Contemporary Chinese Political Economy and Strategic Relations: An International Journal Vol. 1, No. 2, August 2015, pp. 489-527

China's Outward FDI in Africa: Enterprises with Different Ownership Types+

Hai-Tao **Tsao***
Asia University, Taiwan

Cheng-Chang **Lu****
Hubei University of Economics

Ryh-Song **Yeh*****
Shantou University Business School

Abstract

The purpose of this paper is to discuss the consequences of China's outward direct investments in Africa in terms of enterprises with different ownership types. First, this paper contributes to the examination of a large number of Chinese enterprises' investment projects in Africa. Second, in addition to the investment activities of central state-owned enterprises, investment activities initiated by local state-owned enterprises and private enterprises are also addressed in this paper. Third, this paper demonstrates the diversity of Chinese investment in Africa through the discussion of a large number of cases. We find that the motives of central state-owned enterprises comply with government policies. However, most private enterprises and non-central state-owned enterprises invest in Africa for profit considerations. This paper concludes that China's investments in Africa are diverse and complex and cannot be explained using a single model of the extant theories.

Keywords: *China, outward FDI, Africa, state-owned enterprises, private enterprises*

JEL classification: *F21, F35, F54, G11*

1. Introduction

As a country associated with sustained economic growth, China's direct investment in Africa has developed rapidly in recent years. In particular, because of its implementation of the "going global" strategy and accession to the World Trade Organization (WTO), China's direct investment activities in Africa have accelerated and caused widespread concerns about institutional changes in African countries. On one hand, China's imbalances in trade and economic relations with Africa have replicated the asymmetrical relationships between the continent and Western colonists in past decades. In essence, China's economic activities in Africa are the same as those engaged in by Western colonists. Those countries treated Africa as a supplier of natural resources and a consumer of industrial products (Brooks, 2007: 1-5; De Oliveira, 2008; Tull, 2006). However, because of China's politically non-interventionist stance that includes investment without preconditions, there are arguments that the African countries that have forged economic and trade relations with China have little incentive to improve their political governance mechanisms (Brooks, 2007; Obiorah, 2008). Accordingly, some argue that China's trade and investment activities in Africa have not contributed to promoting peace, prosperity and democratic development in the region (Taylor, 2004: 99).[1]

On the other hand, many emphasize the differences between Africa's close economic relations with China and those with developed Western countries. This argument is that China's government aid, investments, and infrastructure loans are conducive to African countries' development. The uniqueness of "China's transformation experience with development" or "China Model" that can be associated with China's support for Africa's development leads to more recognition for China than that the Western countries receive (Sautman and Yan, 2007). Some believe that China's direct investment in Africa has improved the conditions of the regional economy (Broadman, 2006; Goldstein, Pinaud, Reisen and Chen, 2006; Kaplinsky and Morris, 2009; Wang, 2007). Furthermore, Chinese investment has stimulated the diversification and upgrading of Africa's industrial structure and reduced poverty. In fact, the mainstream Western media and some scholars take an ideological perspective that lacks a concrete comparative analysis and only portray "China in Africa" very negatively (Sautman and Yan, 2009). Our study argues that the usual blanketed criticism of China's aid and investment has a significant outreach to many undemocratic regimes in the developing countries which find alliance with China as a balancing safeguard against Western sanctions over their domestic human-rights conditions.

Most of the extant literature on China-Africa trade and investment assumes "a homogenous China with a homogenous Africa" (Kaplinsky and Morris, 2009: 551). This paper, however, is different from the previous literature. Most importantly, our study does not take the perspective of a "homogenous China" that conducts direct investment in Africa. Our study points out the important feature of the diversity and complexity of China's direct investments in African regions, which is the often neglected complex dynamics of the relationship between China and African development. First, we investigate a large number of Chinese companies with a variety of investment plans, as reflected in the different forms of China's enterprise ownership. Second, in addition to the investment activities of central state-owned enterprises (SOEs), we also examine the investment activities of local SOEs and private enterprises that have different motives than the central SOEs. Third, we examine the diversity of Chinese direct investment in Africa through a more micro-enterprise level research approach of the investment plans of enterprises with different types of ownership. Central SOEs undertake investment plans to comply with the policies of China's government. However, private enterprises and entrepreneurial local SOEs are more rational and consider profit margin when they invest in Africa. Fourth, consistent with suggestions from the previous literature, this paper demonstrates that China's direct investment in Africa does not represent a new "colonialism". On the one hand, resource-oriented investments launched by China's central SOEs usually accompany large-scale infrastructure construction investments in the host country, which is one of the most significant features of China's investments in Africa. On the other hand, a large amount of private investment from small- and medium-sized enterprises is closely linked with local economic activities in Africa. Finally, we argue that China's investments in Africa are extremely diverse and complex, which is partially consistent with existing theories of foreign direct investment.

The remainder of this paper is organized as follows. The second section is the literature review. We provide a general overview of China's investment in Africa in the third section. The fourth and fifth sections discuss the characteristics of China's investments in Africa, and the sixth section concludes.

2. Literature Review

The existing literature on China's outward foreign direct investment (OFDI) in Africa can be broadly categorized into three viewpoints. First, some studies discuss China's OFDI in Africa within the broad framework of China-Africa trade and investment activities and argue that the rapid development of relations between China and Africa is an important dimension of China's development toward new and global international strategies (Power and Mohan, 2010; Tull, 2006: 462). However, official data often overestimate the Chinese SOEs' investment in Africa. Extensive investment by private enterprises, which are rarely influenced by China's policy guidance, is an important factor in the economic and trade relations between China and Africa (Wang, 2007). Thus, the rapidly growing trade and investment activities initiated by China's enterprises in recent years in Africa have more economic motivations, rather than only political and diplomatic considerations. Meanwhile, the evidence shows that China's investments in Africa are concentrated on energy and fundamental industries to supplement China's domestic energy supply, exploit Africa's huge foreign exchange reserves and provide aid to the continent (Besada, Wang and Whalley, 2008). In addition, the relevant literature summarizes the characteristics and trends of China's OFDI in Africa as well as its positive and negative impacts on Africa's economic development (ACET, 2009: 20-32; Ademola, Bankole and Adewuyi, 2009; Renard, 2011).

Second, some studies provide micro-discussions that focus on the pursuit of Africa's natural resources and infrastructure sectors by China's large SOEs and the policy implications of China's investments in Africa (Butts and Bankus, 2009; Jiang, 2009). Previous studies have noted that China's investments in Africa mainly are initiated by large central SOEs that concentrate on Africa's resource-abundant countries (Ajakaiye, Kaplinsky, Morris and N'Zue, 2009; Alden and Davis, 2006; Broadman, 2006; Burke and Corkin, 2006; Kaplinsky, McCormick and Morris, 2007). Therefore, because these investments do not require any preconditions, the host countries with weak political governance enter a stagnation trap with respect to the "resource curse" (Butts and Bankus, 2009; Sparks, 2011). Some research has stressed that China's investments in Africa's energy and minerals industries are not essentially different from those of Western countries, which are designed to meet the domestic needs of the developed countries rather than to achieve sustainable growth in the host country (Alden and Davis, 2006; Taylor, 2006). In fact, China's investments in Africa's infrastructure usually bundle energy investments for the purpose of facilitating China's energy investment and trade (Corkin, Burke and Davies, 2008; Foster, Butterfield, Chen and Pushak, 2008). These authors demonstrate that the complexity of Chinese investments in Africa is a reflection of the internal contradiction of political and economic development in China. By investigating the investment motivations and behavior patterns of SOEs and individual entrepreneurs, some scholars argue that the investment activities of Chinese investors in Africa represent the epitome of China's domestic transitional experience (Jiang, 2009).

