



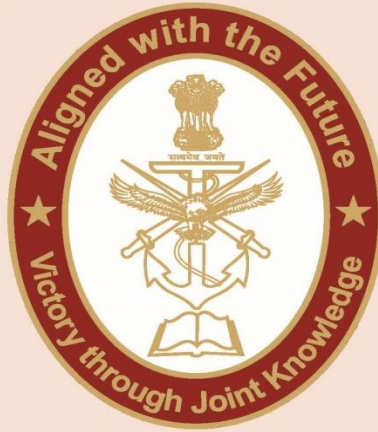
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# DRAGON AT THE DOCK: CHINA'S STRATEGIC MOVES IN AFRICAN PORT DEVELOPMENT

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## CENJOWS

### **DRAGON AT THE DOCK: CHINA'S STRATEGIC MOVES IN AFRICAN PORT DEVELOPMENT**



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### **Abstract**

*China's port development in Africa has triggered security and economic concerns. In 2013, as part of a national growth strategy and to improve infrastructural connectivity throughout Southeast Asia, Oceania, the Indian Ocean, and East Africa, China revealed the concept for the Twenty-First Century Maritime Silk Road (MSR) as the maritime counterpart of the Silk Road Economic Belt construct. These two together as part of the Belt and Road Initiative (BRI) targeted port development in Africa as a means of expanding Chinese influence in the region. These investments have triggered economic and security concerns across the region, especially for India that shares strategic interests in the Indian Ocean Region. This paper attempts to understand the motives for port development, securitization of these ports and the model for investment flow. Further it will discuss policy concerns for India and outline a roadmap for improved India-Africa cooperation.*

### **Introduction**

The continent of Africa has remained strategically significant as part of China's foreign policy apparatus.<sup>1</sup> Even though Xi Jinping announced the Belt and Road Initiative (BRI)

in 2013, it was only in 2023 that Africa became an integral part of the initiative by becoming the largest recipient of the Chinese engagement.<sup>2</sup> These engagements indicate that China has been actively expanding its foothold and presence in the continent by leveraging global trade routes that pass through the region.

A report released by the China Belt and Road Initiative Investment in 2023, highlighted that the net Chinese investments in the continent amount to US \$21.7 billion, a growth of 114% from 2015.<sup>3</sup> These figures reflect China's growing interest in the continent to develop key infrastructure projects especially the port and shipping sectors as constructions alone account for a rise by 47%.<sup>4</sup> The Critical Infrastructure in China's Africa Strategy report of 2022 mentions that Chinese state-owned companies have been involved in the construction and engineering of 55 out of the 61 African ports. The China Communications Construction Corporation (CCCC) has emerged as a major player by being involved in 38 ports. This extensive involvement reflects a geographically comprehensive presence of China in the continent with a push for port development stemming from commercial demand.

Today, Chinese state-owned enterprises (SOE) have expanded beyond their financial pursuit to leverage strategic port objectives. Many of these projects have been built upon commercial momentum with direct linking to the economic activities and foreign policy objectives under Xi's signature efforts of the BRI. The 13<sup>th</sup> Five Year Plan elucidates that the government will "actively advance construction of strategic maritime hubs" that will further enhance China's ambitions for the '21<sup>st</sup> Century Maritime Silk Road'. These ambitions were to be met through building and operating major ports that would promote joint development of "industrial clusters" and ensure free flowing maritime trade.<sup>5</sup> Therefore, over the past decades, China's strategic interest in the African continent has resulted in a diversified foreign direct investment with Chinese state-owned companies directing "large amounts of expertise and resources" to African Ports. These not only deliver benefits for the investing parties but concurrently contribute towards building an effective and efficient port industry in Africa.<sup>6</sup>

### **Contextualising China-Africa Relations**

The relationship between China and Africa dates back to the Chinese Civil War of 1947 when the former supported several African liberation movements. In 1971, the votes of

the African countries secured a seat for China in the UN General Assembly and the Security Council that replaced the Republic of China.<sup>7</sup> The preceding decade saw China remaining focused on eliminating the recognition of Taiwan within the continent from countries like Burkina Faso, Malawi, Liberia, and Senegal. In 1999, China created a 'Going out Strategy' that encouraged Chinese companies to heavily invest beyond China for which Africa remained a preferred destination. This strategy created an economic growth wave for commencement of Chinese engagements in Africa with employment opportunities for the Chinese citizens to work on new infrastructure projects.<sup>8</sup>

The Forum for China-Africa Cooperation (FOCAC) Summit first held in Beijing in 2003 aimed to improve cooperation between China and Africa. Simultaneously, this forum marked the beginning of China's growing strategic initiatives in Africa. At present, the forum has grown and remains the cornerstone of the China-Africa relations with President Xi Jinping reinstating the goals of the FOCAC in September 2024 as "friendship between China and Africa transcends time and space, surmounts mountains and oceans and passes down through generations."<sup>9</sup> However, the biggest breakthrough in the China-Africa relations was the launch of the BRI that aimed at "reinvigorating" the old silk trading route along the Eastern African Coast. The BRI opened avenues for "signature infrastructure projects" funded by Chinese loans whose figures remained opaque.<sup>10</sup>

