Department for International Development United Kingdom

The Effect of China and India's Growth and Trade Liberalisation on Poverty in Africa

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in association with

May 2005

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Abbreviations and Acronyms

ATC	Agreement on Textiles and Clothing
AGOA	African Growth and Opportunity Act
ASEAN	Association of South East Asian Nations
DFID	Department for International Development
ESI	Export Similarity Index
EU	European Union
FDI	Foreign Direct Investment
FTA	Fair Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GTAP	Global Trade Analysis Project
IMF	International Monetary Fund
ITC	International Trade Classification
MFA	Multi-Fibre Agreement
OECD	Organisation for Economic Co-operation and Development
SACCA	South African Common Customs Area
SITC	Standard International Trade Classification
SSA	Sub Saharan Africa
T and G	Textiles and Garments
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
US	United States
USITC	United States International Trade Commission
WTO	World Trade Organisation

This report has been prepared for DFID by Rhys Jenkins and Chris Edwards of Overseas Development Group, University of East Anglia, through the DFID Economist Resource Centre Framework, with research assistance provided by Sylvie Koestlé. The views expressed herein are those of the authors and do not necessarily represent the views of Enterplan Limited

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Executive Summary

Executive Summary

1 In recent years the two largest countries in Asia, China and India have become increasingly important players in the global economy. Their rapid growth and increased openness since 1990 has led to concerns in both developed and developing countries, but up to now relatively little attention has been paid to their impact on the countries of Sub-Saharan Africa, despite the fact that trade between the Asian Drivers and Africa has grown significantly since 1990 and that in the last few years China and India have also emerged as sources of Foreign Direct Investment (FDI).

2 This paper considers the implications of these growing links between Africa and China and India for twenty-one Sub-Saharan African countries. The particular focus of the study is on the impacts that these links are having on poverty in the region. However given the lack of previous detailed research on the trade and investment impacts of China and India on Africa, a significant part of the report is devoted to analysing these impacts in order to provide the context in which to look at the poverty implications.

3 The study combines a disaggregated approach to examining the impact of China and India on the trade of third countries at the 3-digit SITC level with an analysis of trade-poverty linkages based on the framework developed by Winters. Growth in Asia has implications for other countries through its impact on their exports to the Asian Drivers themselves (positive) and to third countries (negative), and through their imports from China and India. It may also have implications for FDI flows either through the diversion of FDI from other countries to China or India, or through the growth of outward investment from the Asian countries. There may also be indirect impacts through the effects of China's growth on global economic growth and on world prices of primary commodities

4 Trade and FDI can impact on poverty through their effects on production and factor markets, or through changes in the prices of consumer goods, or via effects on government revenues and expenditure. They may also affect the vulnerability and exclusion of the poor from economic activity and create conflict with marginal groups. The likely impact of trade changes on the poor will depend in part on the types of goods that are involved and the conditions under which they are produced. The study therefore distinguishes between a number of different types of products: labour-intensive agricultural products; other agricultural products; forestry; mining and petroleum; labour-intensive manufactures; and other manufactures.

5 Exports from the African countries to China particularly have been predominantly of extractive products, minerals, petroleum and timber. They are not therefore likely to have had a significant positive impact on the poor, who may even have been negatively affected as a result of the growth of natural resource based exports. Exports to India have been more diversified but considerably less dynamic

than those to China. There are some types of exports which do offer potential for pro-poor impacts such as fruit and cotton.

6 Competition from China in third markets is less of a challenge to the countries of the region than to those of South and South-east Asia which have specialised in exporting labour-intensive manufactures, particularly textiles and garments. The major exception to this is Lesotho, which over the last few years developed a significant garment industry which is threatened by the ending of the MFA. India is much less of a competitive threat in third markets than China.

7 Imports from China and India have a double effect on the African countries. On the one hand they provide cheaper goods which benefits consumers. On the other hand if they compete with domestic producers, rather than imports from other countries, then they may have negative effects on employment. The impacts on poverty depend on whether the poor consume the goods that are imported from Asia, and on whether there is a negative effect on employment opportunities for unskilled workers. Some countries which import a relatively high proportion of basic consumer goods from China and India such as Ghana, Uganda and Tanzania are likely to find that the real income of the poor may increase as a result of the growth of cheap imports. In these countries it also seems that the growth of imports from China (and to a lesser extent from India) is primarily at the expense of other exporters rather than domestic producers. In the case of Ethiopia and Nigeria however there may have been negative effects on domestic output and employment as a result of increased import competition.

8 Disaggregated data is not available for FDI in the same way as for trade, so it has not been possible to carry out a detailed analysis in this area. However it seems highly unlikely that there has been any significant diversion of FDI from Africa to either China or Asia. On the other hand, outflows of FDI from China and India have been rising in recent years and some of this has been directed towards developing extractive industries and associated infrastructure in Africa. However, given the types of sectors in which FDI has been concentrated, it is unlikely to have had a positive impact on the poor and may even have had some negative impacts.

9 There are both ***challenges and opportunities*** for poverty reduction facing the African countries as a result of China and India's growth. The country which faces the greatest challenges is Lesotho because it exports labour-intensive manufactures to third country markets. However there are also opportunities, for example for some countries to increase exports of labour-intensive agricultural products to China and India as incomes there increase. This analysis suggests that other countries should look for market opportunities in China to expand labour-intensive agricultural exports. They could also seek to utilize increased tax revenues from primary product exports to fund pro-poor initiatives. In terms of challenges, governments should seek to ensure that smallholders are able to participate in new export markets and are not displaced by large, less labour-intensive farms. More generally, the government should monitor the impact of expansion of primary product exports on the poor and local communities which may be negatively affected.

10 It is also important to consider whether existing policies aimed at reducing poverty need to be changed in the light of China and India's expansion. Some

policies such as education or redistributive measures such as land reform, remain just as relevant irrespective of China's growth and may even become more so. However some other policies, such as emphasising the expansion of labour-intensive manufactured exports as a means of poverty reduction, may need to be qualified, in light of the increasing competition and falling prices for many such products.

11 There is ample scope for further research in this field. Priority areas would be:

- identification of labour-intensive products which are likely to have a pro-poor impact;
- studies of individual value chains; and
- more in-depth studies of specific countries.

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1 Introduction

1 Introduction

1 In recent years accelerated growth and greater openness of their economies have led to China and India becoming increasingly important players in the global economy. Almost two out of every five people in the world today live in China and India. Since 1990 the Chinese economy has grown at almost 10 per cent per annum and India's at almost 6 per cent. Between 1990 and 2002 trade as a share of GDP almost doubled in India and increased by more than two-thirds for China (see Table 1.1). Although their share of world output and trade still lag behind their share of world population, these have increased significantly.

Table 1.1 China and India in the Global Economy (%), 1990-2002/3

	China	India
Share of world population 2002	21	17
Share of world GDP 1990	1.7	1.5
Share of world GDP 2002	4.2	1.6
Share of world trade 1990	3.0	0.7
Share of world exports 2003	5.0	0.8
GDP growth p.a. (1990-2002)	9.7	5.8
Trade/GDP 1990	32	16
Trade/GDP 2002	55	31

Sources: World Bank, World Development Indicators, 2004; IMF, *Direction of Trade Statistics*, 1996 and 2004

2 The growing significance of these two developing country giants on the global scene has led to concerns in both developed and developing countries. In the case of the latter, the impacts of China, particularly on other countries in Asia and more recently on Latin America has been a focus of attention, but so far there has been very little work on the impact on Africa. Moreover much of the research that has been carried out focuses on impacts on macroeconomic performance and industrial competitiveness and does not explore the implications for poverty.

3 This paper considers the impact that China and India have had in the past and are likely to have in the future on Africa and in particular the possible impact on poverty reduction in the region. The detailed analysis considers 21 African

countries which between them account for four-fifths of the total population of Sub-Saharan Africa and about the proportion of the poor in the region.[1/]

4 The next section describes the growth and significance of economic relations between the two Asian countries and Africa.

1/ Statistical Appendix, Table A.3.1 lists the countries and their population and latest estimates of poverty levels.

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2 China and India's Economic Relations with Africa

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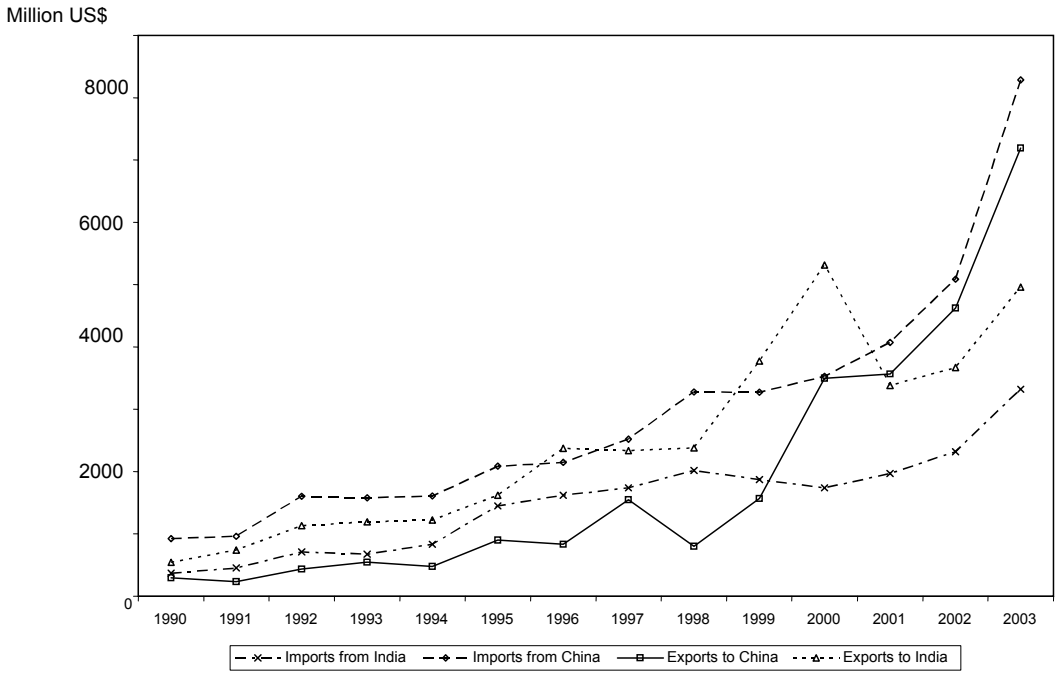
5 Economic links between China and India are not new but both countries' trade with Africa has increased significantly in recent years.

Figure 2.1 Africa's Trade with China and India, 1990-2003



Source: IMF, *Direction of Trade Statistics*

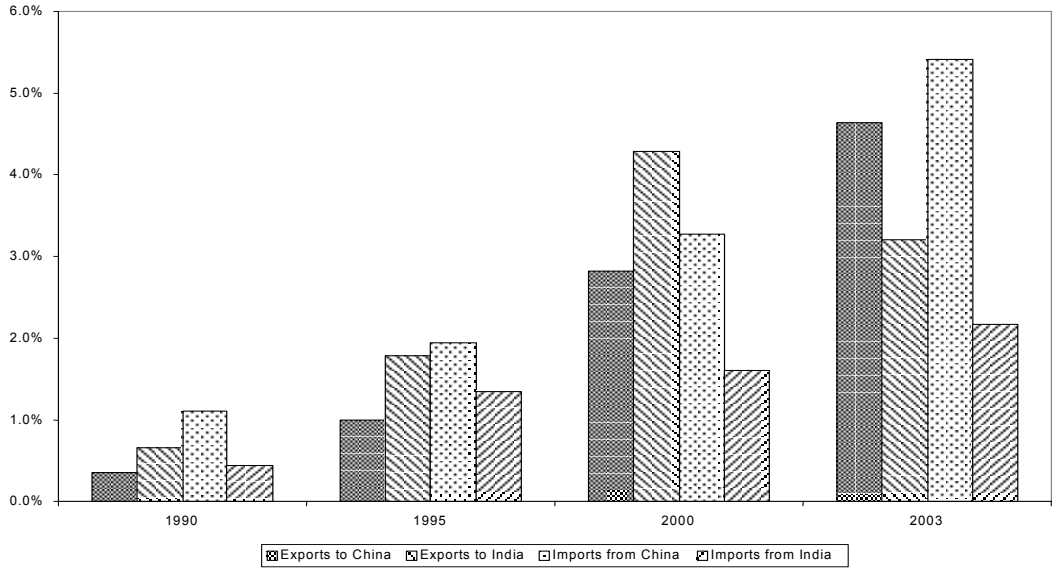
6 Figure 2.1 shows the growth of total trade between Africa and the Asian Drivers[1/] since 1990. This shows a slow growth in the first half of the 1990s which accelerated during the second half of the decade particularly after 1998. Since 2000 China has overtaken India as a trade partner for Africa. The Figure also indicates that whereas Africa has always had a trade surplus with India, it has run a deficit with China, although this has narrowed considerably since 1998 as a result of the rapid growth of exports to China.

7 Figure 2.2 illustrates trade with China and India as a share of Africa's total trade over the same period. The relative significance of both exports and imports between Africa and the two Asian economies increased substantially over the period,

1/ The term "Asian Drivers" is used to describe the two large, dynamic Asian economies, China and India.

although the share of Africa's exports going to India in fact fell between 2000 and 2003.

Figure 2.2 Share of China and India in Africa's Trade, 1990 - 2003



Source: IMF, *Direction of Trade Statistics*

8 In addition to trade, there is a history of Indian investment in Africa particularly in East Africa where there were significant expatriate Indian communities. More recently China has also taken an increased interest in the region, reflected in a number of major new investments. Some analysts predict that China will be one of the top three investors on the continent by the end of the decade (Economist, 2004).

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3 A Framework for Analysing the Impact of China and India's Growth on Poverty in African Countries

3 A Framework for Analysing the Impact of China and India's Growth on Poverty in African Countries

9 In the last few years there have been a number of attempts to analyse the impacts of China's growth on other developing countries (Eichengreen et. al., 2004; IADB, 2004; Lall and Albaladejo, 2004: Lall and Weiss, 2004; Shafaeddin, 2004; Yang, 2003). These have either been fairly aggregative studies which look at the impacts on broad regions of the world or more specific analyses mainly concentrated on China's neighbours in East and South East Asia, and to a lesser extent on Latin America. So far there have been no studies which have looked in detail at the impacts of China on Sub-Saharan African countries.[1/] Nor have there been any studies which have looked at the impact of India's recent growth and liberalization on the countries of the region.

10 The growth of China and India present both challenges and opportunities for other developing countries. Four types of direct impacts are usually identified:

- Growth of developing country exports to China and India ("complementarity effect").
- Increased competition from China and India for developing country exports to third markets ("competitive effect").
- Increased competition from China and India in the home markets of developing countries ("competitive effect").
- Effects on foreign direct investment (FDI) ("competitive or complementarity effect").

11 There may also be indirect impacts of China and India's growth on developing countries. For example the increased demand in the Asian economies for imports from developed countries has multiplier effects in those countries which in turn lead to more demand in the developed countries for the exports of other developing countries. Alternatively the growth of demand for primary commodities in China and India may push up prices which benefit primary commodity exporters, even if they do not have any direct exports to those countries, but can also be a disadvantage for other developing countries who are net importers of the products concerned.[2/]

1/ Our earlier study for DFID included six African countries (Jenkins and Edwards, 2004). A very recent conference paper by Stevens and Kennan (2005) using a different methodology includes 27 African countries.

2/ In this context it is interesting to note that the increase in primary commodity prices between 2003 and 2004 are estimated by the IMF (2004b, p.51) to have had a roughly neutral effect on the trade balances of 14 of our 21 African countries. For these 14 countries, gains from higher-priced non-fuel commodity

12 Previous analyses of the impacts of the "Asian Drivers" on other developing countries have focussed primarily on the macroeconomic and competitiveness effects and have not considered the poverty dimensions. The exception is the authors' earlier study for DFID (Jenkins and Edwards. 2004). The framework developed for that study is again applied here and is set out in Figure A5.1 (at the end of the paper). The four types of direct impacts described above are identified at the first level of the diagram.[3/] At the second level, each impact is further disaggregated according to the major types of products or situation involved. Level three then indicates likely effects on production, consumption and government revenues. Finally at the bottom level, the impacts on the poor are identified in their roles as producers, consumers and beneficiaries of government expenditure.[4/] This also includes consideration of the effects on groups who are not directly affected by any of these three channels but may nevertheless experience negative impacts.

Exports to China and India

13 A number of steps need to be taken in analysing the likely impacts of exports to China and India on the Sub-Saharan African countries. First it is necessary to establish the significance of increased exports to the Asian countries for each of the African economies. For those countries which have not achieved significant export growth to either China or India the impacts need to be sought elsewhere. For those countries where exports have been significant, the likely impact will depend on the openness of the economy and more specifically the ratio of exports to GDP. A given growth of exports to China and India will have a greater potential impact in a more open economy.

14 However even in a relatively open economy, growth of exports will not necessarily translate into an increase in per capita income. Other things being equal, increased exports will increase import capacity and given the import dependence of most African economies, this should translate into higher investment, higher capacity utilization and expanded output. However other things may not be equal, for example reduced aid inflows or increased debt service obligation can offset the positive import-supply effect of increased exports (UNCTAD, 2004a, p.115). Where the expanding export sector is an enclave relying heavily on imported inputs and having few linkages with the local economy, the impacts of export growth will be attenuated. Thus the relationship between export growth and per capita income in an economy needs to be taken into account in discussing the likely impacts of exports to China and India.

exports are roughly equivalent to losses from higher-priced oil imports. Three countries (Cameroon, Democratic Republic of Congo and Sudan) made moderate gains (of between one per cent and three per cent of GDP) and three (Angola, Nigeria and Zambia) made strong gains (greater than three per cent). The latter are, of course, large exporters of oil and minerals. The only country among the 21 to lose more than the equivalent of one per cent of GDP from higher commodity prices was Kenya.

3/ A comprehensive analysis would also require consideration of the indirect impacts mentioned in the previous paragraph. These have not been considered here because of the difficulty of identifying these impacts and tracing through the effects on the poor, with the data available.

4/ This derives from the "Winters' approach" to analysing the impact of trade shocks on poverty. Winters identifies three main channels through which trade has an impact on poverty, the enterprise channel, the distribution channel and the government channel. For further elaboration see McCulloch et. al. (2001).

15 The impact of growth on poverty depends not just on the rate of growth but also on the inclusiveness of the growth process. The latter partly depends on domestic structures and institutions and partly on the nature of the growth stimulus itself. In terms of local structures, a number of studies have shown that the degree of income inequality is an important determinant of the extent to which the poor are likely to benefit from economic growth.[5/] One factor that should be taken into account therefore in identifying the likely impact of increased exports to China and India on poverty in Africa is the existing degree of inequality within countries.

16 The type of product exported can also have an important impact on the extent to which the poor benefit from the growth of exports. In the previous study of China (Jenkins and Edwards, 2004) we identified six major categories of exports.

