: Populations and Land Areas

- China and Africa have similar population sizes; Zambia’s population (with 17 million people) is relatively smaller than that of an average African country (22.5 million):

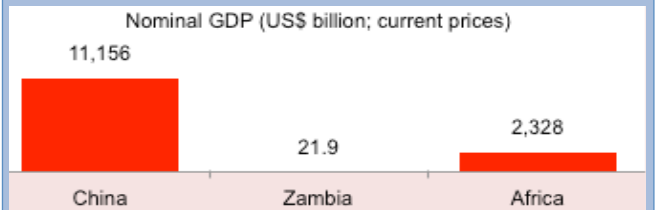


- Africa – at 30.2 million km<sup>2</sup> – is 3 times larger than China, 40 times larger than Zambia and 54 times larger than the average African country:

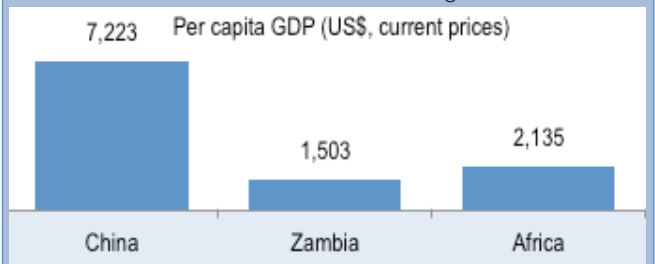


### Box 2: Economy Size and Welfare

- China’s GDP was US\$11 trillion in 2015; Africa’s was US\$2.3 trillion; and Zambia’s was US\$21.9 billion:

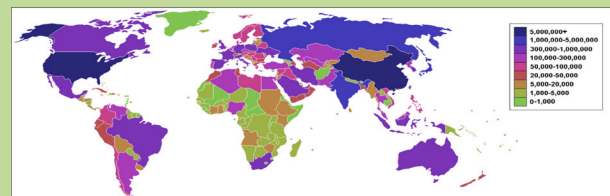


- China’s income per capita in 2015 was 4.8 times larger than that of Zambia and 3.4 times larger than Africa’s:

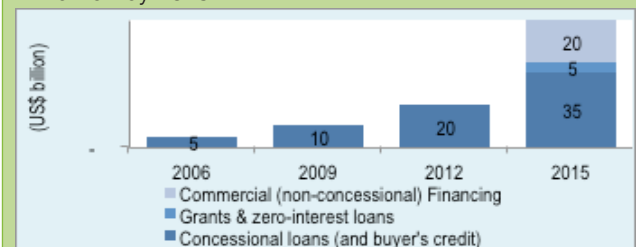


### Box 3: Pollution; FOCAC Commitments

- China’s economic growth has the side-effect of heavy pollution (e.g., CO<sub>2</sub> emissions (‘000 tonnes per year));
- Africa/Zambia: among the “greenest” places on earth.

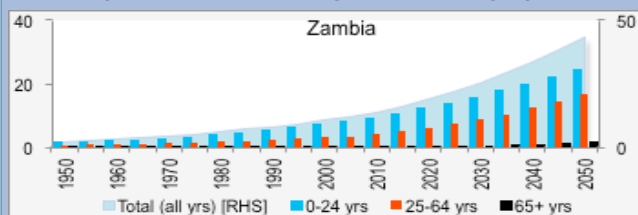


- New Chinese developmental cooperation FOCAC started in 1999 at US\$5 billion and grew to US\$60 billion by 2015:

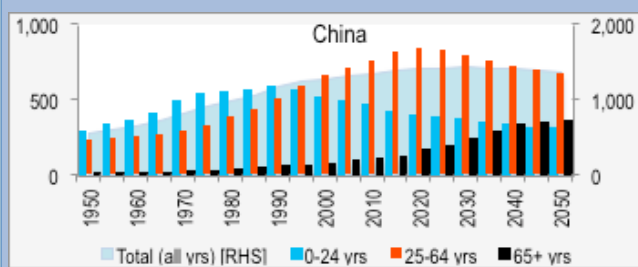


### Box 4: Demographic Transitions and Responses

- Zambia (like the rest of Africa) is young and getting younger, with an increasing productive age group:



- China is aging and has thus focused on education, particularly science, technology, engineering and mathematics (STEM) since 2006:



