

# COMMODORE RESEARCH

## China Expanding its Reach into Africa

The United States has continued to turn inward this year even as China continues to work towards gaining much greater prominence globally. Trump continues to take a very aggressive America-first approach to policy and he has shown he is fine with (at least temporarily) damaging relationships with allies and trading partners. Trump has also continued to show no sign of backing down in the ongoing US-China trade war, and remaining worrisome for the shipping market is that his solution for soybean exports potentially coming under great pressure is for farmers to be paid for harvests even if the crops are not shipped. China, on the other hand, continues to work diligently in gaining much greater prominence globally. Most recently, the Beijing Summit of the Forum on China-Africa Cooperation was held last week and saw various initiatives announced that collectively will work towards bringing more of Africa into China's One Belt and One Road.

In total, Xi announced last week that China will implement eight major initiatives with various African countries (with most of the focus on the next three years). The initiatives will focus on "industrial promotion, infrastructure connectivity, trade facilitation, green development, capacity building, health care, people-to-people exchanges, and peace and security". It also was announced last week that China will be providing African nations with a \$60 billion package of aid, investment, and loans. This is in addition to considerable amount of aid, investment, and loans that China is already providing to various African nations. Overall, it remains clear that China has become a new type of empire that is reaping many of the benefits that history's greatest empires enjoyed in previous centuries. What is different from those empires is that colonization and subjugation have been abandoned -- and in their place are Chinese aid, investment, and loans.

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