

China pledges 10b USD to Africa

Written by The New York Times
Monday, 09 November 2009 15:59

BEIJING — China offered African governments a multibillion-dollar package of financial and technical assistance on Sunday, stepping up a courtship that already has gained Beijing wide access to oil and minerals across perhaps the most resource-rich continent in the world.

Prime Minister Wen Jiabao pledged to grant African countries \$10 billion in low-interest development loans over the next three years, to establish a \$1 billion loan program for small and medium-size businesses, and to forgive the remaining debt on certain interest-free loans that China previously granted less-developed African nations.

Mr. Wen made the pledge in an address to the Forum on China-Africa Cooperation, held in the Egyptian city of Sharm el Sheik. The \$10 billion in new loans is double the amount China pledged at the last meeting in 2006. The debt forgiveness continues a series of annual loan cancellations that extends to 2006.

Mr. Wen told officials of the 49 African nations in attendance that this year's session "represents a new stage of development in relations with Africa."

Besides the financial assistance, Mr. Wen also promised to form a partnership to address climate change in Africa, including the building of 100 clean-energy projects across the continent. Beijing will also remove tariffs on most exports to China from the least-developed African nations that do not have diplomatic relations with Taiwan, and sponsor an array of other programs in health, education, culture and agriculture.

The gestures are likely to further cement China's good relations with many African nations, and may help address rising concern in some quarters that China is merely replacing Europe as a colonial power.

China pledges 10b USD to Africa

Written by The New York Times
Monday, 09 November 2009 15:59

China's focus on extracting oil and minerals from Africa has drawn some criticism from African scholars, and labor and safety conditions at some Chinese-run mines and smelters have set off outcries by African workers. Some critics say that the flood of low-cost Chinese goods into African cities has displaced products once made by local workers.

China has long offered low-interest loans to African nations, usually on the condition that governments spend the money on Chinese-made goods or on projects built by Chinese companies. African governments have eagerly accepted the loans, in part because they are free of conditions that international and Western lenders often attach to loans, like improvements in governance.

One result is that China has become a major builder of Africa's infrastructure, including railroads, highways and canals.

The loans and other overtures have turned China into one of Africa's largest trading partners. Trade has soared to \$106.8 billion last year from about \$10 billion in 2000; Chinese direct investment in Africa leaped 81 percent in the first six months of this year, to \$552 million, according to the Commerce Ministry.