### 3. Policy Suggestions

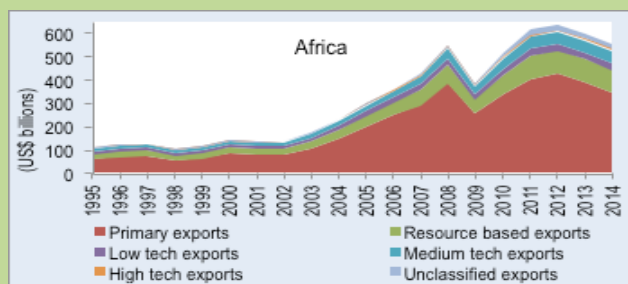
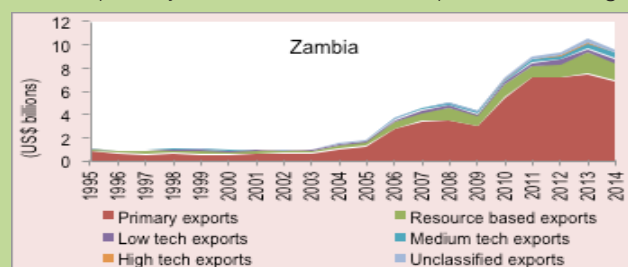
Against the forgoing observations, the study offers a number of policy suggestions for Zambia, Africa and China, including the following:

- African countries including Zambia should plan for deep-rooted reforms in education, skills development and talent discovery, with the first step towards this being the undertaking of comprehensive, systematic and time-bound reviews of their education, skills development and talent development sub-sectors and systems, benchmarked against leading world economies (like China).
- In order to cope with and mitigate the effects population growth and urbanization pressures, particularly the pressures on environmental sustainability in China and Africa, the blocs should formulate a common, standardized monitoring and evaluation system for measuring the “greenness” [“labour intensity”] of FDI funded activities and various China- and Africa-sponsored developmental projects.
- The current approach of FOCAC exchange initiative, which focused Africa-to-China learning should be reviewed as it will do little to help Chinese people to get familiar and comfortable to operate in African social, economic, political and legal spaces and systems. Given the near parity of the total populations in China and Africa, the exchanges could be set at a 1:1 ratio. China-to-Africa learning will also help to resolve some of the challenges emanating from the cultural differences between China and Africa.
- In order to address language and communication barriers between China and Africa, Chinese and African social and linguistic research centres as well as information and communication technology (ICT) centres should be identified as part of a specific FOCAC programme, and commissioned to conduct public sector R&D.

**“You do not discuss with a tiger concerning the stripes of its skin when you want a tiger-skin coat”**  
Chinese proverb (by unknown)

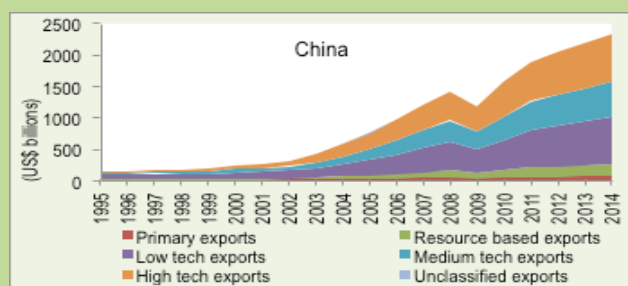
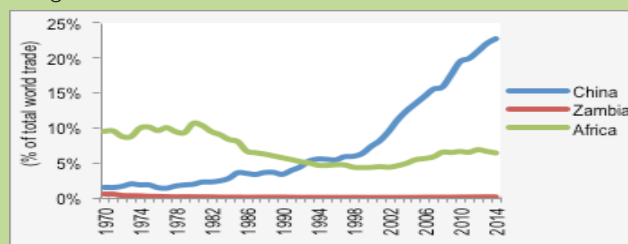
### Box 5: Primary Goods Trade Persist in Zambia & Africa

- Zambia and Africa have remained in the peripheries of global trade volumes and export trade sophistication, with primary and resource-based exports dominating:



### Box 6: China’s Increasing Export Trade Dominance & Sophistication

- By 2014, China was the largest exporter in the world;
- China’s export specialization was in sophisticated goods:



- China and Africa should establish a common platform such as a Sino-Africa stock exchange through which investment vehicles, companies and project operators can be listed, and equity options offered.
- In order to prevent a potentially divisive scramble for Chinese financial resources among African countries, FOCAC should establish pro-rata quota-based and performance-based mechanisms for determining the allocations (of at least some portion) of FOCAC financial resource to African countries.