

Partnership for enhancing export capacity of Africa to China



ABOUT THE PROJECT

This three-year project promotes economic and trade cooperation between China and Africa, especially through participating in the China-Africa Economic and Trade Expo and the Distribution, Trading and Processing Centre of Hunan Province, China.

The project will support selected African countries (Ethiopia, Kenya, Madagascar, Mauritius, Mozambique, Rwanda, Uganda and Zambia) in increasing their exports of agricultural and food products to China while attracting Chinese sustainable investment.

The project addresses limited information on business, poor intercultural communication, the lack of sanitary and phytosanitary agreements and the weak industry chain cooperation between China and the African countries. The project's overall objective is to create jobs and reduce poverty in Africa to help achieve the UN Sustainable Development Goals.

TRADE DATA

China passed the United States in becoming the largest trading partner of Africa in 2009.

In recent years, the bilateral trade has stood at \$200 billion each year, with China's imports from and exports to Africa both reaching \$100 billion.

CONTEXT

The Forum on China-Africa Cooperation Beijing Action Plan (2019-2021) was adopted during the 2018 Beijing Summit of the Forum on China-Africa Cooperation. The action plan indicated that China would support Africa in boosting its exports to the Chinese market, particularly non-resource products, focusing on value-added agricultural products and industrial products.

Following the 2018 Beijing Summit, the first China-Africa Economic and Trade Expo (CAETE) was held in Changsha, China, in June 2019. Co-organized by the Ministry of Commerce of China and the Hunan Provincial People's Government, this biennial event is set to strengthen the economic and trade relationship between China and Africa.

The Chinese Government also set up a China-Africa Economic and Trade Deep Cooperation Pilot Zone and a Distribution, Trading and Processing Centre (DTPC) for African non-resource products in Hunan province in 2020.

President Xi Jinping committed that China would work closely with African countries to implement nine programmes at the Eighth Ministerial Conference of the Forum on China-Africa Cooperation in November 2021. Related to trade promotion, China would open "green lanes" for African agricultural exports to China, speed up the inspection and quarantine procedures, and further increase zero-tariff treatment for least developed countries having diplomatic relations with China, in a bid to reach \$300 billion in total imports from Africa in the next three years.

OBJECTIVE: Contribute to job creation and poverty reduction in Ethiopia, Kenya, Madagascar, Mauritius, Mozambique, Rwanda, Uganda, and Zambia.

SPECIFIC OBJECTIVE: Increase trade and investment between selected African countries and China in the agricultural and food sectors.

TIME-FRAME: September 2021 – September 2024

DEVELOPMENT GOALS: No Poverty, No Hunger, Decent Work and Economic Growth

EXPECTED RESULTS

Increased business and export opportunities for agriculture and food products from selected African countries at CAETE and DTPC

Compared to European or US markets, African small businesses are not familiar with the Chinese market. They have difficulties exploring business opportunities in the Chinese market without external facilitation, primarily through a large business matchmaking network.

Based on the Pilot Zone for China-Africa In-depth Economic and Trade Cooperation in Hunan Free Trade Zone as well as the China-Africa Economic and Trade Expo, the Hunan Province of China is making efforts to build a new hub for China-Africa cooperation by implementing the strategy of “supply and demand matchmaking, import and export improvement”.

The project will:

- Produce and disseminate an analysis report on African current and potential exports of agricultural and food products to China.
- Coordinate and organize the participation of selected African small businesses to CAETE for business matchmaking.
- Support and facilitate trade connections between selected African companies and Chinese companies at DTPC.
- Organize business missions of Chinese buyers in selected African countries.
- Promote and disseminate publications among public and private sector partners.

Increased agriculture and food compliance in selected African countries with Chinese regulatory import requirements

Lacking cooperation on sanitary and phytosanitary measures (SPS) between China and African countries impedes the exports of African agricultural and food products to the Chinese market.

Recently, through the Belt and Road initiative and China-Africa Cooperation Forum, China has accelerated the process of signing SPS Memoranda of Understanding with African countries. However,

the SPS administration institutions and African small businesses have limited knowledge of, and capacities to comply with Chinese SPS requirements and import administration measures.

The project will:

- Identify and select African agricultural products and foods which have the potential to meet China’s SPS requirements.
- Facilitate partnerships between China and relevant agencies in beneficiary countries to improve exports that comply with SPS measures.
- Improve compliance of selected African businesses with SPS requirements for selected agricultural products.

Enhanced industry chain cooperation between China and selected African countries

The production capacity of agricultural and food sectors in African countries is limited, with only 40% of cultivated land efficiently used. Many agricultural products are exported without any processing, at relatively low prices.

The industry chain cooperation between China and Africa in the agricultural and food sectors is lower than that in mining and energy sectors. Increasing the level of foreign direct investment in these sectors would contribute significantly to increasing the production capacity and technology transfer in plantation, processing, and trading phases.

The project will:

- Promote public-private policy dialogue on key investment policy and regulatory issues.
 - Raise awareness of Chinese investors on social responsibility, cross-cultural communication and sustainable investment practices.
 - Support participation of selected beneficiaries in industry chain cooperation events.
 - Promote and improve Chinese investment in selected sectors.
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PROJECT PARTNERS

Department of Commerce, Hunan province of China

The Department of Commerce of Hunan province of China (DOFCOM Hunan) as subordinate to the Government of Hunan Province, is responsible for domestic, foreign trade and economic cooperation with other countries. It is the lead organizer of the China-Africa Economic and Trade Expo and the lead construction unit of the Pilot Zone for In-depth China-Africa Economic and Trade Cooperation.



China Africa Development Fund

The China Africa Development Fund (CADFund) is operated by the China Development Bank. It is a professional financial institution which operates in accordance with the principles of commercialization. It aims to guide and encourage Chinese enterprises to invest in Africa and increase Africa's self-development capacity in a market-oriented manner.



Hunan Overseas Home

Hunan Overseas Home Information Science and Technology Co. Ltd (Overseas Home) is one of the construction units of the long-term mechanism of the China-Africa economic and trade cooperation and exchange of the Pilot Zone. It connects African and Chinese cooperation talents and local institutions in Africa and sets up service stations in Africa. Headquartered in Hunan Province, Overseas Home has set up economic and trade service stations in 18 African countries as well as in Zhejiang, Guangdong, Sichuan, Chongqing and Guizhou, connecting more than 200 local organizations in Africa.



International Trade Centre

The International Trade Centre (ITC) is the only United Nations development agency fully dedicated to supporting the internationalization of micro, small and medium-sized enterprises (MSMEs). ITC enables MSMEs in developing and transition economies to become more competitive and connect to international markets for trade and investment, thus raising incomes and creating job opportunities, especially for women, young people and poor communities. Established in 1964, ITC is the joint agency of the United Nations and the World Trade Organization. ITC is the lead implementing agency of the project.



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