

**CHRISTOPHER H. SMITH**

4TH DISTRICT, NEW JERSEY

CONSTITUENT SERVICE CENTERS:

1540 Kuser Road, Suite A9  
Hamilton, NJ 08619-3828  
(609) 585-7878  
TTY (609) 585-3650

108 Lacey Road, Suite 38A  
Whiting, NJ 08759-1331  
(732) 350-2300

2373 Rayburn House Office Building  
Washington, DC 20515-3004  
(202) 225-3765

<http://chrissmith.house.gov>



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# “Assessing the Role and Impact of China in Africa”

*Africa, Global Health and Human Rights Subcommittee  
Excerpts of Remarks by Chairman Chris Smith  
March 29, 2012*

Good afternoon. Today’s hearing focuses on U.S. policy regarding China’s evolving role in Africa. China has become America’s premier economic competitor in Africa, providing loans and making investments far beyond what the United States is currently prepared to provide.

China has been engaged with African governments since the 1950s and has always portrayed itself as a fellow developing nation that was interested in solidarity with its prospective development partners. In reality, the Chinese government always had plans to gain the support they hoped to create among the newly independent African governments. The stadiums, other buildings and roads constructed by the Chinese were intended to build support for China among the African bloc of developing nations in its competition with the then-Soviet Union. Later, the goal was building support for People’s Republic of China replacing Taiwan as the sole China in the United Nations.

Now they no longer have to compete with the Soviet Union, and they have their seat on the UN Security Council, from where they protect dictators such as Omar al-Bashir and Robert Mugabe. So what is their aim in their Africa policy?

Is China a development partner for Africa? In 2005, the China Development Bank created a \$1 billion Africa Trade and Investment Fund, but the trade and investment initiatives funded cannot take place without the significant involvement of Chinese suppliers. It is difficult to quantify Chinese development aid to Africa because they refuse to disclose how much aid and investment goes to specific countries, although we do know that Chinese investment in Africa is estimated to exceed \$10 billion. Because the loan details are not open to public scrutiny, it is feared that these loans may pose a danger to the debt sustainability of African governments.

Is China an economic competitor to African countries? Many believe that China is engaged in a short-term resource grab, which takes little account of local needs and concerns, whether developmental, environmental or with respect to issues like human rights. Coupled with Chinese manufacturing and trade efficiency, this approach suggests that African development gains are being challenged, if not undermined, by Chinese competitiveness.

China, which has increasingly attempted to lock up much of the supply of strategic minerals from African countries, is now the leading producer of what are known as rare earth elements or rare earth metals, which are used in various technological devices, such as superconductors, electronic polishers, refining catalysts and hybrid car components. As time goes on, these minerals will increase in importance in the 21st century economy. South Africa used to be the world's leading source for these minerals, but its production is dwarfed by what China produces, which now represents 95% of rare earth supplies. Chinese production often releases toxic wastes into the general water supply, and that would tend to discourage increased South African production absent what could be expensive environmental safeguards.

Is China the new colonizer of Africa? Some would say that label is an exaggeration. However, China exports small businesses and labor to Africa. There are an estimated 800 Chinese corporations doing business in Africa and 750,000 Chinese working or living for extended periods in African countries. When their original assignments are completed, these Chinese workers become entrepreneurs selling subsidized Chinese products to out-compete their African counterparts.

An increasing number of Africans are becoming skeptical of Chinese behavior in their countries. For example, the issue of Chinese business practices became an issue in the 2011 elections in Zambia. Some Zambians felt the Chinese were worse than the British colonialist in their behavior toward workers. Following the election there, incoming President Michael Sata said to Chinese investors: "We welcome your investment, but as we welcome your investment, your investment should benefit Zambians and not Chinese."

One of the most prevalent charges against China's involvement in Africa is that they don't support international conditionality on aid to African countries. Therefore, Chinese involvement is seen as undermining the concept of tied aid that is intended to promote good governance. Chinese officials counter that they prefer not to interfere in the internal affairs of African governments.

While much of the rest of the international community regarded Sudan as having committed genocide, or at least crimes against humanity in its Darfur region, China, a major economic partner with the government in Khartoum, refused at first to join in sanctions against Sudan. China abstained from the vote in September 2004 when the U.N. Security Council passed Resolution 1564 condemning the mass killing of civilians in the Darfur region, even though the measure stopped short of imposing oil sanctions. China even threatened to veto any further move to impose sanctions. It took concerted international pressure prior to the 2008 Beijing Olympics to force China to move closer to the international position on pressing Sudan to end its human rights abuses.

In a 2006 background report entitled, “China’s Influence in Africa: Implications for the United States,” the Heritage Foundation stated that China has provided weapons that have prolonged African conflicts or entrenched dictatorships. In 2003, several Hong Kong firms were accused of smuggling illegal arms including Chinese-made AK-47s, machine guns and rocket-propelled grenade launchers into Liberia and neighboring Sierra Leone and Cote d’Ivoire, where rebels and mercenaries were involved in civil wars.

In 2004, the report continued, China sold Zimbabwe fighter aircraft and military vehicles for \$200 million despite the U.S. and EU arms embargo against Zimbabwe. China also provided a military-strength radio-jamming device, which the Harare government used to block broadcasts of anti-government reports from independent media outlets during the 2005 parliamentary election campaign.

So what really are China’s goals for its African engagement? We hope to at least begin to understand more about their aims in Africa at today’s hearing.