



Africa: A hot frontier for U.S. and China

By **Emily Chang**, CNN

November 17, 2009 -- Updated 2010 GMT (0410 HKT)



Chinese President Hu Jintao gestures the way forward for visiting U.S. President Barack Obama in Beijing on Tuesday.

STORY HIGHLIGHTS

- China seems to be leaving U.S. behind by taking off on a global shopping spree
- China has pledged \$10 billion in loans to developing African countries -- double amount it promised in 2006
- China's investment in Africa is up 77.5% this year; trade with Africa has risen 10 times in decade to \$107 billion

Beijing, China (CNN) -- As U.S. President Barack Obama shakes hands with Chinese President Hu Jintao and the highest-ranking members of the Chinese Politburo, one has to wonder if he is sizing up the competition.

China appears to be leaving the United States in the dust by taking off on a global shopping spree from South America to the Middle East and especially Africa. The question is, can the U.S. keep up and does it want to?

The presidents did not address Africa in their joint statements on Tuesday in Beijing, but no doubt it is on both of their agendas.

So far this year, Obama has stopped in Ghana and Egypt while U.S. Secretary of State Hillary Clinton wrapped a seven-nation African tour in August.

Hu has stopped in Mali, Senegal, Tanzania and Mauritius while Premier Wen Jiabao just attended the Forum on China-Africa Cooperation in Cairo. Among other things, he pledged \$10 billion in loans to developing African countries. That is double what China promised at the same forum in 2006.

Wen emphasized that [China](#) is taking another step forward with its relationships with African countries. "This represents a new stage of development in relations with Africa," he said earlier this month.

So far this year, China's foreign direct investment in Africa is up 77.5 percent. China's trade with Africa has multiplied 10 times in the last decade to more than \$107 billion.

If anyone is keeping score, some analysts say the U.S. is behind.

"To my mind, the U.S. is already on the backfoot in Africa," says David Kelly, Professor of China Studies at University of Technology Sydney. "The American public may not be terribly aware but basically most of Africa thinks it's a great thing that China has come into the game, not necessarily because of the public goods that China provides or those alone, (but) because it must force America to raise its game."

As the son of a Kenyan, [Obama](#) may have won African hearts, but it is China's deep pockets that have been winning over African governments.

In the last few years, China has struck deal after deal with African countries, often buying natural resources in exchange for building infrastructure and providing loans. It is typical that the roads, hospitals, schools and more must be built primarily by Chinese workers.

In Gabon, the Chinese recently financed \$800 million in railways, dams and ports in exchange for access to iron ore.

Critics say China's actions have propped up dictatorships in Zimbabwe and Sudan. The Chinese have been supporting oil production in Sudan for years. China International Fund, a little-known Chinese company, reportedly signed a \$7 billion mining deal with Guinea's repressive military regime.

In response to criticism, Wen recently stated, "There has long been the argument that China is plundering Africa's resources ... Anyone who is familiar with history would know that the friendly relations and cooperation between China and Africa did not start just yesterday but as early as half a century ago. In those years, we helped Africa build the Tanzara railway and sent to Africa large numbers of medical teams. But we did not take away a single drop of oil or a single ton of mineral ores from Africa."

Some leaders of African countries have indicated Africa will take money from anyone who is giving.

"Foreign direct investment has no fixed allegiance or nationality - it goes where it is most welcome," said Ghanaian president John Atta Mills at a recent conference in Washington.

Large African communities are also forming in China, from Guangzhou to Beijing. Many of the migrants are traders and entrepreneurs hoping to make a profit by sending China's cheap manufactured goods back home.

Ethiopian David Bekele is searching for space to open a restaurant in Beijing. He says it would be the only Ethiopian restaurant in China.

"Almost every African country has an embassy here in Beijing," says Bekele. "There's a huge number of students from Africa who come on scholarships funded by the Chinese government. And there are a lot businessmen come from Africa to buy goods and do trading."

While China's relationship with Africa strengthens, analysts say the United States may be too focused on the Middle East and, ironically this week, China to notice. Previous U.S. administrations placed Africa relatively high on their list of priorities. President George W. Bush's heavy investment in HIV and AIDS prevention on the continent is largely considered a success.

In early October, Obama supported a \$3.5 billion hunger and food security initiative focused on agriculture over the next three years in developing countries. Much of the money is intended for Africa. However, at this stage Obama's Africa strategy has yet to be solidified.

But the vast opportunities in Africa are not without challenges. Poverty, corruption and instability are constantly changing the game. The question is how the U.S. and China choose to play.

Some analysts say Africa gives the U.S. and China a chance not necessarily to compete, but to cooperate and to make vital changes on a developing continent. Zha Daojiong, Professor of International Relations at Peking University, says the U.S. and China should consider working together on humanitarian issues including health care and food security.

"I think it is a meaningful issue for both governments to discuss," says Zha. "Clearly there is a great potential there. We should put the interests of the African people in the center of these considerations."