- Labour-intensive Agriculture (including fisheries)
- Other Agriculture
- Forestry
- Minerals and Petroleum
- Labour-intensive Manufactures
- Other Manufactures

17 Each of these types of exports is likely to have different impacts on the poor.

Agricultural Exports

18 The impact of agricultural exports on poverty depends on a number of factors including landownership, the production relations under which they are produced and the labour-intensity of different crops. Commercial agriculture is less likely to have a pro-poor impact because larger farmers/landlords are likely to be the main beneficiaries. Indeed there are numerous examples historically of cases where the expansion of export agriculture has had negative impacts on the poor as new commercial opportunities have led the rich and powerful to appropriate land previously occupied by lower income rural households (Berry, 2001). Crops also vary considerably in the amount of labour required per hectare. Labour-intensive crops are more likely to have a pro-poor impact because of the employment effects (even if they are not produced by smallholders) and there is likely to be less pressure to displace poor farmers because they do not require a great deal of land.

19 The distinction between smallholder and commercial agriculture, while very relevant in analysing the impact of agricultural exports in a particular country, is difficult to apply in a cross-country study of this kind, since production of different crops can be produced by different types of farmers in different countries. They can also change over time. If a commercial farm produces a labour-intensive crop it can have similar pro-poor effects to smallholder production (cf. McCulloch and Ota, 2002

5/ See for example White and Anderson (2001).

on horticulture in Kenya). Thus the main classification that will be used for agricultural products will be to divide them between labour and non-labour intensive products.

Wood Exports

20 Forestry in this context has more in common with extractive industries than agriculture. The employment impact of timber production tends to be quite limited and the main effects on the poor of a growth in timber exports are indirect. Exporters are often required to pay a royalty to the state so that there may be a positive impact on government revenues which could be deployed in poverty reduction. However there are also numerous examples of the negative impacts which intensive logging for export markets can have on local communities. Where these depend on forests for their livelihoods they may be pushed into (deeper) poverty as a result of loss of access.

21 In brief timber exports are unlikely to directly benefit the poor and may have serious negative impacts for some groups. They can however generate significant government revenues and if these are used appropriately, the negative impacts may be offset or diminished.

Oil and Minerals

22 As with timber, the direct effects on the poor are minimal in terms of employment opportunities. These sectors tend to be capital and skill-intensive, although there may be some jobs created in the initial construction stages of opening a new mine. A more substantial contribution can potentially come from government revenues which increase as a result of higher prices or increased levels of production. Often however new mines or oil fields can give rise to conflicts with neighbouring communities and as these may be poor prior to the expansion, such developments have a significant impact on the poor. Environmental spillovers can also have a negative impact, as when tailings from dams for the mines or oil leaks pollute local rivers which affect the livelihood of the community.

Manufactured Exports

23 It is generally recognised that growth of exports of unskilled labour-intensive manufactures, such as textiles and garments can spur pro-poor growth (World Bank, 2002, pp.38-42). Therefore the key distinction that needs to be made as far as manufactured goods are concerned is between those which are unskilled labour-intensive and those which are skilled labour- or capital-intensive. Some classifications of exports of manufactures also identify a category of resource based manufactures or processed primary products, but from our point of view these need either to be allocated to the relevant primary product categories, or divided between labour and non-labour intensive manufactures.

24 Manufactured exports have their primary effects through employment creation. They do not tend to make a contribution to government revenue since they are not taxed. Nor do they generally have the kind of negative spillovers which can arise with timber or minerals.

Competition from India and China for African Exports to Third Markets

25 One of the major concerns of developing countries is that China and India, with their immense unskilled labour force, will be major competitors in world markets for labour-intensive products. This threatens both to displace exports from other developing countries and to depress prices leading to deterioration in the terms of trade of other exporting countries. It has been a focus of much of the recent work on the impact of China's growth on Latin America and on other Asian countries (Lall and Albaladejo, 2004; Lall and Weiss, 2004; Weiss and Gao, 2003). A particular concern for many countries has been the effects of the ending of the Multi-Fibre Arrangement at the beginning of 2005 on exports of textiles and garments.[6/]

26 The significance of this threat depends on the extent to which the other countries under consideration have specialised in areas in which China and India are major competitors. A first step therefore in analysing the likely impact of this aspect of the growth of the Asian Drivers on the African economies is to estimate the similarity between their export structures and those of China and India. A high Export Similarity Index (ESI) would suggest that the African country faces a potential threat to its exports, although a more disaggregated analysis should be carried out taking into account the major markets to which the countries export. However the ESI is a fairly crude measure of the degree of competition between countries and a more direct indicator is the proportion of a country's trade that is threatened by Asian exports.[7/]

27 Once countries have been identified which are particularly vulnerable to competition from China or India in third markets, a more detailed analysis can be carried out of the type of products which are most likely to be affected. This is necessary because, as noted in the previous sub-section, different products can have different implications for poverty.

Competition from Imports from China and India

28 The third effect of the growth of China and India on the trade of the Sub-Saharan African economies that will be considered arises from increased imports from the two Asian countries. This has two potentially contradictory effects on the poor. First, if imported goods are consumed by the poor then falling prices as a result of increased competition leads, other things being equal, to an increase in their real income. Second, if imports displace local production in sectors which employ large numbers of unskilled workers, then there may be negative effects on the poor as a result of job losses.

29 It is useful to distinguish between two situations depending on whether China and India compete primarily with imports from other countries, or with domestic production. In the former case the impact will be primarily on the price of imports and there will be no negative effect on domestic production and employment. The impact on the poor will therefore depend on the significance of these imports in their consumption basket. Although in general the rich may spend a higher proportion of

6/ See Appendix A2 for a discussion of this issue.
7/ This is the approach used by Lall and Albaladejo (2004) and Lall and Weiss (2004).

their income on imports than the poor, the poor may benefit from reduced prices of some basic consumer goods. The most significant of these are likely to be garments, footwear and basic foodstuffs. Thus it is worth making a further distinction in the classification of both manufactured goods and agricultural products when looking at imports.

30 If imports from China and India compete with local production, they will lead to reduced output by domestic producers as well as falling prices. Reduced production will lead to retrenchment of workers and to the extent that China and India's exports are of labour-intensive products, those most affected are likely to be unskilled workers. However on the positive side, reduced consumer prices for imported goods may have a positive effect on the real income of the poor. In this case it is difficult to predict the net effect of increased imports on poverty and one can only indicate the relative impact of the potential effects on employment and consumption.

31 A first step in analysing the likely impact of competition by imports from China and India is to measure the significance of such imports relative to a country's total imports and its GDP. This makes it possible to identify those countries which are most likely to have been affected.[8/]

32 In the absence of data on domestic production, an idea of whether imports from China and India are primarily displacing local producers or other imports, can be obtained by looking at how much of the increase in imports from Asia is attributable to an increase in their share of a country's total imports and how much to the growth of total imports.

33 Once countries have been identified in which competition from imports is significant, then the likely impacts on the poor can be considered by looking at the proportion of imports which are basic consumer goods and those that are unskilled labour intensive, since these are likely to have the greatest effect on the poor.

Foreign Direct Investment

34 There are two aspects to the impact of the growth of the Asian Drivers on FDI that need to be discussed here. First, there is a concern that the massive growth of FDI flows to China and the much smaller, but also rapidly growing FDI in India, have diverted investment from other developing countries and that this could have a negative effect on growth and poverty reduction in those countries. On the other hand, China and India have begun to invest overseas and this aspect of their growth might have a positive effect on growth and poverty reduction in host countries.

35 Despite the significance of FDI as a source of capital and technology for developing countries and the increased emphasis on poverty reduction, very little

8/ It is possible that a country may benefit from falling prices on world markets as a result of increased competition from China and India without actually importing anything from either country. This assumes that world product markets are highly integrated and that an increase in supply from Asia will be passed through to all national markets. The more plausible assumption that is made here is that national markets are partially insulated from the world market and that the impacts on domestic prices are more likely where there are direct imports from China or India.

research has been done on the impacts of FDI on poverty.[9/] The main impact on poverty is seen as occurring through the effect on investment and growth, but these are subject to considerable debate. There is evidence for some countries that FDI does not add to domestic gross fixed capital formation but rather has tended to "crowd out" domestic investment. The picture in Africa is rather mixed with some countries showing evidence of crowding out and others displaying crowding in or neutral effects. (UNCTAD, 1999, Table VI.A.2).

36 If crowding out is not significant then any diversion of FDI to China or India will have negative effects on production in other countries, which would reduce the demand for labour. Increased competition for FDI might also reduce government revenues as countries compete to attract investors through lower tax rates and increased incentives. On the other hand inflows of FDI from China and India would tend to increase employment and might reduce prices as a result of increased competition. Particularly if Asian FDI went into labour-intensive industries there could be positive effects on poverty.

9/ For a review of the literature on FDI and poverty see Klein et. al. (2000)

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4 China and India as Markets for African Exports

4 China and India as Markets for African Exports

The Significance of Exports to China and India

37 The rapid growth of Chinese and Indian imports have offered market opportunities to exporters around the world and as was seen in Section 2, Africa has also benefited in terms of export growth. In this section we turn to a more detailed analysis of the extent to which individual African countries have participated in this expansion, the types of products exported and the potential impacts on poverty.

Table 4.1 Share of China and India in Exports of 21 African Countries 2003

	China	India	Total
Angola	23.2%	0.0%	23.2%
Botswana	0.1%	0.0%	0.1%
Cameroon	4.4%	0.3%	4.7%
Congo, Dem. Rep. of	2.2%	0.0%	2.2%
Ethiopia	0.7%	1.2%	1.9%
Ghana	1.6%	1.3%	2.9%
Kenya	0.3%	1.4%	1.7%
Lesotho	0.0%	0.0%	0.0%
Malawi	0.0%	0.7%	0.7%
Mozambique	2.3%	2.1%	4.4%
Namibia	2.9%	0.1%	2.9%
Nigeria	0.5%	9.9%	10.4%
Rwanda	4.2%	0.0%	4.2%
Senegal	1.4%	13.0%	14.4%
Sierra Leone	0.0%	4.0%	4.0%
Somalia	5.6%	11.7%	17.3%
South Africa	4.6%	4.2%	8.8%
Sudan	40.9%	3.0%	43.9%
Tanzania	2.6%	9.9%	12.5%
Uganda	0.2%	0.2%	0.4%
Zambia	1.7%	3.6%	5.3%

Source: IMF, *Direction of Trade Statistics* and COMTRADE

38 Table 4.1 shows that the extent to which African countries are involved in exporting to China and India varies considerably from case to case. In 2003 exports to China were particularly significant for Sudan (41 per cent of total exports) and Angola (23 per cent), but of the remaining 19 countries, only Somalia exported more than 5 per cent of its total exports to China. Exports to India were around 10 per cent or more of total exports for four countries, Senegal (13 per cent), Somalia (12 per cent) and Nigeria and Tanzania (10 per cent each). None of the other countries covered in this study exported more than five per cent to India.

39 In terms of evaluating the impact of exports to the Asian countries on poverty in Africa, the first step is to determine the contribution of exports to China and India to export growth. Given that the rise of trade with these countries is a relatively recent phenomenon, attention will be focussed particularly on the five year period from 1998 to 2003 (the latest year for which data is available). Table 4.2 indicates the contribution made by China and India to export growth for each of the African economies.[1/]

Table 4.2 Growth of Exports to China and India (1998-2003) as % of African Countries' Total Exports in 1998

	China	India	Total
Angola	53.7%	0.0%	53.7%
Botswana	0.1%	0.0%	0.1%
Cameroon	4.0%	0.1%	4.1%
Congo, Dem. Rep. of	2.2%	-1.1%	1.0%
Ethiopia	0.6%	1.2%	1.7%
Ghana	1.3%	1.2%	2.6%
Kenya	0.3%	0.3%	0.7%
Lesotho	0.0%	0.0%	0.0%
Malawi	0.0%	0.7%	0.7%
Mozambique	9.9%	1.3%	11.2%
Namibia	2.4%	0.1%	2.4%
Nigeria	0.9%	11.8%	12.6%
Rwanda	4.4%	0.0%	4.4%
Senegal	1.5%	0.5%	2.0%
Sierra Leone	0.0%	85.0%	85.0%
Somalia	4.7%	9.3%	14.0%
South Africa	5.6%	4.4%	10.0%
Sudan	196.8%	12.5%	209.3%
Tanzania	3.9%	-3.7%	0.3%
Uganda	0.2%	0.2%	0.4%
Zambia	1.5%	0.3%	1.8%

Source: IMF, *Direction of Trade Statistics*

1/ This contribution is calculated by dividing the increase in exports to China and to India between 1998 and 2003 by the value of a country's total exports in 1998. This is a better measure than the share of China and India in the increase in total exports which could be inflated by slow total export growth.

40 Two countries stand out in terms of the contribution of exports to China, namely Sudan and Angola, the two countries which as noted above exported a high share of their total exports to China in 2003. Two other countries with a moderate contribution were Mozambique and South Africa. Looking at exports to India, the most significant over this period were Sierra Leone,[2/] Sudan, Nigeria and Somalia. In these seven countries the increase in exports to China and India together represented 10 per cent or more of their 1998 exports, while in none of the other countries were exports more than 5 per cent. Since the figure represents an increase over five years, exports to China and India for these other countries increased their exports by less than 1 per cent per annum which is unlikely to have had a major impact on poverty.

Exports and Growth

41 As indicated above the impact of exports on growth depends partly on the openness of the economy. The likely economic effects of growing exports to China and India can be measured as the product of the contribution to export growth as calculated in Table 4.2 and the overall ratio of exports to GDP. This gives an indication of the scale of increased exports to China and India relative to GDP in 1998.

42 Angola and Sudan once more stand out as the two countries where exports to China and India had the largest potential impact on the economy with the growth of exports representing over 10 per cent of GDP (Table 4.3). They are followed by Nigeria and South Africa, while because exports are a small share of GDP in Sierra Leone and Mozambique, they lag some way behind.[3/]

Table 4.3 Contribution of Exports to GDP for Six African Countries

	Export/ GDP (1998) %	Increased exports to China and India/1998 GDP (%)	Correlation between exports and GDP p.c. (1990-2002)*
Angola	54.0	29.0	0.39
Mozambique	6.3	0.7	0.42
Nigeria	35.3	4.5	0.08
Sierra Leone	1.0	0.8	0.05
South Africa	20.1	2.0	0.32
Sudan	5.1	10.6	-0.52

Source: own elaboration from Table 4.2 and World Bank, *World Development Indicators 2004.*
Note: * correlation between the % increase in total exports and the % increase in GDP p.c. in each year.

43 The impact of export growth on per capita income, as discussed in Section 3, is mediated by a number of intervening factors and so it cannot be assumed that an

2/ The case of Sierra Leone is something of an anomaly because of the very low level of exports in 1998 and their recovery to the levels of the early 1990s in 2003. Thus the apparently large contribution of exports to India to the growth of total exports in fact reflects the very low base of exports in 1998.

3/ The lack of national accounts data for Somalia meant that it was impossible to calculate this measure.

increase in exports necessarily leads to a higher level of per capita income. Whereas in some countries export growth and GDP per capita are closely correlated, this is not true in all cases. In order to consider the possible impact of increased exports, the correlation between the annual change in exports and in GDP per capita is included in Table 4.3. Evidence of a positive relationship between exports and GDP per capita is only apparent in three of the six countries, whereas in Nigeria and Sierra Leone there is very little relationship and in the case of Sudan there is a strong negative relationship. While these correlations do not necessarily indicate a causal relationship, the lack of correlation in the last three countries indicate that one should be cautious in assuming that their increased exports to China and India have had a positive impact on per capita income.

Potential Impact on Poverty

44 The impact of growth on poverty depends not just on the rate of growth but also on the inclusiveness of the growth process. The latter partly depends on domestic structures and institutions and partly on the nature of the growth itself. Unfortunately three of the seven countries where exports to China and India have been significant do not have any income distribution data. Of those that do, Nigeria, Sierra Leone and South Africa have highly unequal distributions (Gini coefficients >0.5) while Mozambique is moderately unequal (Gini of 0.4). Thus any growth generated by export expansion may well have little impact on the poor in these countries.

45 Another factor in analysing the likely impacts of exports to China and India on poverty in African countries is the nature of the products exported. There is a very clear pattern in terms of the commodity structure of Chinese imports from the African economies. Angola, Cameroon, Democratic Republic of Congo and Sudan are significant exporters of crude petroleum to meet China's demand for energy. Cameroon and Congo, along with Mozambique and Tanzania are exporters of wood, while Ghana, Namibia and Zambia supply non-ferrous base metals, which are important raw materials for China's booming industrial sector. In all cases the exports involve very limited processing within the African countries. The only exceptions to this are exports of iron and steel and steel products from South Africa. The only other product to feature significantly in China's imports from Africa is cotton from Cameroon, Sudan and Tanzania. This has been to supply the demand for cotton from the rapidly growing Chinese textile industry which it has not been possible to meet domestically because of the decline in the area planted to cotton as farmers switch to more profitable crops.

46 Exports from most African countries to China are predominantly extractive in nature, as reflected in the dominant share of minerals and petroleum and forestry in Chinese imports from the countries which have become important exporters (Table 4.5). Labour-intensive agricultural and manufactured goods do not feature significantly for any of the African countries. In terms of potential impact on poverty, the major effect of such extractive products is likely to be via the government revenue channel since employment creation is usually limited. However the weakness of the state in many of these countries limits their ability to effectively capture the rents from natural resource extraction and makes it unlikely that any of the revenues will be redistributed to benefit the poorest sections of society. Indeed these are often those who are negatively affected by the environmental spillovers

from oil and mineral extraction or logging, and whose livelihoods are threatened by such developments.

Table 4.4 Structure of China's Imports from Selected African Countries, 2003 (%)

	Angola	Mozambique	Nigeria	Somalia	South Africa	Sudan
LA	0	0.1	0	0.0	0.3	0
OA	0	0	0.7	100.0	0.9	0.7
F	0	99.9	0.8	0.0	2.0	0
M & P	100.0	0	97.0	0.0	34.3	99.3
LM	0	0	1.3	0.0	0.6	0
OM	0	0	0.1	0.0	61.8	0

Source: own elaboration from COMTRADE data

Key
LA Labour Intensive Agriculture
OA Other Agriculture
F Forestry (Timber)
M&P Mineral and Petroleum
LM Labour Intensive Manufacturing
OM Other Manufacturing

47 A more optimistic scenario might be presented for the increased demand from China for African cotton. This depends on the nature of production relations in cotton farming in the countries most affected and how these change in response to growing demand. Where, as in most of Africa, cotton is produced by smallholders and they are able to increase production then there may be positive effects in terms of poverty reduction.[4/]

48 As can be seen in Figure 2.1, India's imports from Africa are now lower than China's and have been considerably less dynamic in recent years. The pattern of imports is not so clear cut either. Mozambique is important as an exporter of fruit and nuts to India as are Ghana and Tanzania (and Nigeria). Sudan is primarily important as an exporter of cotton. Zambia and Tanzania export precious stones. Senegal has large exports of phosphoric acid while South Africa's main export to India is gold.

