

Powerhouse province gears up to tap strong African ties

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South China's Guangdong province, one of China's major economic powerhouses, is seeking to intensify and extend trade and economic cooperation with African countries.

One of its endeavors in the pipeline is to host the second Investing in Africa Forum in Guangzhou, the provincial capital, on Sept 7 and 8. It will team up with China Development Bank and the World Bank to set up a platform for sharing development experience and talking business with African officials, experts, businesspeople and other groups.

About 300 people from more than 30 African countries, including senior government officials, experts and business tycoons and their Chinese counterparts — such as Justin Yifu Lin, former World Bank senior vice-president and an economist with Peking University, Yuan Longping, dubbed the “father of hybrid rice”, and high-ranking representatives from international and regional institutions — are set to attend the event, an official with the provincial government said.

The forum will focus on themes including agriculture and agribusiness, industrialization with emphasis on light industry manufacturing, connectivity in infrastructure development, trade and energy cooperation, skills development and vocational training and job creation, as well as tourism and culture, said Zhang Aijun, deputy secretary-general of the provincial government, during a media briefing in Guangzhou on Aug 29.

Launched by China Development Bank and the World Bank in 2015 in Africa, IAF, a global platform for multilateral cooperation and the promotion of investment opportunities in Africa, has won extensive support from African countries, according to the World Bank website.

“The forum signifies the initiative of the provincial government of Guangdong to take part in the development of a platform for multilateral cooperation, to deepen Guangdong-Africa cooperation and to fortify its leading position in China's 21st Century Maritime Silk Road program,” Zhang said.

During the forum, the organizing committee will also launch an



NIGUS WODAJNIW MAMUYE, a reporter from Ethiopia, tries a Guangdong-made hybrid car. ZHU XINGXIN / CHINA DAILY

investment promotion as well as a contract signing ceremony for several Guangdong-funded projects in Africa, according to the official.

The province will also take good advantage of the forum to showcase its competitive products — household appliances, electronic and IT products, light industrial products, medicines, medical equipment and foodstuff — all of which are expected to become more popular in Africa.

During a preparatory meeting for the second IAF earlier this year, Lin Songtian, head of the Foreign Ministry's African affairs department, said

that the Chinese government encourages Chinese investors in Africa to integrate the development of their companies, the African destinations and China for a win-win effect and mutual benefit, at the same time advocating green development in Africa.

“Chinese investors will never take the smash-and-grab approach in Africa like the old colonists nor sacrifice local ecology and long-term interest for their own benefit,” he said.

Lin spoke highly of the World Bank for what it has done to alleviate poverty and improve people's lives in Africa.

“We have carried out several trilateral cooperation projects in infrastructure development, investment and funding, as well as in think tank exchanges in Africa with the World Bank, and these have made marked achievements,” he said, adding that the first IAF in Ethiopia last June was one of the successful examples of trilateral cooperation.

The first session saw about 200 people taking part in a platform for pragmatic, candid and constructive discussions on feasible approaches to accelerating industrialization and manufacturing in Africa.

Taking the next step in successful cooperation

By ZHAN LISHENG

Having attracted the attention of dozens of enterprises in the Pearl River Delta city of Dongguan, Huajian Group, China's first shoe supplier to invest in Ethiopia, is pushing ahead to promote an international light industrial park in the African country.

The park, which began construction in 2015, involves capital input of 3.2 billion yuan (\$480 million) and covers an area of 126 hectares. Scheduled for full completion by 2020, it is set to become the leading base in Ethiopia supplying footwear, leather products and garments.

The investment decision was made in the wake of the successful operation of the group's footwear project, which started production in 2012 and has put six modern lines in operation and offered jobs to more than 3,600 Ethiopians.

“Labor-intensive industries are losing their competitive advantages in Guangdong. Going abroad to Africa

can be an option,” said Zhang Huarong, chairman of Huajian.

Zhang based his analysis on the rising production cost in Guangdong, the province's strategy to upgrade its industrial structure, support from the government for the Belt and Road Initiative, as well as the rich resources, colossal market potential and much lower wage cost in Africa.

Industrialization, especially light industry manufacturing, is among the fields Guangdong is underscoring in its proposal for stronger ties with African countries, with others being agriculture and agribusiness, infrastructure development, trade and energy development, vocational training, tourism and culture.

Analysts said Guangdong's proposal is feasible, pragmatic, win-win and mutually beneficial.

On the one hand, Guangdong has benefited much from its wide international cooperation and foreign direct investment in its four-decade long opening-up, which has favorably positioned the province to take



A WORKER examines shoes at the production line of Huajian Group in Guangdong province. ZHENG ZHIBO / FOR CHINA DAILY

part in the Belt and Road Initiative, or specifically its African investments, they said.

Thanks to long-term international cooperation with developed countries

as well as the province's strategy to optimize economic structure and promote innovation-driven development in recent years, the province has long occupied China's top position in eco-

nomics and has made outstanding achievements, infrastructure and energy development, education and training as well as tourism, said Guo Chu, an international economy researcher with the Guangdong Academy of Social Sciences.

On the other hand, such sectors are in urgent demand and their market potential is immeasurable in African countries, the researcher said.

An op-ed article written jointly by senior executives of the World Bank, China Development Bank and UNIDO and a top Ethiopian official last year said that Africa needs a skilled labor force, infrastructure and a more conducive investment climate, which requires lower transport and energy costs and agribusiness among all.

Guo suggested that Guangdong investors engage more in the continent's strategic industries and shift more attention in time to value-added and technology-intensive product manufacturing, to minimize negative impacts on local fledgling businesses and trade friction.