

# CGF-ODI-AERC Conference 2024

## China-Africa Economic Interactions: Past, Present, and Future



**12 - 13 September 2024**

**Khalili Lecture Theatre (KLT), SOAS University of London**

China's infrastructure investment in Africa is immense. In 2005, only four African countries received infrastructure investment from China, while by 2023, this figure had risen to 46. The high growth of China's infrastructure investment in Africa in the past two decades is primarily attributed to the pre-Covid period (61.45% from 2005-2019). We have seen a decline in this investment (-23.49% from 2020-2023) due to ongoing adjustment of China's model of operating overseas infrastructure investment since Covid-19.

Several factors contribute to this adjustment. First, in the past, China's overseas infrastructure projects are often undertaken within an enclave system, including financing, procurement, construction, and loan repayment. The broken supply chains during Covid-19 made this operation impossible. Second, emerging domestic economic problems since Covid-19 have also become obstacles to China's further economic growth, reducing China's financial capacity. Third, the risk management of China's overseas infrastructure investment was weak in the past. China has determined the destination and the scale of investment mainly based on diplomatic ties, geopolitical

alignment, and political relationships with recipient countries, but negative shocks such as Covid-19 have brought about real consequences when host countries fail to repay China's infrastructure lending. Fourth, geopolitics has become more important than ever in China's overseas economic operations. The international community, including the US, EU, UK, and other OECD countries, has all enhanced regulatory scrutiny of Chinese investment due to national security concerns, leading to stronger public resistance to China's economic activities in host countries. Consequently, trade wars and the competition for critical resources have resulted in a revamp of the global supply chains. Moreover, geopolitics also brought in more rivals to compete with China's financing in emerging and developing economies.

What do these changes imply for Africa? We will bring together researchers, policy makers and practitioners to discuss issues surrounding the China-Africa economic interactions through the lens of China's infrastructure investment. The conference is hosted by the SOAS Centre for Global Finance, and co-organised by ODI and the African Economic Research Consortium (AERC).

# Thursday, 12 September 2024

Venue: Khalili Lecture Theatre (KLT)  
Location: Lower Ground Floor, Main Building, SOAS University of London

## 09:30-10:00 Registration and refreshments

**Opening & Welcome** (Chair: Prof. Hong Bo, AXA Chair in Global Finance & Director, Centre for Global Finance, SOAS University of London)

10:00-10:15 - Welcome address by Prof. Elisa Van Waeyenberge, Head of College of Development, Economics and Finance (CoDEF), SOAS University of London

- Opening remarks by Prof. Dirk Willem te Velde, Director of the International Development Group and the Principal Research Fellow, ODI London

10:15-10:30 Group Photo

**Session I: Keynote Speech I** (Chair: Prof. Victor Murinde, African Economic Research Consortium)

10:30-11:30 *Do Chinese firms benefit from undertaking China's overseas infrastructure investment?*  
Speaker: Professor Franklin Allen, Professor of Finance and Economics, Imperial College Business School

**Session II: ODI Policy Panel Discussion** (Chair: Prof. Emilia Onyema, SOAS University of London)

11:30-13:00 *Trade, finance and debt between China and Africa: new policy approaches or more of the same?*

Following a significant increase in trade and finance between China and Africa since the early 2000s, Chinese economic engagement in Africa (trade, investment, lending) is now showing signs of slowing down. Chinese foreign direct investment (FDI) and lending to Africa have plateaued in the last five years, while the second phase of the Belt and Road Initiative (BRI 2.0) has shifted towards a more cautious approach. Simultaneously, debt distress faced by many African countries is influencing their relations with China. However, initiatives like the African Continental Free Trade Area (AfCFTA), which is reshaping Africa's economic transformation, present new opportunities for future engagement with China. In the wake of the 2024 Forum on China-Africa Cooperation (FOCAC), this panel will explore the evolving policy landscape in relation to China-Africa economic relations, focusing on potential shifts in policy directions concerning trade, finance, and debt. It will delve into the factors driving these changes, analysing their implications for both China and Africa and discuss potential pathways towards a more balanced and sustainable economic partnership.

Panellists:

- H.E. Mrs Macenje Florence Mazoka, High Commissioner for the Republic of Zambia
- Ms Agnes Gitau, Executive Director of the Eastern Africa Association (EAA)
- Dr Folashade Soule-Kohndou, Senior Research Associate, University of Oxford
- Dr Yunnan Chen, Research Fellow, ODI London
- Dr Linda Calabrese, Senior Research Fellow, ODI London

13:00-14:15 **Lunch Break**

**Session III: China-Africa Infrastructure Interactions**  
(Chair: Dr Tolu Lawal, SOAS University of London)

14:15-14:45 Paper 1: *Sovereign risk and China's overseas infrastructure investment: Evidence from developing countries.*  
By Dr Jeffrey Ighedosa, SOAS University of London  
Discussant: Dr Junhong Yang, University of Sheffield

14:45-15:15 Paper 2: *Feet of Clay? The past and future of China's infrastructure finance in Africa.*  
By Dr Yunnan Chen, ODI London  
Discussant: Prof. Yener Altunbas, University of Bangor