4/ A study of Benin showed that changes in cotton prices had major impacts on rural poverty (Minot and Daniels, 2002). This is likely to hold for other African countries which are important exporters of cotton.

Table 4.5 Structure of India's Imports from Selected African Countries, 2003 (%)

	Mozambique	Nigeria*	Sierra Leone	Somalia	South Africa	Sudan
LA	93.9	0.0	3.0	0.0	0.8	0.0
OA	3.5	0.0	0.9	24.1	0.5	53.9
F	0.0	0.0	3.8	49.8	2.0	0.1
M & P	2.0	100.0	66.0	18.6	4.9	12.9
LM	0.0	0.0	3.7	6.4	0.3	10.6
OM	0.0	0.0	22.6	1.2	91.4	22.6

Source: own elaboration from COMTRADE data
Note: * data for Nigeria's reported exports, since Indian import data from Nigeria does not include any petroleum imports.

49 In contrast to the situation with exports to China, several of the African countries trading with India have significant exports of labour-intensive agricultural products. Over half the exports from Ghana, Mozambique and Tanzania to India fall into this category. At first sight this would appear to indicate a more favourable outcome in terms of poverty reduction than might be expected from the structure of trade with China. However the case of Mozambique's exports of cashew nuts to India suggests that this is not necessarily the case.[5/]

50 Of the other five African countries listed in Table 4.5, extractive products make up over 60 per cent of exports in three, Nigeria, Sierra Leone and Somalia. South Africa (whose exports to India are mainly of gold and manufactured goods) and Sudan with agricultural products, also supply non-labour intensive products.

Future Prospects

51 The future prospects for exports from Africa to China and India depend first of all on continued economic growth in the Asian Drivers. While this could be threatened by social, political or environmental problems, the assumption made here is that both countries will maintain relatively high rates of growth over the next decade. If they maintain the rates of growth which they achieved in the 1990s, China and India would increase their share of world GDP to 9.3 per cent and 2.4 per cent respectively by 2015. This represents more than a doubling of China's share and a 50 per cent increase in India's compared to 2002. India is a more closed economy than China with a ratio of trade to GDP roughly similar to that which existed in China in 1990 (Table 1.1). If by 2015 India achieved the same increase in openness that China showed between 1990 and 2002, this would give rise to a substantial growth of imports.

5/ The world market for raw cashew is significantly less competitive than that for processed cashew and India is a monopsony buyer of raw cashew from Mozambique. The World Bank promoted policy of liberalizing exports of raw cashew from Mozambique has given rise to heated debate with opponents arguing that poor farms gained little if anything from the policy (McMillan et. al., 2002).

52 Given past trends therefore it seems likely that China and India will become increasingly important export markets for the African economies. Rising income in China and India will also change the structure of demand in those countries. Increasing levels of per capita income will lead to a growing demand for food, particularly those with high income elasticity of demand such as meat products, fish, fruit and beverages. The growing demand for meat in China has already led to increased imports of animal feedstuffs from Latin America in recent years. There may be new opportunities for other agricultural exports from Africa such as coffee and sugar. China and India's industrial production will also continue to expand leading to further increased demand for raw materials and energy which already figure significantly amongst exports from several Sub-Saharan African countries.

53 There are several countries amongst the twenty-one included here which have so far developed very limited trade links with China or India. These may have unexploited export opportunities which should be explored. Botswana, Lesotho, Malawi and Uganda export less than one per cent of their total exports to the two Asian economies, while Ethiopia and Kenya export less than two per cent (see Table 2.2). This is supported by the analysis of the International Trade Centre which identifies potential for increased exports from Ethiopia and Kenya to both China and India and from Uganda to India.[6/]

54 Over the next ten years African economies are likely to enjoy opportunities to increase exports to China and India, but will these opportunities help reduce poverty in the region? There are a number of challenges here. First increased exports do not necessarily translate into economic growth in the region as was seen above. If poverty it to be reduced then the gains from exports need first of all to be retained within the country. Poverty reduction also depends on the type of growth generated by exports. There is a real danger that further expansion of mineral and petroleum exports to Asia will only reinforce an exclusionary model which will do little to reduce poverty and may exacerbate conflict and give rise to negative environmental impacts. In the future however for some countries there may be opportunities for exporting labour intensive agricultural products such as fruit or coffee which could create more income or employment opportunities for poorer sections of society.

6/ The ITC website (www.itcen.org) estimates trade potential using a model *TradeSim,* version 2 for a number of countries. Botswana, Lesotho and Malawi, the other countries mentioned here, are not included by ITC.

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5 Competition from China and India in Third Markets

5 Competition from China and India in Third Markets

The Extent of Competition from China and India

55 Compared with some other developing countries, particularly those in South East and South Asia which have specialized in exports of labour-intensive manufactures in recent years, it seems likely that African countries would be less threatened by competition from China and India. As Wood (2002) has shown African exports tend to be land/natural resource intensive rather than labour intensive. This suggests that for most African countries, the structure of their exports is likely to be quite different from that of China or India and unlikely therefore to face a competitive threat in third markets. On the other hand recent reports from Lesotho that the elimination of MFA quotas has led to the closing down of a number of factories and the loss of almost 10,000 jobs suggests that not all African countries are unaffected by Asian competition (Peta, 2005).

56 A standard measure of the extent to which the exports of two countries are likely to compete with each other is the Export Similarity Index.[1/] Table 5.1 shows the Index between the exports of each of the 18 African countries covered and China and India respectively using the latest data available. The Index can vary between 100 per cent when two countries have identical export structures and 0 when they do not have any exports which are common to both. The Table confirms the view that African countries generally have a rather low similarity of exports with China and India.[2/] As a point of comparison, the ESI between China and India was 40.8 per cent which was matched only by that between South Africa and India. Estimates of the ESI between China and some other Asian countries for 2002 were considerably higher than those between China and any African economy.[3/]

1/ The ESI is calculated from the share of each 3-digit SITC product in the total exports of each country. It is the sum of the minimum value of the share of each product. ESI = $\sum_i MIN(X_{i1}X_{i2})$ where X is the share of a commodity in exports, i is the 3 digit industry and 1 and 2 are the two countries for which the index is being calculated.

2/ Comparison of the two columns in Table 5.1 suggests that Africa's export structure is more like that of India than China.

3/ The ESI with China was 47.0 per cent for Indonesia, 38.2 per cent for Vietnam and 31.6 per cent for Pakistan.

Table 5.1 Export Similarity Index between Exports of 18 African Countries and China and India

	Year	China	India
Botswana	2001	5.8%	20.1%
Cameroon	2003	6.6%	11.7%
Ethiopia	2003	4.3%	9.3%
Ghana	2000	10.6%	13.0%
Kenya	2003	19.3%	27.9%
Lesotho	2002	17.8%	13.0%
Malawi	2003	10.6%	12.4%
Mozambique	2002	6.4%	11.5%
Namibia	2003	18.7%	29.1%
Nigeria	2003	1.7%	0.8%
Rwanda	2003	8.8%	14.2%
Senegal	2003	14.5%	23.4%
Sierra Leone	2002	4.5%	4.8%
South Africa	2003	27.7%	40.2%
Sudan	2003	2.6%	10.1%
Tanzania	2003	11.0%	20.6%
Uganda	2003	8.0%	12.3%
Zambia	2002	11.0%	17.3%

Source: own elaboration from COMTRADE data.
Note: Based on 2003 export data for China and India, and the latest available date for the African countries. Angola, Democratic Republic of Congo and Somalia were omitted because of the lack of 3-digit SITC data on exports for any year from 2000 onwards.

57 Although a low ESI indicates that two countries have very different export structures, where the countries are of different size and have very different levels of exports, this is not a good indicator of the extent to which the exports of the small country faces competition. Because of the difference between the scale of exports from China/India and those of the African countries, an African country may face considerable competition from China/India in the world market for a product which accounts for a high proportion of the African country's exports, but this is not reflected in the ESI because the product accounts for a relatively small share of China/India's far more diversified exports.[4/]

58 An alternative approach is to identify those products in which China and India are likely to be significant competitors in international markets and to see what proportion these represent of the exports of the African countries. In order to do this, SITC 3-digit classes in which the share of China or India in world exports increased

4/ Most African economies' exports are concentrated in a small number of products, while the exports of China and India are far more diversified. For the products that an African country exports, the value entering the ESI is likely to be the share of that product in China/India's exports which may be quite low, while for products that the African country does not export, the value will be zero. Thus although China/India may be significant competitors in world markets for the products exported by the African country, this is not necessarily reflected in a high ESI.

by one per cent or more between 1990 and 2002 were considered as products in which other countries were likely to face increased competition in third markets.[5/] China increased its world market share by this amount in 140 products, while India did so in 31, out of a total of 237 3-digit categories.

Table 5.2 Proportion of Exports Facing Competition from China and India

	Year	China	India
Botswana	2001	6.0%	89.9%
Cameroon	2003	23.8%	5.6%
Ethiopia	2003	17.8%	7.6%
Ghana	2000	32.3%	7.5%
Kenya	2003	33.8%	25.4%
Lesotho	2002	89.1%	6.8%
Malawi	2003	64.0%	25.2%
Mozambique	2002	73.4%	16.7%
Namibia	2003	55.4%	18.4%
Nigeria	2003	2.0%	0.1%
Rwanda	2003	7.8%	30.2%
Senegal	2003	44.1%	32.7%
Sierra Leone	2002	5.4%	0.8%
South Africa	2003	54.4%	18.1%
Sudan	2003	2.2%	79.5%
Tanzania	2003	26.3%	13.0%
Uganda	2003	35.5%	2.2%
Zambia	2002	82.4%	11.3%

Source: own elaboration from COMTRADE data.

59 Table 5.2 shows the proportion of each country's exports which are in SITC 3-digit categories in which China and India increased their share of the world market. These figures are likely to be high end estimates for several reasons. First the level of aggregation may hide the fact that different products are exported from the African and Asian countries. Thus for example the very high share of Botswana's exports which face competition from India reflects the significance of exports of SITC 667 (pearls, precious and semi-precious stones). At a more disaggregated level Botswana's exports are almost entirely of rough diamonds (66721) whereas India exports cut and worked diamonds (66729). Exports may also be directed to different countries so that African exports do not compete directly with those of the Asian countries. Thus a more careful analysis is required before definitive conclusions can be arrived at regarding the extent to which a country's exports is threatened by China or India.

5/ The increase in China/India's share of the world market was chosen as a criterion, rather than the rate of growth of exports to avoid the inclusion of products in which a high rate of growth reflected a very small initial share of world exports from China/India.

60 In contrast to the ESI, the data in Table 5.2 indicates that for most countries, China represents a greater threat to exports than India. This is hardly surprising given that China has increased its share of world exports of far more products than India. It serves to reinforce the point that the ESI may not be a very good indicator of the extent to which a country's exports face competition.

Potential Impact on Poverty

61 In order to analyse the possible poverty impacts of competition from China and India in third markets, it is again useful to disaggregate exports by the type of commodity involved.

Table 5.3 Competition from China for Exports of Selected African Countries

	Lesotho	Malawi	Mozambique	Namibia	South Africa	Zambia
% of total exports	89.1%	64.0%	73.4%	55.4%	54.4%	82.4%
of which						
LA	0.1%	1.5%	0.1%	1.6%	1.3%	1.3%
OA	2.1%	51.2%	1.5%	24.4%	2.1%	2.9%
Forestry	0.0%	0.1%	0.5%	0.3%	0.9%	0.2%
M & P	0.0%	0.0%	68.9%	4.5%	20.7%	62.6%
LM	78.9%	9.7%	1.0%	15.7%	5.6%	3.9%
OM	8.0%	1.6%	1.4%	8.9%	23.8%	11.6%

Source: own elaboration from COMTRADE data.

62 Table 5.3 shows the distribution of threatened exports for the six African countries for which over 50 per cent of their exports could face competition from China. Not surprisingly the country whose exports are most threatened by China is Lesotho where almost 90 per cent of exports are of goods in which China has increased world market share. This reflects Lesotho's specialisation in labour intensive manufactures, particularly garments. In the cases of Mozambique and Zambia which are the next two countries, the high share was largely accounted for by exports of minerals (aluminium and copper respectively). In Malawi it was mainly other agricultural products (tobacco) that accounted for the high share.[6/] Over half of Namibia and South Africa's exports are also potentially competing with China, but unlike the other countries, they are not concentrated in one particular category of product. Labour-intensive agricultural products are not significant for any of the six countries and with the notable exception of Lesotho, labour-intensive manufactures are only of marginal significance, with Namibia and Malawi having the highest affected shares.

6/ It seems rather doubtful that China is really a major competitor for Malawi's exports of tobacco.

Table 5.4 Competition from India for Exports of Selected African Countries

	Botswana	Sudan
% of total exports	89.9%	79.5%
of which		
LA	0.1%	0.7%
OA	0.0%	0.6%
Forestry	0.0%	0.0%
Minerals & Petroleum	5.2%	78.2%
LM	0.6%	0.0%
OM	84.0%	0.0%

Source: own elaboration from COMTRADE data.

63 Only two of the African countries had more than 50 per cent of their exports in products where competition from India might be significant. As already indicated, in the case of Botswana, this reflected the situation in diamonds, but a more disaggregated analysis suggests that the two countries do not compete directly. Sudan's high figure reflects the share of refined petroleum products in its total exports but again these may not compete directly with Indian exports. In neither country are there significant exports of labour-intensive products facing competition from India.

64 Although judging by the share of exports from some African countries which face competition from China and India, it would at first sight appear that there might be substantial effects on poverty, more detailed analysis suggests that this is only a major issue in the case of Lesotho where labour-intensive manufactures face increased competition from China. The other countries are not significantly involved in exporting labour-intensive produces so that there is likely to be a minimal direct impact on the poor from increased competition in third markets. In so far as other types of exports are concerned there may be indirect effects as a result of loss of export revenues leading to slower growth but the linkages are much more tenuous.

Future Prospects

65 China will continue to be highly competitive in manufacturing. As the economy becomes more technologically sophisticated it will broaden the range of manufactures in which it is internationally competitive. However, given the vast army of unskilled labour available in China, it is unlikely that such upgrading will lead to a withdrawal from exports of unskilled labour-intensive products.[7/] India, which up to now has not had the same impact on global markets for manufactured goods as China, is likely to become increasingly competitive in the future. Its exports are predicted to be concentrated in unskilled labour-intensive manufactures (Wood and Calandrino, 2000).

66 Thus countries which specialise in exporting such goods are likely to continue to face intense competition in world markets and to experience a deterioration in their

7/ In the longer term demographic change in China as a result of the one child policy, and increased educational levels will mean that it will eventually lose its comparative advantage in labour-intensive manufactures but this is unlikely within the time frame being considered here.

terms of trade. The extent to which this affects exports to third countries will depend in part on the reaction of the OECD countries to increased market penetration from China. A key determinant of this is what happens in the textiles and garments industry after the ending of the MFA. As Appendix A2 suggests, some of the predictions concerning the impact of China have been exaggerated and so the effects may be less dramatic than is sometimes predicted. In any case since most of the 21 countries do not export textiles and garments on a major scale, the impact is likely to be increased difficulty in doing so in the future, rather than a negative impact on existing producers. Increased competition from China and India in other types of goods is unlikely to have a major poverty impact.

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6 Competition from Imports from China and India

6 Competition from Imports from China and India

The Significance of Imports from China and India

67 The first step in analysing the impact of imports from China and India on the Sub-Saharan African economies is to consider the significance of imports from the two countries in relation to total imports and to GDP for each country. Table 6.1 shows that by 2003, there were six Sub-Saharan African countries for which China and India accounted for more than 10 per cent of their total imports, the three East African countries, Ghana, Somalia and Sudan. Two more countries, Ethiopia and Nigeria were just below the 10 per cent mark. In five of the eight countries, imports from China and India together represented at least three per cent of their GDP. If there are significant effects from imports from the Asian countries, they are most likely to be found in these countries

Table 6.1 Imports from China and India as a Share of Total Imports and of GDP, 2003

	% of Total Imports			% of GDP		
	China	India	Total	China	India	Total
Angola	3.5%	1.5%	5.1%	1.6%	0.7%	2.3%
Botswana	0.9%	0.2%	1.2%	0.3%	0.1%	0.4%
Cameroon	4.8%	1.7%	6.6%	0.7%	0.2%	0.9%
Congo, Dem. Rep. of	2.7%	1.0%	3.6%	0.5%	0.2%	0.7%
Ethiopia	6.4%	3.2%	9.6%	2.6%	1.3%	3.9%
Ghana	9.1%	4.6%	13.8%	4.8%	2.4%	7.2%
Kenya	6.4%	5.8%	12.2%	1.9%	1.7%	3.6%
Lesotho	2.2%	0.5%	2.7%	2.3%	0.5%	2.8%
Malawi	1.9%	6.3%	8.2%	0.6%	2.1%	2.7%
Mozambique	2.8%	3.7%	6.4%	1.2%	1.6%	2.8%
Namibia	1.9%	0.3%	2.3%	0.8%	0.1%	1.0%
Nigeria	7.1%	2.5%	9.7%	2.2%	0.8%	3.0%
Rwanda	1.1%	1.6%	2.7%	0.3%	0.4%	0.6%
Senegal	2.7%	2.2%	4.8%	1.0%	0.8%	1.8%
Sierra Leone	3.1%	2.3%	5.4%	1.9%	1.4%	3.3%
Somalia	1.0%	9.7%	10.7%	0.3%	2.7%	2.9%
South Africa	5.9%	1.5%	7.5%	1.4%	0.4%	1.8%
Sudan	14.2%	4.2%	18.5%	2.5%	0.7%	3.2%
Tanzania	9.1%	7.6%	16.7%	0.4%	0.4%	0.8%
Uganda	5.1%	7.4%	12.6%	0.7%	1.0%	1.7%
Zambia	2.7%	2.2%	5.0%	1.0%	0.8%	1.8%

Source: own elaboration from IMF, *Direction of Trade Statistics* and UN, Common Database

Potential Impact on Poverty

68 As was pointed out in Section 3, imports from China and India can affect the poor in Sub-Saharan Africa in one of two main ways. First competition from imports of labour intensive Asian goods may threaten the jobs of unskilled workers and thus have a potential negative effect on poverty. On the other hand, the increased availability of cheap imported consumer goods from Asia can help reduce the cost of living and thus raise real incomes amongst the poor.

Employment Impacts

69 A more detailed analysis of the structure of imports from China and India will focus on the eight countries identified where imports from the Asian Drivers account for the highest share in total imports. A preliminary idea of the likely employment impacts can be obtained by looking at the composition of imports in each country. Table 6.2 shows the proportion of the imports from China and India accounted for by labour-intensive agricultural products and manufactures.