Third, compared with studies that mainly focus on the investments of large central SOEs, few studies provide evidence regarding the investment activities of local government-owned and private enterprises in Africa. In fact, the investment motives of private enterprises in Africa are more entrepreneurial and more market-oriented than the SOEs' (Gu, 2009; Song, 2011; Wang, 2007: 17-19). In addition, local governments in Africa have undergone economic expansions that play multiple roles in China-Africa economic and trade interactions. The central SOEs that are actively involved in African trade and investment activities must comply with the Chinese government's diplomacy and trade policies. However, the enterprises owned by provincial governments have their own economic interests. Thus, the motives of the locally owned state enterprises pose challenges to China's foreign policy in Africa (Chen and Jian, 2009).

Some studies indicate that the motives for China's OFDI in Africa can be explained using conventional FDI theory. These motives include market-seeking, resource-seeking, and risk aversion (Cheung, de Haan, Qian and Yu, 2011). Moreover, the "going global" policy, which was initiated in 2002, has also had important effects on the rapid growth of China's OFDI in Africa. It is worth noting that the host countries' natural resources do not affect the probability of receiving direct investment from China. However, China's OFDI flows into oil-abundant countries much more extensively. Another empirical study notes that the host country's market size, infrastructure level and legal environment are important factors in China's OFDI in Africa, which explains why Chinese investors tend to invest in oil-abundant countries (Dong *et al.*, 2011). These empirical studies provide the common conclusion that China's OFDI in Africa has no obvious preference and is consistent with the normal investment motives described by FDI theory.

3. China's OFDI in Africa

In 2002, the Chinese government implemented its "going global" policy, which had a significant impact on Chinese enterprises' ability to invest in Africa (Cheung *et al.*, 2011). From 2003-2008, China's direct investment in Africa accounted for 7% of foreign investment flows. After Asia and Central and South America, Africa has become China's third largest foreign direct investment recipient. In the first decade of the 21st century, China's direct investment in Africa showed an average annual growth of 46% (African Development Bank, 2010). For example, in 2010, China's investment in Africa was $ 2.11 billion, which grew

46.8% from 2009 and accounted for 3.1% of all of China's foreign investment. Chinese investment in Africa has mainly been directed to South Africa, the Democratic Republic of Congo, Niger, Algeria, Nigeria and Kenya. Among these countries, South Africa has attracted the most investment from China; in 2010, China's direct investment flows to South Africa were US$411 million (see Table 1).

Table 1 Top African Recipients of China's Outward FDI in 2010 (USD million)

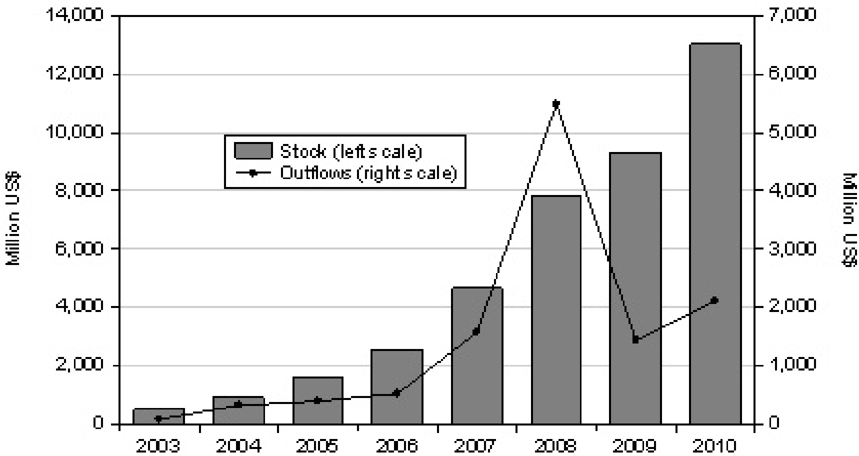
Rank	Country	Accumulated Total	2010 FDI
1	South Africa	4152.98	411.17
2	Nigeria	1210.85	184.89
3	Zambia	943.73	75.05
4	Algeria	937.26	186.00
5	Democratic Republic of Congo	630.92	236.19
6	Sudan	613.36	30.39
7	Niger	379.36	196.25
8	Ethiopia	368.06	58.53
9	Angola	351.77	101.11
10	Egypt	336.72	51.65
Africa Total		13042.12	2111.99
Africa's Share of China's OFDI		4.1%	3.1%
China's Share of Africa's Total FDI		2.35%	3.84%

Source: UNCTAD (2011); Ministry of Commerce of the People's Republic of China (2010).

Overall, direct investment in Africa from mainland China shows several characteristics. First, Chinese investment in Africa is still in its initial stages, and the proportion of foreign direct investment flows is still small (see Table 1). Africa received US$55.04 billion in total FDI flows in 2010, and China accounted for 3.84% of that total. In 2010, FDI in Africa amounted to US$5,539.72 billion, and China accounted for 2.35% of that total. Second, China's direct investment in Africa in recent years has shown rapid growth. During 2000-2009, the average annual growth of China's direct investment in Africa was 46%, and China's mainland investment stock in Africa reached US$13.04 billion in 2010, which was 8.2 times the total from 2005 (see Figure 1).

Third, China's direct investment in Africa has been focused on energy-rich countries. China has invested in most of the African countries (of the 59 African countries, 50 have received investments

Figure 1 China's OFDI in Africa, 2003-2010



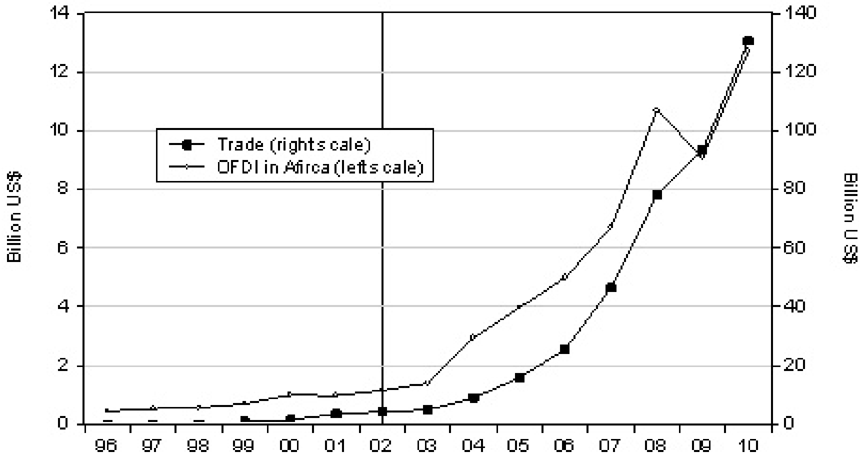
Source: UNCTAD (2011); Ministry of Commerce of the People's Republic of China (2010).

from Chinese enterprises), but the investment funds have focused on the energy-rich countries of Nigeria and Angola, among others. The largest investments in terms of amount have been in the resources industry; however, investments in manufacturing and services have been the largest in terms of number of enterprises (International Money Fund, 2011; Sebastian, 2008). Fourth, a large number of private enterprises from mainland China have invested in Africa. By the end of 2010, 1,955 Chinese companies were established in Africa, with more than 100 state-owned enterprises. The remainder were private enterprises. Fifth, to promote investment in manufacturing activities, the establishment of special economic zones (SEZs) provided new forms of investment for Chinese enterprises. After 2006, China established six economic zones for the African continent (African Development Bank, 2010). Finally, China's direct investment in Africa is closely related to the growth of China's trade and development assistance to the continent (see Figure 2) (Renard, 2011). Since the late 1990s, China-Africa trade and investment has grown at an annual rate of nearly 30% (Besada *et al.*, 2008), while during 2000-2009, China's direct investment in Africa grew at an average rate of 46% per year.

