

Countering CCP Global Influence

The New Scramble for Africa: A Competition for Influence and Race for Resources

Bottom Line Up Front:

China is steadily increasing its influence and presence across Africa through large-scale infrastructure projects, mining operations, and other in critical sectors. Beijing's ties to the continent are fueling anti-Western sentiment, limiting American investment opportunities, and disrupting U.S. supply chains. At the political level, growing Chinese investments and presence have also galvanized support for a Sino-centric order in the Global South.

- Under current Chinese President Xi Jinping, the CCP's Africa policy has focused on leveraging its diplomatic ties with African Union countries to advance Beijing's geopolitical objectives.
- While some younger Africans favor a U.S.-led international system championing democracy and transparency, many regional leaders view America as an unreliable partner which neglects the continent's needs.
- Now operating in <u>44 sub-Saharan African countries</u>, China's Belt and Road Initiative (BRI) has given Beijing access to vast mineral wealth and raw commodities to feed its growing domestic and manufacturing needs.

Background:

The CCP's 2015 paper on "Building a Common Destiny" outlines their objective to shape the global governance regime, including by expanding its influence with African countries. While this approach to Africa has accelerated under Xi Jinping, China has worked in Africa to secure critical resources for its economic rise since the days of Hu Jintao in the early 2000's. The value of China's business in Africa has grown steadily, with current investments topping \$300 billion. China has become Africa's largest two-way trading partner. Consequently, the CCP exerts considerable influence across the continent.

Despite being home to 54 countries and the world's fastest-growing population, U.S. policymakers often put Africa on the backburner of their foreign policy agendas. Washington would do well to recognize the continent's tremendous potential despite challenges with corruption, poverty, and public health. Prior to the COVID-19 pandemic, five of the ten fastest-growing economies globally were in Africa.

Key Issues:

- Economic Leverage: Now past its ten-year anniversary, the BRI is central to China's investment strategy in Africa. BRI enriches Chinese industry through the acquisition of mineral wealth and raw materials while also limiting Western economic access and creating financial dependency on Beijing. In response, the U.S. and EU are considering investing in a strategic corridor for the transport of minerals, telecommunications, and technology as well as expanding the recently launched Partnership for Atlantic Cooperation.
- <u>Critical Minerals</u>: Chinese state-backed companies are consolidating control of Africa's critical mineral deposits, entrenching themselves in both the mining and processing stages. The DRC is home to the world's largest cobalt reserves, providing upwards of 70 percent of the global supply. PRC firms control both via ownership and financing upwards of 80 percent of the DRC's cobalt industry. China's mining practices have also raised significant human rights and environmental concerns. While American private investment in Africa's mining sector is relatively low; increasing U.S. engagement could improve the resiliency of American supply chains while also improving economic conditions on the ground in Africa.
- <u>Technological Opportunities</u>: Africa's surging health-tech and <u>fin-tech sectors</u> present new opportunities for U.S. collaboration. Joint ventures between American companies with technological expertise and African startups offer an opportunity for win-win economic cooperation that could position the United States as a long-term key player in these emerging fields.
- <u>Soft Power</u>: Beijing is cultivating favorable perceptions of the PRC across the continent through cultural exchanges, educational programs, journalistic trainings, mil-to-mil contacts, and youth initiatives. Throughout his tenure, Xi has prioritized visiting Africa and <u>cultivating personal</u> relationships with African leaders to encourage their governments to align geopolitically with Beijing.