

May 2019

UJ Centre for Africa-China Studies
Belt and Road Policy Brief

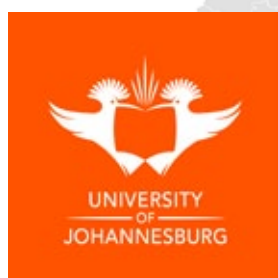
1



**Sino-Egyptian Industrial and
Infrastructure Cooperation:**

Determinants and Outcomes

Dr Emmanuel Matambo



UJ Centre for Africa-China Studies

Belt and Road Policy Brief No 1

**Sino-Egyptian Industrial and Infrastructure Cooperation:
Determinants and Outcomes**

Dr Emmanuel Matambo. Research Fellow, CACS

Published in May 2019 by:
Centre for Africa-China Studies
9 Molesey Avenue, Auckland Park
Johannesburg, South Africa
www.cacs.org.za

Series editor: Dr David Monyae and Bhaso Ndzendze
External language editor: Riaan de Villiers
Designed and produced by Acumen Publishing Solutions

For enquiries, contact:
Bhaso Ndzendze, Research Director, CACS
Tel +27 (01)11 559-7504
Email: bndzendze@uj.ac.za

Disclaimer: The views expressed in this Policy Brief do not necessarily reflect those of the CACS..

All rights reserved. This publication may not be stored, copied or reproduced without the permission of the UJCI. Brief extracts may be quoted, provided the source is fully acknowledged.

Cover: The Nile River flowing through Cairo, Egypt's capital. Picture: Wikimedia Commons.



TABLE OF CONTENTS

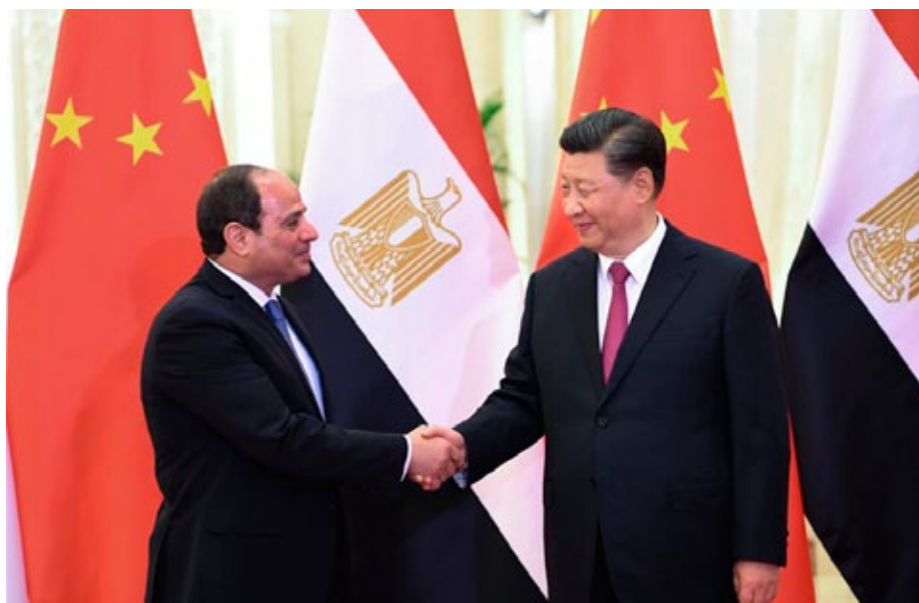
Introduction	1
Egypt: a profile	2
Egypt Vision 2030	5
The history of Sino-Egyptian relations	7
The Belt and Road Initiative	9
From the Cold War to the BRI	11
Conclusion	13
References	14

Introduction

This policy brief traces the evolution of Sino-Egyptian relations from their roots in nationalism, religious expediency and anti-imperialism to Egypt's current need for infrastructure and foreign investment on the one hand, and China's expanding global reach through grand strategies, most notably the Belt and Road Initiative (BRI), on the other. The current Sino-Egyptian synergy reflects the general Sino-African relationship that has been shaped by rapid economic growth and closer economic ties (Xiangming and Myers 2013). Xi Jinping's ascent to the Chinese presidency in 2013 and Abdel Fattah al-Sisi's accession to the Egyptian presidency in 2014 have brought the two countries closer together.

China regards Egypt as an important strategic partner which is conveniently positioned in geographic terms (thereby providing China with an entry point to Africa and the Middle East), and also provides Chinese state-owned and private enterprises with an opportunity to acquire stakes in Egypt's profitable ports. Al-Sisi rose to power in controversial circumstances that predictably alarmed Egypt's traditional Western partners, particularly the United States (Lally 2013). In China, Al-Sisi found a country with a policy of non-interference in the internal affairs of others that would therefore not denounce the coup d'état that had removed Mohamed Morsi, a democratically elected president, from power (Saleh 2018). However, economic relations between China and Egypt are similar to those between China and other African countries, marked by Chinese exports of finished products, and African exports of largely unbeneficiated raw materials.

Chinese President Xi Jinping welcomes Egyptian President Abdel-Fattah al-Sisi to the second Belt and Road Forum for International Cooperation in Beijing, China, April 2019. Picture: Belt & Road News.



Understandably, because of the great disparities in their economic strengths, investment patterns between the countries are skewed in China's favour, marked by heavy Chinese investments in Egyptian infrastructure accompanied by controlling power.