15:15-15:45 Paper 3: *Beyond State-Backed Funding: Multiple Embeddedness and the Internationalisation of Chinese State-Owned Contractors in Africa.*  
By Dr Elisa Gambino, University of Manchester & Dr Costanza Franceschini, Leiden University  
Discussant: Dr Xiaoxi Qu, University of Bangor

**15:45-16:00 Health Break**

**Session IV: Policy Implications of China-Africa Economic Engagement**  
(Chair: Prof. Dirk Willem te Velde, ODI London)

16:00-16:30 Paper 4: *Relationship Banking and Lending Cost in the Interbank Market: A Network Approach.*  
By Dr Pia Weiss, University of Nottingham  
Discussant: Dr Martin Brownbridge, Independent Consultant

16:30-17:00 Paper 5: *Politics of knowledge production around China-Africa relations.*  
By Dr Frangton Chiyemura, Open University  
Discussant: Dr Huan Zou, SOAS University of London

17:00-17:30 Paper 6: *Owning assets or injecting capital: Distinguishing between Chinese foreign direct investment and lending in African countries.*  
By Winslow Robertson, University of Navarra & Léonce Ano, LLM Advisory  
Discussant: Dr Sandra Kendo, Catholic University of Lille

**18:30-21:00 Conference Gala Dinner (By Invitation)**  
*Short Talk: Brazil-China Bilateral Relations.* By Minister-Counsellor Alexandre Brasil, Deputy Chief of Mission, Embassy of Brazil in the United Kingdom, and Counsellor Carlos Henrique Angrisani Santana, Head of the Economic and Financial Section, Embassy of Brazil in the United Kingdom

## Friday, 13 September 2024

Venue: Khalili Lecture Theatre (KLT)

Location: Lower Ground Floor, Main Building, SOAS University of London

**09:00-09:30 Registration and morning refreshments**

**Session V: Keynote Speech II** (Chair: Prof. Hong Bo, SOAS University of London)

09:30-10:30 *Africa-China economics after FOCAC9 - what next?*  
Speaker: Ms Hannah Ryder, CEO of Development Reimagined

**Session VI: AERC Roundtable Discussion on China in Africa** (Chair: Prof. Peter Muriu, Associate Professor of Economics and Finance, University of Nairobi)

Over the past three decades, China-Africa economic engagement has deepened across trade, development finance and foreign direct investment (FDI), contributing to economic transformation in Africa. However, according to recent research by the AERC and Boston University Global Development Policy Centre, it may be argued that Sino-African economic relations have helped African countries overcome infrastructure bottlenecks but have also replicated trade patterns where Africa exchanges its primary resources for finished goods. Indeed, some pertinent questions have emerged: If China and African countries intend to tackle current development objectives like energy access and transition, what forms of finance and which industries are promising targets for future cooperation? What databases exist for tracking Chinese loans and investment to a variety of sectors, including energy and other infrastructure development? How about the technological development dimension including diffusion of financial technology (FinTech)? What are the prospects for long term financing of development projects in the China-Africa investment model?

10:30-11:30

Panellists:

- Prof. Victor Murinde, Executive Director, African Economic Research Consortium
- Dr Abbi Kedir, Director of Research, African Economic Research Consortium
- Dr Dianah Muchai, Research Manager, African Economic Research Consortium
- Ms Patricia Ojangole, Managing Director, Uganda Development Bank

**11:30-11:45 Health Break**

**Session VII: African Economy and Financial Sector** (Chair: Prof. Andy McKay, University of Sussex)

11:45-12:15

*Paper 7: Green financial development, institutions, and sustainable economic growth.*

By Prof. Joshua Abor, University of Ghana

Discussant: Dr Frangton Chiyemura, Open University

12:15-12:45

*Paper 8: Bank stability, bank business model and the financial resource curse.*

By Dr Sandrine Kablan, Université Paris-Est Créteil (UPEC)

Discussant: Dr Pia Weiss, University of Nottingham

12:45-13:15

*Paper 9: Modelling monetary and fiscal policy to achieve climate goals in Africa.*

By Prof. Yener Altunbas & Dr Xiaoxi Qu, University of Bangor

Discussant: Dr George Kararach, African Development Bank (AfDB)

**13:15-14:30 Lunch Break**

**Session VIII: Voices of Tomorrow** (Chair: Dr Jaideep Oberoi, SOAS University of London)

14:30-16:00

*New Frontiers: A Dialogue Among Emerging Researchers*

- Raphael Kasonde, Bank of Zambia & University of Lincoln
- Catherine Tuhirwe, SOAS University of London
- Chaofan Yu, Xi'an Jiaotong-Liverpool University
- Tianyi Wu, Oxford University

**Session IX: Book Launch** (Chair: Prof. Eric Girardin, Aix-Marseille Université)

16:00-17:00

*Taming the Cycles of Finance? Central Banks and the Macro-prudential Shift in Financial Regulation.* Published by Cambridge University Press

By Prof. Matthias Thiemann, Sciences Po Paris

Discussant: Dr Martin Brownbridge, Independent Consultant

**17:00-17:15 Closing remarks by Dr Alberto Asquer, Head of Department, School of Finance and Management, SOAS University of London**

**Departure**