China and Africa have long been engaged in improving and broadening the scope of intergovernmental consultation, discussion, and cooperation institutions. They maximize the mechanism's coordinating function to advance the overall growth of China-African cooperation in a number of fields. So far, China has diplomatically created channels for pursuing 'comprehensive strategic and cooperative partnerships' with 9 African nations and 'comprehensive strategic partnership' with 16 other nations. It has also established 'Joint Committees' on matters pertaining to trade and economic cooperation with 51 African nations which has resulted in establishing bi-national commissions, diplomatic consultation or strategic dialogue structures with 21 African nations and the African Union (AU) Commission. China and the AU created a human rights consultation mechanism in 2016.

The first-ever 'High-Level People-to-People Exchange Mechanism' between China and an African nation was formed in 2017 between China and South Africa. Local collaboration between China and Africa is thriving. Since 2012, the two parties have arranged four forums for local government collaboration. Currently, 160 sister province/city pairings exist between China and African nations; 48 of these have been formed since 2013.

## Chinese Port Development and Investments in Africa

China has emerged as the largest infrastructure development partner in Africa while emerging as the largest bilateral creditor providing a new source of infrastructure, mining and energy financing.<sup>11</sup> The growing infrastructure, particularly ports has come to define China's geopolitical and geo-economic ambitions in the region that create far reaching security implications in the Indian Ocean Region.

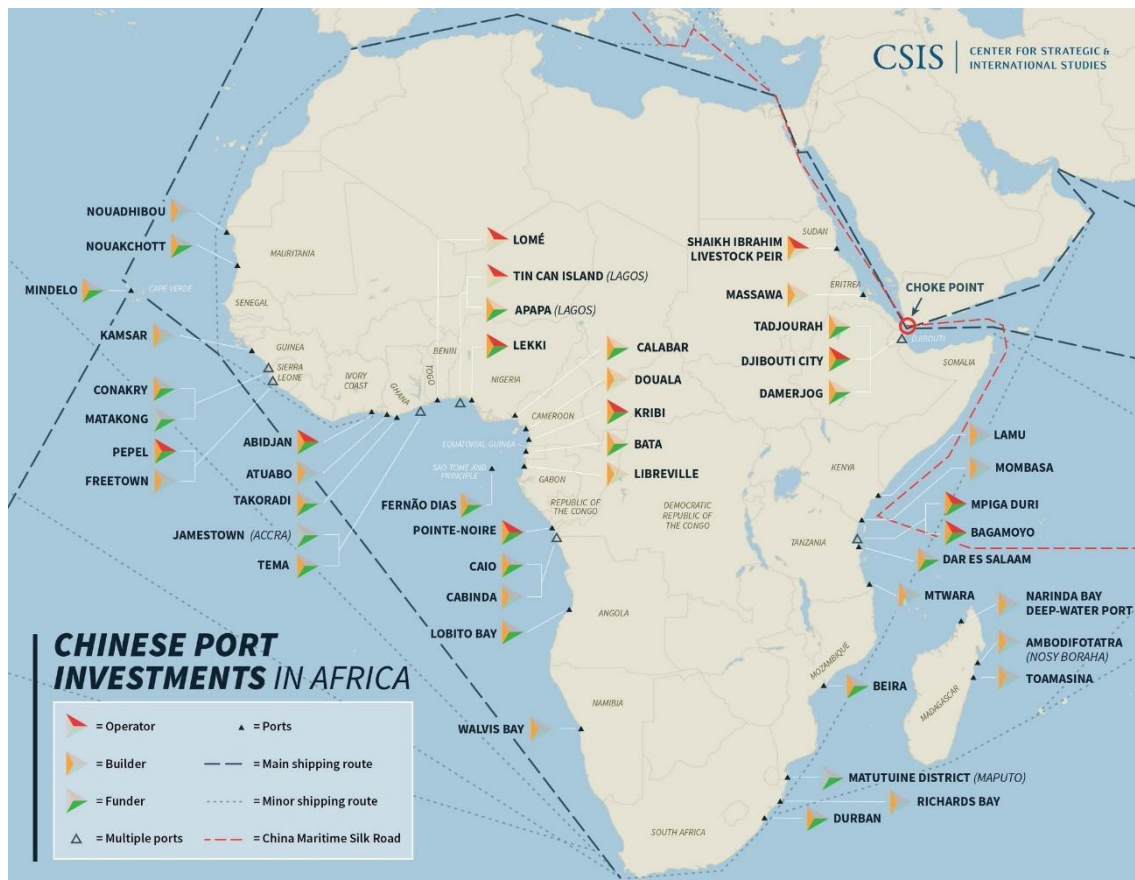


Fig1: Map Displaying Port Developments by China in Africa<sup>1</sup>

Source: Centre for Strategic and International Studies<sup>12</sup>

<sup>1</sup> The data presented in maps and charts here does not represent an exhaustive list of Chinese involvement in African ports nor does it capture the value of funding shares or the precise stage of completion due to limited information.



