

Africa-China trading relationship

Over the last four years **tralac** has been monitoring the trading relationship between Africa and China. Provided here are a synopsis of the latest Africa-China trade data and an evaluation of the Africa-China trading relationship over the last four years. The trade statistics have been updated for the period from December 1995 to December 2009 inclusive. All the data¹ supplied is expressed in US dollars and sourced from the Chinese version of the World Trade Atlas (www.gtis.com/gta).

This synopsis should be read in conjunction with the spreadsheet on **tralac's** website (http://www.givengain.com/cause_data/images/1694/tralac_China_Africa_data_2010.xls).

The spreadsheet contains the following data:

- The total of Chinese imports, Chinese exports and the Chinese trade balance by country between China and Africa;
- Total of the HS4 data for the top 20 imports and export products;
- The trade record for SADC and COMESA; and
- The top 20 African exports to China and the top 20 African imports from China by country for all African countries.

Synopsis

- Between 1995 and 2009 the compounded growth of China's total trade with Africa increased by 25% with imports and exports increasing by 27% and 23% respectively.
- During the 2008/2009 period, the value of total trade between China and Africa decreased by 16% from approximately US\$ 106 billion in 2008 to approximately US\$ 90 billion at the end of 2009. Imports from Africa were affected the most, declining by 24% while exports to Africa declined by only 6% over the same period. In value terms,

¹ Chinese imports are assessed at "cif", or including cost, insurance and freight. This is one of the reasons why the Chinese import data may not necessarily reconcile with African export data.

imports declined by approximately US\$ 13 billion while exports declined by approximately US\$ 3 billion during this period.

- The top 20 products China imported from Africa in 2009 represented 94 % of China's total imports from all African countries for the year. There is a greater concentration of trade in few primary resource based products as reflected by China's imports composition in which, the top five products accounted for 91% of total African imports. These were mineral products (79%); base metals (5%); precious stones and metals (4%); wood products (2%) and textiles and clothing (1%).
- In terms of exports, the top 20 products China exported to Africa in 2009 represented only 36% of the total China exports to Africa. This is an indication of the diversity of China's export products, reiterated by the fact that China's top five export products accounted for only 18% of total exports to African countries in 2009. The main export products which are largely value-added manufacturing products comprised of machinery (6%); transport equipment (5%); textiles and clothing (3%); footwear (2%) and plastic products (2%).
- From a regional perspective, China imports more products from SADC² while on the other hand COMESA³ is the major recipient of China exports. Imports from SADC were approximately US \$ 14 billion more than China's imports from COMESA and China's exports to COMESA were approximately US\$ 923 million higher than exports to SADC.
- During the 2008/2009 period, China's total trade with SADC declined. Imports from SADC were affected the most with a decline of 26% while exports to SADC declined by a lesser 13%. There was also a decrease in the total trade between China and COMESA with imports from COMESA declining by 3% and exports to COMESA declining by 4% during this period.

² The Southern Africa Development Community (SADC) consists of 14 member countries. These are Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

³ The Common Market for East and Southern Africa (COMESA) for 2008 include 19 member countries. These members are Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

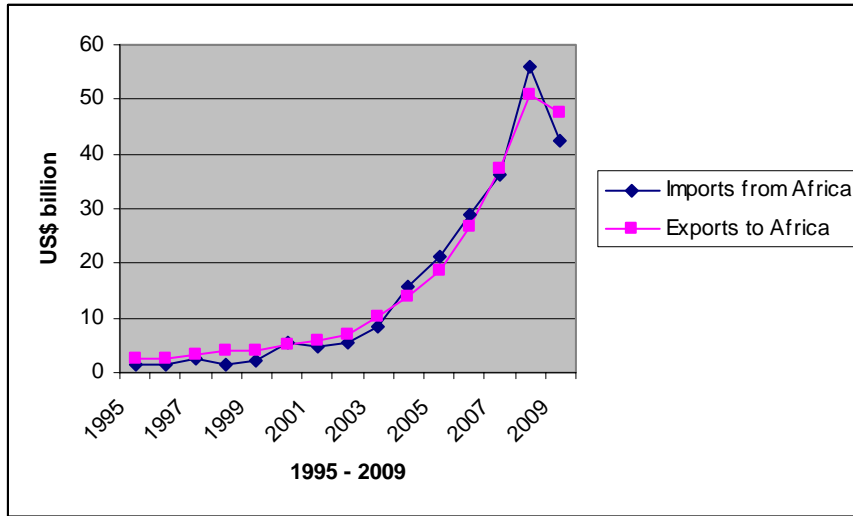
- China's major African trading partners were Angola (19%); South Africa (17%); Nigeria (7%); Sudan (7%) and Egypt (7%) in terms of total trade for 2009. Trade with these countries accounted for 56% of China's total trade with Africa.