In the first section, I will provide a brief general profile of Egypt. In the second, I will discuss Egypt's blueprint for development, known as the Sustainable Development Strategy: Vision 2030. In the third, I will turn to the history of Sino-Egyptian relations. In the fourth, I will discuss China's Belt and Road Initiative (BRI), providing a basis for the fifth, in which I will discuss the Sino-Egyptian nexus since the end of the Cold War.

The BRI has become an essential expression of how relations between Egypt and China have evolved from the largely ideological zeitgeist of the Cold War to a more pragmatic one, aimed at meeting Egypt's need for economic and infrastructure development on the one hand, and China's desire to expand its sphere of influence and become a global economic and political player on the other.

Egypt: A profile

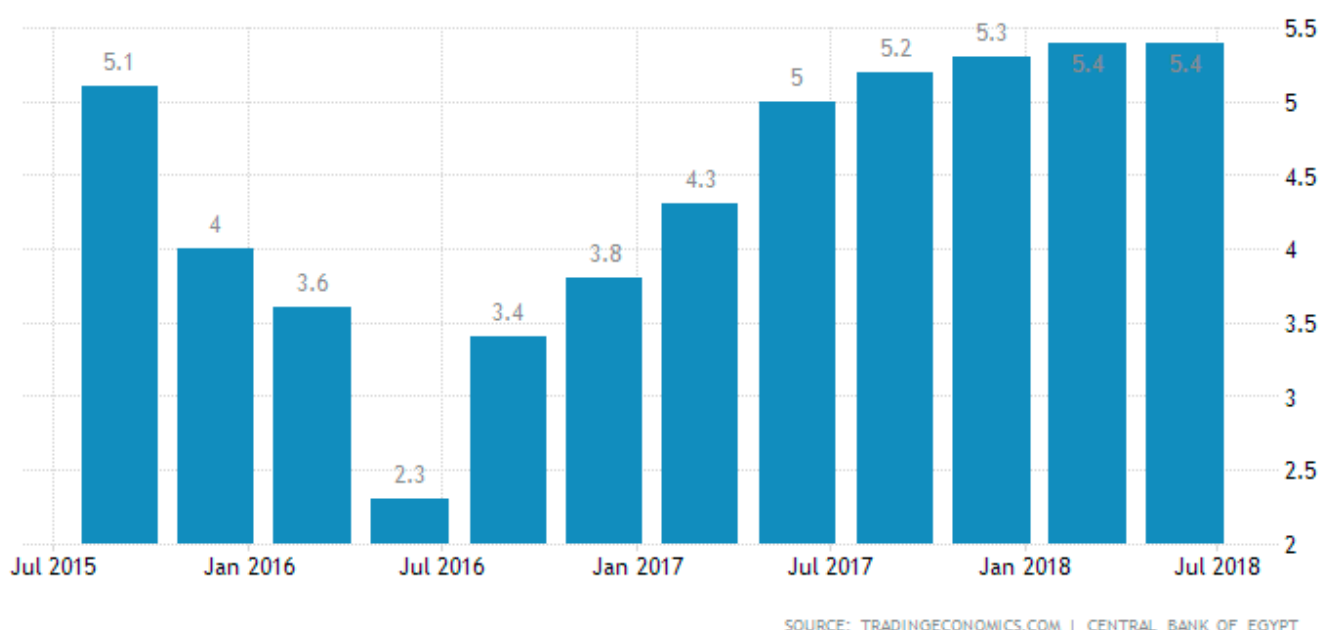
Egypt enjoys a prestigious place in the annals of history. Its majestic pyramids attest to the fact that it is one of the earliest paragons of mathematical excellence in general and geometry and architecture in particular. The Nile River, Egypt's main source of water, is a globally imposing feature that contributes to the country's long and well-documented history as a tourist destination. European interest in and tourism to Egypt began to grow during the reign of Muhammad Ali, who welcomed the presence of the British and the French. Fascination with Egypt's ancient achievements played a vital role in attracting foreign tourists (Anderson 2012).

The allure of Egypt's ancient achievements is enhanced by its location. Egypt is a crucial port of entry and access to Africa, the Middle East and Europe. Politically, it has played a vital role in balancing the dynamics of the African, Arab and Western worlds in determining prospects for peace. In the mid-twentieth century, it played a pivotal role in Third World politics. As Salem (2018: 438) has noted: 'It fought against many forms of neo-colonialism, and was a major force against colonial domination all over the world.'

Egypt has often seen itself as a regional leader, and the country's Strategic Development Strategy, which we will unpack later on, states from the onset that 'It revives the historic role of Egypt in regional leadership' (Ministry of Planning, Monitoring and Administrative Reform 2015: 3). More especially during the tenure of Anwar Sadat (1970–1981), Egypt rose to global prominence through its active pursuit of peace between Israel and the Arab countries of the Middle East. When, in 1956, Gamal Abdel Nasser (president from 1956 to 1970) nationalised the Suez Canal, thereby precipitating the Suez crisis and antagonising Britain and France, Egypt leaned towards the Soviet camp in the Cold War binary. Sadat's active and successful courting of the United States and Israel (Lippman 2016) showed just how crucial Egypt is to maintaining Arab-Israeli harmony, which has been one of the most pervasive – and elusive -- issues of twentieth century and twenty-first century politics.