Fig 1 shows the extensive involvement of China's growing geographical presence in the African continent with Chinese firms building, managing and financing these port projects. Even though the port development in Africa stems from recognized commercial demand, there are commercial interests that eye Africa's rich natural resources especially the rare earth minerals. China is known for employing the tool of 'Resource Diplomacy' in natural resource rich regions like Africa and Latin America. Some notable ports developed by China in Africa include:

- (a) **Djibouti:** The Doraleh container terminal in Djibouti was developed by China Merchants Port as Djibouti sits strategically between the Red Sea and the Gulf of Aden through which important sea lanes connecting Asia-Europe trade routes pass.<sup>13</sup> Along with civil ports, China operates a fully functional military base in Djibouti that has given the premise for security concerns in the Indian Ocean region.
- (b) **Tanzania:** The Port of Dar es Salaam port, presently under construction has been under the contractual purview of the China Harbour Engineering Company. Tanzania is located strategically in the Western Indian Ocean with vast energy and economic potential. Concurrently, China is pushing authorities in Tanzania to kickstart the implementation of the \$10 billion Bagamoyo port project.<sup>14</sup>
- (c) **Kenya:** The China Communications Construction Company is spearheading port development in the country. The port connects it with the Standard Gauge Railway and remains the main gateway to the East African region including Uganda, Rwanda, Burundi, South Sudan, Northern Tanzania, Eastern Democratic Republic of Congo, Ethiopia and Somalia.<sup>15</sup>
- (d) **Egypt:** The Ain Sokhna Port of Egypt has emerged as a major international gateway for Egypt, the Persian Gulf and Asia. The China Harbour Engineering Company was given the contract to complete it and presently it is a major industrial hub that connects domestic African markets to international markets.<sup>16</sup>

- (e) **Mozambique:** The Fishing Port of Beira in Mozambique was acquired by the Chinese Government with a funding of US \$ 120 million and since then the China Harbour Engineering Company has doubled its foothold in this port to increase their influence.<sup>17</sup>
- (f) **Madagascar:** A contract for the Tamatave Deepwater Port project in Madagascar was signed in November 2015 by the China Harbour Engineering Company (CHEC). The project entails building bulk and container terminals as well as various auxiliary facilities. Presently, 70% of Toamasina Port's 1.7 million tons of annual global trade is containerized. <sup>18</sup>

### **Geographic Distribution of Chinese Projects in Africa**

Diverse geography and geo-ecologic realities of Africa have yielded a considerable variety of port projects for China (Fig 2). The Chinese firms have been developing container ports that are specifically designed for transshipment of minerals including copper, bauxite and iron ores.<sup>19</sup> These firms have built, financed and invested in 61 port facilities in 30 African states which leaves 8 coastal or island African states without Chinese port infrastructure.<sup>20</sup> There are 16 African states which are landlocked and therefore remain ineligible for 'deepsea' ports but are crucial with respect to carrying hinterland transport functionality. Today, Chinese companies operate 61 of the 231 commercial ports in Africa, thereby accounting for more than 25% of all ports in the African continent.<sup>21</sup>

### Geographic distribution of PRC port projects in Africa

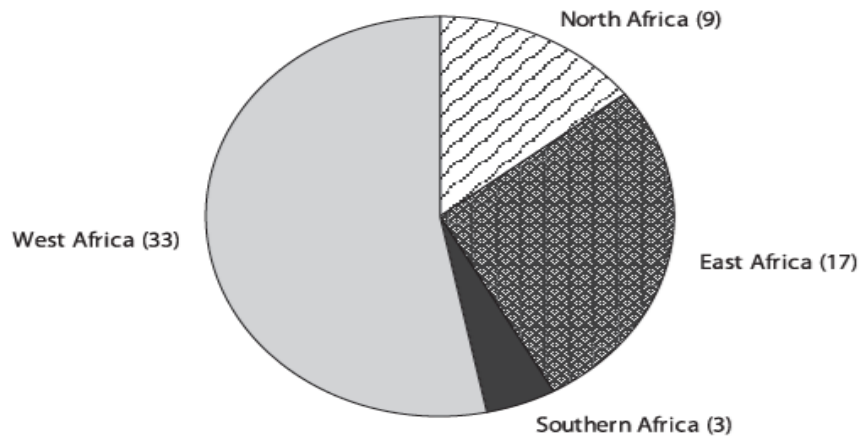


Fig 2: Graphical Representation of Geographic Distribution of China Port Projects in Africa