Since **tralac** began monitoring the Africa – China- trading relationship over the past four years (2006 – 2009), the evaluation has revealed the following:

- In 1995 China's total trade with Africa was only 1% of China's total world trade. However, total China-Africa trade steadily increased from 1995 to 2006 and has remained constant, ranging between 3% and 4%, over the last 4 years.
- Over the last four years mineral products have dominated China's imports from African countries with Angola and South Africa being China's main African trading partners.
- China's main export products have remained unchanged, however the composition of the top five export products have changed on an annual basis. In 2006 textiles and clothing were the top export products with an 8% share of total exports. However, in 2009 the share of textiles and clothing exports was only 3%, while machinery has become the main export product since 2007.

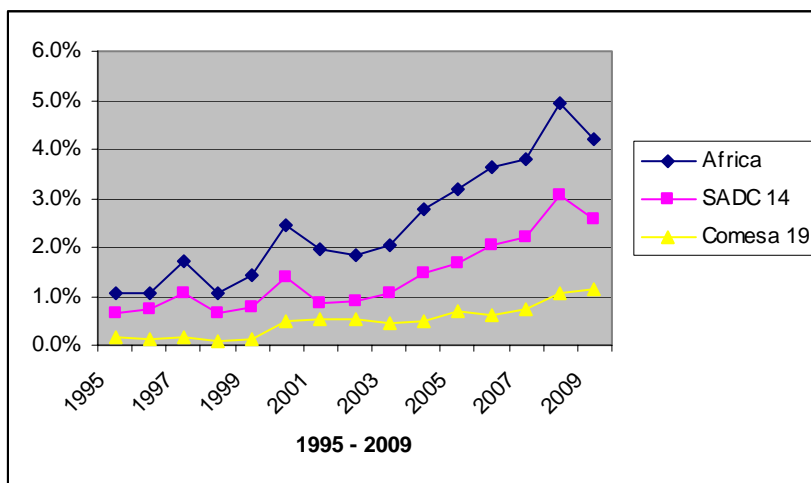