To its partners, Egypt is strategically important for a litany of other reasons. It is the most populous Arab nation, and hence cultivating relations with it provides a consider-

Figure 1: Egypt's Annual GDP growth, 2015-2018



Source: Central Bank of Egypt.

able foothold in the Arab region straddling Africa and the Middle East. In that region, Egypt has one of the most diversified and developed economies, averaging a GDP growth rate of 4.07% from 1992 to 2017, with an all-time low of -3.80 in 2011, indubitably caused by the revolution that saw veteran leader Hosni Mubarak removed from power. However, following the accession of Abdel Fatah al-Sisi to the presidency, Egypt's economy has shown a remarkable recovery. Among other indicators, GDP grew 5.40% year-on-year in the second quarter of 2018, the same as in the previous period (Trade Economics 2019). Figure 1 traces GDP over three years, from July 2015 to July 2018.

According to the Egyptian Ministry of Investment and International Cooperation, private and public free zones have made a significant contribution to the economy. These zones are investment regions expressly dedicated to export markets, and are governed by independent boards (Ministry of Investment and Cooperation 2018a). They cater for a range of sectors such as medical supplies, textiles, printing and storage, providing employment for more than 180 000 people. In 2016, private free zones attracted \$2 billion in foreign direct investment. In the same year, total investment costs reached US\$26 billion through a total of 1108 companies contributing about US\$10 billion to Egyptian exports (ibid).

Buoyed by the seeming success of functioning zones, the Government Authority for Investment Free Zones embarked on a drive to install public free zones in all of Egypt's 27 governorates. By 2017, only eight had public free zones (Ministry of Investment and International Cooperation 2018a). The private sector has also been encouraged to establish manufacturing firms that are autonomous of public free zones but are still expected to adhere to legal benchmarks that govern public free zones. In a paper published in July 2018, Egypt's Ministry of Investment and International Cooperation (2018b) conceded that 'public funds alone cannot bridge the financing gap needed to achieve inclusive and sustainable development. As such, it is now an accepted reality that the achievement of national development agendas requires strong integrated partnerships between governments, international partners, civil society, and the private sector.'

In its march towards meeting the Strategic Development Goals (SDGs), Egypt received a boost when the United Nations Development Program (UNDP) awarded the Egyptian Micro, Small and Medium Enterprises Development Agency (MSMEDA) the first prize in fulfilment of SDG number 5, aimed at attaining equality in all spheres of development, most crucially in this case, gender equality. By receiving this award, it said, 'MSMEDA is the first entity in Egypt and the Arab region to receive this seal. Egypt is also the first country in the Arab region to test the criteria of the gender seal and the second country in the world' (UNDP 2019b).

Despite its relatively stable state, Egypt is still beset with domestic and international challenges that could diminish its prospects of meeting the SDGs. Domestically, Egypt has to stem factors such as a high birth rate, high rates of internal migration, water scarcity, discrimination against girls and women, and the haemorrhaging of technical experts. In addition, 96% of Egypt is covered by desert. The Sustainable Development Strategy: Egypt Vision 2030, which will be examined in the next section, responds to these challenges.

Despite its relatively stable state, Egypt is still beset with domestic and international challenges that could diminish its prospects of meeting the SDGs



Due to its topography, and lack of arable land, Egyptians are confined to a miniscule ribbon of land along the Nile River (Elshahawany, Haddad and Lahr 2017:257). This has resulted in overcrowding in Cairo and the need to build a new city outside Cairo that could be used as a depopulating solution. The infrastructural demands of this initiative are daunting. Therefore, the infrastructural projects that China has undertaken at Egypt's behest are a response to the challenges facing Egypt. Beyond its borders, Egypt finds itself in an unstable and volatile region, featuring Libya, Syria (UNDP 2019b), and the protracted Israeli-Palestine conflict. In its Vision 2030, Egypt acknowledged these external challenges that have bearing on Egypt's internal affairs, adding concerns emanating from terrorism, weapons smuggling, immigration, and the construction of the Renaissance Dam, which is likely to reshape how quotas of the Nile waters along countries of the Nile Basin are distributed.

A Chinese container ship moves through the Suez Canal. Picture: Wikimedia Commons.

Egypt Vision 2030

The Sustainable Development Strategy (SDS): Egypt Vision 2030 establishes a development framework for an advanced and prosperous nation characterised by economic and social justice. The document was published under the auspices of Egypt's Ministry of Planning, Monitoring and Administrative Reform. It revives Egypt's historic role as regional leader. It represents a road map that aims to maximise the use of competitive possibilities and advantages. It was commendably prepared with wide social participation, taking into account the visions of civil society, the private sector, ministries, and government agencies (Green Growth 2016). Furthermore, the SDS was not framed ex nihilo. It drew some inspiration and is indeed consonant with international strategies such as the Millennium Development Goals (MDGs) and, after 2015, the Sustainable Development Goals (SDGs). According to the Ministry of Planning (2015), some Eyp-

tian strategies that inspired the SDS include Strategy 2017, the Strategic Framework of Income Multiplying 2022, and the Urban Plan 2052, in addition to some sectorial strategies, and a study of the population strategy 2030-2050.

Vision 2030 comprises an economic dimension, a social dimension and an environmental dimension. Each of these incorporate a number of pillars outlining the goals Egypt wants to achieve by the year 2030 in greater detail.

- The **economic dimension** comprises the pillars of economic development, energy, innovation, scientific research, and transparency and efficiency of institutions.
- The **social dimension** involves the pillars of social justice, education and training, health, and culture; and
- The **environmental dimension** includes the pillars of environment and urban development.

In addition, the pillars of **foreign policy** and **national security and domestic policy** (El-Megharbel 2015: 3) are meant to form propitious settings for the SDS and its pillars. Vision 2030 was developed in four phases.