Table 6.2 Share of Labour-Intensive Agricultural Products and Manufactures in Exports from China and India to Selected African Economies, 2003 (%)

	China		India	
	Agricultural	Manufactures	Agricultural	Manufactures
Ethiopia	1.2	34.0	1.4	12.1
Ghana	5.7	46.7	4.8	20.8
Kenya	2.7	51.9	3.9	21.3
Nigeria	0.7	31.8	5.9	15.8
Somalia	0.0	10.1	62.3	27.1
Sudan	0.6	14.8	5.0	18.1
Tanzania	5.0	32.6	1.8	17.5
Uganda	0.0	51.5	1.2	18.5

Source: own elaboration from COMTRADE data

70 In the case of imports from China, more than half are either labour-intensive manufactures or agricultural products in Ghana, Kenya and Uganda, while around a third are labour-intensive in Ethiopia, Nigeria and Tanzania. The share of such products is relatively low in Somalia and Sudan however.

71 Labour intensive products are much less significant in the case of imports from India where they generally account for less than a quarter of total imports, apart from Somalia where more than 60 per cent of imports from India are labour intensive agricultural products.[1/] At first sight it would seem therefore that in general competition from imports from China is likely to be more of a problem in terms of the impact on unskilled workers in Africa than competition from India.

1/ This is a result of large imports of sugar.

72 The extent to which this is a problem will, as was pointed out in Section 3, depend on whether increased imports from China and India displace local production or replace imports from other countries. Data availability and time does not permit a direct analysis of the impact of imports on domestic production, but a first indication of the extent to which this may be a problem can be obtained by analysing the degree to which the growth of imports from China and India is due to an increase in their share of total imports. Where this is relatively high, then there is reason to suppose that imports from the Asian Drivers have primarily replaced other imports, rather than displacing domestic production.

73 Table 6.3 shows that for five of the countries, the bulk of the increase in their imports from China between 1998 and 2003 can be attributed to the increase in the share of China in their total imports. In the case of Ethiopia and Nigeria, the change in China's share of imports accounts for less than half of the increase in imports from China which suggests that an important part of the increase may have displaced local producers. Finally in Sudan, China's share of imports fell between 1998 and 2003, and the absolute value of imports showed little change, so that in this case there is no reason to suppose that imports would have had an impact on domestic producers.

Table 6.3 Proportion of Increased Imports from China and India Attributable to Increase in their Share of Total Imports, 1998-2003 (%)

	China	India
Ethiopia	45.8	Neg.
Ghana	93.1	92.5
Kenya	91.1	63.0
Nigeria	43.9	Neg.
Somalia	97.0	Neg.
Sudan	Neg.	29.8
Tanzania	85.8	51.2
Uganda	87.9	44.9

Source: own elaboration from IMF, *Direction of Trade Statistics*

74 The picture for imports from India is rather more mixed with only Ghana having virtually all the increase in imports explained by the higher share coming from India. For the three East African countries, the figures suggest that imports would also have competed with domestic production, and this was even more marked for Sudan. In three countries, (Ethiopia, Nigeria and Somalia) India's share of total imports fell over the period. In Ethiopia and Somalia, the growth of imports from India was relatively small in absolute terms so it is unlikely to have had much impact on domestic production. The situation in Nigeria is different in that the absolute level of imports from India did increase significantly, although it did not keep up with the overall growth of imports which virtually doubled over the period. Thus in Nigeria, Indian imports may have competed with domestic production.

75 In summary then imports from China were more likely to be of labour-intensive goods than those from India. In the aggregate increased imports from China were mainly at the expense of reduced shares of imports from other countries,

so that the effect on employment domestically was likely to be muted.[2/] Only in the cases of Ethiopia and Nigeria was there evidence that imports from China could have had important negative effects on employment of unskilled workers. In the case of India, there is more evidence that imports may have displaced domestic production in several countries. However since imports of labour-intensive products are less significant than in the case of imports from China, the negative impacts on employment might also have been limited.

Cheaper Imported Goods

76 Is it likely that the poor in Sub-Saharan Africa have benefited from imports of cheap consumer goods from China or India? In the absence of data on the expenditure patterns of poor households and the extent to which they consume imported goods it is only possible to make a crude estimate of the likely impact of imports. Table 6.4 shows the proportion of basic consumer goods[3] in total imports from China and India for the eight African countries for which imports overall were most significant.

Table 6.4 Exports of Basic Consumer Goods as a Share of Total Exports from China and India to Selected African Economies, 2003 (%)

	China	India
Ethiopia	12.4	4.0
Ghana	18.6	6.3
Kenya	12.5	7.4
Nigeria	9.0	9.9
Somalia	6.0	67.3
Sudan	7.5	14.3
Tanzania	17.7	19.4
Uganda	37.1	7.7

Source: own elaboration from COMTRADE data

77 Only in Uganda of the eight countries, do basic consumer goods account for more than 20 per cent of total imports from China, although both Ghana and Tanzania are slightly below this level. In these countries it is possible that poor consumers may have benefited from increased supplies of cheap goods. In the case of imports from India, Somalia stands out because of the large share of sugar imports. The only other country where these goods approach 20 per cent of imports from India is Tanzania. In the absence of more direct evidence we need to be cautious in drawing conclusions regarding the benefits for poor consumers from imports from Asia but it is possible that there have been some positive impacts in East Africa, Somalia and Ghana.[4/]

2/ This conclusion is derived from aggregate trade data. It is possible that for specific products or groups of products, imports from China have displaced domestic production. A more detailed analysis of the imports of the African countries at the product level or for groups of products would be required to explore this further. This has not been possible within the time available.

3/ See Appendix AI for the SITC classes which are included here as basic consumer goods.

4/ Another reason for caution is that there appear to be considerable variation from year to year in the share of basic consumer goods in some countries' imports. The estimates presented here for 2003 are therefore rather different from those obtained for 2002 in a previous study (Jenkins and Edwards, 2004).

Future Prospects

78 China will continue to expand its exports of manufactured goods to the African countries as will India. As China upgrades its technological capabilities it is likely to be competitive in a wider range of industries. This is only likely to be a threat to local producers in South Africa with its relatively sophisticated industrial sector and much less so in other Sub-Saharan African countries. In any case this is likely to have minimal impacts on poverty since the goods concerned are neither produced nor consumed by the poor.

79 Continued exports of labour-intensive products from China and the increased growth of such exports from India are likely to have more significant impacts. Although in many countries competition has mainly been at the expense of other exporters in the past, there is evidence in some countries of increased competition with local producers and this is likely to intensify over the next decade. Further job losses amongst unskilled workers are therefore likely. Falling prices of goods will benefit consumers, but it is unclear how far this will affect the poor.

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7 Foreign Direct Investment and Poverty in Sub-Saharan Africa

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FDI into China and India- a Diversion from the 21 African Countries?

80 FDI flows to China have increased massively in recent years, reaching an estimated $56 bn. in 2004, which represented 10 per cent of world FDI flows (Gottschalk 2005, p.3; UNCTAD 2003, p.43; and UNCTADb, 2004, p.370). The FDI inflow into India in the same year is estimated as $5.3 bn. (Gosttschalk 2005, p.3). The figure for China is recognised to be *overstated* by between 10 per cent and 25 per cent because of what is known as 'round-tripping'[1] and FDI inflows into India are generally recognised to be *understated* due to the non-inclusion of reinvested earnings and intra-company loans in the data. Nevertheless even after both countries' figures are adjusted, two things are clear. First the flow of FDI into China of about $40 million was still more than five times the adjusted total into India of $7.4 bn. Second, FDI inflows into both China and India have grown rapidly since 1990 - from $3.5 bn. in China and from $0.4 bn. in India (see UNCTAD 2003, Box II.4)

81 The key question is whether this inflow to China and India has involved a diversion of FDI at the expense of developing countries in Africa? There are two reasons why diversion might be more likely for FDI into China. One is that FDI into China is so much larger than FDI into India. The second is that FDI into China is much more strongly linked with export production and might be considered relatively footloose. In China, about two-thirds of FDI goes to the manufacturing sector and foreign affiliates account for half of exports (Gottschalk 2005, p.10), whereas in India foreign affiliates account for less than 10 per cent of India's manufacturing exports.

82 However the case for diversion for FDI into China is weakened by the fact that a large proportion of FDI flows into China come from within Asia, most notably from Hong Kong, Taiwan, Singapore, South Korea and Thailand (see Gottschalk 2005, p.10; Rumbaugh and Blancher, 2004, p.6; and Yang, 2003, p. 3). There is a stronger link between overseas Chinese and FDI in China than there is between overseas Indians and FDI in India. Overseas Indians are fewer and lack the family connections and financial resources to invest in India (UNCTAD, 2003, p.45).

83 The case for diversion of FDI into both China and India is weak because much of the FDI in Africa is in search of natural resources and is therefore location-specific. Furthermore FDI into India is to a considerable extent in information and communication technology (especially in Bangalore) (UNCTAD, 2003) which requires an educated labour force. Finally, as we have seen, there is generally little

1/ "Round tripping" refers to domestic investment in China (Mainland) being routed through Hong Kong and back into the Mainland to take advantage of tax incentives for foreigners (see UNCTAD 2003, 43-45). If round-tripping is taken into account, the inflow into China is estimated to be between 10 per cent and 25 per cent lower (UNCTAD 2004b, 26).

competition in third markets between India and China on the one hand and African countries on the other.

84 The conclusion is that, for Sub-Saharan Africa in general, the diversionary effect of FDI inflows into both China and India is small. Thus, even in the short run, the poverty effect is almost certainly small and, in the long run there is probably no diversionary effect because of China (the larger recipient of FDI) has been more successful than most countries in adding FDI inflows to domestic investment and thereby generating its remarkably rapid rate of economic growth.

FDI from China and India – a Benefit?

85 FDI outflows from China and India have been small compared to the countries' inflows. Annual FDI outflows from China averaged $3 bn. between 2000 and 2003 about 25 per cent up on the average annual outflow in the early 1990s (UNCTAD, 2004b, p.24). India's outflow between 2000 and 2003 averaged $1 bn. a year about ten times as high as the outflow between 1995 and 1999.

86 Clearly, the outflows of FDI from the two Asian Drivers have been tiny compared to the FDI inflows. The outflow from China between 2000 and 2003 was less than 0.5 per cent of the world total. China's stock of FDI held in other countries in 2003 was also less than 0.5 per cent of the world total and India's was even smaller (UNCTAD, 2004b, p.382). Thus both China and India have played a much smaller role in exporting FDI than in importing it and the conclusion is that the effect of outward FDI from China on developing countries in Africa has so far been slight, even relative to the effects of trade. As shown in Table 7.1 below, few of the FDI outflows from both China and India have been to Sub-Saharan Africa.

87 Between 1979 and 2002, four of the 21 SSA countries were included in the top 30 destinations for FDI from China. These were Zambia, South Africa, Nigeria and Tanzania but the cumulative amounts were small, totalling $344 mn. for the four countries. Lower levels of FDI from China are also reported in Ghana, Cameroon and Mozambique (CABC, 2004, Table 2). In India's case, Sudan was the only SSA country in the top 30 destinations for FDI outflows although it accounted for 9 per cent of FDI outflows from India between 1996 and 2003. The investment through the tax-havens of Mauritius and the British Virgin Islands has been largely 'round-tripping' investment (UNCTAD, 2004c).

Table 7.1 FDI Outflows from China and India ($mn)

China				India			
Rank	**Destination**	**Cumulative**	**2002**	**Rank**	**Destination**	**Cumulative**	**2003/04**
		(1979-2002)				**(1996-2003)**	
1	Hong Kong, China	4074	356	1	United States	1865	139
2	United States	835	152	2	Russian Federation	1749	na
3	Canada	436	1	3	Mauritius	913	161
4	Australia	431	49	4	**Sudan**	912	162
5	Thailand	215	4	5	British Virgin Islands	782	2
6	Russian Federation	207	36	6	United Kingdom	543	98
7	Peru	201	0	7	Hong Kong, China	473	13
8	Macao, China	184	2	8	Bermuda	276	15
9	Mexico	167	2	9	Vietnam	229	0
10	**Zambia**	134	0	10	Singapore	213	14
13	**South Africa**	125	5				
27	**Nigeria**	44	11				
28	**Tanzania**	41	0				
	Others	2246	365		Others	1971	302
	Totals	9340	983		**Totals**	9926	906

Source: UNCTAD (2004b), pp. 298 and 299

88 Thus in the past, FDI outflows from China and India into Sub-Saharan Africa have been small compared to their investments in other regions. However given the lack of success of the region in attracting FDI generally, it is possible that the Asian Drivers are making a significant contribution to the total inflow to some African countries. Table 7.2 provides a rough indication of the relative significance of China and Asia in relation to the stock of FDI in the countries where they have the largest investments. For most countries, FDI from China represents only around 1 per cent of the total stock, with the exception of Zambia where it is 6 per cent. Indian investment in Sudan however is highly significant accounting for over a fifth of all FDI. The share of the two Asian countries in the total stock may underestimate the contribution which is made by new inflows which may be higher though.

Table 7.2 China and India's Share in FDI Stock in Selected African Economies

	Total (2002) (US$ mn.)	China (US$ mn.)*	China's Share
Cameroon	1,505	16	1.1%
Ghana	1,610	19	1.2%
Mozambique	1,505	15	1.0%
Nigeria	22,570	44	0.2%
South Africa	29,611	125	0.4%
Tanzania	2,335	41	1.8%
Zambia	2,241	134	6.0%
	Total (2003) (US$ mn.)	**India (US$ mn.)***	**India's Share**
Sudan	4,033	912	22.6%

Source: as for Table 7.1 and CABC (2004), Table 2

Note: * Cumulative value of investment from China (1979-2002) in Nigeria, South Africa, Tanzania and Zambia, and from India (1996-2003) in Sudan. Value to the end of 2001 for China's investment in Cameroon, Ghana and Mozambique.

89 In terms of the likely impact on poverty, it is important to consider the sectors in which Chinese and Indian FDI have been concentrated. By far the most important is oil. India's major investment in the African countries is the state-owned Oil and Natural Gas Commission Ltd's stake in a Sudan oil field (UNCTAD, 2004c, p.8). China's involvement in Africa is also heavily geared towards oil and it too has recently made a significant investment in Sudan (Economist, 2004). China has also invested in minerals in the region, particularly in the Zambian copper industry. China also has some investment in manufacturing in the region including textiles in Nigeria, food and beverages in Ghana and electric appliances in Mozambique (CABC, 2004). The dominance of extractive activities means that the poor are unlikely to benefit directly from these investments. Indeed there may even be negative effects, particularly since Asian companies tend to be under less pressure than those from the North to take account of the environmental and social impacts of their activities.

Future Prospects for FDI into and from China and India

90 The pattern of FDI *into* China is likely to change as China opens its service industries to FDI under its WTO accession agreement.[1/] However this changing pattern is unlikely to represent a diversion of FDI from other developing countries since any such FDI inflow into China will be (to a large extent) in non-traded goods such as banking and finance, telecommunications, distribution, retail and wholesale trade (UNCTAD 2004b, p.56). Similarly FDI into India is unlikely to be at the expense of FDI into Sub-Saharan Africa

91 As far as *outward* FDI is concerned, the 2004 World Investment Report expects investment from China to increase as the government has relaxed restrictions on outward investment, partly to ease the pressure of rising international reserves on the exchange rate (UNCTAD 2004b, 20). The Government of China has expressed recently a strong political commitment towards Africa and has stated its intention to give preferential treatment on trade from the least-developed Sub-Saharan African countries and, together with the UNDP, has established a China-Africa Business Council (CABC, 2004) to promote trade with, and FDI in, Africa. Chinese FDI has grown rapidly over the four years up to 2002 with Africa representing 10 per cent of the total (CABC 2004, p.4) and some commentators predict that Africa could be one of the top three investors on the continent within five years (Economist, 2004). These investments are likely to continue to be predominantly in natural resources.

92 Similarly outward FDI from India is expected to grow rapidly as restrictions on FDI abroad are relaxed by the Indian Government (UNCTAD, 2004c). In the recent past, India's outward FDI has been in the manufacturing and service sectors (UNCTAD, 2004c). Such investment is unlikely to go to SSA but the pattern of India's outward FDI is widely believed to be changing. With India importing 70 per cent of its oil needs, securing natural resources is becoming an important driver for Indian outward FDI (Gottschalk 2005, p.13 and UNCTAD, 2004c).

93 Thus FDI into SSA is likely to increase from both China and India, but most such investments are likely to be in oil and mining and will not necessarily have positive effects in terms of directly benefiting the poor.

1/ Most of the current inward stock of FDI in China is in manufacturing (63 per cent in 2002). This is in sharp contrast to the FDI inward stock in the world as a whole where 60 per cent is in services (UNCTAD 2004b 30).

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8 Conclusions, Policy Recommendations and Further Research

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Challenges and Opportunities

94 In terms of the central theme of this paper, namely the impact of China and India's growth on poverty reduction in Africa, a number of challenges and opportunities have been identified. Table 8.1 summarises the findings of the study concerning the main impacts that the recent growth of China and India in the global economy is likely to have had on the poor in the twenty-one countries studied. For some countries, such as the Democratic Republic of Congo, Rwanda and Sierra Leone trade links with China and India are very limited so that the effects on poverty are unlikely to be significant.[1/] Other countries, such as Angola, Nigeria and Sudan, are important exporters to either China or India so that the major impact on them has been through the growth of exports. Unlike the situation in other regions such as ASEAN and South Asia, few African countries have been significantly affected by competition from China or India in third markets. The major case among the twenty-one countries studied where this has occurred with major impacts on the poor is Lesotho. On the other hand, the most significant impact in Ghana, Ethiopia and the East African countries has been as a result of increased imports from China. These different patterns of relations with the Asian Drivers are reflected in a variety of different challenges and opportunities.

Challenges

95 Looked at from the point of view of the impacts on poverty, there are several challenges posed by the growth of China and India. Most attention has been given in the literature to the effect of competition from China on the exports of other developing countries to third markets. For the vast majority of African countries this is not a significant factor since they are not exporters of manufactured goods.

96 Although growing exports of primary commodities can have a positive economic impact, they may also provide a challenge in terms of poverty reduction. This is particularly true for extractive industries such as mining, petroleum extraction and logging, where the history of commodity booms provides numerous examples of negative impacts on the poor. They are often those who bear the brunt of negative social and environmental externalities while they seldom participate in the revenues from the export activity.

97 Two other challenges have been identified. Local producers may be displaced by competition from cheap imports from China and India and where these are in industries which employ significant numbers of unskilled workers, they may

1/ These three countries also suffered from major internal conflicts in recent years and the impacts of such conflicts on the poor far outweighed the impact of trade.

lose their jobs and be pushed into poverty. The data on Ethiopia and Nigeria suggests that this may have happened there although this would require more thorough investigation. Finally the possible diversion of FDI to China or India could also have negative impacts, although there is little evidence that this has had a significant effect on either growth or poverty in any of the African economies.

