



China-Africa Trading Relationship

This Trade Brief documents the trading relationship between the China and the African continent from 2006 to 2015. The analysis uses UNCOMTRADE data sourced from the International Trade Centre (ITC) Trade Map¹, and is expressed in United States Dollars.

This synopsis should be read in conjunction with the spreadsheet on tralac's website (<http://www.tralac.org/resources/our-resources/9174-china-africa-trading-relationship.html>), and contains the following data:

- China's trade balance with African countries, by country;
- Total Chinese imports from and exports to all African countries, by country;
- China's imports and exports to all African countries at the HS4 level;
- The trade record for COMESA², EAC³, SACU⁴, SADC⁵, ECOWAS⁶, and Maghreb⁷;
- The top 20 African exports to China and top 20 African imports from China at the HS4 level, by country for all African countries; and
- Graphical illustrations of China's trading relationship with African Regional Economic Communities.

¹ <http://www.intracen.org/>

² The Common Market for Eastern and Southern Africa consists of 19 member states, namely Burundi, Comoros, D.R. Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe

³ The East African Community consists of 5 member states, namely Burundi, Kenya, Rwanda, Tanzania and Uganda

⁴ The Southern African Customs Union consists of 5 member states, namely Botswana, Lesotho, Namibia, South Africa and Swaziland. Prior to 2010, South Africa-SACU trade data is shaky, and not available

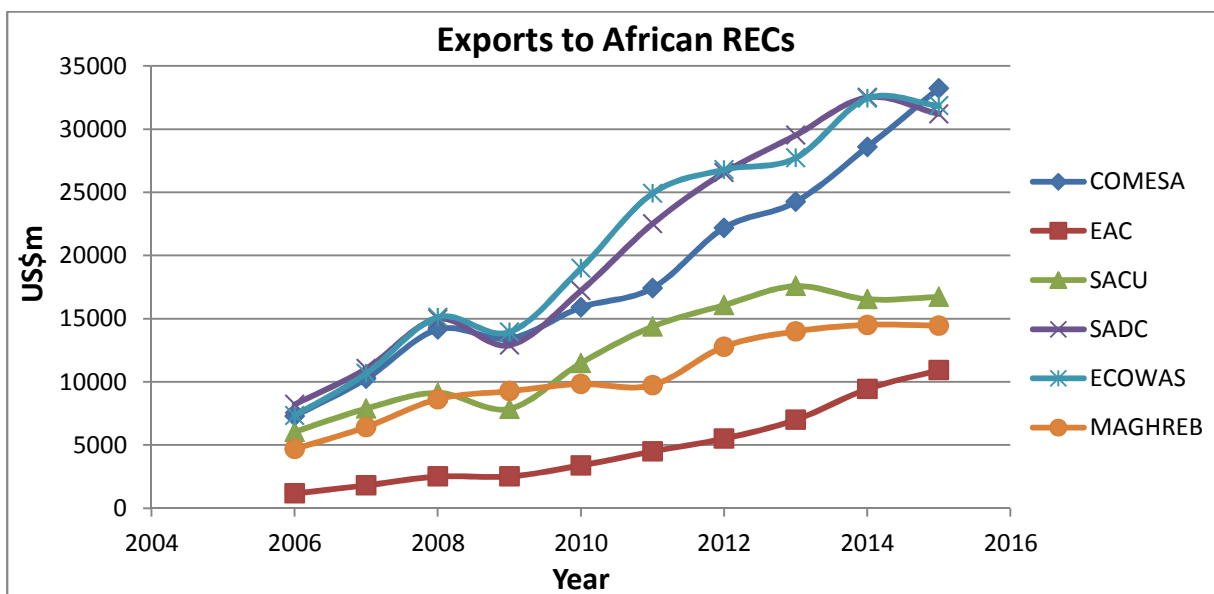
⁵ The Southern Africa Development Community consists of 15 member states, namely Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

⁶ The Economic Community of West African States consists of 15 member states. The founding members of ECOWAS were: Benin, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania (left 2002), Niger, Nigeria, Senegal, Sierra Leone, Togo, and Burkina Faso (which joined as Upper Volta).

