

(Updates with loan agreement in fifth paragraph.)

By David Malingha Doya and Robert Mbakouo

March 25 (Bloomberg) -- Chinese President Xi Jinping will set out plans for mining and infrastructure development on a trip to Africa this week, as China seeks to reassure leaders on the continent who have voiced unease about its trade relations.

During his eight-day trip Xi, 59, stops in Tanzania, Congo Republic and South Africa, where he'll sign business cooperation deals and attend a summit of BRICS nations. Trade between Africa and China doubled since 2007 to more than \$200 billion and Chinese investment stands at \$20 billion, according to Standard Bank Group Ltd., Africa's biggest lender.

While African nations welcome the investment and the job creation that comes with it, leaders from Botswana's Ian Khama to Nigerian central bank chief Lamido Sanusi are asking whether the relationship has benefited Africa as much as it has China.

That's a shift in tone after officials welcomed China for taking a different strategy from the West by offering investment without demanding poverty alleviation, democratic reforms or anti-corruption measures.

"There's a belief that since Africa got a raw deal from the colonial West, then the Chinese must be Africa's best friend," George Ayittey, a Ghanaian economist and president of the Free Africa Foundation, a Washington-based research institute, said in a phone interview. "But the evidence doesn't show that, and the main criticism is that they are building infrastructure in exchange for Africa's resources in deals that are structured to favor China."

Tanzania, Congo

Xi arrived in Tanzania yesterday and met President Jakaya Kikwete before the two countries signed 16 economic cooperation agreements worth as much as \$16 billion, Salvator Rweyemamu, director of presidential communications, said in a phone interview. The country also signed a loan agreement with China Merchants Bank for a planned \$10 billion port at Bagamoyo on the Tanzanian coast, he said.

Today, Xi will deliver a "major speech to reaffirm China's policy to Africa," Chinese Vice Foreign Minister Zhai Jun told reporters in Beijing on March 20.

"We expect him to talk about avenues of investment, trade, peace and security, and elaborate on mining, oil and gas, energy and infrastructure development," Tanzanian Foreign Minister Bernard Membe said in an interview.

Xi will also attend a two-day summit of leaders from the so-called BRICS countries -- Brazil, Russia, India, China and South Africa -- that begins in the southeastern South African port city of Durban tomorrow. He arrives in Congo Republic on March 29 for talks with President Denis Sassou-Nguesso, according to Congo's Communications Ministry.

Accelerating Growth

Seven out of the world's 10 fastest growing economies will be in sub-Saharan Africa between 2011 and 2015, according to the International Monetary Fund. Growth on the continent is expected to accelerate to 4.8 percent this year from 4.5 percent in 2012, the African Development Bank says.

That expansion contrasts with subdued growth in mature markets like the U.S. and Europe and is attracting Chinese businesses looking to sell goods to emerging economies, particularly "highly populated and increasingly wealthy" ones in Africa, Standard Bank said in a November research note.

More than 50 percent of China's imports from Africa in 2012 were coal and oil, with iron ore and copper making up a further 14 percent, Jeremy Stevens, a Beijing-based economist at Standard, said by e-mail. Its exports to the continent are mainly manufactured goods such as electrical equipment, machinery, vehicles and clothing, he said.

New Colonialism

That's caused some concern among African leaders. Sanusi of Nigeria, Africa's biggest oil producer, compared China's purchase of primary goods and sale of manufactured items to the continent to British colonial policies. Sanusi also criticized Chinese investment in African infrastructure that he said, with some exceptions, failed to transfer skills to local communities.

"Africa must recognize that China, like the U.S., Russia, Britain, Brazil and the rest, is in Africa not for African interests but its own," Sanusi said in an opinion article in the London-based Financial Times on March 11.

Botswana's Khama told a South African newspaper last month that he was echoing comments voiced privately by other African presidents when he expressed frustration at his government's dealings with Chinese companies. The state blames China National Electric Equipment Corp. for delays in building generators at the Moropule B coal-fired power plant that have resulted in outages in the southern African country.

Botswana is the world's largest diamond producer and has an estimated 200 billion metric tons of coal reserves, according to the country's Mines Ministry.

'Bad Experiences'

"We have had some bad experiences with Chinese companies in this country," Khama said in an interview published in the Johannesburg-based Business Day on Feb. 20. "We are going to be looking very carefully at any company that originates from China in providing construction services of any nature."

That's a different tone from 2012, when Ghana's then-Vice President John Dramani Mahama said China had become a "significant source of credit," while borrowing from the International Monetary Fund and the World Bank was "quite tiresome and comes with a lot of strings."

China paid for and built the African Union's \$200 million headquarters in Addis Ababa that was opened last year. In July, Xi's predecessor Hu Jintao pledged \$20 billion in new loans for African infrastructure and manufacturing.

In the time since, Chinese companies have faced labor disputes in Zambia and Niger, kidnappings in Sudan and Egypt, and the deaths of employees in attacks on projects in Nigeria and Cameroon.

China has more than 2,000 companies working throughout the continent, Jia Qinglin, former chairman of the National Committee of the Chinese People's Political Consultative Conference, said in January 2012.

"Yes, there are some growing pains," Zhai said. "There are more than 1 to 2 million Chinese entrepreneurs. They have made a great contribution to local development, but due to various reasons, for instance lack of mutual understanding, there have been some problems."

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