4. Does Ownership of Enterprises Matter?

Previous studies based on official economic data from China's government underestimate the actual investment activities of Chinese enterprises in Africa. First, many state-owned enterprises investing in Africa use the company's own retained earnings that are not leveraged by loans from the state-owned Commercial Bank or by loans from policy banks, which are not included in China's official statistics. Second, the direct investments of China's private enterprises rely more on informal financing arrangements, which are not included in the

Figure 2 China's Trade and OFDI in Africa, 1996-2010



Source: UNCTAD (2011); Ministry of Commerce of the People's Republic of China (2010); *China Statistical Yearbook 2011* (《中國統計年鑑 (2011)》), National Bureau of Statistics of China (中華人民共和國國家統計局) <*http://www.stats.gov. cn/tjsj/ndsj*>.

official data. Third, many of China's enterprises investing in Africa raise funds using offshore financial centers or tax havens such as Hong Kong, the Cayman Islands, and the Virgin Islands. Finally, private SMEs account for 90% of the current Chinese enterprises investing in Africa. China's government lacks accurate statistics on these investment activities.

This study fills the gap caused by the insufficient official data and uses case studies to examine the ownership structure of China's enterprises in Africa, which can be categorized into three types: central state-owned enterprises (CSOEs), non-central state-owned enterprises (NCSOEs), and private enterprises (PEs) (Kaplinsky and Morris, 2009). CSOEs are affiliated with China's central government and are established under the direct control of the 2003 “State-owned Assets Supervision and Administration Commission”. There were initially 150 CSOEs, and after several adjustments, there are currently 117 such enterprises. NCSOEs are affiliated with the local government or central ministries and are under the direct control of a local “State-owned Assets Supervision and Administration Commission”. PEs are the creation of their own public or private entities and also include a number of former township enterprises and state-owned enterprises from the restructuring of enterprises in the mid-1990s.

4.1. Central State-Owned Enterprises (CSOEs)

Central state-owned enterprises are under the direct control of China’s central government. The foreign investments of CSOEs often reflect China’s governmental policy intentions, such as diplomacy and energy security. China has formally implemented the “going global” policy after 2002. To comply with the policy, the foreign direct investments of CSOEs are particularly significant, especially large-scale investments in African natural resources. Table 2 provides summaries of the investment cases initiated by CSOEs investing in Africa with the purpose of providing foreign aid.

Table 2 shows that China’s central state-owned enterprises focused their investments on the petroleum, nonferrous metals and infrastructure sectors in Africa, which complies with the mission of energy security. Their investment funds are mainly leveraged through financial assistance from the central government or loans from state-owned policy banks, and these investments must ensure China’s domestic energy demands (Jiang, 2009; Wang, 2007). Because of Africa’s generally poor infrastructure, the investments of China’s CSOEs in energy development are often affiliated with infrastructure investments in specific countries (Kaplinski and Morris, 2009). Consequently, the CSOEs’ energy and

Table 2 Investments of China's CSOEs in Africa, 1990-2010

Industry	Country or region	Investment Project
Agriculture	Zambia	CSFAGC (中國農墾（集團）) invested in Zambia's Friendship Farm at the price of US$300,000 in 1990.
Agriculture	Zambia	CSFAGC invested in Zambia's second Friendship Farm at the price of US$800,000 in1994.
Agriculture	Zambia	CSFAGC invested in Zambia's third Friendship Farm at the price of US$140,000 for meat products in 1998.
Agriculture	Ghana	CSFAGC invested US$38,000,000 in Ghana from 1997 to 2004.
Mining	Zambia	CNMC (中國有色礦業集團公司) invested US$20 million in the acquisition of the Chambishi copper mine in Zambia and then invested US$160 million in buildings in 1998. The project was put into operation in July 2003.
Petroleum	Sudan	In March 1997, CNPC acquired the right to develop oil blocks in Sudan. In June 2002, the Malaysian national oil company, the Canada SPC Company, and Sudan's national oil company set up a joint operating company – the Greater Nile Petroleum Operating LLC. Since 2009, the Khartoum refinery has become China's largest overseas oil refinery. Sudan has become the focus of investment in upstream products such as oil refineries and pipeline operations throughout the integration business.

Table 2 (continued)

Industry	Country or region	Investment Project
Petroleum	Angola	Sinopec Corporation (SINOPEC) paid US$2.4 billion to acquire a 27.5% stake in an oilfield in Angola in 2005.
Petroleum	Nigeria	CNOOC (中海油公司) paid US$22.68 billion to acquire a 45% stake in the Nigeria OML130 oilfield in 2006.
Financial Service	South Africa	Industrial and Commercial Bank of China (ICBC) invested US$5.46 billion to acquire a 20% stake in South Africa's Standard Bank, Africa's largest bank, and became the single largest shareholder in 2007. This investment is currently China's largest financial investment project in Africa.
Petroleum	Nigeria	Petroleum Group's (CNPC) Investment Nigeria Agadem oilfield plans to build a refinery and a 2,000 km oil pipeline to handle one million tons of crude oil annually for a total investment of US$5 billion within three years starting in 2008.
Petroleum	Nigeria	PetroChina (CNPC) in North Africa invested US$5 billion to buy a Shell oil field in Nigeria in 2009.
Petroleum	Ghana	CNOOC Corporation (CNOOC) and the Ghana National Petroleum Corporation jointly acquired a 23.5% stake in the Ghana Jubilee oilfield for up to US$5 billion in 2010.

Table 2 (continued)

Industry	Country or region	Investment Project
Mining	Sierra Leone	China Railway Materials Corporation (CRM) invested US$247 million to acquire a 12.5% stake in African Mining (African Minerals), becoming its second largest shareholder and gaining access to the Tonkolili iron-ore project priority development rights in 2010.
Construction	Tanzania	China Water Conservancy and Hydropower Construction Group Corporation won the bid for a Tanzania road project. So far, China Resources Group has invested approximately US$500 million in the project since 2010.
Construction	Nigeria	China Civil Engineering Construction Corporation Nigeria Limited constructed a concrete sleeper factory in 2010. Turkey's concrete sleeper factory in Ibadan, Nigeria was the first narrow-gauge concrete sleeper production plant dedicated to the Nigerian railway reconstruction project.

Source: Authors' compilation.

infrastructure investments provide aid, and China's government is committed to assisting the development of African countries, which promotes political stability and improves the living standards of the African people (Besada *et al.*, 2008: 18).