Source: The National Bureau of Asian Research

Since the Chinese finance firms are known to be active in the less developed Atlantic and coasts of the Indian Ocean,<sup>22</sup> the western African coast hosts the largest concentration of Chinese port projects with bulk terminals for exporting minerals. This region holds concentration of bauxite, cobalt, copper and critical rare earth minerals that have prompted greater Chinese involvement. Container facilities in this region are equally operated by China with prime examples being Lome in Togo and Lekki in Nigeria.<sup>23</sup>

The Eastern coast of Africa is the second most concentrated region with 17 ports and direct exposure to critical sea lanes and transshipment routes of the Indian Ocean through the Suez Canal into the Mediterranean markets.<sup>24</sup> China's most ambitious projects are predominantly present in the Horn of Africa that has integrated major rail and industrial connectivity. The Djibouti-Ethiopia and Kenya-Sudan-Ethiopia are notable examples that highlight this connectivity. Apart from the Eastern and Western coastal areas, North Africa remains the third preferred location that focuses on trade transiting through the Suez Canal. Southern Africa has minimum Chinese footholds with only two ports in Namibia and one in South Africa.<sup>25</sup>



Another crucial feature of the Chinese port development in Africa is how they have used geography to manipulate connectivity within port infrastructure that have further enhanced the performance of these ports (Fig 3). This can be elucidated by the connectivity of Tanger Med in Morocco which carries the “highest connectivity index” and remains a reflection for strategic trade routes between Africa, Europe and Asia. The same connectivity has been now extended to facilities in the Mombasa and Lagos port for better integration in global supply chains.<sup>26</sup> The Chinese corporations aim to extend their reach in Africa's trade and logistics domains by incorporating port projects with inland transport networks and industrial zones. This approach guarantees a long-term control of the infrastructure being developed.

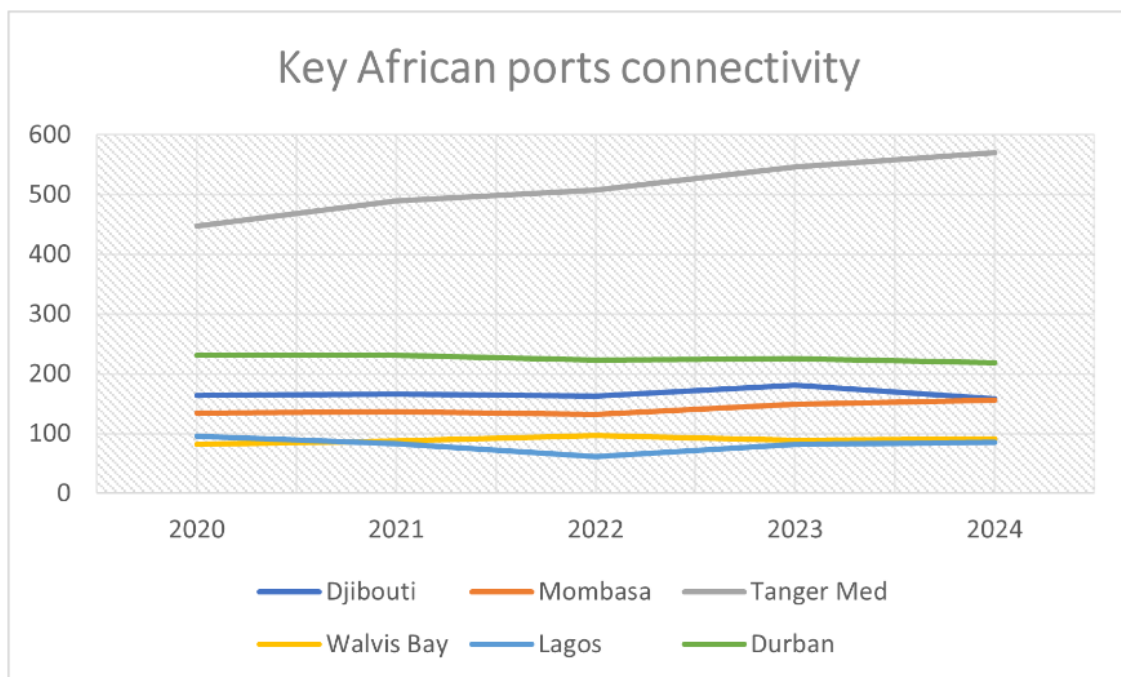


Fig 3: Graph representing Port Connectivity by China in Africa

Source: Container News

### Strategic Aims for Chinese Port Development in Africa

Ports assist in connecting the Chinese mainland to huge and untapped potential markets across the Indian Ocean and this has been the main driver for investment in African seaports. A combination of strong socio-economic problems with trade prospects makes Africa the most preferred destination. Ports serve both strategic and economic advantages to China. Since the sea is used for around 80% of international trade, ports are important hubs for the world economy. For China the contribution of

sea trade is even higher at 90% of all trade. Since 1999, as Chinese businesses have grown globally, they have brought extensive network of state-backed infrastructure investment with them.<sup>27</sup>