Table 8.1 Summary of Likely Effects on Poverty of China and India's Trade Growth on Twenty-one African Countries

	Exports to China/India	Competition in Third Markets	Imports from China/India
Angola	Strong effect from China. Challenges from negative spillovers; Opportunities from increased government revenues		Little or no effect
Botswana	Little or no effect	Possible effect from India	Little or no effect
Cameroon	Small effect from China	Little or no effect	Little or no effect
Congo, Dem. Rep. of	Little or no effect		Little or no effect
Ethiopia	Little or no effect	Little or no effect	Moderate threat to employment from imports from China. Small gain from cheaper imports from China
Ghana	Little or no effect	Little or no effect	Not a major threat. Moderate gain from cheaper imports from China
Kenya	Little or no effect	Little or no effect	Not a major threat. Small gain from cheaper imports from China
Lesotho	Little or no effect	Significant harm from competitive threat from China	Little or no effect.
Malawi	Little or no effect	Possible slight harm from competitive threat from China	Little or no effect
Mozambique	Small effect from China. Challenges from negative spillovers; Opportunities from increased government revenues	Moderate harm from competitive threat from China	Little or no effect
Namibia	Little or no effect	Possible slight harm from competitive threat from China	Little or no effect
Nigeria	Moderate effect from India. Challenges from negative spillovers; Opportunities from increased government revenues	Little or no effect	Moderate threat to employment from imports from China. Small gain from cheaper imports from China
Rwanda	Little or no effect	Little or no effect	Little or no effect

	Exports to China/India	Competition in Third Markets	Imports from China/India
Senegal	Little or no effect	Little or no effect	Little or no effect
Sierra Leone	Little or no effect	Little or no effect	Little or no effect
Somalia	Moderate effect??		Moderate gain from imports from India
South Africa	Moderate challenges from negative spillovers; Opportunities from increased government revenues	Possible slight harm from competitive threat from China	Challenge – reduced employment; Opportunity- cheaper consumer goods.
Sudan	Strong effect from China. Challenges from negative spillovers; Opportunities from increased government revenues. Moderate effects from China with potential favourable impacts	Little or no effect	Moderate threat to employment from imports from India. Small gain from cheaper imports from India
Tanzania	Little or no effect	Little or no effect	Not a major threat. Small gain from cheaper imports from China
Uganda	Little or no effect	Little or no effect	Not a major threat. Moderate gain from cheaper imports from China
Zambia	Little or no effect	Moderate harm from competitive threat from China	Little or no effect

Opportunities

98 In identifying the challenges however, one should not lose sight of the opportunities which the growth of China and India also present in terms of poverty reduction. First, although not discussed in any detail here (and not reflected in Table 8.1), is the impact of China and India's growth on the overall growth of the world economy, and in particular that of the OECD countries.[1/] In so far as this contributes to growth in Africa and in so far as growth, other things being equal, reduces poverty, then there is a positive indirect impact from China and India's growth.

99 The study, however, has concentrated on the direct impacts of the Asian Drivers and here the opportunities are easier to identify. Chinese and Indian imports have grown rapidly in recent years and countries which have been able to penetrate the Chinese and Indian markets have benefited. Virtually all the exports of the African economies to the two countries are primary products. In the case of minerals, oil and timber the main channel through which increased exports may benefit the poor is through government revenue. This depends both on the ability of the state to obtain a share of export earnings through taxation and royalties, which cannot be assumed in countries with weak states, and on government revenues from increased exports being used to reduce poverty. A less contingent positive impact on the poor can arise where countries export agricultural products and these are produced by smallholders or are labour-intensive in nature. The growth of exports of cotton and fruit and vegetables from several African countries to China and India offer significant opportunities for directly increasing the income of the poor.

100 Other opportunities arise where the poor gain access to cheap consumer goods from China and India, which will raise their real income. The evidence suggests that this has had a positive impact in a number of African countries including Ethiopia, Ghana, the East African countries and South Africa. A further potential positive impact could come from attracting Chinese and Indian FDI, particularly in labour-intensive industries. So far however most of the recent investment by the two countries in Africa has tended to be in extractive industries.

Implications for Policy

101 The policy implications of this analysis of the impact of China and India on poverty in Africa can be addressed in several ways. The first is to focus directly on the impacts of China and India and to look at policies to take advantage of the opportunities identified above and to respond to the challenges in ways which maximize the benefits and minimize the costs to the poor. This would suggest that African countries should look for market opportunities in China and India for labour-intensive agricultural exports. They could also seek to utilize increased tax revenues from primary product exports to fund pro-poor initiatives. In terms of challenges, governments should seek to ensure that smallholders are able to participate in new export markets and are not displaced by large, less labour-intensive farms. More generally, the government should monitor the impact of expansion of primary product exports on the poor and local communities which may be negatively affected.

1/ See IMF (2004a) Box 1.4 for a discussion of the impact of China's growth on the world economy.

102 The problem with this approach is that it artificially isolates policies to respond to the impacts of external factors, and the impact of China and India in particular, from more general policies to reduce poverty.[2/] An alternative approach is to ask the question, "do the policies that countries adopt to reduce poverty need to be changed in the light of China and India's expansion?" Looked at in this way, policies to provide assets to the poor, either through education or redistributive measures such as land reform, remain just as relevant irrespective of China and India's growth and may even become more so. However some other policies, such as emphasising the expansion of labour-intensive manufactured exports as a means of poverty reduction, may need to be qualified, in light of the increasing competition and falling prices for many such products.

103 The growing significance of China and India may also have implications for negotiations in international fora and for global governance and these to may have an impact on the opportunities for poverty reduction in Africa. At the moment it is unclear what these might be, but given the role that the state has played in development in both of the Asian Drivers, it is not inconceivable that their increased influence might open up possibilities for different forms of engagement between the public and private sectors.

Further Research

104 This is the first study which has attempted to analyse the impact of China and India's growth and trade liberalisation on poverty in a large number of African countries. It uses and develops the analytical framework previously used to examine the impact of China on eighteen countries in Asia, Africa and Latin America (Jenkins and Edwards, 2004). In preparing the paper, a number of gaps and areas for further research were identified.

105 Part of the empirical exercise for this paper involved identifying products which were likely to be "pro-poor" in the sense of generating employment or income for low income groups. Since the poor tend to have low levels of education and skill, a key consideration was the extent to which products were unskilled labour-intensive. However while there are numerous classifications of manufactured exports which distinguish between products on the basis of labour, capital or technology intensity, there are no trade studies which classify agricultural products according to factor intensity.[3/] While it is obviously more difficult to classify agricultural products in this way, since production conditions differ to a much greater extent than in manufacturing, further work could be done in identifying the effects of exports of different products on the poor in order to refine the classification used in this study.[4/]

2/ In this context it is also worth bearing in mind that China's own impressive achievements in reducing poverty can be mainly attributed to domestic rather than international factors (Ravallion, 2004)

3/ See for example Lall (2000), Wood and Mayer (1998), UNCTAD (1993, 2002). These tend to classify primary products as an undifferentiated group or only distinguish between agricultural products and minerals.

4/ The example of cotton illustrates this point very clearly. In the earlier study cotton was not identified as a labour-intensive crop and not regarded as pro-poor. In many countries in Africa however cotton is grown by smallholders and what happens to cotton producers can have a major impact on poverty (Baffes, 2004).

106 The study shows that the impact of China and India on individual countries is often largely determined by what happens in one or a small number of sectors. These include oil, non-ferrous base metals, wood, cotton and fruit and nuts. Considerable insights into the effects of China on poverty internationally could therefore be gleaned from studies of a relatively small number of global value chains. Taking an expanded value chain such as that from cotton to yarn to fabrics to garments could be of particular interest since different countries engage with the Asian Drivers in different ways at different points in the chain e.g. as exporters of cotton to Asia, as importers of fabrics from Asia, and as competitors in third markets for garments

107 Finally, the very general nature of this study means that it can only provide a very rough overview of the potential impacts of China and India's expansion on the countries included. While this is a useful exercise in identifying the countries in which poverty is most likely to be affected, it cannot begin to analyse the actual effects in any detail. This requires much more specific studies of the relations between China and individual countries which can also take into account the profile of poverty in the country and the nature of production relations in affected sectors.

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9 References

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A1 A Note on the Trade Data

A1 A Note on Trade Data

1 The trade data used in this study is drawn from two main sources. Data on the total values of trade for the 21 African countries are taken from the IMF's *Direction of Trade Statistics.* Data on Botswana, Lesotho and Namibia which are members of the South African Common Customs Area (SACCA) are not reported separately by the *Direction of Trade Statistics* and so total exports and imports for these three countries were obtained from the WTO statistics database. Trade with China and India was obtained from the *Direction of Trade Statistics* for all countries, but in the case of the three SACCA countries, mirror trade data from the tables for China and India were used.

2 The disaggregated trade data by 3 digit SITC categories was obtained from UN, COMTRADE. Because not all of the African countries report on a regular basis and for several countries the most recent data available was several years ago, trade with China and India for each African country was obtained using China and India as reporters and the 21 African countries as partners. In calculating the Export Similarity Index which required world exports from the African countries, the African country was used as reporter and the latest year available taken.

3 IMF and COMTRADE data do not always coincide and no attempt has been made to reconcile the two sources. Reported data and mirror estimates can also differ substantially for some countries and products. See ITC (2005) for a discussion of this issue.

Classification of SITC 3-digit Products according to Production and Consumption Categories*

4 The disaggregated analysis of trade for the 21 African countries used the following groupings of products.[1/]

Production Categories

Labour-intensive agricultural products – 037; 042; 05; 06; 07; 232

Other agricultural products – 00; 01; 02; 034; 035; 036; 04 (-042); 08; 09; 12; 21; 22; 26 (-266 and 269); 29; 411; 42; 43

Forestry – 24; 25

Minerals and petroleum – 233; 266; 267: 27; 28; 32; 33; 34; 35; 68

Labour-intensive textiles and garment products – 65; 84

[1/] Where a 2-digit SITC classification is indicated, this means that all 3-digit classes within it are included in the product group.

Other labour-intensive manufactures – 269; 61; 63; 665; 666; 821; 831; 851; 89 (-896 and 897)

Other manufactured products – 11; 51; 52; 53; 54; 55; 56; 57; 58; 59; 62; 64; 66 (-665 and 666); 67; 69; 71; 72; 73; 74; 75; 76; 77; 78; 79; 812; 87; 88; 896; 897; 9

Consumption Categories

5 The following SITC products were identified as products likely to be consumed by low income consumers. These consist of food, beverages, tobacco, garments and footwear.

00; 01; 02; 03; 04; 05; 06; 07; 09; 11; 12; 269; 84; 851

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CREATING A NATURAL ADVANTAGE

A2 Textiles and Garments and the Abolition of MFA Quotas

A2 Textile and Garments and the Abolition of MFA Quotas

The Abolition of Quotas

1 Under the Agreement on Textiles and Clothing (ATC) introduced in 1995 after more than 40 years of 'temporary' import quotas, the Textiles and Garments (T and G) sectors have become subject to the general rules of the General Agreement on Tariffs and Trade (GATT) from 1 January 2005. Quotas into the US, Canada, EU and Norway were abolished through four stages under the ATC but a large proportion of restrictions into US, Canada and the EU were left to the last, fourth stage. Over 80 per cent by value of the quotas were due to be abolished at the end of 2004. Thus the impact of quota abolition was squeezed into this fourth stage. However it is worth noting that not only does the 1999 Sino-US agreement provide for specific safeguards on T and G until the year 2008 but also the ATC allows WTO members to set new quotas on imports when they threaten serious damage to a domestic industry.

The Effects of Quota Abolition

2 A simulation using the GTAP model has estimated that, as far as the share of imports in domestic demand in the US and EU are concerned, there will be little change in textiles but for garments the shares are likely to rise from 34 per cent to 45 per cent in the US/Canada and from 49 per cent to 51 per cent in the EU (Nordas 2004, 26).

3 However it is when the shares of particular countries exporting to these markets are examined that there are very large differences estimated as a result of the abolition of quotas, although none of the 21 African countries has a large enough share to be itemised by Nordas. As can be seen in the table below, both China and India are expected to increase their shares of T and G in both the EU and US markets

Table A2.1 Textiles and Garments Market Shares in the US and EU before and after the Abolition of Quotas - the GTAP View

	China		India	
	Before	**After**	**Before**	**After**
EU market				
Textiles	10	**12**	9	**13**
Garments	18	**29**	6	**9**
US market				
Textiles	11	**18**	5	**5**
Garments	16	**50**	4	**15**

Source; Nordas 2004, pp.27-30

4 Some of the changes are massive with the biggest being the rise from 16 per cent to 50 per cent for the share of China in garments imports into the US. However Nordas recognises that the above GTAP simulation figures are unrealistic (Nordas, 2004, pp.30, 34) and Mayer (2004) endorses this, giving five reasons why the changes are unlikely to be as large as predicted by Nordas.

- The *first* is the effect of the regionalisation of the textiles and garments markets due to a combination of regional import duty concessions, rules of origin and proximities to final points of sale.

- The *second* is the likely continuation of protectionism in the T and G markets through 'transitional safeguards' and anti-dumping under the ATC. Thus the agreement between the USA and China which became part of China's Protocal of Accession to the WTO includes a safeguard provision which allows the imposition of quotas on imports of T and G from China that threaten to cause market disruption. This agreement does not expire until the end of 2008 (Mayer 2004, 16).

- A possible *third* reason is that various countries (most notably Bangladesh, India, Indonesia and Vietnam) are becoming increasingly competitive with China (Nordas 2004, 23 and Shafaeddin, 2004, 114).

- A *fourth* reason is that the simulations neglect the sourcing strategies of buyers who are likely to continue to diversify their country origin of supply.

- A *fifth* reason is that they take no account of the fact that both China and India's medium and long-term development goals may be better achieved by fostering structural change towards production and exports of manufactures that are more skill-intensive than garments (Mayer 2004, 2).

5 Thus the changes in market shares predicted by the GTAP simulation model are almost certainly overstatements with the actual effects on China and India likely to be less than predicted. As the USITC puts it; *"China is expected to become the 'supplier of choice' for most US importers",* nevertheless *"this* <choice> *will be tempered by the uncertainty over the use by the US and other importing countries of the textile-specific safeguard provisions contained in China's WTO protocol of accession*" (USITC, 2004).

6 Regional concessions have been particularly important in encouraging the exports of T and G from some SSA countries. In 2001, SSA was a relatively small supplier of T and G to the global market accounting for less than one per cent of world T and G exports. But, since 2001, exports from some SSA countries have been stimulated by preferential concessions. These concessions have remained in force after the abolition of quotas at the end of 2004.

7 Thus the EU grants preferences under the Cotonou Agreement to Kenya and Lesotho and although South Africa does not receive trade benefits under the Cotonou Agreement, it does have a FTA with the EU (USITC 2004). However the particularly important concessions for T and G are those granted by the USA.

Preferences have been granted for eight years from 2000 under the Africa Growth and Opportunity Act (AGOA). Because the preferences involve rules of origin, countries in SSA have to satisfy certain customs requirements. As of June 2003, 19 countries had met these requirements. Fifteen of these are among the 21 countries which are the focus of this research.[1]

8 The table below shows the exports of textiles and garments for 18 of the 21 countries, in 2003 (with some of the figures being for earlier years). Figures are not available for three of the countries, namely Angola, Democratic Republic of Congo and Somalia.

Table A.2.2 Textiles and Garments exports from SSA, China and India, 2003

	Textiles		Garments	
	$ mn.	% of exports	$ mn.	% of exports
Botswana (2001)	7	0.3	26	1.0
Cameroon	3	0.1	0	0.0
Ethiopia	7	1.4	0	0.0
Ghana (2000)	10	0.6	1	0.0
Kenya	24	0.9	8	0.3
Lesotho (2002)	18	5.0	234	65.3
Malawi	2	0.4	34	7.5
Mozambique (2002)	0	0.0	6	0.9
Namibia	7	0.5	2	0.2
Nigeria	10	0.0	0	0.0
Rwanda	1	1.1	0	0.0
Senegal	8	0.7	1	0.1
Sierra Leone (2002)	0	0.1	0	0.0
South Africa	192	0.6	310	1.0
Sudan	0	0.0	0	0.0
Tanzania	18	1.5	5	0.4
Uganda	0	0.2	1	0.5
Zambia (2002)	1	0.1	0	0.0
China	23289	5.3	52162	11.9
India	4905	7.8	6641	10.5

Note: All figures are for 2003 except where indicated
Source: UN COMTRADE

9 The table shows that exports of T and G were significant for only three of the 21 countries. These were Lesotho, Malawi and South Africa. Other sources also indicate that Kenya and Uganda are also developing significant exports

10 However changes in the T and G sectors have been very rapid indeed over the past five years. Exports of garments from these three countries plus Kenya and

1/ These are; Botswana, Cameroon, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Rwanda, Senegal, South Africa, Tanzania, Uganda and Zambia (USITC 2004, Appendix K)

Uganda have been growing rapidly into 2004. These have been stimulated by the AGOA provision that garments made in Kenya and other lesser-developed SSA beneficiary countries from 'third-country fabrics'[2/] can be imported duty-free into the USA (USITC 2004, page K-8). This third-country fabric provision of AGOA was due to expire in September 2004 but has been extended to 2007. As the following notes show, the garments industry has grown particularly rapidly in Kenya, Lesotho, Malawi and Uganda.

11 ***Kenya***; USITC (2004) reported that in 2002 exports of textiles and garments totalled $125 mn.[3/] What seems clear is that AGOA has given rise to a rapid growth in exports from Kenya to the USA (see *fibre2fashion.com* website) with total AGOA exports rising by 60 per cent in 2004 over the 2003 figures. The USITC reported that "*According to Kenyan sources*, *if the AGOA third-country fabric provision is extended beyond September 2004,* [T and G] *sector employment could grow to as many as 200,000 workers"* (page K-6). This would represent close to a doubling of T and G employment compared to 2002.

12 **Lesotho**; in 2001 the vast majority (over 90 per cent) of jobs in the manufacturing sector were in the garments sector. FDI in garment production has come almost entirely from firms in Taiwan which import all the necessary inputs into Lesotho to make garments (mostly jeans and t-shirts) for export. Thus the third-country fabric provision of AGOA has been crucial although a large denim fabric mill was reported to be near completion in October 2004 (USITC 2004, K-13). Exports to the EU market are limited by the EU's rules of origin which require double-stage processing (USITC 2004, K-18). But with a rapid expansion in exports to the US, employment in the T and G sector has reportedly more than doubled from 20,000 in 2002 to 56,000 at the end of 2004 (see *businessinafrica.net* website). Exports of garments were reported to be $400 mn in 2004 (see the *Isyourjobgoingofshore.com* website) compared with $234 mn in the above table. This expansion has occurred despite the revaluation of the Rand[4/]relative to the Dollar from 12.1 at the end of 2001 to 5.6 at the end of 2004. Even with such expansion, however, unemployment is estimated to be running at about 40 per cent partly due to the massive redundancies in the South African mining sector (see *businessinafrica.net* website). Furthermore there have been reports in early 2005 of T and G factories closing in Lesotho with various reasons offered – namely the abolition of quotas at the end of 2004 and the revaluation of the currency (Peta, 2005).