4.1.1. CSOEs' petroleum investments in Africa

The consequences of China's petroleum investments best demonstrate the characteristics of the CSOEs' investments in Africa. As early as

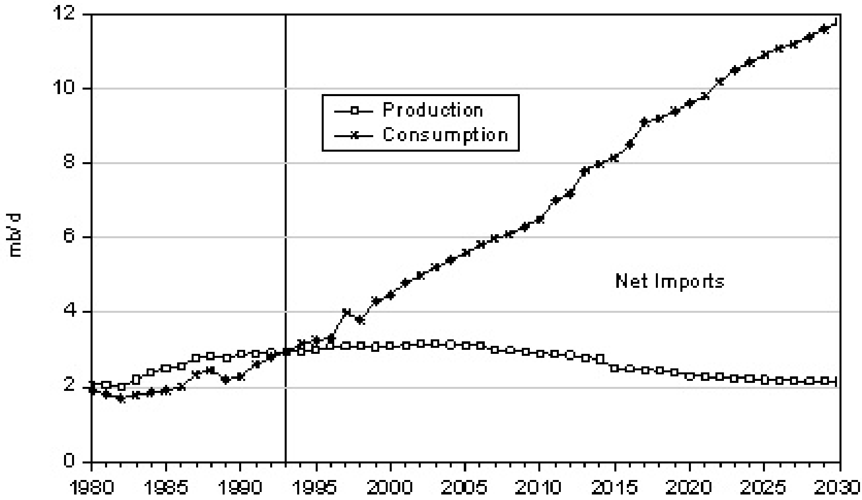
1993, China became a net oil importer (see Figure 3). After 2003, China surpassed Japan to become second in the world in oil consumption after the United States, and most of China's spending on oil consumption must be met by imports. China's oil imports were 1.7 million barrels per day in 2001 and 4.2 million barrels per day in 2010 and will increase to 980 million barrels per day in 2030. Oil imports accounted for 34 percent of China's domestic oil demand in 2001, and this proportion will increase to 82% in 2030 (International Energy Agency, 2002: 253). Therefore, energy security to ensure a steady supply of oil has become an important target of China's foreign economic and trade activities, and CSOEs must undertake this responsibility.

The majority of the CSOEs' investments in Africa are concentrated in the industries of mining and energy, with a particular focus on oil development. In addition, Table 2 shows that the Industrial and Commercial Bank of China (ICBC) invested US$5.46 billion in the acquisition of a 20% stake in Standard Bank of South Africa, which represents an investment in the financial services industry. In fact, the CSOEs' investments in Africa's oil have shown significant progress. In 2008, sub-Saharan Africa supplied 31 percent of China's imported oil needs. Today, Angola, Sudan, Nigeria, the Congo, and Gabon have become major suppliers of oil for China. However, China's petroleum acquisitions are also tied to African infrastructure construction project loans from China (Sautman and Yan, 2009: 5).

4.1.2. Strategic advantages of CSOEs investing in Africa

Compared with multinational investments from Western countries, the investments of China's CSOEs have several advantages. First, because of China's policy of non-interference in internal African affairs, the CSOEs can invest in any African countries, including those that Western countries' domestic enterprises are prohibited from investing in and

Figure 3 China's Petroleum Consumption and Production, 1980-2030



Source: International Energy Agency (2002: 253).

those that are excluded by other international regimes. Second, because of their lower labor costs, the CSOEs have a comparative economic advantage over other enterprises from developed and emerging countries. Third, the CSOEs have a diplomatic advantage that is not affiliated with their other characteristics (i.e., non-interference in internal affairs).[2] Fourth, the CSOEs have financial advantages because they mainly raise funds from China's state-owned banks (such as the Export-Import Bank of China and the China Development Bank) (Tull, 2006). Finally, the biggest difference between China's and Western countries' investments in Africa is that China's direct investments are often associated with development assistance programs in the host countries, including low-interest or interest-free loans and large-scale infrastructure construction (Alden and Davis, 2006: 90-92; Sautman and Yan, 2009).

4.2. Non-Central State-Owned Enterprises (NCSOEs)

The NCSOEs of the provincial or municipal governments tend to have more diversified investments in Africa. Table 3 shows that the NCSOEs investing in Africa have some characteristics that are different from those of the CSOEs (Chen and Jian, 2009). First, compared with the energy industry, which the CSOEs focus on, the NCSOEs mainly invest in the home appliance manufacturing, mining, automotive, agriculture, infrastructure and communications sectors. Unlike the CSOEs' investments, which are concentrated in Africa's resource-rich countries, the NCSOEs are investing in more dispersed regions.

Second, the investment behavior of the NCSOEs reflects the multiple roles of local governments in Africa. On the one hand, the NCSOEs may act as an agent of the Central Executive for Central Policy for diplomatic arrangements or aid plans to invest in Africa's infrastructure (electricity, water, transportation, agricultural development, etc.). On the other hand, the rapid growth of China's domestic economy has caused high demand for a variety of minerals, and China's local governments actively seek overseas energy supplies, so the NCSOEs have invested in Africa's natural resources. Furthermore, similar to traditional multinationals, the NCSOEs investing in Africa can use their ownership advantages to open up African markets and maximize profits.

4.3. Private Enterprises (PEs)

The investments by large CSOEs in African energy resources have drawn more attention, but private corporate investment activities may have more significant impacts on many African countries (Brautigam, 2007; Wang, 2007: 17-18). Most private enterprises investing in Africa are small- and medium-sized enterprises that focus on light and retail

Table 3 Investments by China's Local State-Owned Enterprises in Africa, 1990-2010

Industry	Country or region	Investment project
Home Appliance	South Africa	South African companies invested in the establishment of the Shanghai SVA washing appliance company and South Africa Ltd in 1997.
Home Appliance	South Africa	Hisense invested in a US$10 million plant in South Africa and nearly US$3,745,000 in the local construction of six large chains in 1997.
Textile	Nigeria	Huayuan invested US$24 million to acquire an 80% stake in a French textile company to circumvent quotas in Europe in 1997.
Automobile	Ghana	Changan Automobile Holding Company, Dongfeng Motor Group, Chery Automobile Co., Ltd. And Guangzhou, South China Motorcycle Industry invested in Ghana with the local large enterprise Sneda Automobile Co., Ltd. To create a joint venture automobile production base in 2004.
Petroleum	Madagascar	Shaanxi Yanchang Petroleum Company invested in Madagascar's Oilfield Block 3113 in 2008.
Cement	Ethiopia	In August 2010, the Ethiopia Huangshan Cement Chuanhui Guangdong Science and Technology Development Group invested more than 1 billion yuan to build four production lines. It was the first Chinese enterprise to invest in a cement factory in Ethiopia.

Table 3 (continued)

Industry	Country or region	Investment project
Agro-processing	Malawi Mozambique	"China-Africa Cotton Malawi Cotton Company" was officially inaugurated in Malawi's Baraka region. A total investment of US$19 million was made in the Central African cotton industry by the China-Africa Development Fund Co., Ltd, Qingdao Ruichang Cotton Co., Ltd, Qingdao Kingsway Textile Co., Ltd, China Cotton and others. Group Co., Ltd. Was founded with the four companies' investments. In addition to Malawi, the Central African cotton industry is also responsible for Mozambique's cotton industry investment projects. The total investment in these two projects will reach US$34,721,000 in 2009.
Electricity	Sudan	China National Machinery Industry Corporation (CMEC) reconstructed Sudan's largest hydropower station in Fula. The power station was projected to cost US$680 million and the duration was 45 months. Upon completion, the power station will not only meet local needs but also provide electricity to neighboring Darfur in 2010.
Tele-communication	Ethiopia	Ethiopia Telecommunications Company signed a US$1.5 billion loan agreement with ZTE to upgrade communications networks. In addition to the loan, ZTE has also taken a series of measures to expand its African business. To date, the company has invested US$5.2 million to build a mobile phone factory in northern Ethiopia in 2013.

