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## China appetite for African minerals unabated - Report

Monday, 16 Nov, 2009

Reuters reported that the global financial crisis has failed to dampen Chinese investment in Africa.

Premier Mr Wen Jiabao heads to Egypt next month for the second China-Africa summit as China appetite for raw materials drives African growth.

China portrays itself as a steadfast friend of Africa and has pumped billions of dollars into the continent especially over the last few years often by what it calls no strings loans or aid.

The People Daily said citing an unnamed Commerce Ministry official that in the H1 of this year China direct investment in Africa excluding in the financial sector shot up 78.6% YoY to USD 875 million.

The paper which is the official mouthpiece of the ruling Communist Party without providing an on year comparison said last year total African investment was USD 5.49 billion or about one tenth of China total overseas investment.

The paper said "Since the start of the international financial crisis, China has maintained strong investment growth in Africa."

China involvement in Africa has focused on energy and mineral projects to feed its booming economy, bringing criticism from some quarters that Beijing is prepared to deal with pariah governments such as Sudan to access valuable resources.

Critics also say that much of China aid and cheap loans end up with Chinese companies commissioned to build projects.

China counters that its interest in Africa has vastly benefited African people. At the first China Africa summit in 2006, Mr Hu Jintao President promised USD 5 billion in loans and credit.

The People Daily said that of that money, USD 2 billion had already been lent out to 11 projects. The report did not say how much of the remaining USD 3 billion from the sum promised by Mr Hu has been dispersed, possibly as aid.

(Sourced from Reuters)

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