The first phase, in the first half of 2014, appraised Egypt's prevailing circumstances, as well as strategies in place at both the national and subnational level. The government also reviewed the visions held by civil society. International strategies were analysed, in tandem with international and local challenges (Acumen Consulting 2016). In the second phase, in the second half of 2014, analysts and planners started to formulate the broad direction a new strategy would need to take. All the pillars mentioned above were identified. In the third phase, conducted in the first half of 2015, policy priorities under the various pillars were developed, as well as mechanisms for measuring progress made towards reaching concrete targets. In the fourth and final phase, the results of the study were collated into a document that was presented to parliament and then to communities for their consent. Like the first phase, the fourth phase was undertaken at a national and regional level.

The SDS is based on the concepts of sustainable and inclusive growth and balanced regional development, as well as widespread participation. Moreover, it takes into account the principles of equal opportunities, the bridging of development gaps, the optimal and fair use of resources, and ensuring the rights of generations to come. It proclaims that

'By 2030, Egypt will be a country with a competitive, balanced, and diversified economy, depending on knowledge and creativity, and based on justice, social integration, and participation, with a balanced and varied ecosystem, a country that uses the genius of the place and the citizens in order to achieve sustainable development and improve the quality of the life for all. Moreover, the government looks forward to lifting Egypt, through this strategy, to a position among the top 30 countries in the world, in terms of economic development indicators, fighting corruption, human development, market competitiveness, and the quality of life.'

The most significant pledge is probably trade facilitation, as it provides African countries with enhanced opportunities to export manufactured goods



As noted earlier, development of the SDS has reflected an awareness of Egypt's strategic place and role in its immediate region and beyond. It also reflects an awareness of the importance of its international stature and its image among its partners, especially those it regards as vital for helping it to realise Vision 2030.

Egyptian president Gamal Abdel Nasser (centre) with other Third World leaders at the Bandung Conference, 1955.

The history of Sino-Egyptian relations

One country that has successfully exploited Egypt's strategic importance is China. Egypt and China are well known for their time-honoured and well-documented history as trailblazers of civilisation in their respective continents, and in their respective regions. Formal Sino-Egyptian relations have a pioneering strand. Egypt was the first African country to establish formal relations with the People's Republic of China (Abu Hatab, Shoumann and Huo 2012: 314). This milestone, for both Egypt's position in international affairs and China's foothold in Africa, came a year after the celebrated Bandung Conference in Indonesia in 1955 (Haddad Fonda 2014: 45). The Bandung Conference played a definitive role in respect of international relations and politics. According to Acharya (2016: 343), one of its defining legacies is demonstrating the 'agency' of the [then] newly independent states in the making of the post-war international order.

Bandung established the framework within which the Non-Aligned Movement was formed. Secondly, and probably most importantly, it drew attention to the all-important question of the developed and developing world with its attendant racial connotations between 'people of colour and the rest', as Sukarno, the first president of Indonesia, put it in his inaugural speech at the conference.

As could be expected, the Bandung Conference was not well received by those Western powers that still had colonies in the regions the conference was representing. At an ideological level, the Bandung Conference was capable of giving communist China a platform on which to win support in Asia and Africa. Even though China was not one of the main promoters of the conference (these were India, Pakistan, Ceylon (Sri Lanka), Burma and Indonesia), the presence and undertakings of Zhou En-Lai, Chinese premier at the time, entrenched China's leading role in the Third World. Moreover, the eventual Bandung Declaration corresponded with the principles of co-existence that Zhou En-Lai had suggested the previous year, and to which China and India had committed themselves.

Egypt's Gamal Abdel Nasser was present at the conference, representing the largely colonised African continent. Acharya (2015) asserts that Bandung persuaded Egypt to shun the West. This could be contested, because, for decades after Bandung, Asian and African countries still maintained deep economic if not ideological bonds with the West (see Phillips 2016: 330). The shared antipathy of Afro-Asian countries towards colonial domination and Western interference in the Third World were formidable points of intersection, and reinforced Afro-Asian comity. This is so because, despite the cultural and religious differences that surfaced at the conference, 'the identity that mattered and shaped Bandung was the constructed political identity of the newly independent and marginalised forces of world politics, rather than the parochial identities of cultural or civilisational blocs. There was not even the faintest hint of a "clash of civilisations" at Bandung' (Acharya 2016: 351). In the same vein, the actors at Bandung were 'intent on expunging international society of the structures and practices of racism and colonialism so as to strengthen the foundations of a pluralistic international society better able to accommodate cultural and political differences' (Devetak, Dunne and Nurhayati 2016: 358).

In the case of Sino-Egyptian relations, religion has actually played a crucial role. Egypt, a predominantly Muslim country, and the most populous Arab country, was of interest to China, which also has a Muslim population, even though the Chinese state's interaction with its Muslim population has been controversial. Even before the establishment of formal relations, in January 1956, China started sending students to Egyptian institutions. Reportedly, Li Zhenzhong, one of the first students to be sent on such a mission, was chosen chiefly because he was Muslim. The presence of a hand-picked Muslim in this first delegation illustrates how meticulously China's central government scripted every aspect of its nascent relationship with Egypt in the mid-1950s' (Haddad-Fonda 2014: 46). China's initial overtures towards Egypt are understandable, considering the situation that China found itself in less than a decade after establishing communist rule.