13 For **Malawi**, the table above shows exports of garments of $34 mn. in 2003. It has been variously reported that in 2004 exports of textiles and garments to USA were $20mn with employment at over 10,000 (see the *businessinafrica.net* website) while another early-2005 report estimates exports of T and G from Malawi to have been over $200 mn. in the past one and a half years (see the *onlypunjab.com* website).

2/ Third-country fabrics are those which are not of US or SSA origin (USITC 2004, K-38)

3/ This is much higher than the figures given in the table above. The reason for the discrepancy is not clear but US reported imports of garments from Kenya are much larger than Kenyan reported exports to the US in the COMTRADE data base.

4/ The Lesotho currency, the Loti, is linked to the Rand and has the same rate to the US dollar.

14 In 2004, **Uganda** was reported to be exporting more garments than Malawi (see *onlypunjab.com* website). It seems that most of these exports were to the USA while its domestic market is dominated by second-hand T and G imports locally known as *'mivumba'*. More than four-fifths of domestic demand is met by second-hand imports with a fifth of these coming from the USA (see *allafrica.com* website). Import duties on second-hand clothing are reported to make up 40 per cent of all import duty revenues in Uganda (see *strategis.ic.gc.ca* website*).*

15 **South Africa**; in 2001, T and G exports were split evenly between textiles and garments with the EU market being more important for textiles and the US market for garments. Garment exports to the USA had trebled between 1997 and 2001 as a result of preferences under the African Growth and Opportunity Act (AGOA), but it is important to note that South Africa is ineligible for AGOA preferential treatment for garments made from third-country fabric.

To summarise; exports of garments are significant for a small number of countries in SSA – especially Lesotho. These exports rely very heavily on AGOA preferences and particularly the third country fabric provision. The USITC 2004 report predicted that SSA's share of US garment exports will decline, notwithstanding AGOA preferences (page xix). But the USITC report was written before the renewal of the third-country fabric provision of AGOA. But, for the vast majority of SSA countries, the abolition of quotas is likely to prevent the growth of a garments industry.

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A3 The 21 African Countries: Population and Poverty Statistics

A3 The 21 African Countries: Population and Poverty Statistics

Table A3.1 The 21 African Countries: Population and Poverty

		People below $2 a day		
Country	**Population**	**Number**	**% of**	**Year of**
	(2002)(mns)	**(mn)**	**popn.**	**data**
Angola	14		na	
Botswana	2	1.0	50	1993
Cameroon	16	8.2	51	2001
Congo Dem Rep	54		na	
Ethiopia	67	54.3	81	1999/00
Ghana	20	15.8	79	1999
Kenya	31	18.3	59	1997
Lesotho	2	1.1	56	1995
Malawi	11	8.4	76	1997/98
Mozambique	18	14.0	78	1996
Namibia	2	1.1	56	1993
Nigeria	133	121.0	91	1997
Rwanda	8	6.8	85	1983-85
Senegal	10	6.8	68	1995
Sierra Leone	5	3.8	75	1989
Somalia	9		na	
South Africa	44	10.6	24	1995
Sudan	32		na	
Tanzania	35	21.0	60	1993
Uganda	23		na	
Zambia	10	8.7	87	1998
Total with information	**414**	**301**	**73**	
Excluded countries	**132**			
Total in sample	**546**			
Total in SSA	**688**	**537**	**78**	

Sources: DFID (2004), *Statistics on International Development* and World Bank, *World Development Indicators,* 2004, section 2.5 for poverty; World Bank, *World Development Report 2004* for population.

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A4 Country Tables

ANGOLA

Trade with China and India (US$mn.)

	China		India	
	Exports	Imports	Exports	Imports
1990	0.6	31.1	0.0	0.4
1991	0.1	8.0	0.0	4.0
1992	26.7	9.3	0.0	15.9
1993	164.3	12.3	0.0	7.9
1994	43.6	13.7	0.0	0.6
1995	124.5	23.4	0.0	8.3
1996	221.6	31.4	0.0	9.2
1997	548.6	31.9	0.0	8.8
1998	139.7	40.2	0.0	10.5
1999	323.3	18.0	0.0	7.2
2000	1497.2	37.1	0.0	14.1
2001	656.2	50.5	0.0	15.5
2002	988.2	67.4	0.0	16.8
2003	2005.4	160.4	1.6	67.9

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%				
Other agricultural products:	0.0%	0.0%	0.0%	0.0%				
Forestry	0.0%	0.0%	0.0%	0.0%				
Minerals and petroleum	0.0%	99.2%	100.0%	100.0%				
Labour-intensive textiles and garment products	99.8%	0.0%	0.0%	0.0%				
Other labour-intensive manufactures	0.0%	0.0%	0.0%	0.0%				
Other manufactured products	0.2%	0.8%	0.0%	0.0%				

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	23.3%	15.5%	11.4%	3.5%	0.0%	64.8%	0.0%	3.6%
Other agricultural products:	0.0%	1.3%	0.0%	0.1%	0.0%	0.9%	48.7%	40.8%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	17.6%
Labour-intensive textiles and garment products	41.2%	31.2%	21.6%	14.3%	47.5%	6.7%	10.4%	5.4%
Other labour-intensive manufactures	7.3%	32.3%	36.0%	21.3%	0.0%	1.8%	4.5%	2.5%
Other manufactured products	24.3%	18.3%	30.2%	60.4%	52.5%	23.8%	34.9%	29.5%

Source: UN COMTRADE

Principal Exports (2003) (US$)

	To China			To India (2002)	
333	Crude petroleum and oils obtained from bituminous minerals	2205655040	335	Residual petroleum products, nes and related materials	7161733
273	Stone, sand and gravel	232059			
667	Pearl, precious and semi-precious stones, unworked or worked	47397			

Source: UN COMTRADE

BOTSWANA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	3.1	4.4	0.4	1.1
1991	1.8	9.3	0.0	0.0
1992	5.1	1.5	0.0	1.2
1993	1.5	2.6	0.2	1.6
1994	0.7	2.8	0.2	0.6
1995	0.8	1.0	0.2	0.7
1996	4.1	1.5	0.0	1.0
1997	0.5	2.5	0.0	2.4
1998	0.0	11.2	0.0	2.4
1999	0.0	8.2	0.0	2.1
2000	0.0	11.5	0.0	4.7
2001	0.0	14.2	0.0	5.2
2002	0.0	19.0	0.0	5.7
2003	2.2	22.8	0.1	6.1

Source: IMF *Direction of Trade Statistics*
Note: mirror data from China and India trade statistics

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%	0.0%			0.0%	0.0%
Other agricultural products:			0.0%	0.0%			0.0%	0.0%
Forestry			0.0%	0.0%			0.0%	0.0%
Minerals and petroleum			0.0%	0.2%			0.0%	54.3%
Labour-intensive textiles and garment products			0.0%	0.0%			0.0%	0.0%
Other labour-intensive manufactures			0.0%	1.1%			100.0%	25.5%
Other manufactured products			100.0%	98.7%			0.0%	20.3%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%	0.0%			0.0%	0.0%
Other agricultural products:			0.0%	0.9%			0.0%	1.1%
Forestry			0.0%	0.0%			0.0%	0.0%
Minerals and petroleum			0.0%	0.0%			0.0%	0.0%
Labour-intensive textiles and garment products			60.9%	48.9%			17.0%	25.7%
Other labour-intensive manufactures			20.4%	17.2%			19.1%	0.8%
Other manufactured products			16.7%	26.8%			57.9%	66.7%

Source: UN COMTRADE

Principal Exports (2003)

	To China		To India (2003)		
667	Pearl, precious and semi-precious stones, unworked or worked	2146894	282	Waste and	28420
612	Manufactures of leather or of composition leather, nes; etc	24615	612	Manufactur	13323
682	Copper	3878	897	Gold, silver	10605
277	Natural abrasives, nes	599			

Source: UN COMTRADE

CAMEROON

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	37.6	10.1	0.1	2.6
1991	18.4	13.8	0.2	2.8
1992	3.3	10.4	0.0	3.0
1993	1.3	14.8	0.5	5.8
1994	9.8	11.0	1.0	3.6
1995	32.7	11.8	2.8	12.3
1996	30.8	14.9	2.2	16.4
1997	63.7	21.2	13.0	12.3
1998	31.5	30.6	5.7	10.0
1999	43.3	37.2	11.5	12.9
2000	114.0	44.2	8.9	7.4
2001	103.2	50.0	15.7	10.5
2002	77.8	66.5	27.0	25.1
2003	98.0	86.6	7.6	31.2

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	1.8%	92.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.5%
Other agricultural products:	97.9%	7.0%	0.0%	15.9%	100.0%	47.2%	57.9%	77.8%
Forestry	0.0%	0.1%	33.3%	39.2%	0.0%	52.8%	41.3%	2.0%
Minerals and petroleum	0.0%	0.0%	66.6%	44.3%	0.0%	0.0%	0.0%	16.9%
Labour-intensive textiles and garment products	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Other labour-intensive manufactures	0.0%	0.6%	0.1%	0.5%	0.0%	0.0%	0.6%	2.3%
Other manufactured products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	3.4%	0.0%	0.9%	1.8%	0.0%	14.3%	0.5%	10.2%
Other agricultural products:	0.0%	0.0%	0.6%	0.1%	0.0%	28.6%	11.8%	11.9%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.6%	1.0%	0.0%	0.0%	0.0%	0.0%
Labour-intensive textiles and garment products	23.4%	15.8%	19.4%	19.9%	45.1%	18.5%	15.3%	8.6%
Other labour-intensive manufactures	11.1%	23.9%	24.7%	23.4%	9.6%	2.4%	2.9%	2.3%
Other manufactured products	56.2%	58.6%	52.9%	53.3%	37.5%	31.2%	63.2%	65.2%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
333	Crude petroleum and oils obtained from bituminous minerals	50,959,568	263	Cotton	7,759,766
247	Other wood in the rough or roughly squared	34,527,116	282	Waste and scrap metal of iron or steel	1,715,929
263	Cotton	18,302,580	247	Other wood in the rough or roughly squared	199,181
248	Wood, simply worked, and railway sleepers of wood	10,661,690	634	Veneers, plywood, "improved" wood and other wood, worked, nes	187,670
634	Veneers, plywood, "improved" wood and other wood, worked, nes	588,194	292	Crude vegetable materials, nes	154,581

Source: UN COMTRADE

CONGO, DEMOCRATIC REPUBLIC OF

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	6.8	139.3	38.6	2.6
1991	4.6	69.6	63.1	2.3
1992	5.1	8.6	51.5	4.1
1993	2.8	23.9	22.9	8.0
1994	1.9	25.9	26.9	15.2
1995	1.3	45.1	27.5	31.1
1996	1.6	47.0	34.0	35.2
1997	1.7	32.4	37.6	20.8
1998	1.6	55.5	11.7	12.0
1999	1.2	20.6	1.6	6.0
2000	0.7	20.3	0.3	5.1
2001	6.6	14.6	0.3	5.6
2002	11.3	20.9	0.3	6.0
2003	23.9	28.0	0.1	10.3

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other agricultural products:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.3%	24.3%
Forestry	0.0%	0.0%	0.8%	9.8%	0.0%	0.0%	0.9%	5.7%
Minerals and petroleum	0.0%	100.0%	99.2%	89.9%	0.0%	0.0%	4.0%	43.3%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other manufactured products	99.6%	0.0%	0.0%	0.3%	0.0%	0.0%	83.8%	26.7%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	9.1%	0.0%	8.7%	1.5%	0.0%	0.0%	0.2%	0.1%
Other agricultural products:	28.0%	6.0%	5.0%	0.9%	0.0%	0.0%	3.2%	8.2%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.3%	1.0%
Labour-intensive textiles and garment products	8.0%	32.2%	24.5%	21.7%	94.4%	0.0%	36.4%	27.7%
Other labour-intensive manufactures	14.0%	43.3%	14.1%	19.5%	0.0%	0.0%	1.5%	3.6%
Other manufactured products	26.6%	14.5%	46.7%	55.9%	0.0%	46.0%	57.6%	58.4%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
333	Crude petroleum and oils obtained from bituminous minerals	699,913,472	287	Ores and concentrates of base metals, nes	1,489,479
247	Other wood in the rough or roughly squared	77,495,304	292	Crude vegetable materials, nes	1,265,972
287	Ores and concentrates of base metals, nes	29,955,292	541	Medicinal and pharmaceutical products	925,676
523	Other inorganic chemicals; compounds of precious metals	2,368,344	282	Waste and scrap metal of iron or steel	728,600
248	Wood, simply worked, and railway sleepers of wood	2,328,349	247	Other wood in the rough or roughly squared	295,877

Source: UN COMTRADE

ETHIOPIA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	7.7	0.0	26.4
1991	0.0	2.1	0.0	3.3
1992	0.0	2.1	0.0	9.1
1993	0.0	11.7	2.2	10.8
1994	0.1	19.6	3.2	18.5
1995	0.6	26.5	2.7	28.8
1996	0.0	32.7	0.7	38.4
1997	0.7	54.6	1.6	61.2
1998	0.8	67.5	0.5	81.6
1999	0.7	58.8	0.7	65.1
2000	2.5	61.3	2.8	70.7
2001	1.6	87.1	3.1	77.8
2002	3.4	106.1	3.3	84.4
2003	4.3	168.0	7.6	85.1

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.7%	2.0%	0.0%	0.0%	0.0%	29.5%
Other agricultural products:	0.0%	99.9%	16.2%	16.1%	0.0%	60.7%	91.9%	65.3%
Forestry	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	76.7%	18.6%	0.0%	0.0%	0.9%	1.8%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	7.2%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.0%	0.1%	3.2%	56.0%	0.0%	39.0%	7.1%	3.4%
Other manufactured products	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.1%	0.0%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products		1.4%	0.0%	1.2%		0.0%	1.2%	1.4%
Other agricultural products:		0.0%	0.0%	0.2%		6.6%	0.9%	0.7%
Forestry		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Minerals and petroleum		1.4%	0.3%	0.5%		0.8%	0.8%	1.6%
Labour-intensive textiles and garment products		5.4%	19.9%	25.0%		8.4%	7.1%	5.3%
Other labour-intensive manufactures		13.5%	9.4%	9.0%		3.1%	8.8%	6.8%
Other manufactured products		77.8%	68.2%	63.7%		80.1%	80.9%	83.0%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)		
611	Leather	2,653,701	211	Hides and skins, excluding furs, raw	2003	4,196,768
287	Ores and concentrates of base metals, nes	879,625	054	Vegetables, fresh or simply preserved; roots and tubers, nes	2003	1,914,853
292	Crude vegetable materials, nes	550,013	263	Cotton	2003	607,601
651	Textile yarn	341,457	075	Spices	2003	279,433
222	Seeds and oleaginous fruit, whole or broken, for 'soft' fixed oil	214,845	611	Leather	2003	251,571

Source: UN COMTRADE

GHANA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	2.2	17.4	2.5	8.3
1991	0.0	4.8	0.3	0.7
1992	0.0	56.4	1.1	18.6
1993	5.8	42.4	11.1	17.6
1994	22.9	40.2	14.2	17.7
1995	4.5	78.6	15.1	28.5
1996	3.0	91.6	9.2	41.7
1997	2.3	94.8	11.8	49.5
1998	7.7	122.5	4.9	65.3
1999	4.4	120.5	9.0	68.4
2000	11.8	116.6	21.0	65.6
2001	33.3	160.5	23.2	72.2
2002	27.4	200.5	25.2	78.4
2003	31.1	354.0	26.6	178.8

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	99.7%	0.0%	0.2%	28.0%	0.0%	8.9%	19.3%	61.8%
Other agricultural products:	0.0%	0.1%	1.5%	9.9%	0.0%	1.1%	19.7%	3.0%
Forestry	0.0%	85.9%	4.6%	2.0%	6.1%	82.3%	43.0%	9.2%
Minerals and petroleum	0.0%	0.9%	92.0%	59.8%	0.0%	1.0%	0.2%	23.2%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.0%	12.0%	0.0%	0.3%	0.0%	0.0%	0.1%	0.9%
Other manufactured products	0.3%	1.1%	1.6%	0.0%	93.9%	6.6%	17.7%	1.8%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	3.7%	5.7%	0.0%	4.0%	0.5%	4.8%
Other agricultural products:	0.0%	0.3%	0.1%	0.5%	0.0%	0.3%	0.9%	1.2%
Forestry	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.1%	1.0%	0.4%	4.3%	0.7%	0.7%	19.3%
Labour-intensive textiles and garment products	3.8%	20.7%	23.9%	29.2%	3.2%	6.0%	23.5%	14.2%
Other labour-intensive manufactures	4.7%	18.2%	17.0%	17.5%	1.2%	4.4%	9.4%	6.6%
Other manufactured products	89.7%	60.5%	54.2%	46.7%	88.1%	83.7%	64.6%	53.7%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
287	Ores and concentrates of base metals, nes	18637310	057	Fruit and nuts, fresh, dried	19992325
072	Cocoa	9560572	287	Ores and concentrates of base metals, nes	6814308
288	Non-ferrous base metal waste and scrap, nes	1869172	247	Other wood in the rough or roughly squared	2753792
263	Cotton	1516073	223	Seeds and oleaginous fruit, whole or broken, for other fixed oils	639905
081	Feeding stuff for animals (not including unmilled cereals)	1276128	282	Waste and scrap metal of iron or steel	604304

Source: UN COMTRADE

KENYA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.3	15.7	10.1	33.2
1991	0.8	18.2	6.6	36.0
1992	1.9	18.2	6.9	53.1
1993	1.4	23.7	10.2	47.1
1994	0.8	29.4	12.4	88.1
1995	1.6	114.5	13.4	256.5
1996	0.9	48.4	12.7	161.1
1997	0.6	63.3	20.2	139.8
1998	1.3	68.3	30.3	143.0
1999	4.5	110.7	22.5	136.2
2000	3.2	146.4	17.7	148.3
2001	5.3	153.0	19.6	163.2
2002	5.3	201.3	21.2	177.1
2003	7.9	265.9	36.2	242.1