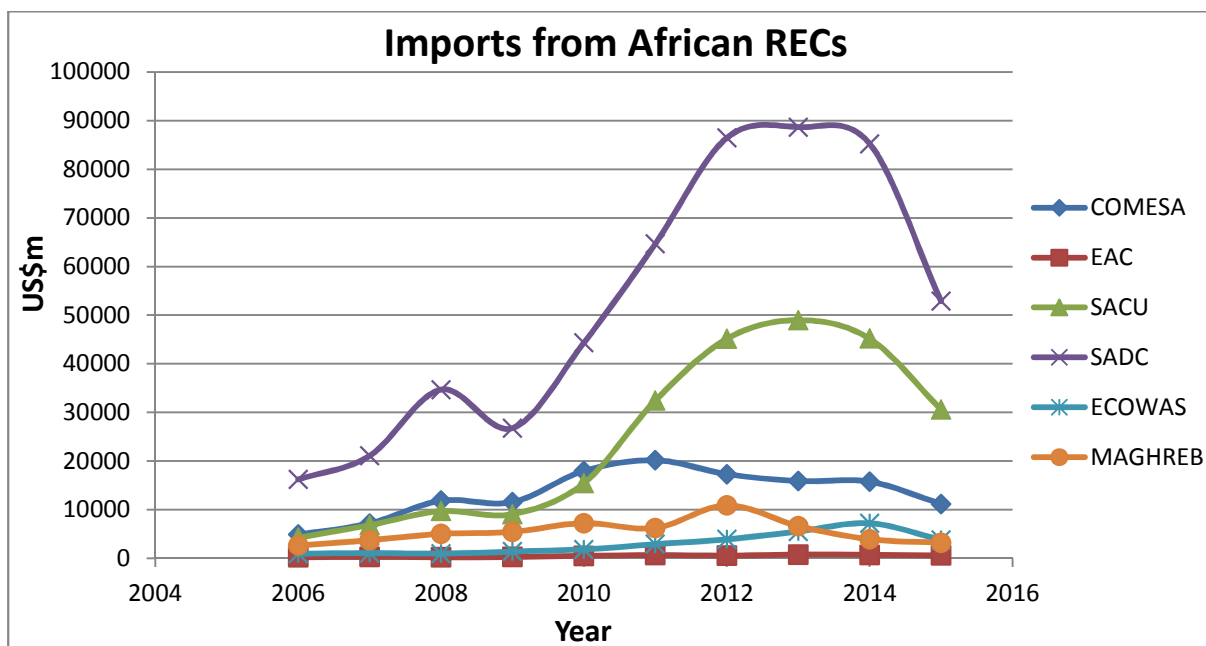
⁷ The Maghreb consists of 5 member states, namely Algeria, Libya, Mauritania, Morocco, and Tunisia.

Synopsis

- Between 2014 and 2015, China’s imports from Africa fell by more 50% from US\$115.7 billion to US\$70.40 billion. This was mainly due to fall in oil prices, a major African export commodity, mainly from Angola. The exports of crude oil from Angola fell from US\$31 billion in 2014 to US\$16 billion in 2015. This decline is also evident in China’s imports of “commodities not elsewhere specified⁸”, which fell from US\$30.7 billion in 2013, to US\$15 billion in 2015, partly due to a global economic slowdown that culminated in a fall in commodity prices;
- Top 20 imports from Africa are characterised by high proportions of crude oils, diamonds, iron ores, platinum, ferro-alloys, refined copper and copper alloys, wood, and chrome ores;
- Top 20 exports to Africa are mainly composed of electrical appliances for line telephony, footwear, clothing and textiles, furniture, and television receivers.
- Major African exporters to China are South Africa at US\$70.4 billion, Angola at US\$30.2 billion and Sudan (North + South) at US\$16 billion (data for 2015). These are mainly exports of crude petroleum oils, precious minerals and ores.
- Major African importers are South Africa, Nigeria, and Egypt. Key imports comprise electrical appliances, footwear, clothing and textiles.
- Exports to all African RECs are steadily rising, with significant growth in exports to COMESA, SADC, and ECOWAS.
- Imports from African RECs have been falling since 2012, with significant decline being recorded for SACU and SADC as a result of crude oil price changes. The two graphs below illustrate these phenomena.



⁸ Product code 9999



Source: Author's computations using ITC data

Looking Ahead

Changes in China's economy present challenges and opportunities for African countries. Slowdown and the planned rebalancing of growth away from investment towards domestic consumption, are expected to have effects on China's economic partners including African countries.

The most important channels of transmission of economic spill overs are the income effects on trade and investment. First, China's expected transformation is anticipated to lower external demand for African exports. As the Chinese economy moves from a 7% growth per annum towards a projected 4.6% by 2030, it will require less imports to fuel its domestic manufacturing production. This could in turn disproportionately impact African exporters of commodities, raw materials and oil. In addition, as Chinese domestic aggregate demand shifts from investment goods to household consumption and implicitly towards services, exporters of food and services can gain from rebalancing. Second, weaker global demand is expected to translate into falling commodity prices – related to the previous point and given China's importance in global demand for commodities, it is expected that this will contribute to downward pressure on global commodity prices and consequently negatively impact terms of trade of net commodity exporters. It is therefore imperative for African countries to diversify exports, or move up the value chain.