The Cold War dichotomy between the Soviet Union and the United States pushed the politics and plight of less developed regions and countries on to the back burner. China sought to enhance its influence by being a force for good in the developing world, and the most effective way of doing this was by stoking the crusade against colonialism. This found resonance in Egypt, a country that was militantly opposed to imperialism. In dealing with countries that had not fully embraced socialism, China was shrewd enough to emphasise its intention to fight colonialism rather than capitalism.

Since the 1980s, Sino-Egyptian relations have grown consistently and significantly, marked by growing economic ties and rising levels of investment.



Moreover, in the case of Egypt, China stressed the importance of its huge Muslim population, praising it as a vital part of the Chinese community, and an essential element of the diversity of the People's Republic.

All this demonstrates that Sino-Egyptian relations were established on a nationalist base that sought to emphasise solidarity in the fight against imperialism, and China's quest to win the fealty of its Muslim citizens who, until today, have a chequered relationship with the Chinese government. Since the 1980s, Sino-Egyptian relations have grown consistently and significantly, marked by growing economic ties and rising levels of investment.

The entrance to TEDA SUEZ, the China-Egypt Economic and Trade Cooperation Zone in the Suez Canal Economic Zone in the Ain Sokhna district. Picture: TEDA SUEZ

The Belt and Road Initiative

Initially called the One Belt, One Road (OBOR) initiative, and first mooted publicly in 2013, the land-based Silk Road Economic Belt and ocean-based 21st Century Maritime Silk Road, hereafter referred to as the Belt and Road Initiative (BRI), sets out five priorities:

- Stronger policy co-ordination;
- Building more integrated transport, energy and IT infrastructure networks;
- Working to lower barriers to trade and investment;
- developing more robust financial cooperation and integration; and
- encouraging and facilitating closer relations and connections at the sub-state, societal level of cooperation, referred to as 'people-to-people relations'.



The admin block of TEDA SUEZ, the China-Egypt Economic and Trade Cooperation Zone in the Suez Canal Economic Zone. Picture: TEDA SUEZ

The BRI came at the time when China entered a 'new normal' in its economic growth profile, a 'slower but more sustainable growth path with solid steps towards the Chinese dream which was proposed by China's President, Xi Jinping, in 2014' (Zhang and Kangombe 2016: 63). This came on the back of double-digit growth over a 30-year period, starting in 1978. At the annual meeting of the Chinese Boao Forum for Asia in April 2018, President Xi Jinping asserted that 'The Belt and Road Initiative is not a Chinese plot, as some people internationally have said. It is neither the post-World War Two Marshall Plan, nor is it a Chinese conspiracy' (Reuters 2018). Debunking myths that it was cloaked in secrecy, and harbouring unsavoury motives, he said it could probably be described as an 'overt plot.' The Chinese government promised that China would use the BRI 'to create a more comprehensive, diversified, and deeper opening-up structure' (Xi 2017: 42). Analysts concluded that the initiative was primarily aimed at guaranteeing economic development by integrating a number of countries in Asia, Africa and Europe (Sooklal, Simelane and Anand 2018: 1; see also He 2015).

Because of its outward-looking nature, the BRI is consonant with China's 'going out' policy which was propagated in the 1990s (Chen 2016: 178). Africa occupies a special place in the BRI because even before 2013 (when the BRI was formally placed in the public domain), China was already active on the continent, providing infrastructure, enhancing connectivity, and demonstrating its readiness to provide long-term assistance to its partners. The fact that China was prepared to assist countries that were desperately poor and landlocked strongly suggested a willingness 'to invest in projects that are not necessarily profitable in the short term, to consolidate its economic and diplomatic presence in the targeted country, and to help its large state firms growing and internationalising' (Cabasten 2018: 1).

Given all this, African countries are expected to rapidly embrace the BRI because it gives new depth to an initiative that has been going on for the better part of two decades. Some analysts argue that the BRI 'holds the prospect for development of many poor countries, including those on the African continent' (Ndzendze and Monyae 2019: 1) while others have suggested that it offers an alternative development path for Africa (Sooklal, Simelane and Anand 2018).

An initiative such as the BRI should ideally jell with regional and continental initiatives as well as the aspirations of individual countries. It is vital to note that the African Union (AU) has chosen China as a partner for the African Integrated High Speed Railway Network, a flagship project of its Agenda 2063 (AU 2017: 5). Some analysts have identified connections between the BRI and China's general 'emphasis on infrastructure development ... with Africa's Agenda 2063 as well as aspirations on the continent' (Sooklal, Simelane and Anand 2018: 3). Even more pointedly, Ndzendze and Monyae (2019: 1) have favourably assessed the BRI's potential to strengthen Agenda 2063's Aspirations 2, 4, and 5 which, respectively, are to make Africa:

- An integrated continent, politically united based on the ideals of Pan Africanism and the vision of Africa's Renaissance;
- A peaceful and secure continent and
- A continent with a strong cultural identity, common heritage, values and ethics (AU 2015: 2).

Despite the continental appeal of the BRI, the Maritime Silk Road has mostly been associated with countries situated along global coastlines. This geographic circumstance is important for passages across continents, and Egypt offers this facility to China and other countries.

The following section examines Sino-Egyptian relations and how they have evolved from Cold War affinities into a more pragmatic partnership. The background of China's infrastructure commitment to Africa, which was boosted by the BRI initiative, will become apparent when specific projects in Egypt undertaken by China and Chinese corporations are pointed out.