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	1.3%	9.1%	14.8%	53.1%	16.6%	26.8%	29.0%
Other agricultural products:	91.7%	49.0%	81.9%	68.8%	10.7%	16.9%	10.4%	8.5%
Forestry	0.0%	2.4%	0.2%	0.4%	0.1%	0.0%	0.0%	0.1%
Minerals and petroleum	0.0%	3.5%	0.0%	4.0%	6.9%	12.4%	9.0%	17.9%
Labour-intensive textiles and garment products	0.3%	0.0%	6.1%	1.2%	0.0%	0.0%	0.3%	0.1%
Other labour-intensive manufactures	0.9%	11.5%	0.0%	3.2%	2.7%	7.6%	5.9%	9.8%
Other manufactured products	7.1%	32.2%	2.7%	7.7%	26.5%	46.6%	47.6%	34.6%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	4.5%	1.6%	2.7%	0.0%	37.8%	1.7%	3.9%
Other agricultural products:	0.0%	0.0%	0.2%	1.3%	1.2%	5.9%	2.8%	1.2%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	14.4%	0.9%	1.6%	0.3%	3.5%	1.9%	3.5%	6.1%
Labour-intensive textiles and garment products	10.4%	27.8%	24.3%	36.6%	8.9%	9.2%	15.3%	14.6%
Other labour-intensive manufactures	6.7%	17.4%	13.5%	15.3%	3.7%	2.5%	5.0%	6.7%
Other manufactured products	67.6%	49.0%	58.7%	43.7%	81.6%	42.6%	71.5%	67.3%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
265	Vegetable textile fibres, excluding cotton, jute, and waste	3,914,158	523	Other inorganic chemicals; compounds of precious metals	10782203
292	Crude vegetable materials, nes	951,847	278	Other crude minerals	5108380
291	Crude animal materials, nes	848,179	057	Fruit and nuts, fresh, dried	5007238
057	Fruit and nuts, fresh, dried	765,375	611	Leather	3984676
728	Other machinery, equipment, for specialized industries; parts nes	629,699	074	Tea and mate	3929333

Source: UN COMTRADE

LESOTHO

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	0.0	2.7	0.0
1991	0.4	0.5	0.0	0.0
1992	0.8	5.6	1.0	2.7
1993	0.0	1.5	2.5	3.8
1994	0.0	1.4	0.7	0.4
1995	0.0	1.4	0.1	0.1
1996	0.0	1.2	0.0	0.1
1997	0.0	4.9	0.0	0.2
1998	0.0	8.6	0.0	0.1
1999	0.0	3.7	0.0	0.2
2000	0.1	10.4	0.0	0.1
2001	1.1	16.8	0.0	0.1
2002	0.0	24.6	0.0	0.1
2003	0.0	24.9	0.0	5.2

Source: IMF *Direction of Trade Statistics*
Note: mirror data from China and India trade statistics

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%	0.0%			0.0%	0.0%
Other agricultural products:			100.0%	0.0%			0.0%	0.0%
Forestry			0.0%	0.0%			0.0%	0.0%
Minerals and petroleum			0.0%	0.0%			0.0%	0.0%
Labour-intensive textiles and garment products			0.0%	100.0%			0.0%	0.0%
Other labour-intensive manufactures			0.0%	0.0%			0.0%	0.0%
Other manufactured products			0.0%	0.0%			100.0%	100.0%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%	0.0%			0.0%	0.0%
Other agricultural products:			0.0%	0.0%			0.0%	0.0%
Forestry			0.0%	0.0%			0.0%	0.0%
Minerals and petroleum			0.0%	0.0%			0.0%	0.0%
Labour-intensive textiles and garment products			51.6%	77.1%			0.0%	94.9%
Other labour-intensive manufactures			9.0%	1.7%			0.0%	2.0%
Other manufactured products			38.4%	20.1%			92.9%	2.8%
							0.0%	0.0%

Source: UN COMTRADE

Principal Exports (2003)

	To China		To India (2003)	
842	Men's and boys' outerwear, textile fabrics not knitted or crocheted	1030	784 Motor vehicle parts and accessories, nes	11067

Source: UN COMTRADE

MALAWI

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	0.0	0.0	4.8
1991	0.7	0.1	0.0	6.5
1992	0.8	0.3	0.0	9.6
1993	0.0	2.1	0.0	11.4
1994	0.0	0.6	0.0	15.1
1995	1.5	15.8	4.7	15.9
1996	0.2	1.2	1.8	14.8
1997	0.6	2.5	1.8	14.2
1998	0.0	2.8	0.4	11.4
1999	0.0	5.5	0.5	19.5
2000	0.0	7.6	0.3	20.9
2001	0.4	4.9	0.4	23.0
2002	0.6	7.2	0.4	25.0
2003	0.0	11.9	3.8	39.4

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%		100.0%	97.1%	100.0%
Other agricultural products:	0.0%	100.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Forestry	100.0%	0.0%	0.0%	100.0%		0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Other manufactured products	0.0%	0.0%	0.0%	0.0%		0.0%	2.9%	0.0%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products		0.0%	0.0%	2.7%	0.0%	0.0%	0.6%	0.0%
Other agricultural products:		0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	3.3%
Forestry		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Labour-intensive textiles and garment products		34.7%	40.5%	34.0%	6.2%	34.4%	32.5%	31.2%
Other labour-intensive manufactures		21.3%	13.5%	19.4%	0.0%	3.4%	5.9%	2.2%
Other manufactured products		37.1%	42.2%	41.0%	83.1%	57.2%	59.3%	61.8%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
248	Wood, simply worked, and railway sleepers of wood	8,746	054	Vegetables, fresh or simply preserved; roots and tubers, nes	4,554,521
			074	Tea and mate	361,704
			533	Pigments, paints, varnishes and related materials	751
			667	Pearl, precious and semi-precious stones, unworked or worked	743

Source: UN COMTRADE

MOZAMBIQUE

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	54.4	13.9	0.3	7.5
1991	0.8	1.8	5.2	6.7
1992	0.0	6.2	0.0	11.4
1993	0.1	1.9	6.9	7.2
1994	0.1	15.8	11.4	5.7
1995	0.2	4.8	4.5	23.7
1996	0.0	4.5	26.8	35.8
1997	0.8	8.6	13.2	23.9
1998	0.0	12.7	19.3	35.1
1999	0.2	9.0	32.0	20.3
2000	2.7	20.2	17.9	18.3
2001	1.3	21.7	3.5	25.2
2002	7.0	16.6	14.6	53.1
2003	24.3	49.5	22.4	66.1

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	8.6%	0.0%	0.0%	0.1%	75.7%	89.4%	71.5%	93.9%
Other agricultural products:	0.0%	20.6%	3.2%	0.0%	8.7%	0.0%	17.5%	3.5%
Forestry	0.0%	70.4%	96.5%	99.9%	0.0%	0.0%	0.1%	0.0%
Minerals and petroleum	0.0%	3.2%	0.0%	0.0%	15.6%	0.0%	10.9%	2.0%
Labour-intensive textiles and garment products	44.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other manufactured products	47.0%	5.8%	0.2%	0.0%	0.0%	10.6%	0.0%	0.6%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	1.1%	14.6%	19.5%	3.7%	0.0%	18.8%	0.9%	21.6%
Other agricultural products:	15.7%	0.0%	0.3%	9.7%	3.6%	0.5%	3.2%	0.3%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	44.3%	0.0%	0.0%	0.0%	0.0%	0.2%	0.7%	2.5%
Labour-intensive textiles and garment products	1.4%	1.7%	16.2%	16.2%	62.7%	45.1%	53.2%	21.5%
Other labour-intensive manufactures	2.1%	9.5%	21.2%	17.4%	7.6%	8.9%	1.5%	1.2%
Other manufactured products	33.4%	72.1%	41.7%	52.4%	24.0%	25.4%	38.8%	52.5%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
247	Other wood in the rough or roughly squared	26,557,496	057	Fruit and nuts, fresh, dried	20626678
057	Fruit and nuts, fresh, dried	25,563	054	Vegetables, fresh or simply preserved; roots and tubers, nes	1259524
036	Crustaceans and molluscs, fresh, chilled, frozen, salted, etc	5,457	263	Cotton	820308
899	Other miscellaneous manufactured articles, nes	1,483	282	Waste and scrap metal of iron or steel	465447
893	Articles, nes of plastic materials	1,184	532	Dyeing and tanning extracts, and synthetic tanning materials	90879

Source: UN COMTRADE

Namibia

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	1.6	0.0	0.1
1991	0.0	0.0	0.0	0.0
1992	0.0	0.1	0.0	1.6
1993	0.8	0.7	0.0	1.9
1994	0.0	1.1	1.9	2.5
1995	0.6	1.6	0.1	1.5
1996	3.9	2.4	0.0	1.0
1997	4.4	7.2	0.1	1.5
1998	7.8	9.2	0.0	10.7
1999	3.2	7.4	0.2	5.8
2000	4.1	8.3	0.4	3.3
2001	11.3	21.2	0.6	1.0
2002	29.0	20.2	0.8	1.0
2003	37.0	37.6	0.9	6.9

Source: IMF *Direction of Trade Statistics*
Note: mirror data from China and India trade statistics

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%	0.0%			0.0%	0.0%
Other agricultural products:			16.9%	19.1%			27.2%	36.8%
Forestry			0.0%	0.0%			0.0%	0.0%
Minerals and petroleum			83.1%	77.5%			1.2%	17.5%
Labour-intensive textiles and garment products			0.0%	0.0%			20.4%	0.0%
Other labour-intensive manufactures			0.0%	0.0%			7.5%	10.7%
Other manufactured products			0.0%	3.4%			43.7%	35.1%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%	0.0%			0.0%	4.5%
Other agricultural products:			8.2%	2.4%			0.0%	17.8%
Forestry			0.0%	0.0%			0.0%	0.0%
Minerals and petroleum			3.8%	0.0%			0.0%	0.0%
Labour-intensive textiles and garment products			29.1%	53.5%			4.3%	4.7%
Other labour-intensive manufactures			34.5%	19.2%			3.2%	4.3%
Other manufactured products			20.1%	24.0%			85.3%	65.3%
							0.0%	25.9%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
682	Copper	21,918,008	263	Cotton	33,136
287	Ores and concentrates of base metals, nes	6,645,276	282	Waste and scrap metal of iron or steel	17,289
081	Feeding stuff for animals (not including unmilled cereals)	3,501,510	667	Pearl, precious and semi-precious stones, unworked or worked	16,819
034	Fish, fresh, chilled or frozen	2,387,883	641	Paper and paperboard	11,130
667	Pearl, precious and semi-precious stones, unworked or worked	1,247,533	899	Other miscellaneous manufactured articles, nes	9,405

Source: UN COMTRADE

NIGERIA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	5.6	128.2	3.9	67.1
1991	0.6	189.1	3.1	84.4
1992	5.4	100.1	568.6	162.8
1993	0.5	132.8	701.0	133.6
1994	1.0	99.2	415.3	124.1
1995	54.3	168.0	571.7	152.4
1996	6.2	187.9	1248.0	158.3
1997	9.7	348.2	1085.7	202.2
1998	25.0	393.1	1056.5	263.9
1999	165.9	435.5	2264.3	310.5
2000	140.3	252.6	3918.6	199.0
2001	127.0	526.8	2083.1	315.7
2002	73.1	739.3	2156.8	309.6
2003	123.5	1067.3	2391.7	377.4

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	36.3%	0.9%	2.6%	0.0%	73.2%	2.3%	12.2%	17.4%
Other agricultural products:	6.0%	2.0%	0.1%	0.7%	15.7%	0.5%	7.2%	5.7%
Forestry	0.0%	1.1%	0.6%	0.8%	8.4%	4.1%	72.9%	30.3%
Minerals and petroleum	3.8%	95.5%	96.7%	97.0%	0.5%	93.0%	2.9%	32.2%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.1%	0.9%
Other labour-intensive manufactures	0.0%	0.1%	0.0%	0.9%	1.7%	0.0%	1.3%	0.7%
Other manufactured products	53.9%	0.4%	0.0%	0.1%	0.4%	0.1%	3.4%	12.7%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	2.8%	1.0%	0.5%	0.7%	0.0%	0.2%	0.1%	5.9%
Other agricultural products:	0.0%	0.7%	2.0%	0.2%	0.7%	0.4%	0.4%	0.7%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.6%	0.7%	3.0%	1.6%	0.8%	0.5%	0.5%	8.4%
Labour-intensive textiles and garment products	3.7%	3.6%	14.0%	19.8%	4.4%	16.0%	15.6%	12.4%
Other labour-intensive manufactures	6.3%	10.8%	14.5%	12.0%	3.3%	2.6%	1.9%	3.4%
Other manufactured products	85.7%	82.0%	65.9%	65.6%	90.1%	80.2%	81.3%	69.1%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)		
341	Gas, natural and manufactured	31,002,634	333	Crude petroleum and oils obtained from bituminous minerals	2375574060	(taken from Nigerian data)
333	Crude petroleum and oils obtained from bituminous minerals	27,228,036	247	Other wood in the rough or roughly squared	22192764	
287	Ores and concentrates of base metals, nes	6,631,071	282	Waste and scrap metal of iron or steel	19720846	
288	Non-ferrous base metal waste and scrap, nes	4,644,538	341	Gas, natural and manufactured	17485154	(taken from Nigerian data)
611	Leather	670,988	057	Fruit and nuts, fresh, dried	11391511	

Source: UN COMTRADE

RWANDA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	6.9	0.0	3.4
1991	0.0	7.6	0.0	1.9
1992	0.0	10.4	0.0	4.0
1993	0.0	3.4	0.0	1.8
1994	0.0	2.6	0.0	2.1
1995	0.0	2.2	0.0	0.7
1996	0.1	4.2	0.0	4.0
1997	0.6	2.6	0.0	2.5
1998	1.7	2.3	0.0	5.1
1999	1.6	1.9	0.0	4.0
2000	1.6	3.8	0.0	3.7
2001	5.8	3.2	0.0	4.1
2002	4.7	4.2	0.0	4.4
2003	6.5	3.9	0.0	5.7

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%				
Other agricultural products:	0.6%	100.0%	0.0%	0.0%				
Forestry	0.0%	0.0%	6.1%	0.0%				
Minerals and petroleum	0.0%	0.0%	93.9%	100.0%				
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.0%				
Other labour-intensive manufactures	0.0%	0.0%	0.0%	0.0%				
Other manufactured products	99.4%	0.0%	0.0%	0.0%				

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other agricultural products:	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	1.5%	0.0%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	4.6%	1.4%
Labour-intensive textiles and garment products	5.4%	19.4%	4.0%	6.0%	0.0%	18.4%	4.0%	13.0%
Other labour-intensive manufactures	11.0%	25.6%	8.0%	18.0%	0.0%	0.0%	2.1%	3.1%
Other manufactured products	76.0%	40.0%	71.5%	60.1%	61.8%	57.1%	77.5%	72.6%

Source: UN COMTRADE

Principal Exports (2003)

	To China		To India (2003)
287	Ores and concentrates of base metals, nes	7,116,939	

Source: UN COMTRADE

SENEGAL

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.3	15.3	83.8	1.7
1991	0.9	13.7	76.8	2.2
1992	2.3	24.2	95.7	6.5
1993	2.6	24.2	68.3	2.7
1994	0.0	21.8	66.8	2.6
1995	0.2	29.2	136.3	43.6
1996	3.1	31.0	110.7	85.4
1997	3.5	25.2	101.3	47.0
1998	3.2	28.7	143.0	49.5
1999	9.9	42.6	131.8	56.4
2000	12.7	41.6	84.8	24.9
2001	7.5	42.2	97.3	20.1
2002	8.6	44.9	196.8	40.6
2003	15.3	63.0	147.4	50.8

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	97.2%	0.0%	1.3%	15.9%	11.3%	3.9%
Other agricultural products:	100.0%	86.8%	0.0%	98.7%	0.0%	0.8%	2.8%	0.3%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	1.1%	37.9%	34.1%	45.1%	0.3%
Labour-intensive textiles and garment products	0.0%	0.0%	2.8%	0.2%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.0%	12.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other manufactured products	0.0%	0.4%	0.0%	0.0%	60.7%	49.2%	40.8%	95.5%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	56.6%	34.3%	41.6%	14.3%	0.0%	73.9%	0.4%	1.4%
Other agricultural products:	0.5%	0.0%	0.0%	0.3%	0.0%	0.0%	2.8%	6.9%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%
Labour-intensive textiles and garment products	13.4%	16.9%	31.6%	51.5%	21.7%	15.0%	39.1%	25.0%
Other labour-intensive manufactures	6.3%	13.4%	8.2%	10.8%	0.0%	0.4%	1.9%	5.0%
Other manufactured products	22.0%	34.6%	17.8%	22.4%	74.3%	10.1%	54.1%	60.3%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
263	Cotton	4,966,464	522	Inorganic chemical elements, oxides and halogen salts	124653108
036	Crustaceans and molluscs, fresh, chilled, frozen, salted, etc	1,217,543	512	Alcohols, phenols etc, and their derivatives	8292147
288	Non-ferrous base metal waste and scrap, nes	67,235	057	Fruit and nuts, fresh, dried	5515934
034	Fish, fresh, chilled or frozen	18,337	511	Hydrocarbons, nes, and derivatives	3304814
652	Cotton fabrics, woven (not including narrow or special fabrics)	12,555	282	Waste and scrap metal of iron or steel	395689

Source: UN COMTRADE

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	4.8	0.0	0.3
1991	0.0	5.7	0.0	2.0
1992	0.0	7.5	0.0	3.2
1993	0.0	16.4	0.0	3.2
1994	0.0	9.4	0.0	4.3
1995	0.0	4.7	0.0	24.3
1996	0.0	7.0	0.0	4.7
1997	0.0	4.5	0.0	3.8
1998	0.0	4.9	0.0	2.0
1999	0.0	4.8	0.0	3.3
2000	0.0	9.5	0.7	4.4
2001	0.0	13.2	0.8	4.8
2002	0.1	15.9	0.8	5.2
2003	0.0	18.3	5.6	13.6

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products			0.0%				0.0%	3.0%
Other agricultural products:			0.0%				0.0%	0.9%
Forestry			0.0%				6.7%	3.8%
Minerals and petroleum			0.0%				0.0%	66.0%
Labour-intensive textiles and garment products			0.0%				0.1%	1.3%
Other labour-intensive manufactures			0.0%				0.2%	2.4%
Other manufactured products			100.0%				92.9%	22.6%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	7.1%	0.6%	0.0%	90.4%	0.0%	0.4%
Other agricultural products:	0.0%	3.3%	3.0%	1.7%	0.0%	0.0%	0.0%	3.3%
Forestry	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	1.2%	0.0%	0.0%	0.0%	0.3%	0.0%	0.5%
Labour-intensive textiles and garment products	10.1%	2.0%	15.6%	12.6%	0.0%	0.0%	17.1%	2.8%
Other labour-intensive manufactures	7.9%	11.5%	9.2%	14.0%	0.0%	0.0%	2.3%	2.6%
Other manufactured products	72.9%	73.0%	61.5%	69.1%	79.2%	7.4%	74.4%	85.8%

Source: UN COMTRADE

Principal Exports (2003)

	To China (2002)		To India (2003)	
941	Animals, live, nes, (including zoo animals, pets, insects, etc)	155,555	682	Copper 2,968,309
			282	Waste and 1,138,618
			727	Food-proce 545,961
			737	Metalworki 184,984
			251	Pulp and w 157,261