Table 3 (continued)

Industry	Country or region	Investment project
Machinery	South Africa, Ivory Coast, Benin	Heavy-Africa Investment Limited (China First Tractor Group and China-Africa Development Fund to jointly build) is committed to investing in several African countries to establish an agricultural machinery and construction machinery assembly marketing center. China-Africa Investment Limited Heavy Industries, located in South Africa, Ivory Coast, Benin and other countries, will establish five assembly plants and marketing service centers that will provide one million units of farm equipment for local agriculture and directly employ nearly 200 machinists from a variety of local technical schools and train hundreds of students starting in 2010.
Mining	Zambia	Hebei Tangshan Jidong construction company invested US$5 million to develop a copper-gold project in Zambia in 2010.
Mining	Zimbabwe	Anhui Foreign Economic Construction (Group) Mining Renan Ministry invested in an official diamond mine in 2010.
Mining	Sierra Leone	Shandong Iron and Steel Group invested US$1.5 billion to acquire a 25% interest in an African mining company's (African Minerals Ltd) Tonkolili project in 2010.
Food	Nigeria	Ningbo Milk Group invested 500 million yuan in collaboration with the Nigerian Lee Group to invest in a dairy plant in Virginia Lagos City in 2010.

Table 3 (continued)

Industry	Country or region	Investment project
Cement	South Africa	China-Africa Development Fund and Jidong Development Group will help South Africa build a cement plant for at least US$200 million in 2010.
Electricity	Nigeria	Shandong Electric Power Construction Corporation of Nigeria Papalanto's construction of two gas turbine power plant projects is progressing smoothly after beginning in 2010.
Construction	Angola	Chinese companies aided in the post-war reconstruction in Angola for its "new model of community life" beginning in 2010.

Source: Authors' compilation.

industries. In the absence of reliable official statistics, the investments initiated by private enterprises have been underestimated (Brautigam, 2007; Renard, 2011).

Table 4 provides evidence that the motives of PEs investing in Africa include being close to the local market due to fierce domestic competition, the transfer of excess capacity to avoid Chinese enterprise restrictions by the United States and Europe and the development of raw materials. Private enterprises tend to invest in more profit-oriented products, including scarce commodities and minerals that have high demand in China's domestic market. In fact, the investments of most private enterprises in Africa are very small (less than US$1 million) (United Nations Development Programme, 2007).

Table 4 Investments from China's Private Enterprises in Africa, 1990-2010

Industry	Country or Region	Investment project
Water	Nigeria	Dalian CWAY invested US$1.8 million in 2000 in Nigeria to establish water purification treatment plants and a fruit drink factory. At present, the company has become the largest Nigerian pure water production and marketing enterprise.
Footwear	Nigeria	Zhejiang Wenzhou Hazan shoe company invested US$1 million to establish a shoe factory.
Footwear	Nigeria	Shuanghesheng Footwear and Rubens Hazan Shoes successively set up factories in Nigeria. Semi-finished products will be shipped for domestic assembly. In 2007, Hazan's total investment reached US$13 million for a 40,000 m2 plant with an annual output of 6 million pairs of shoes as one of Africa's largest shoe companies.
Footwear	Egypt	Zhejiang Taizhou Good Brothers Shoe Co. invested US$1 million in 2001 to set up factories in Egypt. In 2006, the investment in Egypt had increased to US$12 million, and the company intends to supply more than 50% of Egypt's shoe market.
Real Estate	South Africa	Phoenix Group Corporation and Sichuan Overseas Investment invested in real estate development in South Africa in 2004.

Table 4 (continued)

Industry	Country or Region	Investment project
Construction	Ethiopia	Sichuan building materials enterprises in Ethiopia built a large-scale building materials industrial park and covers an area of 225 acres. After completion, sales are projected to reach 50 billion yuan. After Southeast Asia, Africa has become Sichuan's second-largest foreign investment enterprise market. The number of investments reached 31, and half of all new investments were made mainly in mineral resources, agriculture, manufacturing, real estate and other industries.
Mining	Namibia	North Pass invested US$250 million to purchase a stake in South Africa's Nawa copper mine located in Namibia in 2008.
Mining	Congo	Ningbo Xinglong Bicycle Co., Ltd developed a copper and cobalt mine in the Congo and achieved sales of US$20 million in 2006.
Tele-communication	Africa	In the past 10 years, Huawei has invested more than 1.5 billion U.S. dollars in Africa. Currently, the company has two regional departments, 20 offices, two research and development centers, six training centers, and a total of more than 4,000 employees in Cairo, Egypt. Huawei also established new regional training centers and invested in equipment worth over 20 million U.S. dollars.

Table 4 (continued)

Industry	Country or Region	Investment project
Steel	Tanzania	Private entrepreneurs in Zhoushan established Yu Heng Investment Management Limited in Zhousan City in 2010 and, in the name of the company, established Hongyu Steel Limited in Tanzania. The scale of the investment was US$7.5 million, which was primarily for machinery and equipment.
Home Appliance	Egypt	Meidi participated in a US$57.48 million acquisition of the Egyptian air conditioning company Miraco in 2010 and took a 32.5 percent stake in the company. The company has become the United States' Miraco brand promotion platform in Africa.

Source: Authors' compilation.

4.3.1. The characteristics of PEs' investments in Africa

Private enterprises' investments in Africa have several features. First, private enterprises essentially act independently of government policy intentions, which is sometimes even encouraged by the government (Brautifam, 2003). Indeed, the relationship between private enterprises and state investments in Africa (represented by non-resident embassies) is not harmonious. PEs' wide range of investment categories includes light industry, processing and manufacturing, retail, real estate development, agriculture and mining. Second, private business owners have a strong entrepreneurial spirit. They enjoy close cooperation with local businesses, especially local Chinese companies (and in the 1970s and 1980s, companies from Taiwan and Hong Kong), and are very familiar with African market conditions and local networks (Brautigam, 2007). Third, the private enterprises investing in Africa are mainly located in China's southeast coastal economically developed provinces such as Zhejiang, Guangdong, Fujian, Jiangsu, and Shandong.

Fourth, China's private enterprises act as new investment models in the formation of industrial clusters because Africa's infrastructure and industrial development has lagged behind, and many products and intermediate inputs must be imported from China or other countries (Brautigam and Tang, 2011). For example, Chinese companies in Ethiopia, Mauritius, Nigeria, Tanzania, Zambia, Botswana, Sierra Leone and other countries have established six special economic zones since 2006 (African Development Bank, 2010). Because of the large number of private enterprises, they face more intense competition from each other than from local businesses (Gu, 2009).

5. Discussion

Table 5 summarizes the characteristics of the enterprises of different ownership types that invest in Africa. For China's state-owned enterprises, especially the CSOEs, the main purpose of investments in African natural resources is to sustain the growth of the Chinese economy. Because resource-based industries act as the basis of other sectors of the economy and rarely impact the local economy, the CSOEs have limited connections with other Chinese enterprises in the local community. Therefore, the human resources spillover effect is small.