Graphical presentations of trade flows

Figure 1: China's trade with Africa, US\$ billion



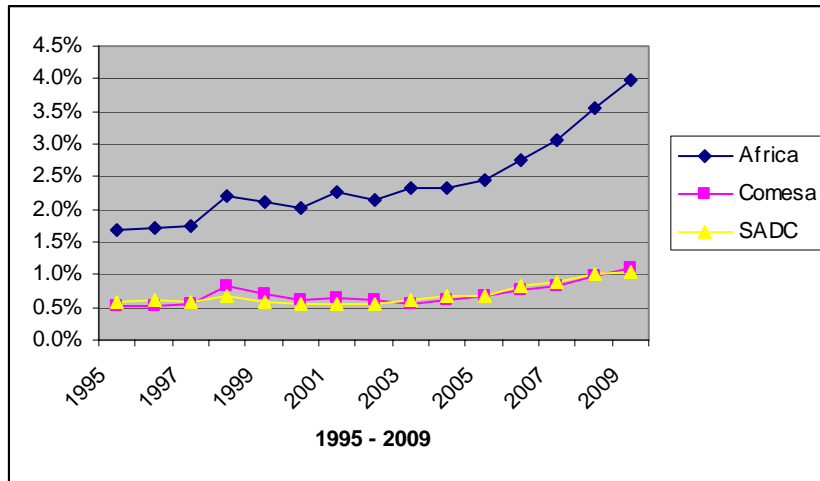
Source: World Trade Atlas

Figure 2: % Share of Chinese imports from Africa



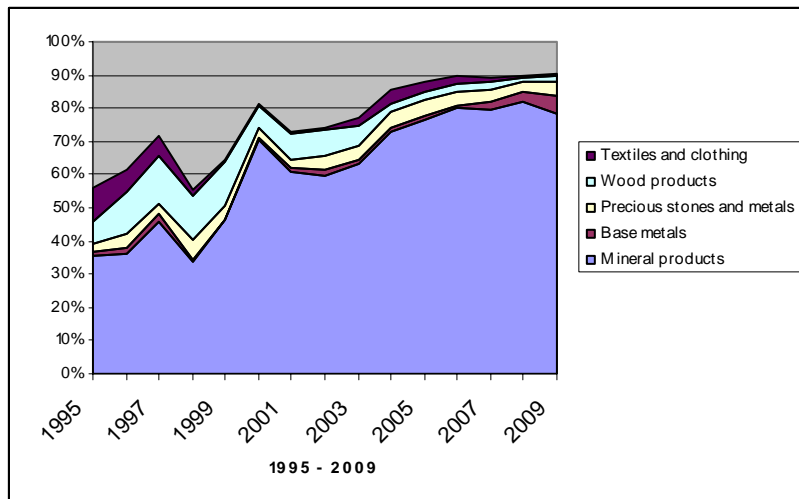
Source: World Trade Atlas

Figure 3: % Share of Chinese exports to Africa



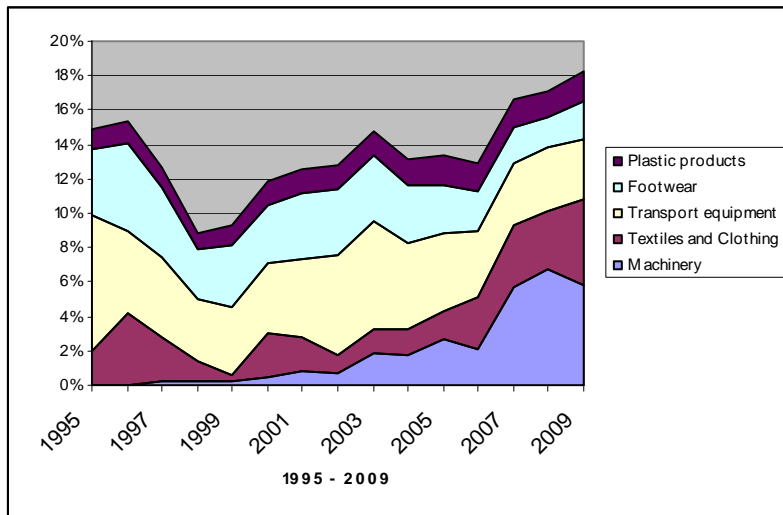
Source: World Trade Atlas

Figure 4: % Share top Chinese import products from Africa



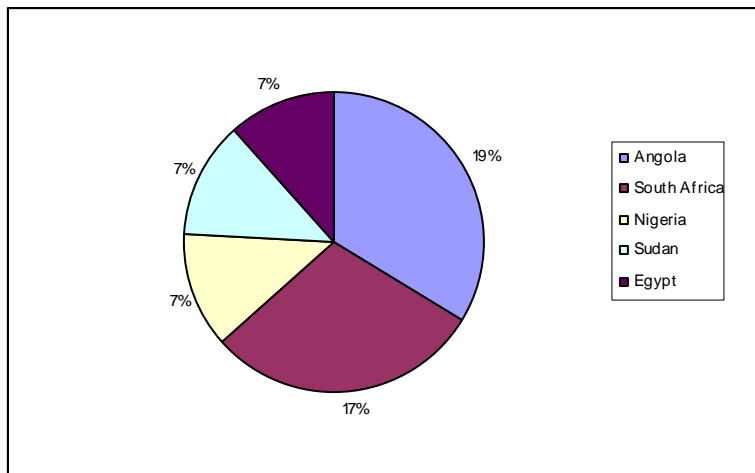
Source: World Trade Atlas

Figure 5: % Share top China's export products to Africa



Source: World Trade Atlas

Figure 6: % Total trade of China's top African trading partners in 2009



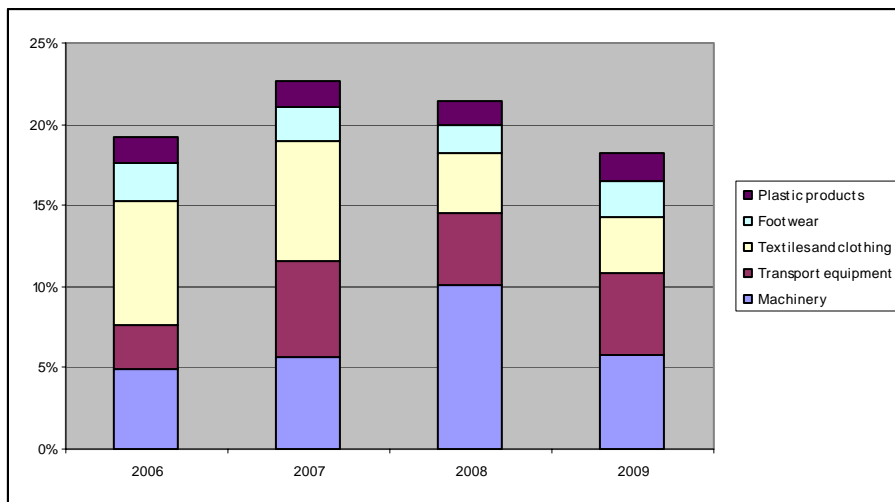
Source: World Trade Atlas

Figure 7: Change in % share of Chinese import products from Africa; 2006-2009



Source: World Trade Atlas

Figure 8: Change in % share of China's export products to Africa; 2006-2009



Source: World Trade Atlas