The “push factor” for China to develop ports in Africa can widely be recognised through commercial demand. Africa is known for its abundant natural resources but it lacks infrastructure to leverage these resources. Therefore, China sees an opportunity to exploit these natural resources by building ports and other infrastructure. Analysts in China “naturally view” Africa as a prime port market with “appealing demographics, wide geographic distribution of markets and low infrastructure base”. China therefore, describes Africa as a potential “template” for its overall economic approach in the developing world, which hinges on large trade volumes moved at minimal cost and the introduction of manufacturing and industrial production connected to the transport network.<sup>28</sup>

China’s political economy also creates conditions for “supply of port development” that do not exist globally. Chinese SEO firms remain in a unique position to export their engineering and construction services with an industrial capacity to Africa.<sup>29</sup> The SEO continues to have a strong foothold largely due to the domestic policies of China and their formidable commercial strengths when it comes to constructions, engineering and operations. China, which has been Africa's top trading partner since 2009, is particularly sensitive to the higher expenses brought on by poor infrastructure. Therefore, China is arguably the country most likely to gain from lower transportation costs given its massive and expanding commerce with Africa. According to one research, China receives up to \$13 in trade income for every \$1 invested in ports.<sup>30</sup>

Beijing hopes to lessen its reliance on erratic markets for energy and raw goods by building ports in Africa. Due to the nation's increasing demand for energy resources, China views port infrastructure development to diversify the country's imports of gas and oil from unstable markets in West Asia to more stable ones in Africa. In addition, ports are considered essential for efficient extraction of minerals and commodities like copper, phosphate, lithium, iron ore, and gold back to the Chinese mainland, given China's significant investments in Africa's mining and energy industries. Maintaining steady supplies of vital raw resources is necessary to support China's aspirations for high technology and sustained economic expansion.

Lastly, the drive to build ports in Africa serves as a vent for China's overcapacity in the mainland construction and industrial sectors. After dominating the home market, massive state-owned businesses (SOEs) such as China Merchants Group, China Harbor Engineering Company, and China Communications Construction Group have looked at exporting their industrial capacity to developing countries. China's port-led development model is well-suited for export to capital-constrained African nations with substandard port facilities, further solidifying Beijing's reputation as a profitable trade and development partner.<sup>31</sup>

### **Securitization of African Ports**

Even as China continues to pursue economic objectives, military interests are equally embedded in these port development projects. Beijing is compelled to give national security value to any port that is owned, operated, or funded by it, due to the significance of port infrastructure to the country. In actuality, this implies that the People's Liberation Army Navy (PLAN) has taken on a new responsibility as the global guarantee of Chinese port projects and the sea lanes that connect them. In turn, by offering easy locations for berthing and replenishment, China's expanding port network directly supports the PLAN's ambitions to become a Blue water Navy and its capacity to project power. For example, it was discovered that port facilities supported by China in Equatorial Guinea and the United Arab Emirates were constructed in accordance with clear requirements, enabling the berthing of military vessels.<sup>32</sup> Investments in African ports give China political strength and leverage on the continent and give the People's Liberation Army Navy (PLAN) a footing in the region. They also open up commercial and economic development opportunities for the continent.<sup>33</sup>

There are indications that China intends to expand its political and military influence through port development projects. The Chinese Communist Party (CCP) remains closely connected with several Chinese organizations that spearhead these projects in Africa and Latin America. There are indications that Beijing intends to expand its political and military influence through these port projects. Beijing is closely connected to the different Chinese organizations spearheading port development in Africa. These ports are often dual-use civilian-military ports, which although being run by Chinese companies actually provide access to fulfilment of larger military goals.<sup>34</sup> The geography of these ports is tactically located given the PLAN access to key trade

routes and strategic waters. China has one base in Djibouti with an effort to secure economic corridors alongside developing alternatives like the lengthier but less disputed Mozambique-South Africa route. The overt purposes of this installation are anti-piracy and freedom of navigation.

Another significant attribution remains to how China seeks to influence and dominate an alternate Global Order. These ports act as power projections in the region as well as towards China's counterparts, particularly the US. This remains a criticality in the Indian Ocean Region, as it remains the key to market access with energy, marine and rare earth metals. Port development can also be seen as an activity for outreach through tools of finances and influences. Furthermore, the advancement of African growth and development depends on port rehabilitation and expansion initiatives. Ports are the primary source of 90% of African exports. Chinese investments are expected to support regional GDP growth by addressing the obsolete port infrastructure and traffic that presently restrict trade flows on the continent. As a result, these port developments not only support African economic growth but also strengthen China's standing as a development partner and increase its political clout.<sup>35</sup>

### **China's Modes for Port Investments in Africa**

The financial institutions in China play a significant role in providing funds for port development in Africa. Financial institutions in China are known to have offered "commercial or concessionary" loans to resource-backed credits at 25 of the 61 ports.<sup>36</sup> This finance apparatus is only applicable when Chinese firms are contracted for constructions and this conjuncture between the Chinese backed finance institutes and contractors are indicative of "undisclosed financing terms that likely require borrowing nations to contract with Chinese firms." A study conducted by the National Bureau of Asian Research <sup>37</sup>stated that around US \$50 billion were committed towards infrastructure development by Chinese financial institutions during 2000 to 2019. Notable institutions include the Export-Import Bank of China and the China Development bank that have emerged as major players in this field.