Thus, CSOEs have helped to establish complete industrial chains in host African countries. For example, from 1997 to 2009, the CNPC Petroleum Corporation established a completely self-sufficient gasoline industry, including exploration, production, refining, transportation, and sales in Sudan (see Table 2). In contrast, Western countries have been

Table 5 Different Ownership Types of Enterprises Investing in Africa: A Comparison

	CSOEs	NCSOEs	PEs
Policy mission	++	+	0
Risk aversion	0	+	++
Profit motive	0	+	++
Local linkage	0	+	++
Social Responsibility	++	+	0

Source: Authors' elaboration.
Notes: ++ = strong; + = semi-strong; 0 = weak.

drilling for oil in Nigeria for half a century, but most of the country's gasoline is still imported today. The investments of state-owned enterprises can serve as the engine of economic growth if the governance policies of the host countries embrace a more comprehensive system, such as that for the huge mineral revenues, making it a source of potentially valuable resources that can be harnessed (e.g., Botswana).

In fact, although Africa offers the world's highest returns for foreign direct investment (World Bank, 2003: 95), Chinese corporations have lower earnings than corporations from other countries investing in Africa because many Chinese companies (mostly SMEs) adopt joint ventures and must share their profits with African companies (United Nations Development Programme, 2007: 57-59). More importantly, while most Western companies are completely focusing on the mining industry, Chinese state-owned enterprises investing in Africa also construct a large amount of infrastructure, such as roads, railways, ports, dams and bridges. Western companies are often reluctant to make investments in African countries to improve their investment environment, improve people's living standards, and promote local economic growth in the host countries.

Private enterprises investing in Africa are more active. Private investment mainly involves the retail industry, flexible operating and low-tech primary processing industries that have more significant impacts on economic development in Africa. First, private enterprises investing in Africa seek market-based solutions and attempt to avoid deepening local dependence on a single resource. Second, because private enterprises have deeper connections with local economic networks than state-owned enterprises, they provide more opportunities to develop human capital and employment in a host country. Third, private enterprises produce and sell mostly cheap goods, which helps to reduce the cost of living for the African people (Sautman and Yan, 2009). Fourth, private enterprises investing in Africa also reflect the flexibility of private business. For example, in 2006, Ningbo Xinglong cobalt mining companies invested in the Congo (see Table 4) because the Congolese government banned exports of cobalt ore, so private Chinese enterprises that had previously imported cobalt ore immediately established factories in the country. Nevertheless, compared to state-owned enterprises, private enterprises have many disadvantages regarding social responsibility, such as not attaching importance to environmental protection and selling inferior products.

In recent years, China's direct investment in Africa has aroused widespread attention, and it has also raised the argument that China is acting as a "neo-colonialist". In addition, China's foreign direct investment has special institutional and cultural characteristics that are different from the traditional model of foreign investment activities. In this section, we discuss these two important issues concerning China's direct investment in Africa.

5.1. Whether China's Direct Investment in Africa Represents a New Colonialism

This study suggests that referring to Chinese investment in Africa as "neo-colonialism" is not correct. First, it is difficult to assess the long-term effects of China's investment in Africa. China's large-scale investment in Africa began in 2002, but the scale of the flow of Chinese investments in Africa is still small. For example, in 2010, China's direct investment in Africa accounted for only 3.84 percent and 2.35 percent of foreign investment flow and stock, respectively (see Table 1).

Second, although the CSOEs' investment location choice is mainly resource-rich countries, mining investments by China are also often accompanied by infrastructure improvements. Chinese investments in Africa's mining and infrastructure not only meet the needs of China's domestic energy policy and fulfill its energy security considerations but also continue the traditional diplomatic relationships between China and Africa (Brautigam, 2011; Corkin et al., 2008). In fact, the emphasis on infrastructure development is the most significant difference between China's and Western countries' investments in Africa. This difference is important because although infrastructure improvements are conducive to China's return on investment, China was once a semi-colonial country, it has a legacy of socialism, and it remains a developing country, so China's policy, unlike that of Western countries, helps Africa (Sautman and Yan, 2009: 2).

Third, infrastructure investment is an important part of China-Africa economic and trade cooperation. Since early in the 20th century, China has assisted in the construction of infrastructure in Africa, such as the

1976 completion of the Tanzani-Zambia Railway (Foster et al., 2008: 3-4). From 1956 to 2005, China provided US$44 billion in low-interest or interest-free loans for 900 infrastructure projects in African countries. In 2009, 45.7 percent of mainland China's foreign aid funds were invested in Africa, where 61% of the concessional loans were for economic infrastructure. As of the end of 2009, China had worked on more than 500 infrastructure construction projects in Africa, including the completion of 2,233 kilometers of railway, 3,391 kilometers of highway, 52 stadiums, and 11 bridges, as well as docks, ports, water facilities, electricity infrastructure, airports, and telecommunications facilities (Naswari, 2006; People's Republic of China State Council Information Office, April 2011). These investments will help improve the investment climate in Africa, promote economic growth and reduce poverty. Thus, in comparison with Western countries, China's investments are more favorable for Africa (Sautman and Yan, 2007).

Fourth, mainly because of the profit motive, NCSOEs and especially the large number of private enterprises that invest in Africa pay more attention to Africa's vast market and geographic advantages (location advantages). Meanwhile, the Chinese government is also aware that some African countries worry about becoming China's product supplier, or they fear the impact of Chinese investment on local industry and employment. Thus, the Chinese government provided policy responses including automatic investment restrictions, tariff and debt reductions, the promotion of technology transfers and industrial upgrades in Africa. Finally, as commentators have described the importance of China in Africa, they have also noted that Western countries and companies may need to look more closely at their own roles in the continent (Sautman and Yan, 2009: 15). Moreover, evaluations of China's economic and trade relations should not separately consider geopolitical issues from the geo-economic and technological development issues. The Western world should abandon its inherent intolerant perception of China and recognize the similarities between China's development concept and that of Western countries (Power and Mohan, 2010: 487).

5.2. The Presence or Absence of Foreign Direct Investment: Is There a "China Model"?

Chinese enterprises do not invest overseas to seize the market and reduce costs but to obtain local natural resources, technologies or brands to strengthen their competitiveness in the domestic market and achieve production sustainability (Huang and Wang, 2011; Morck, Yeung and Zhao, 2008; Yao and Li, 2011). Therefore, to obtain energy, Chinese enterprises invest in resource-rich developing countries, and to access key technologies, they invest in technologically advanced developed countries. China's investment approach is different from the traditional theory of foreign direct investment that multinationals (MNCs) invest in other countries to gain the ownership advantages of foreign investment enterprises, to enter local markets, or to take advantage of cheap factor inputs to reduce production costs. Thus, some commentators call China's foreign investment patterns the "China Model" (Huang and Wang, 2011). This study on Chinese enterprises' investments in Africa suggests that for the CSOEs, their investments are indeed focused on African countries that are rich in natural resources, and they therefore meet the definition of the "China Model". However, investments by local SOEs have more diverse policy motives and consideration of the interests of local governments. For the numerous private enterprises, the motive is the pursuit of profit, and such enterprises are therefore more respectful of market opportunities in Africa. Therefore, the NCSOEs' (including local enterprises and private enterprises) investments in Africa do not meet the definition of the "China Model".