Source: UN COMTRADE

SOMALIA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.5	9.2	1.2	1.4
1991	0.6	0.6	0.5	0.6
1992	1.0	5.8	1.7	0.7
1993	0.8	0.7	0.3	1.3
1994	0.6	2.0	1.0	0.3
1995	1.1	0.3	0.7	5.2
1996	0.6	0.5	11.0	27.1
1997	0.3	0.5	1.1	32.1
1998	0.0	0.2	0.9	35.0
1999	0.1	0.5	0.7	16.8
2000	0.1	1.6	2.3	8.1
2001	0.5	1.2	2.5	9.0
2002	1.4	2.0	2.8	9.7
2003	6.0	4.3	12.7	40.8

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other agricultural products:	99.4%	95.4%	84.4%	100.0%	19.5%	85.8%	98.5%	24.1%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.8%
Minerals and petroleum	0.0%	0.0%	0.0%	0.0%	78.0%	1.5%	0.0%	18.6%
Labour-intensive textiles and garment products	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.4%	4.0%	0.0%	0.0%	0.0%	0.0%	1.4%	6.4%
Other manufactured products	0.2%	0.4%	15.6%	0.0%	2.4%	12.7%	0.0%	1.2%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	34.6%	11.9%	62.3%
Other agricultural products:	0.0%	0.0%	0.0%	0.0%	0.0%	38.8%	0.0%	0.2%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Labour-intensive textiles and garment products	0.0%	17.4%	8.1%	2.8%	82.3%	21.5%	50.4%	19.9%
Other labour-intensive manufactures	0.0%	50.7%	10.7%	7.3%	0.0%	0.0%	1.1%	7.2%
Other manufactured products	82.3%	0.0%	74.0%	84.9%	4.8%	1.6%	32.5%	10.0%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
036	Crustaceans and molluscs, fresh, chilled, frozen, salted, etc	6,590,447	251	Pulp and waste paper	4,725,330
034	Fish, fresh, chilled or frozen	33,858	211	Hides and skins, excluding furs, raw	2,038,546
			282	Waste and scrap metal of iron or steel	1,257,253
			611	Leather	612,136
			278	Other crude minerals	479,733

Source: UN COMTRADE

SOUTH AFRICA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	0.0	0.0	0.0
1991	0.0	0.0	4.0	6.5
1992	174.6	251.6	7.1	42.3
1993	183.4	337.7	28.5	55.5
1994	164.6	397.6	137.5	125.8
1995	289.0	560.1	193.4	215.7
1996	188.5	629.5	245.1	281.1
1997	223.1	773.2	266.6	371.2
1998	168.1	854.7	355.9	503.2
1999	238.7	916.5	406.2	380.2
2000	331.4	1115.1	374.1	334.8
2001	822.5	1156.6	388.3	368.3
2002	1153.7	1442.8	421.4	399.7
2003	1673.4	2232.7	1538.5	568.5

Source: IMF *Direction of Trade Statistics*
Note:1990-1997 for SACCA

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	33.3%	0.0%	0.1%	0.3%	0.0%	0.0%	0.1%	0.8%
Other agricultural products:	28.4%	2.3%	1.6%	0.9%	88.4%	3.4%	2.0%	0.5%
Forestry	0.0%	1.2%	1.6%	2.0%	0.0%	7.2%	3.2%	2.0%
Minerals and petroleum	32.5%	31.9%	32.4%	34.3%	0.0%	40.2%	19.5%	4.9%
Labour-intensive textiles and garment products	2.9%	0.6%	0.6%	0.4%	1.3%	2.3%	0.3%	0.2%
Other labour-intensive manufactures	0.0%	0.2%	0.4%	0.2%	9.3%	0.4%	0.4%	0.1%
Other manufactured products	2.9%	63.8%	63.2%	61.8%	1.0%	46.5%	74.4%	91.4%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	3.9%	1.9%	2.4%	0.0%	30.8%	7.4%	11.3%
Other agricultural products:	0.0%	2.6%	2.5%	3.6%	2.9%	6.8%	3.9%	5.2%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	4.1%	5.7%	5.2%	0.0%	1.6%	1.8%	8.1%
Labour-intensive textiles and garment products	3.3%	25.3%	28.5%	27.6%	43.4%	22.3%	32.0%	22.7%
Other labour-intensive manufactures	3.0%	24.8%	20.6%	16.3%	0.0%	11.5%	10.0%	6.9%
Other manufactured products	88.9%	39.2%	40.9%	44.8%	44.9%	26.8%	44.8%	45.9%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
281	Iron ore and concentrates	286,549,344	971	Gold, non-monetary (excluding gold ores and concentrates)	1494018615
931	Special transactions, commodity not classified according to class	285,969,376	522	Inorganic chemical elements, oxides and halogen salts	110486597
667	Pearl, precious and semi-precious stones, unworked or worked	280,310,688	251	Pulp and waste paper	30688799
672	Ingots and other primary forms, of iron or steel	199,642,304	322	Coal, lignite and peat	23267710
674	Universals, plates, and sheets, of iron or steel	145,882,544	684	Aluminium	22968895

Source: UN COMTRADE

SUDAN

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	55.8	37.9	1.7	18.1
1991	7.2	108.6	0.1	17.4
1992	8.4	48.0	1.7	19.1
1993	0.1	33.1	0.5	14.2
1994	48.3	42.5	9.9	15.3
1995	67.7	45.8	15.1	31.8
1996	35.0	53.4	5.1	28.1
1997	20.9	125.3	4.4	42.9
1998	1.3	384.6	11.3	57.6
1999	48.5	252.3	7.9	74.1
2000	503.3	174.2	7.0	100.3
2001	852.8	249.3	7.7	110.4
2002	1052.2	431.5	8.3	119.8
2003	1067.1	386.0	79.0	114.2

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other agricultural products:	96.4%	97.2%	0.0%	0.7%	50.7%	88.9%	62.4%	53.9%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.1%
Minerals and petroleum	3.6%	2.7%	99.7%	99.3%	34.8%	9.4%	26.4%	12.9%
Labour-intensive textiles and garment products	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
Other labour-intensive manufactures	0.0%	0.1%	0.1%	0.0%	14.5%	1.7%	4.6%	10.5%
Other manufactured products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.0%	22.6%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.4%	0.5%	0.6%	1.8%	3.5%	11.0%	5.0%
Other agricultural products:	1.5%	0.0%	0.1%	0.5%	9.9%	11.0%	4.8%	3.9%
Forestry	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.3%	0.3%	0.3%	0.0%	0.2%	0.6%	1.4%
Labour-intensive textiles and garment products	20.4%	6.5%	6.3%	9.3%	23.0%	11.2%	22.0%	11.2%
Other labour-intensive manufactures	20.8%	19.7%	8.7%	5.5%	0.4%	12.4%	4.4%	6.9%
Other manufactured products	53.9%	72.3%	83.5%	82.8%	63.4%	60.4%	57.1%	71.4%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
333	Crude petroleum and oils obtained from bituminous minerals	1416098176	263	Cotton	15008392
341	Gas, natural and manufactured	14638384	716	Rotating electric plant and parts thereof, nes	3732237
263	Cotton	5406201	282	Waste and scrap metal of iron or steel	3087992
222	Seeds and oleaginous fruit, whole or broken, for 'soft' fixed oil	4544916	611	Leather	2533387
288	Non-ferrous base metal waste and scrap, nes	737002	522	Inorganic chemical elements, oxides and halogen salts	1590373

Source: UN COMTRADE

TANZANIA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	18.8	69.3	17.6
1991	0.4	30.7	31.4	52.9
1992	0.6	118.8	33.8	81.9
1993	1.0	37.6	39.8	69.4
1994	8.4	72.2	52.8	75.9
1995	8.7	81.5	57.8	77.8
1996	17.3	70.6	88.1	77.9
1997	3.5	27.4	73.9	171.7
1998	1.9	48.3	116.8	89.0
1999	1.9	58.0	113.2	94.6
2000	0.7	68.0	98.8	88.8
2001	0.7	70.5	82.2	87.5
2002	0.7	79.0	64.2	106.8
2003	25.1	210.6	95.3	176.2

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	1.2%	0.1%	67.0%	91.3%	66.5%	72.9%
Other agricultural products:	32.1%	99.4%	66.7%	37.8%	2.8%	1.3%	9.0%	8.7%
Forestry	0.0%	0.2%	12.3%	57.4%	13.9%	1.7%	0.8%	2.4%
Minerals and petroleum	0.0%	0.0%	0.6%	3.7%	0.3%	3.0%	0.1%	3.4%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.3%	0.0%	0.1%	0.1%	0.1%
Other labour-intensive manufactures	0.2%	0.4%	0.0%	0.1%	0.7%	0.0%	0.0%	0.1%
Other manufactured products	67.7%	0.0%	19.2%	0.6%	15.4%	2.6%	23.5%	12.6%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	6.1%	9.7%	5.0%	0.0%	8.5%	0.4%	1.8%
Other agricultural products:	0.0%	0.3%	0.0%	0.3%	1.0%	2.9%	0.9%	14.7%
Forestry	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.2%	1.0%	0.3%	0.0%	2.8%	0.8%	3.2%
Labour-intensive textiles and garment products	4.1%	16.0%	23.7%	20.0%	37.5%	22.2%	34.2%	12.4%
Other labour-intensive manufactures	18.8%	17.3%	14.8%	12.6%	1.2%	3.4%	5.8%	5.1%
Other manufactured products	74.7%	59.5%	50.6%	61.6%	59.0%	59.8%	57.2%	62.5%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
247	Other wood in the rough or roughly squared	15,738,249	057	Fruit and nuts, fresh, dried	55679788
263	Cotton	6,088,259	054	Vegetables, fresh or simply preserved; roots and tubers, nes	20419591
291	Crude animal materials, nes	1,724,828	667	Pearl, precious and semi-precious stones, unworked or worked	10076130
265	Vegetable textile fibres, excluding cotton, jute, and waste	1,282,800	263	Cotton	8079972
222	Seeds and oleaginous fruit, whole or broken, for 'soft' fixed oil	1,086,285	282	Waste and scrap metal of iron or steel	3516977

Source: UN COMTRADE

UGANDA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	4.9	0.5	13.1
1991	0.0	18.4	0.9	13.9
1992	0.0	7.8	0.4	21.1
1993	0.0	6.9	0.4	30.9
1994	0.2	9.6	0.2	35.9
1995	0.0	14.1	0.4	38.5
1996	1.1	8.8	1.3	38.5
1997	1.6	10.9	0.7	41.4
1998	0.1	11.9	0.3	49.1
1999	0.2	11.7	1.6	44.6
2000	0.3	29.5	3.8	48.1
2001	0.2	36.2	0.3	66.6
2002	0.8	0.0	0.2	71.9
2003	0.8	70.2	1.1	102.2

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products		0.0%	0.0%	0.7%	0.0%	6.4%	1.8%	1.8%
Other agricultural products:		62.1%	97.6%	83.1%	68.6%	93.6%	46.9%	67.0%
Forestry		0.0%	1.3%	2.1%	0.0%	0.0%	29.4%	8.3%
Minerals and petroleum		0.0%	0.0%	11.4%	25.8%	0.0%	10.1%	0.0%
Labour-intensive textiles and garment products		22.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures		9.9%	0.0%	0.0%	5.5%	0.0%	0.8%	1.5%
Other manufactured products		5.9%	1.1%	2.7%	0.0%	0.0%	11.0%	21.5%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.8%	1.2%
Other agricultural products:	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%	1.1%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	3.1%	0.0%	0.0%	1.5%	1.3%	1.4%	3.6%
Labour-intensive textiles and garment products	0.0%	4.8%	6.8%	28.9%	4.6%	18.5%	10.9%	13.0%
Other labour-intensive manufactures	30.2%	10.4%	12.3%	22.6%	0.0%	2.7%	5.6%	5.5%
Other manufactured products	59.8%	79.6%	79.7%	48.1%	89.9%	75.0%	80.1%	75.1%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
263	Cotton	2,152,525	263	Cotton	804,536
291	Crude animal materials, nes	591,399	211	Hides and skins, excluding furs, raw	551,217
689	Miscellaneous non-ferrous base metals, employed in metallurgy	237,242	541	Medicinal and pharmaceutical products	321,853
287	Ores and concentrates of base metals, nes	161,242	247	Other wood in the rough or roughly squared	152,697
699	Manufactures of base metal, nes	92,746	071	Coffee and coffee substitutes	35,451

Source: UN COMTRADE

ZAMBIA

Trade with China and India

	China		India	
	Exports	Imports	Exports	Imports
1990	0.0	3.4	33.3	22.6
1991	0.0	1.4	122.2	34.6
1992	8.4	4.4	21.5	24.2
1993	0.0	3.7	44.8	8.8
1994	0.0	3.1	56.2	18.7
1995	0.2	3.3	62.4	19.1
1996	0.2	4.8	69.2	26.4
1997	6.0	6.6	38.5	20.4
1998	0.9	6.7	30.5	24.0
1999	0.1	6.9	23.8	17.3
2000	0.1	11.2	10.9	16.1
2001	0.4	38.1	31.9	19.2
2002	3.5	28.2	29.1	40.9
2003	16.0	42.5	34.1	34.4

Source: IMF *Direction of Trade Statistics*

Structure of Trade with China and India

Exports

	To China				To India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%
Other agricultural products:	0.0%	0.0%	0.1%	4.5%	0.0%	0.0%	8.0%	0.0%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%
Minerals and petroleum	100.0%	99.5%	99.6%	93.4%	96.9%	96.1%	13.6%	22.3%
Labour-intensive textiles and garment products	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other labour-intensive manufactures	0.0%	0.3%	0.1%	0.6%	0.0%	0.1%	0.0%	0.0%
Other manufactured products	0.0%	0.1%	0.2%	1.6%	3.1%	3.4%	77.2%	77.7%

Imports

	From China				From India			
	1990	1995	2000	2003	1990	1995	2000	2003
Labour-intensive agricultural products	0.0%	0.0%	0.0%	1.9%	0.0%	0.7%	0.0%	6.5%
Other agricultural products:	12.1%	0.0%	0.0%	2.7%	0.0%	0.3%	0.3%	0.3%
Forestry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minerals and petroleum	0.0%	0.0%	0.0%	0.2%	0.6%	6.7%	0.3%	0.1%
Labour-intensive textiles and garment products	0.0%	12.9%	5.9%	13.7%	9.8%	22.9%	10.1%	14.1%
Other labour-intensive manufactures	0.0%	8.4%	6.6%	12.7%	3.0%	4.3%	3.9%	4.6%
Other manufactured products	75.4%	76.8%	86.6%	67.8%	85.3%	64.1%	84.5%	72.9%

Source: UN COMTRADE

Principal Exports (2003)

	To China			To India (2003)	
682	Copper	24,081,932	667	Pearl, precious and semi-precious stones, unworked or worked	13,607,928
689	Miscellaneous non-ferrous base metals, employed in metallurgy	20,337,984	682	Copper	1,734,994
263	Cotton	2,139,349	689	Miscellaneous non-ferrous base metals, employed in metallurgy	1,366,648
699	Manufactures of base metal, nes	753,271	684	Aluminium	879,308
611	Leather	268,902	699	Manufactures of base metal, nes	474,758

Source: UN COMTRADE

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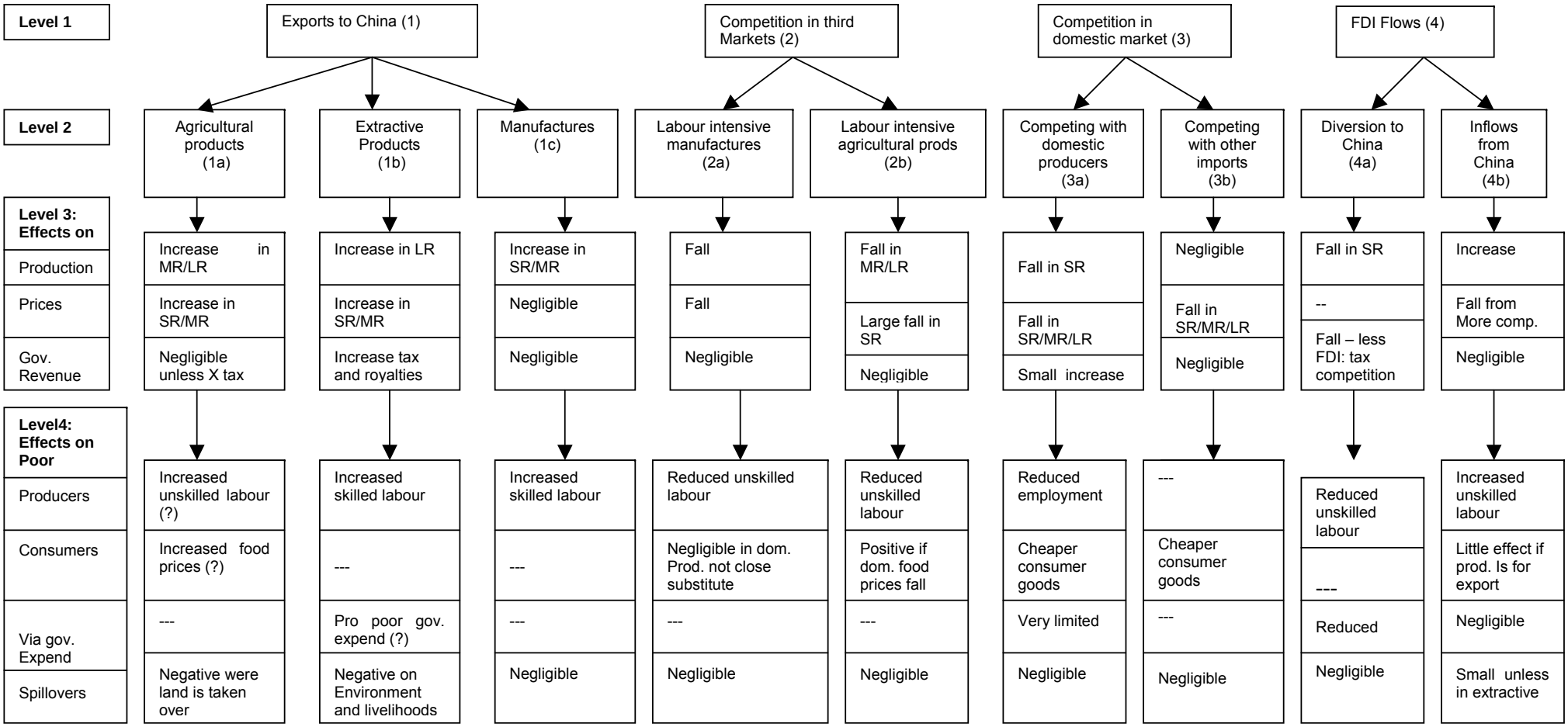
CREATING A NATURAL ADVANTAGE

A5 Framework for Analysing the Potential Impact of China and India on Poverty in Africa

Figure A5.1: Framework for Analysing the Potential Impact of China and India on Poverty in Africa



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