TRENDS AND POLICY OPTIONS IN No. 5 231 995 V

HELPING TO ELIMINATE POVERTY THROUGH PRIVATE INVOLVEMENT IN INFRASTRUCTURE

Building Bridges

China's Growing Role as Infrastructure Financier for Sub-Saharan Africa

Vivien Foster William Butterfield Chuan Chen Nataliya Pushak

B 363875





CONTENTS

AU	THORS	ix
AC	ACKNOWLEDGMENTS	
OVERVIEW GLOSSARY OF TERMS		xi xx
1.	INTRODUCTION	1
2.	CHINA'S GROWING TIES WITH SUB-SAHARAN AFRICA	3
3.	METHODOLOGY	9
	Existing Information Sources	9
	A New Project Database	11
4.	THE EMERGENCE OF CHINESE INFRASTRUCTURE FINANCE	16
	Headline Numbers	16
	Sector-by-Sector View	19
	Power	21
	Rail	23
	Roads	23

ì

	Information and Communication Technology	24
	Water and Sanitation	25
	Country-by-Country View	25
	Nigeria Angola	25 26
	Ethiopia	20
	Sudan	28
5.	ECONOMIC COMPLEMENTARITIES BETWEEN CHINA	20
	AND SUB-SAHARAN AFRICA	29
	The Infrastructure Side	30
	The Natural Resource Side	37
6.	THE FINANCING PERSPECTIVE	52
	The Role of China Ex-Im Bank	52
	Financing Terms	58
	Country Indebtedness	62
7.	THE CHANGING LANDSCAPE OF INFRASTRUCTURE FINANCE	66
	Other Non-OECD Financiers	66
	Comparison of OECD and Non-OECD Finance	68
8.	CONCLUSION	73
BIE	BIBLIOGRAPHY	
AN	NEXES	
	Annex 1. Methodology for Searching Factiva Database	79
	Annex 2. Methodology for Creating Project Database	. 82
	Annex 3. Summary of Chinese-Funded Infrastructure Projects by Sector	85
	Annex 4. Summary of Chinese-Funded Infrastructure Projects for Selected Countries	110
	Annex 5. Summary of Chinese-Funded Natural Resource Projects	120

.

ł

Ň

BOXES		
1	A brief history of Sino-African engagement	5
2	Chinese involvement in petroleum sector development in Nigeria, Angola, and Sudan	49
FIGURES		
1	Chinese trade with and foreign direct investment in sub-Saharan Africa	4
2	Chinese foreign economic cooperation in sub-Saharan Africa, 2002–05	10
3	Chinese-financed infrastructure projects in sub-Saharan Africa that could be validated from different sources, 2001–07	15
4	Estimated value of Chinese infrastructure finance commitments in sub-Saharan Africa, 2001–07	17
5	Number and size distribution of Chinese-financed infrastructure projects in sub-Saharan Africa, 2001–07	18
6	Confirmed Chinese infrastructure finance commitments in sub-Saharan Africa by sector, 2001–07	22
7	Confirmed Chinese infrastructure finance commitments in sub-Saharan Africa by country, 2001–07	26
8	Percentage value of multilateral civil works contracts in sub-Saharan Africa captured by foreign contractors according to their country of origin, 2005–06	35
9	Sectoral and geographic distribution of multilateral civil works contracts	36
10	Trends in sub-Saharan African share of exports of selected natural resources going to China and other major trading partners, 2001–06	38
11	Sub-Saharan African share of China's imports of selected natural resources, 2001–06	39
12	China's oil imports by source, for all regions and for sub-Saharan Africa, 2001–06	40
13	Natural resource exports to China by selected sub-Saharan African countries, 2001 and 2006	42