6. Concluding Remarks

Unlike Mao's ideology regarding the promotion and support of African countries in the anti-colonial movement and beginning in the early 1990s with the development of a single official aid program, trade and investment from mainland China has become the main avenue for relations with Africa in recent years (African Development Bank, 2010; Wang and Bio-Tchane, 2008). This study uses the perspective of enterprise-level investment plans to discuss China's direct investment activities in Africa.

The analysis showed that, first, official data do not exist to capture the entire picture of Chinese enterprises' investments in Africa. Second, China's direct investment activities in Africa are still in their early stages, and it is difficult to judge the long-term effects of Chinese investments in Africa. Third, China's direct investments in Africa are diverse and complex, and simply judging whether investments by China are good or bad based on the development of African countries may miss the complex dynamics of the relationship (Jiang, 2009: 607). Fourth, both the Chinese enterprises and the African countries are diverse, so we cannot describe a single model for Chinese investment activities in Africa. The complexity of Chinese investments is reflected in the different forms of enterprise ownership (e.g., CSOEs, non-medium-sized state-owned enterprises, and private enterprises) and their different investment motives and purposes. Fifth, Chinese investment in Africa has both pushing forces, such as the factors affecting the market (domestic market competition and industrial restructuring) and policy-side factors (encouraged by the government), and pulling forces. For example, for the majority of the African markets, the profit potential is high, and China's transformation experience is attractive to African countries.

The analysis in this paper also shows that for a more thorough study of China's foreign direct investment in its political and economic context, we must adopt a more micro-enterprise level research approach. Meanwhile, analyses of China's investment impact on the local economy must also consider China's industrial and foreign policy, the development strategies of Chinese enterprises, host countries' political governance mechanisms, local cultures and other multi-shaped trajectories.

Notes

+ An earlier version of this paper was presented at the 2014 International Conference on Asia-Pacific Studies (November 14, 2014) in Kaohsiung, Taiwan. We greatly appreciate the constructive comments of the participants, discussant and reviewers.

* Dr Hai-Tao Tsao (曹海濤) is an Associate Professor at the Department of International Business, Asia University (亞洲大學), Taichung, Taiwan. He obtained his BA in business from the National Chengchi University (國立政治大學, Taipei, Taiwan) and MA and PhD at the Institute of Mainland China Studies, National Sun Yat-Sen University (國立中山大學, Kaohsiung, Taiwan). Dr Tsao's researches and publications mainly focus on China's transition and development, including state-owned enterprise reform, local government behavior, grass-root governance, outward foreign direct investment, etc. <*Email: tsaoht@asia.edu.tw*>

** Dr Cheng-Chang Lu (呂承璋) (corresponding author) received his Master's degree in international business at the University of Reading, United Kingdom, and Doctoral degree in economics at Claremont Graduate University, Claremont, United States of America. He is currently an Associate Professor at the School of Finance, Hubei University of Economics (湖北經濟學院), Wuhan, Hubei Province, China. His

research interests include narrative approach to the performance of post-acquisition integration, discourse and institutionalization, China's foreign direct investment, informational content of financial market and competitive strategy of Internet banks. <*Email: cclu1031@yahoo.com.tw*>

*** Dr Ryh-Song Yeh (葉日崧) is currently a Visiting Professor at the Shantou University Business School (汕頭大學商學院), Shantou, Guangdong Province, China. He obtained his BA and MS in economics from the National Taiwan University (國立臺灣大學, Taipei, Taiwan) and MBA and PhD in management from Temple University (Philadelphia, Pennsylvania, United States of America). His researches and publications focus on leadership, cross-culture management, international business and management, and foreign direct investments. <*Email: yrs@stu.edu.cn*>

1. In February 2006, Britain's then foreign secretary, Jack Straw, remarked that what China was doing in Africa now was much the same as Britain had done 150 years before. See Straw (2006). Some authors believe that China's economic and trade activities in Africa represent a new imperialism. See Marks (2006).
2. In fact, it has been a traditional foreign policy of China since 1955's Bandung Conference.

References

ACET (2009). *Looking east: A guide to engaging China for Africa's policy-makers. Volume II: Key dimensions of Chinese engagement in African countries*. Accra, Ghana: ACET. <*http://acetforafrica.org/wp-content/uploads/2009/05/lookingeastv2.pdf*>

Ademola, Oyejide T., Abiodun S. Bankole and Adeolu O. Adewuyi (2009). China-Africa trade relations: Insight from AERC Scoping Studies. *European Journal of Development Research*, Vol. 21, No. 4, pp. 485-505.

African Development Bank (2010). Chinese trade and investment activities in Africa. *Policy Brief*, Vol. 1, No. 4, pp. 1-11.

Ajakaiye, Olu, Raphael Kaplinsky, Mike Morris and Felix F. N'Zue (2009). Seizing opportunities and confronting the challenges of China-Africa investment relations – Insights from AERC Scoping Studies. *Policy Issues Paper*, No. 2. <*http://www.jica.go.jp/uk/english/office/topics/pdf/topics111028_08.pdf*>

Alden, Chris and Martyn Davis (2006). A profile of the operations of Chinese multinationals in Africa. *South African Journal of International Affairs*, Vol. 13, No. 1, pp. 83-96.

Besada, Hany, Yang Wang and John Whalley (2008). China's growing economic activity in Africa. *NBER Working Paper Series*, No. 14024, pp. 1-33. <*http://www.nber.org/papers/w14024*>

Brautigam, Deborah (2003). Close encounters: Chinese business networks as industrial catalysts in Sub-Saharan Africa. *African Affairs*, Vol. 102, Issue 408, pp. 447-467.

Brautigam, Deborah (2007). 'Flying geese' or 'hidden dragon'?: Chinese business and African industrial development. <*http://www.american.edu/sis/faculty/upload/flying-geese.pdf*>

Brautigam, Deborah (2011). Chinese development aid in Africa: What, where, why, and how much? In: Jane Golley and Ligang Song (eds), *Rising China: Global challenges and opportunities*. Canberra: Australia National University Press, pp. 203-223.

Brautigam, Deborah and Xiaoyang Tang (2011). African Shenzhen: China's special economic zones in Africa. *Journal of Modern African Studies*, Vol. 49, No. 1, pp. 27-54.

Broadman, Harry G. (2006). *Africa's Silk Road: China and India's new economic frontier*. Washington D.C.: World Bank.

