

African Participation in the Belt and Road Initiative

Potential Positives:

1. Infrastructure available from nowhere else – historically have tried IMF, World Bank, Western governments and private industry
2. Chinese more willing (thus far) to advance large sums without collateral (since they can afford a long-term investment)
3. Connects Africa into a much larger Eurasian Belt and Road system with potential entrée into European markets
4. IF projections for future economic growth play out, the loans could be paid off easily from earnings

Potential Negatives:

1. China is helping to develop transportation and power production capabilities, but not a lot of business or manufacturing
2. China is also importing a lot of natural resources (from Africa and other places) but not many finished products
3. With the economic slowdown related to COVID, the loans from China are harder to get and payments are coming due
4. What no one knows . . . is the collateral on these loans in the form of potentially losing control of resources (neo-colonialism)?