

## AFRICA

# Continental drifts towards Africa

Alex Vines 04 Jan 2019 00:00



Scratch my back: China's President Xi Jinping walks with South African President Cyril Ramaphosa into the Focac round table conference in Beijing in September 2018. China's investment in Africa has risen dramatically. (Lintao Zhang/POOL/AFP)

## **COMMENTS**

*Last year the United Kingdom, the United States, Russia and the European Union unveiled their new strategies for Africa and China, Germany and India tweaked theirs*

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There is no doubt that 2019 will see a quickening of renewed international competition in Africa. China is now Africa's leading trading partner and India, Russia and others are increasing their involvement, whereas the European Union is treading water and the United States is falling behind.

A key development in 2018 was Russia's re-entry into Africa. In 2019 the first Russia-Africa summit will add to an already lengthy list of summits.

Russia has, for several years, been quietly investing in Soviet-era partnerships and forging new alliances

by offering security, arms training and electioneering services in exchange for mining rights and other opportunities.

It was only when the Russians moved into the Central African Republic with guns and soldiers in 2018 that the world suddenly woke up to the reality that a new Russian Africa strategy was in place. Russia's re-engagement in Africa is a reminder that there will be greater geopolitical rivalry and international experimentation on the continent in future.

This year there will also be greater interconnectedness of parts of the continent with developments happening elsewhere. In 2019 the Horn and East Africa will pivot further towards Asia and the Middle East as a result of investments, politics and soft power. A recent survey indicated that many well-heeled Africans increasingly favour Dubai as their primary elite holiday destination (this includes South Africans).

The spat between Qatar and the United Arab Emirates is playing out across the region, with direct political consequences in Somalia. Turkey is continuing to deepen its involvement, including building a port in Eritrea. President Recep Tayyip Erdogan made the first Turkish presidential trip to the Sahel in 2018, signalling increased Turkish ambitions.

The India Union Cabinet in March last year approved the opening of 18 diplomatic missions in Africa. This rollout of Indian embassies is under way in Burkina Faso, Cameroon, Cape Verde, Chad, the Democratic Republic of Congo (DRC), Djibouti, Equatorial Guinea, Eritrea, Guinea, Guinea-Bissau, Liberia, Mauritania, Rwanda, São Tomé and Príncipe, Sierra Leone, Somalia, Swaziland and Togo. India will have at least one mission in 47 African countries when this process is completed.

But there was a political setback for New Delhi in 2018 when the Seychelles Parliament rejected India's efforts to lease a military facility on Assumption Island.

The seventh Tokyo International Conference on African Development will be held in Yokohama, Japan, in 2019. Tokyo continues to deepen its commercial, development and political involvement in Africa and it has also attempted to join forces with India to compete head-on with China with the Asia-Africa Growth Corridor initiative.

China's key focus is developing its Belt and Road Initiative in Asia and northeast Africa. The Forum on China-Africa Co-operation (Focac) concluded its third summit meeting in Beijing in September last year, and many more African heads of state and government attended it than they did the United Nations General Assembly annual meeting in New York.

Focac signals the continued importance of Africa for China and the \$60-billion pledged by China at the summit is the same amount as it promised in 2015, though it will be structured differently this time, reflecting China's shifting priorities.

A growing debate in 2018 was about whether China's loans to African countries are sustainable. Three countries — Djibouti, the Republic of Congo and Zambia — are excessively reliant on Chinese loans (in terms of the proportion of foreign debt held by China).

Cameroon, Ethiopia, Ghana, Mozambique, Sudan and Zimbabwe are also exposed. Critics of heavy Chinese lending cite the case of Sri Lanka's Hambantota port, which was placed into Chinese hands on a 99-year lease in lieu of debt payments. Djibouti has made a similar concession to China, after heavy debt accumulation.

This is worrying the Western countries that maintain military facilities in the region, including France, Japan and the US.

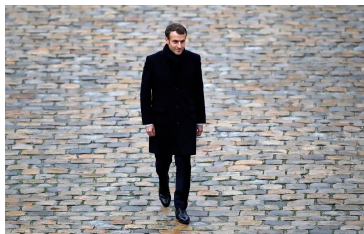
The latest World Investment Report from the UN Conference on Trade and Development also suggests that a significant financial change is under way. China's foreign direct investment (FDI) stock in Africa has climbed to \$40-billion in 2016 from \$16-billion in 2011, placing it in fourth position behind the US (\$57-billion), the UK (\$55-billion) and France (\$49-billion).

In comparison with China, FDI stocks for the top three were little changed over the period and have flat-lined. Chinese and Gulf-state FDI into parts of Africa is rising, and traditional sources of financing from the US, France and the UK are projected to continue to decline in 2019.

In December, the Trump administration's New Africa Strategy was unveiled by US national security adviser John Bolton. The strategy signals that the US is more interested in countering China and Russia than in advancing US policy objectives, and mainly denotes what the US would not do rather than what it was committed to.

It is unclear whether any new resources are available, but the focus on containing Russia and China will make the Gulf of Aden even more of a strategic focus as an international shipping choke point. US and EU about over access to strategic minerals is growing — expect far more international focus on the DRC and its natural resource endowments.

Despite Brexit uncertainty the UK last year agreed on a new Africa strategy, and this includes £30-million more for diplomats and the opening or re-opening of embassies in Chad, Djibouti, Swaziland, Lesotho and Niger, and in August the first UK prime ministerial trip to Africa since 2013. London plans, in 2019, to host an investment in Africa summit and aspires to be the leading G7 investor in Africa.



**French president Emmanuel Macron (Gonzalo Fuentes/Reuters)**

Africa has emerged as a cornerstone of Emmanuel Macron’s effort to boost France’s global influence. He has visited 11 countries on his nine trips to Africa.

Germany also continues to build up its Africa engagement — discreetly tweaking in 2018 its original “Marshall Plan for Africa” into a more collaborative initiative — aimed at encouraging manufacturing and diversifying economies. The reality is that the UK, French and German trade with Africa continued to decline in 2018.

The EU hammered out a new Africa strategy in October, with angst over African migration into Europe at its core. How Africa’s leaders and regions respond to this renewed international strategic interest will be important. The continent’s big idea, the African Continental Free Trade Area, which aims to build an integrated market in Africa of over one billion people with a combined GDP of approximately \$3.3-trillion, could drive further growth, but it requires greater union and co-operation.

Presidential elections have driven past pan-African visions such as the New Partnership for Africa’s Development (Nepad). Three key African states — South Africa, Nigeria and Algeria — will hold presidential elections in 2019.

Progressive, transformative politics have regional and continental implications. The biggest positive surprise of 2018 was the pace of change in Ethiopia. A year ago nobody dared predict the reforms now taking place. They are truly seismic, and the rapprochement with Eritrea is already altering geopolitical calculations in the Horn of Africa and beyond.

Sweeping political changes have sparked insecurity in some areas as this transition gathers pace under the new prime minister, Abiy Ahmed, who took over in April 2018 after the resignation of Hailemariam Desalegn.

Not all is rosy, though. Ethnic violence has displaced 1.4-million people internally in Ethiopia, as the authoritarian grip of previous administrations loosens.

How African leaders respond to this new wave of globalisation is the key to whether this renewed attention will be divisive and encourage further continental political fragmentation, or whether it will help to build better national and regional economies — and develop Africa's international voice.

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