Brooks, Peter (2007). Into Africa: China's grab for influence and oil. *Heritage Lecture*, No. 16. <*http://s3.amazonaws.com/thf_media/2007/pdf/hl1006.*

pdf>

Burke, Christopher and Lucy Corkin (2006). China's interest and activity in Africa's construction and infrastructure sectors. *Centre for Chinese Studies Working Paper.* *<http://www.ccs.org.za/downloads/DFID%203rd%20Edition.pdf>*

Butts, Kent Hughes and Brent Bankus (2009). China's pursuit of Africa's natural resources. *Collins Center Study*, Vol. 1, No. 9, pp. 1-14. *<http://www.csl.army.mil/usacsl/publications/CCS1_09_ChinasPursuitofAfricasNaturalResources.pdf>*

Chen, Zhimin and Junbo Jian (2009). Chinese provinces as foreign policy actors in Africa. *SAIIA Occasional Paper*, No. 22. *<http://www.cewp.fudan.edu.cn/attachments/article/68/Chen%20Zhimin%20and%20Jian%20Junbo,%20Chinese%20Provinces%20as%20Foreign%20Policy%20Actors%20in%20Africa.pdf>*

Cheung, Yin-Wong, Jakob de Haan, XiangWang Qian and Shu Yu. (2011). China's outward direct investment in Africa. *HKIMR Working Paper*, No.13/2011. *<http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1824167>*

China Statistical Yearbook (2011). *<http://www.stats.gov.cn/tjsj/ndsj>*

Corkin, Lucy, Christopher Burke and Martyn Davies (2008). China's role in the development of Africa's infrastructure. *SAIS Working Papers in African Studies*, No. 0408. *<http://www.sais-jhu.edu/sebin/e/j/CorkinetalWorkingPaper.pdf>*

De Oliveira, Ricardo S. (2008). Making sense of Chinese oil investment in Africa. In: Chris Alden, Daniel Large and Ricardo S. De Oliveira (eds), *China returns to Africa: A rising power and a continent embrace*. London: Hurst & Co., pp. 83-109.

Dong, Yan, Dayong Zhang and Dongliang Cai (2011). An empirical study on the determinants of Chinese outward investment to Africa. *China Economic Quarterly*, Vol. 10, No. 2, pp. 676-690.

Foster, Vivien, William Butterfield, Chuan Chen and Nataliya Pushak (2008). *Building bridges: China's growing role as infrastructure financier for Africa*. Washington: World Bank.

Goldstein, Andrea, Nicolas Pinaud, Helmut Reisen and Xiabao Chen (2006). *The rise of China and India: What is in it for Africa*. Paris: OECD.

Gu, Jing (2009). China's private enterprises in Africa and the implications for African development. *European Journal of Development Research*, Vol. 24, No. 4, pp. 570-587.

Huang, Yiping and Bijun Wang (2011). Chinese outward direct investment: Is there a China Model? *China & World Economy*, Vol. 19, No. 4, pp. 1-21.

International Energy Agency (2002). *World Energy Outlook*. Paris: OECD. <*http://www.worldenergyoutlook.org/media/weowebsite/2008-1994/weo2002_part1.pdf*>

International Money Fund (2011). New growth drivers for low-income countries: The role of BRICs, pp. 17-19. <*http://www.imf.org/external/np/pp/eng/2011/011211.pdf*>

Jiang, Wenran (2009). Fueling the dragon: China's rise and its energy and resources extraction in Africa. *China Quarterly*, Vol. 199, pp. 585-609.

Kaplinsky, Raphael, Dorothy McCormick and Mike Morris (2007). The impact of China on Sub-Saharan Africa. *IDS Working Paper*, No. 291. <*http://www.ids.ac.uk/files/Wp291.pdf*>

Kaplinsky, Raphael and Mike Morris (2009). Chinese FDI in Sub-Saharan Africa: Engaging with large dragons. *European Journal of Development Research*, Vol. 21, No. 4, pp. 559-560.

Marks, S. (2006). China in Africa – the new imperialism? *Pambazuka News*, Issue 244, 2nd March 2006. <*http://www.pambazuka.org/en/category/courses/32432*>

Ministry of Commerce of the People's Republic of China (2010). *2010 Statistical Bulletin of China's Outward Foreign Direct Investment*. <*http://hzs.mofcom.gov.cn/accessory/201109/1316069658609.pdf*>

Morck, Randall, Bernard Yeung and Minyuan Zhao (2008). Perspectives on China's outward foreign direct investment. *Journal of International Business Studies*, Vol. 39, No. 3, pp. 337-350.

Naswari, S. (2006). China looks to Africa with an eye to reaping financial and political gains. *Associated Press*, 18th June 2006.

Obiorah, Ndubisi (2008). Rise and rights in China-Africa relations. *SAIS Working Paper in African Studies*, No. 0308. <*http://www.sais-jhu.edu/sebin/i/j/ObiorahWorkingPaper.pdf*>

Power, Marcus and Giles Mohan (2010). Towards a critical geopolitics of China's engagement with African development. *Geopolitics*, Vol. 15, No. 3, pp. 462-495.

Renard, Mary-Francoise (2011). China's trade and FDI in Africa. *ADB Working Paper*, No. 126. <*http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working%20126.pdf*>

Sautman, Barry and Hairong Yan (2007). Friends and interests: China's distinctive links with Africa. *African Studies Review*, Vol. 50, No. 3, pp. 75-114.

Sautman, Barry and Hairong Yan (2009). Trade, investment, power and the China-in-Africa discourse. *The Asia-Pacific Journal: Japan Focus*, Vol. 52, No. 3, pp. 1-27. <*http://www.japanfocus.org/-Yan-Hairong/3278*>

Sebastian, Rajith (2008). China-Africa investments: An analysis of China's investments in Africa, pp. 1-7. <*http://www.amcham-shanghai.org/NR/rdonlyres/4435B6F6-EB50-46BC-AAF8-0741C1CDBEE1/7956/ChinaAfricaInvestments.pdf*>

Song, Hong (2011). Chinese private direct investment and overseas Chinese network in Africa. *China & World Economy*, Vol. 19, No. 4, pp. 109-126.

Sparks, Donald L. (2011). India and China's growing economic involvement in Sub-Saharan Africa. *Journal of African Studies and Development*, Vol. 3, No. 4, pp. 65-75.

State Council information Office of the People's Republic of China (2011). China's foreign aid. *<http://big5.gov.cn/gate/big5/www.gov.cn/zwgk/2011-04/21/content_1850553.htm>*

Straw, J. (2006). Africa: A new agenda. Speech given in Abuja, Nigeria on February 14, 2006. *<http://www.britainusa.com/sections/articles_show_nt1.asp?d=9&i=41058&L1=41058&L2=41058&a=40982&pv=1>*

Taylor, Ian (2004). The 'all-weather friend'? Sino-Africa interaction in the Twenty-first Century. In: Ian Taylor and P. Williams (eds), *African in International Politics*. London: Routledge, pp. 83-101.

Taylor, Ian (2006). China's oil diplomacy in Africa. *International Affairs*, Vol.. 82, No. 5, pp. 937-959.

Tull, Denis M. (2006). China's engagement in Africa: Scope, significance and consequences. *Journal of Modern African Studies*, Vol. 44, No. 33, pp. 457-476.

UNCTAD (2011). *World development investment report: Non-equity modes of international production and development*. New York and Geneva: United Nations.

United Nations Development Programme (2007). *Asian foreign direct investment in Africa – towards a new era of cooperation among developing countries*. New York and Geneva: United Nations.

Wang, Jian-Ye (2007). What drives China's growing role in Africa? *IMF Working Paper*, No. 07211, pp. 1-30. *<http://www.imf.org/external/pubs/ft/wp/2007/wp07211.pdf>*

Wang, Jian-Ye and Abdoulaye Bio-Tchane (2008). Africa's burgeoning ties with China. *Finance and Development*, Vol. 45, No. 1, pp. 44-47. *<http://www.imf.org/external/pubs/ft/fandd/2008/03/pdf/wang.pdf>*

World Bank (2003). *Global Development Finance*. Washington: World Bank.

Yao, Zhizhong and Zhongmin Li (2011). China's outbound FDI: Trends and policy outlook. *International Economic Review*, Vol. 2, pp. 127-140.

Book Reviews