From the Cold War to the BRI

Sino-Egyptian economic and investment ties have grown steadily from the 1980s (Vhumbunu 2018). However, like trade relations between China and other African countries, analysts have widely argued that these relations are heavily tilted in China's favour due to its manufacturing capacities and the industrial impotence that besets Egypt and other African countries. China is a net exporter of high-end products to Egypt while the latter, like other African countries, is a net exporter of unprocessed primary products that fetch less value than China's exports (Scott 2015). Significantly, while Chinese exports to Egypt are increasing, Egyptian exports to China are declining (Abu Hatab et al 2012). Given this, Scott (2015) has suggested that the China and Egypt should embark on concerted initiatives to improve the value of Egyptian assets. Figure 2 depicts the value of Egyptian exports to China from 1993, a year after Deng Xiaop-

African countries are expected to rapidly embrace the BRI, because it gives new depth to an initiative that has been going on for the better part of two decades

ing's southern tour during which he exhorted China to be bolder in reforming and opening itself up to the outside world, up to 2018.

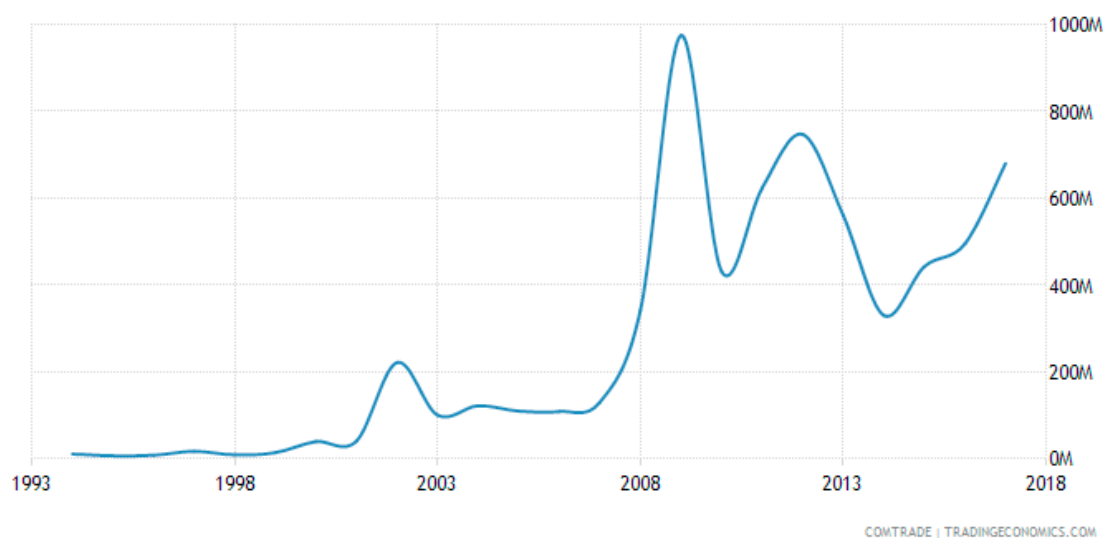
In 2017, Egyptian exports to China totalled \$679.86 million, but, following the same long-term trend, mineral fuels, oils and distillation products dominated, accounting for \$443.64 million (65%) of all exports. In the same year, Egyptian imports from China totalled \$8.11 billion, with electrical and electronic equipment accounting for 24%, and machinery and nuclear reactors to 14% of total imports.

A more diversified look at the BRI is crucial to building infrastructure that could transform the nature and value of Egyptian exports to China. **Figure 2** shows that Egyptian exports to China have increased significantly and consistently since 2014, when Abdel Fatah al-Sisi became president. This increase has been accompanied by an increase in Chinese involvement in the Egyptian by way of numerous major infrastructure projects.

The increasing trade and investment partnership follows China's long-standing investment in Egypt's port economy since the mid-2000s. Hutchison Port Holdings (HPH), a subsidiary of Hutchison Whampoa, owned by the Hong Kong business magnate Li Kai-shing, pioneered the drive by acquiring a '50% share in a joint venture with Alexandria Port Authority to construct, operate, and manage two container terminals in the ports of Alexandria and El Dekheila on Egypt's northern Mediterranean coast, although the amount invested was not publicly aired' (Scott 2015). In 2016, HPH bought a 30.3% stake in Egypt's Alexandria International Container Terminals (AICT) (Reuters 2016). In November 2007, COSCO Pacific Limited, China's leading container leasing company, disclosed that it had acquired a 20% stake in Suez Canal Container Terminal SAE from Egyptian International Container Terminal, a subsidiary of Denmark's AP Moller-Maersk Group (World Maritime News 2008).

Since 2009, the Suez Cooperation Zone has been very successful as China's gateway into Africa and the Middle East. It deals mostly in ICT, renewable energy and the manufacturing of electrical equipment and automobile components. In 2012, the Jushi Group, a leading fibreglass manufacturer, invested US\$225 million in Egyptian production facilities in the SCZ. Small and mediums enterprises (SMEs) have been established in the zone, and have contributed to job creation. In 2014, exemplifying the comprehensive strategic partnership between the two countries (Saleh 2018), Egypt made a total of 26 deals with China: eight in transportation, 13 in electricity, three in tourism, and two in the supply field, totalling some US\$60 billion.

In September 2015, Egypt signed a new Memorandum of Understanding (MoU) with the China State Construction Engineering Corporation (CSCEC) over a study for financing and building the administrative part of an entirely new Egyptian capital, to be built 45 kilometres east of Cairo which would compass ministries, government agencies, and the president's office. In early 2016, the China Fortune Land Development Company and the CSCEC signed agreements with Egyptian authorities towards developing parts of the project. At 385 metres, an Iconic Tower, due to be built in the new Central Business District (CBD), will be the tallest building in Africa. The Chinese news agency Xinhua has described the project as a 'landmark for the China-proposed Belt and

Figure 2: Egyptian exports to China, 1993-2018

Source: Comtrade.