There are four notable companies, namely, China Merchants Holding (CMHI), China State Construction (CSC), China Harbour (CHEC) and China Road and Bridge (CRBC) that share major stakes in terms of involvement for port projects in Africa.<sup>38</sup> A study

conducted by *Zhongzhen Yanga, Yunzhu Heb, Hao Zhua and Theo Notteboom* titled '**China's Investment in African Ports: Spatial Distribution, Entry Modes and Investor Profile**' revealed the following business modes employed by China for port development in Africa:

- **Engineering Procurement Construction (EPC).** A contractor is required by the EPC arrangement to provide a developer with a fully functional facility. The facility must function to the required standard and be provided on a given date at a guaranteed cost. The contractor bears full responsibility for all project-related tasks from the design phase to the construction phase. This includes engineering, procurement, construction, commissioning, and handover activities. The owner's role is to turn the project's key upon delivery.<sup>39</sup>
- **EPC+ Finance+ Invest (EPC +F+I).** The EPC + F + I mode is a variation of EPC which includes finance and investment modalities to be secured by the contractor.<sup>40</sup> In order to expand new markets in Africa, the integration of China's superior financial resources is supported by the EPC + F + I approach. However, despite a lack of resources and funding avenues, this approach turned out to be more in line with the requirements of African nations to expand port facilities rapidly.
- **Public Private Partnership (PPP).** In general, a public-private partnership (PPP) is a long-term agreement between the public and private sectors for the provision of a particular public service. In such cooperation, the public and private sectors must share the risks, obligations, and rewards. The use of PPP arrangements is widespread in the seaport industry as demonstrated by China.<sup>41</sup>
- **Build-Operate-Transfer (BOT).** This is a typical PPP model utilized in port development throughout Africa. A firm is given a concession or franchise by a government or public authority to finance and construct a particular port facility. For a predetermined amount of time, the corporation is allowed to use the facilities and make money from certain operations or the entire port. During the concession, all commercial risks are assumed by the operator. The government reclaims ownership of the upgraded assets after the conclusion of the concession period.<sup>42</sup>

- **Acquisition.** Through an acquisition, the acquirer can benefit from economies of scale, diversification, increased market share, improved synergy, cost savings, or the creation of new niche products. It can be used as a growth strategy, a way to access technology, eliminate excess capacity, or as a way to join a foreign market. <sup>43</sup>

The choice of port investment used is determined mainly through the background of the project, investing bodies, actors involved and even socio-economic conditions of the host country. Strategies are rolled out to straighten bilateral relations between China and the project-host country (Fig 4).<sup>44</sup>

Enterprise	Country	Year	Project	Amount	Type
China Merchants Holdings (International) (CMHI)	Nigeria	2011	Equity project of Tin Can Island pier container co., LTD.	\$154 million	Acquisition
	Togo	2012	Lome container terminal project	€150 million	Acquisition
China State Construction (CSC)	Djibouti	2012	Acquired 23.5% of the issued share capital of Port de Djibouti S.A. (PDSA)	€1.44billion	Acquisition
	Algeria	2016	Building Cherchell port	\$3.3 billion	BOT
	Djibouti	2014	Building Doraleh port	\$421.7 million	EPC
China Harbour (CHEC)	Cameroon	2011	Construction of Kribi deep water port	\$497 million	BOT
	Ivory Coast	2013	Expansion of Abidjan port	\$933 million	EPC + F + I
	Madagascar	2015	Tamatave deep water port	\$1 billion	EPC + F + I
	Ghana	2016	expansion of Tema port	\$476 million	EPC
	Guinea	2016	Conakry port upgrade	\$770 million	EPC + F + I
	Mozambique	2016	To explore the construction of Maputo port	\$1 billion	BOT
	Tanzania	2017	To undertake the expansion of Dar es Salaam port	\$154 million	EPC
	Sudan	1997	Contracting projects of Sudan port	\$77 million	EPC + F + I
	Egypt	2009	Port Said container terminal	\$219 million	EPC
	Sao Tome and Principe	2015	Building deep-water port	\$800 million	PPP
	China Road and Bridge (CRBC)	Mauritania	2009	Expansion of Nouakchott port	¥290 million
Equatorial Guinea		2009	Reconstruction and expansion of Bata port	€315 million	EPC + F + I
Kenya		2013	3 berths at Lamu port	\$484 million	PPP
Gabon		2013	Gentil Port Manji deep water port project	\$663 million	EPC + F + I
Republic of Congo		2016	Building Pointe Noire new port	\$2.3 billion	PPP

Fig 4: Representation of Chinese Investment Modes in Africa's Port Development

Source: Research on 'China's Investment in African Ports: Spatial Distribution, Entry Modes and Investor Profile' by *Zhongzhen Yanga, Yunzhu Heb, Hao Zhua and Theo Notteboom*

### Pushback against Chinese Port Investments: Emerging Trends

In pre-pandemic times, a World Economic Forum Report stated that China and Africa had continued to "strengthen their economic cooperation" through the BRI and even the FOCAC. The bilateral partnerships established have helped China with aligning relevant BRI projects with the Africa Union's Agenda 2063.<sup>45</sup> These partnerships had underscored improvements in infrastructure connectivity across Africa and thereby facilitated trade and economic integration. However, while Chinese Foreign Direct Investment has increased over the years, the relationship between China and the African continent has been "ripening". China's loans and investments in Africa have



decreased recently (Citation). This shift may be ascribed to several reasons, such as China's goal for a sustainable economic model and also perhaps due to its economic slowdown. As a result, compared to a peak of US \$28.5 billion in 2016, the total amount of new loan commitments in 2022 was only US \$995.5 million.<sup>46</sup> Additionally, in 2021 China had declared US \$40 billion as financial commitment to Africa as compared to the earlier US \$60 billion in the FOCAC summit that resulted in a decline of infrastructure lending.<sup>47</sup>

Concurrently, African countries have started resisting Chinese investments as displayed by the following instances:

- (a) There have been reports of widespread protests against Chinese investment projects across Africa. These projects have caused ecological disturbances that have caused a massive outbreak of resistance against China's commitment for pursuing "development" in the continent. African citizens have started to opine against the harsh working conditions, followed by fewer jobs.<sup>48</sup>
- (b) There have been reported concerns within the African countries over 'Debt Trap Diplomacy'. Notably, the public debt in Africa has increased from 34% to 53%.<sup>49</sup> Presently, China owns 72% of Kenya's 'external debt' and the latter is expected to pay US \$60 billion to the China Exim Bank.<sup>50</sup> There are reports of risks involved in losing control over the Mombasa port that remains unprotected out of Kenya's sovereign immunity due to a waiver of loan contracts.<sup>51</sup> China is estimated to have provided nearly US \$1.4 billion in funds for Djibouti's major investment projects, equivalent to 75% of its GDP.<sup>52</sup>
- (c) These Debt Traps have resulted in major cancellation or postponement of major projects by African countries. It has led to multiple governments across Africa to revise modalities of Chinese investments and services provided by Chinese financial institutions.<sup>53</sup>

Nonetheless, Chinese investments have been accused of debt-trapping in Africa due to the high levels of indebtedness and financial vulnerability in some nations. This accusation has its roots in China's substantial contribution to the provision of financing for infrastructure projects with advantageous conditions, including long repayment terms and cheap interest rates. These loans might stop being profitable, leaving nations with debt they might not be able to pay back. The new promises encourage

more private investment while denoting a move away from direct infrastructure financing and toward trade credit for regional exporters.

### **Can India play a Pivotal Role?**

India and Africa have shared cordial ties with a security dimension over the Indian Ocean Region (IOR). The IOR remains contested particularly how the region has emerged as a contestation between great power rivalries. Even during the colonial times, the contestations over the IOR persisted and presently there is a lingering apprehension due to the unending competition between superpowers. China has been thriving to establish dominance through the BRI project in Africa. India's External Affairs S Jaishankar reiterated during the Africa Day Celebration on 25<sup>th</sup> June 2024, stating, "India-Africa relations are deep-rooted and go back in history. Prime Minister Modi redefined our engagement in Africa by outlining its 10 guiding principles. These include our commitment to liberate Africa's potential by building local capacity and creating local opportunities; keeping our markets open; sharing India's experience with the digital revolution to support Africa's development; improving delivery of public services; extending education and spreading digital literacy in Africa; improving Africa's agriculture; addressing the challenges of climate change; and working with African nations to keep the oceans open and free for the benefit of all nations among others."

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India shares significant goodwill with Africa. Data reveals that from US \$68.5 billion in 2011–12 to US \$90.5 billion in 2022–23, India's commerce with Africa has increased, and Indian investors have increased their presence in the continent. India ranked among the top five African investors in 2022, with total investments of US \$73.9 billion made between 1996 and 2022. India and Africa have worked together to effectively defend the interests of developing countries in the international forum, especially the World Trade Organization (WTO).<sup>55</sup> Together, they advanced the Agriculture Framework Proposal and, more recently, an intellectual property right waiver for COVID-19 vaccines at the WTO, which was offered by South Africa and India.<sup>56</sup>

However, port development in Africa by China poses a direct threat for India in terms of how security dynamics are evolving in the IOR. Further there are numerous urgent ramifications for India's influence in the IOR due to China's presence in the region. To

begin with, Chinese seaports and maritime operations in the IOR may improve the PLA-N's ability to project power throughout the IOR. By increasing its debt loads and fostering goodwill and influence with governments throughout the region, Beijing creates the opportunity to potentially control more overseas bases or ports. The PLAN's operational and experience sphere may be expanded through defence accords and other military engagements resulting from the close involvement with African governments.<sup>57</sup>

Another factor to weigh is how China is leveraging diplomacy to get minerals from Africa into its own country. China's Resource Diplomacy is well known in Africa and there remains a threat for other countries, including India on how China has been able to monopolise on minerals for its supply chain diversification. Further, whether through the BRI or not China-Africa trade has been on the rise through which regional influence of China on the continent has also increased reducing room for other countries to trade and thereby have lesser footprints on the continent.