Road Initiative (BRI) that seeks win-win development cooperation between participating states through economic and trade partnerships as well as infrastructure projects' (Fouly 2019).

The extent of China's involvement in Egypt's port infrastructure exudes the spirit of the BRI. In the Middle East 'Egypt, Jordan, the UAE, and Saudi Arabia are coordinating their own domestic economic plans with the BRI project proposals and have increased the frequency of high-level visits to China to discuss involvement in the BRI' (Sharma 2019: 40). At the opening session of the second Belt and Road Forum for International Cooperation (BRFIC) in April 2019, President Abdel Fatah al-Sisi called upon Chinese and member states of the BRI to invest in the inter-African megaprojects of the Cairo-Cape Town Road and VICMED, a trade shipping route starting from Lake Victoria in Central Africa to the Mediterranean Sea (Egypt Forward 2019). Al-Sisi's presence at the BRFIC, and Egypt's coincident chairmanship of the AU, coupled with Al-Sisi's sentiments, underline the kinship between the ideas animating the BRI, Africa's Agenda 2063 and the UN's Sustainable Development Goals.

Conclusion

Despite the deepening economic partnership between China and Africa, and the obvious benefits of Chinese-sponsored infrastructure, the Sino-African relationship has to contend with a number of unyielding critics and cynics. An even-handed analysis of Sino-African relations shows that some of the criticisms are justifiable. As shown in this analysis, while Egypt has relied on much-needed investment and infrastructure from China, trade relations are largely tilted in favour of China. This is not necessarily



The Jushi Egypt fibreglass plant in TEDA SUEZ, the world's largest fibreglass production base outside China, and the only plant of its kind in Africa.

the responsibility of China, as African countries in general have failed to industrialise and add value to their raw materials. The BRI also has its detractors, which is borne out by Xi Jinping's protestations that the initiative is not a furtive plot, hatched with the intention of bringing some 60% of the world's population under Chinese control. With respect to Africa, Chen (2016:181) argues that 'African states neither attract much FDI from China, nor do they benefit enough from China's Belt and Road Initiative'. However, he goes on to state that the situation could be changed for the better if Africa deepened rather than changed, its connections with China.

The nature and volume of Egyptian exports to China should be revised, thereby making trade and economic relations more evenly beneficial for both parties. More broadly, the BRI is not only about roads, sea routes, railways or lines of communication. It is also about bolstering the industrial capacities of participating countries. Therefore, it could and should play a vital role in helping African countries to start benefiting their primary products. Failing this, the transport installations sponsored by the BRI will remain a conduit for benefiting the more industrialised countries outside the continent, to the perpetual disadvantage of Africa.

References

- Abu Hatab, A R, N Abdelhamed Shoumann and X Huo. 2012. 'Exploring Egypt-China bilateral trade: dynamics and prospects'. *Journal of Economic Studies*, (39) 3: 314-326. At <https://doi.org/10.1108/01443581211245892>
- Acharya, A. 2016. 'Studying the Bandung conference from a global IR perspective'. *Australian Journal of International Affairs*, (70) 4: 342-357. DOI: 10.1080/10357718.2016.1168359

- Acharya, A. 2015. 'A world of their own making? The legacy of the Bandung Conference for international order.' Bandung Conference and Beyond, Yogyakarta, keynote speech, 18 April.
- Acumen Consulting. 2016. *Sustainable Development Strategy: Egypt Vision 2030*. At <http://acumenconsult.org/wp-content/uploads/2016/02/Egypt-2030-Acumen-Consulting-Summary.pdf>
- African Union (AU). 2015. *Agenda 2063*. Addis Ababa, Ethiopia.
- African Union (AU). 2017. Progress Report on the Implementation of Agenda 2063 First Ten-Year Implementation Plan. Addis Ababa.
- Anderson, M. 2012. 'The development of British tourism in Egypt, 1815 to 1850'. *Journal of Tourism History*, (4) 3: 259-279. DOI: 10.1080/1755182X.2012.711373
- Devetak, R, T Dunne and R T Nurhayati. 2016. Bandung 60 years on: revolt and resilience in international society'. *Australian Journal of International Affairs*, (70) 4: 358-373. DOI: 10.1080/10357718.2016.1155201.
- Chen, H. 2016. 'China's "One Belt, One Road" initiative and its implications for Sino-African investment relations'. *Transnational Corporations Review*, (8) 3: 178-182. DOI: 10.1080/19186444.2016.1233722.
- Egypt Forward. 2019. 'Al Sisi: China & BRI member states should invest in Africa'. At <https://egyptfwd.org/Article/99/317/Al-Sisi-China-BRI-Member-States-Should-Invest-In-Africa>
- El-Megharbel, N. 2015. 'Sustainable Development Strategy: Egypt's Vision 2030 and Planning Reform'. New York: Integrated Approaches to Sustainable Development Planning and Implementation. At <https://sustainabledevelopment.un.org/content/documents/15262El-Megharbell,%20Egypt%20NSDS%2020150527.pdf>
- Elshahawany, D N, E A Haddad and M L Lahr. 2017. 'Accessibility, transportation costs, and regional growth: a case study for Egypt'. *Middle East Development Journal*, (9) 2: 256-277. DOI: 10.1080/17938120.2017.1366773.
- Fouly, M. 2019. 'Feature: Chinese construction projects in Egypt's new capital city model for BRI-based cooperation'. Xinhua. 18 March. At http://www.xinhuanet.com/english/2019-03/18/c_137902708.htm
- Green Growth. 2016. 'Sustainable Development Strategy: Egypt Vision 2030'. At <http://www.greengrowthknowledge.org/national-documents/sustainable-development-strategy-egypt-vision-2030>
- He, W P. 2015. "'One Belt, One Road" can find place for Africa'. *Global Times*, 29 January. At <http://www.global-times.cn/content/904823.shtml>.
- Cabestan, J-P. 2018. 'Beijing's "Going Out" Strategy and Belt and Road Initiative in the Sahel: The case of China's growing presence in Niger'. *Journal of Contemporary China*, 1-22. DOI: 10.1080/10670564.2018.1557948.
- Lally, W. 2013. 'Rare Interview with Egyptian Gen. Fatah al-Sisi'. *The Washington Post*, 3 August.
- Lippman, T W. 2016. *Hero of the Crossing: How Anwar Sadat and the 1973 War Changed the World*. Lincoln NE: Potomac Books.
- Ministry of Investment and International Cooperation. 2018a. 'Free Zones'. At <http://www.miic.gov.eg/English/Investment/Pages/freeZones.aspx>
- Ministry of Investment and International Cooperation. 2018b. 'Investing in Development for the SDGs: Maximising impact through partnerships and stronger private sector engagement'. Arab Republic of Egypt.
- Ministry of Planning, Monitoring and Administrative Reform. 2015. *Sustainable Development Strategy: Egypt's Vision 2030*. Cairo: Arab Republic of Egypt.
- Nd zendze, B and D Monyae. 2019. 'China's Belt and Road Initiative: linkages with the African Union's Agenda 2063 in historical perspective'. *Transnational Corporations Review*, 1-12. DOI:

10.1080/19186444.2019.1578160.

- Phillips, A. 2016. 'Beyond Bandung: the 1955 Asian-African Conference and its legacies for international order'. *Australian Journal of International Affairs*, (70) 4: 329-341, DOI: 10.1080/10357718.2016.1153600
- Reuters. 2016. 'Hutchison Port Holdings buys stake in Egyptian ports operator – statement'. 7 March. At <https://www.reuters.com/article/aict-ma-ckh-holdings-idUSL5N16F0R6>
- Reuters. 2018. 'Belt and Road Initiative is not a Chinese plot, Xi says'. 11 April. At <https://www.reuters.com/article/us-china-boao-bri/belt-and-road-initiative-is-not-a-chinese-plot-xi-says-idUSKBN1H11HC>
- Saleh, H. 2018. 'Egypt sees Chinese investment, and tourists as a “win-win” boost'. *Financial Times*, 29 October. At <https://www.ft.com/content/e490d960-7613-11e8-8cc4-59b7a8ef7d3d>
- Salem, S. 2018. 'Reading Egypt's postcolonial state through Frantz Fanon: hegemony, dependency and development'. *Interventions*, (20) 3: 428-445. DOI: 10.1080/1369801X.2017.1421041
- Scott, E. 2015. 'China-Egypt trade and investment ties – seeking a better balance'. Centre for Chinese Studies Policy Briefing, June 2015. At http://www.ccs.org.za/wp-content/uploads/2015/06/CCS_PB_China_Egypt_Trade_Ties_Emma_Final_2015.pdf
- Sharma, A. 2019. 'An Analysis of the Belt and Road Initiative and the Middle East'. *Journal of Middle Eastern and Islamic Studies*, (13) 1: 35-49. DOI:10.1080/25765949.2019.1586179
- Sooklal, A, T Simelane and J Anand. 2018. 'Introduction'. In A Sooklal, T Simelane and J Anand (eds), *Belt and Road Initiative: Alternative Development Path for Africa*. Pretoria: Africa Institute of South Africa. 1-6.
- Trading Economic. 2019. 'Egypt GDP Growth Rate'. At <https://tradingeconomics.com/egypt/gdp-growth>
- United Nations Development and Program (UNDP). 2019b. 'Sustainable Development Goals (SDGs): Egypt'. At <http://www.eg.undp.org/content/egypt/en/home/sdgooverview/post-2015-development-agenda.html>
- _____. 2019a. 'Egyptian Micro, Small and Medium Enterprises Development Agency (MSMEDA) received the Gender Equality Seal Award'. At <http://www.eg.undp.org/content/egypt/en/home/presscenter/pressreleases/html>
- Vhumbunu, C H. 2018. 'China-Zimbabwe trade relations in the 21st century: an analysis of trends, patterns and prospects'. *International Journal of China Studies*, (9) 2: 227-248.
- World Maritime News. 2007. 'COSCO Pacific bought 20% Stake in Suez Canal Terminal'. 8 November. At <https://worldmaritimeneews.com/archives/10137/httpwww-worldmaritimeneews-comarticleshipping10234cosco-pacific-bought-20-stake-in-suez-canal-terminal/>
- Xi, J. 2018. *The Governance of China*. Vol II. Beijing: Foreign Language Press.
- Xiangming, C, and G Myers. 2013. 'China and Africa: the crucial urban connection'. *European Financial Review*.
- Zhang, Q and A Kangombe. 2016. 'Chinese investment in Africa: how the New Normal can leverage Agenda 2063 for sustainable economic co-operation'. *African East-Asian Affairs*, 3: 62-94.