### **Key Recommendations for India**

- **Geography needs to be Exploited.** Presently, China's port in the Eastern Coast of Africa and Horn of Africa poses strategic implications for India. During the Houthi attacks in Red Sea, the ports in the Horn of Africa were heavily affected especially the ports in Sudan, Eritrea, Djibouti and Somalia. India must understand and exploit geography of the region that can block key choke points and make it difficult for any PLAN assets to enter or exit the IOR in case of contingency. A notable example can that be of Vanilla Island countries, an African littoral known for its strategic significance. India must recognise these new opportunities and bolster ties.
- **Enhance Maritime Diplomacy.** India can leverage deeper cooperation with all African countries under the ambit of Security and Growth for All (SAGAR) to counter Chinese presence in the region. This maritime diplomacy can work in areas of cooperation for anti-piracy and capability building. India is already collaborating with few African littoral countries in capability building through the Indian Technical and Economic Cooperation (ITEC).<sup>58</sup>

- **Investment in Infrastructure.** India can aim at developing infrastructure projects as an alternative to 'debt induced' Chinese projects. These infrastructure projects should be curated strategically that will not only assist India to leverage economic cooperation with the African countries, but also reduce China's influence in the region. Since pushbacks for BRI related infrastructure projects within African countries are on the rise, India must tap onto this potential momentum for strengthening its foothold in the region. India can also put to play private players that can give better economic investments for engagement with the African countries.
- **Enhanced Cooperation.** To promote enhanced cooperation, India can work on cooperating on maritime security, sustainability issues, inadequate infrastructure, weak regulation and enforcement of structures and communication capabilities with the African nations, particularly with countries on the Eastern shores.
- **Economic Integration.** In addition to securitization to enable bio-tourism, India has the potential to help African nations with mapping their continental shelf, monitoring Exclusive Economic Zones (EEZ), surveying marine resources, and establishing coastal diversity parks, blue economies, and marine reserve areas. Such assistance could extend to the monitoring of marine resources.<sup>59</sup>
- **Leverage Diplomatic Platforms.** India advocated for the inclusion of the African Union (AU) in the 2023 New Delhi G20 Summit. Through execution of diverse structural and regulatory modifications, this platform seeks to broaden Africa's worldwide involvement beyond commerce with creditor countries. India has a geopolitical interest in restricting the influence of major creditors like China and ensuring fortifying the AU.

## Conclusion

China's investments in port development in Africa has remained a matter of scrutiny. These developments have triggered economic and security concerns. By constructing ports in Africa, China intends to reduce its reliance on existing volatile markets for raw materials and energy. The ports can be seen as tool by China to diversify imports of gas and oil from volatile markets in West Asia to more stable ones in Africa. Given

China's large investments in the continent's mining and energy sectors, port development is considered necessary for "effective extraction and transportation of commodities and minerals." The consistent availability of essential raw materials remains significant to facilitate China in its ambitions for advanced technology and growth.

China has historically demanded upfront payment in an aggressive effort to recoup its debts from African nations. However, this strategy seriously jeopardizes China's reputation as a global advocate for poor countries. China's best chance of keeping its good name in Africa and negotiating a fair financial settlement is to assist other debt-ridden nations with the West through international institutions such as the G20. China will find it difficult to accept this, as the BRI agreements were established on the basis of purely bilateral and frequently opaque agreements.

India and Africa must closely work together to create an alternative for Chinese investments in the region. Maritime cooperation and security have emerged as a vital component of the India-Africa security partnership. An important turning point was the African Union's (AU) admittance into the G20 group. With the implementation of various structural and regulatory reforms, this platform aims to expand Africa's global engagement beyond trade with creditor nations. India's interests are strategically aligned with strengthening the AU with strong regulations and limiting the influence of big creditors like China. Though its investment volume may not be as high as that of other creditors at the moment, India makes significant contributions to technology, governance, and joint ventures.

### **DISCLAIMER**

The paper is author's individual scholastic articulation and does not necessarily reflect the views of CENJOWS. The author certifies that the article is original in content, unpublished and it has not been submitted for publication/ web upload elsewhere and that the facts and figures quoted are duly referenced, as needed and are believed to be correct.

### **Endnotes**

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