

Markets

# China-Africa Lending to Snap Seven-Year Decline, StanChart Says

- China likely to target francophone Africa, Egypt, bank says
- Bilateral trade estimated to have hit a record in 2023



A China National Offshore Oil Corp. land boundary marker near an oil drilling rig in Kikuube, Uganda. *Photographer: Luke Dray/Bloomberg*



By [Antony Sguazzin](#)

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China's lending to Africa may rise for the first time since 2016 as pledges to finance projects raise gas increase, Standard Chartered Plc said.



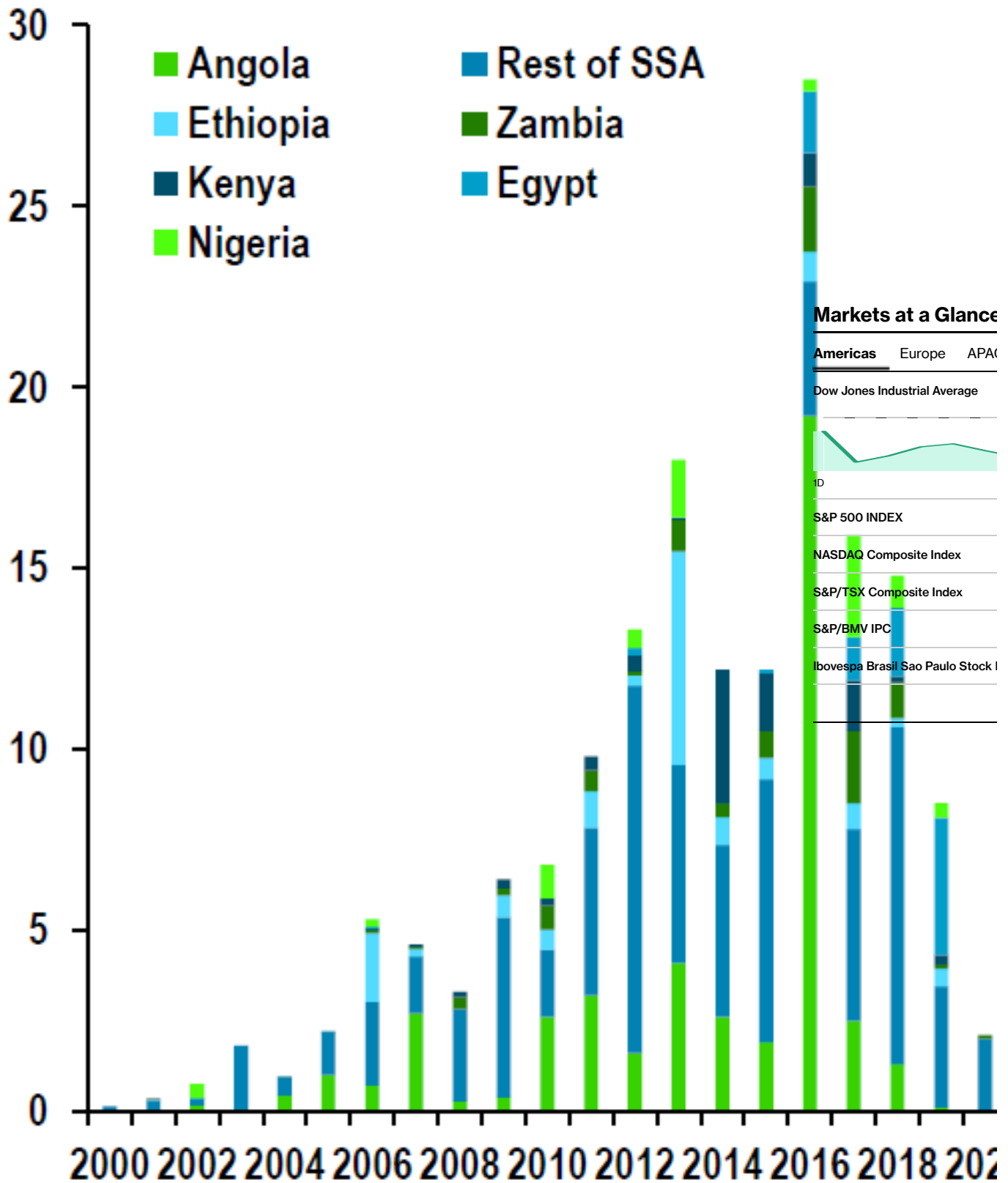
While the appetite of the government of the world's second-biggest economy and its companies remain well below its 2016 peak – when it lent close to \$30 billion – a reverse of the near collapse with new countries targeted, the bank said.

“China is likely to favor investing in markets that have not borrowed much from it in the past,” at Standard Chartered, wrote in a Jan. 8 report. “While new lending is likely to remain smaller, pledges for project financing from China have started to rise.”

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An increase in Chinese lending, while likely to be well below levels of a decade ago, would be a boost to a continent locked out of international capital markets by a surge in global interest rates and Zambia, Ghana and Ethiopia defaulting on foreign debt.

**China's lending to Africa has dropped**  
*Lending to key African economies, USD bn*



China's lending to Africa has fallen sharply since 2016 Source: Standard Chartered, Boston University

Still, with Chinese lending likely to remain well below historic levels, African countries are expected to increasingly from countries such as the United Arab Emirates, Turkey, India and Japan.

Chinese lending may focus on francophone countries in West Africa, Tanzania, Uganda, Nigeria and Egypt and will private sector investment, Baynton-Glen said.

Money has already been committed to projects in Kenya, Uganda, Botswana, Benin and Namibia, she said.

Currently, Angola and Ethiopia are the African countries most indebted to China.

Baynton-Glen also estimated that bilateral trade between Africa and China reached a fresh record of about \$300 bil almost all of the continent's exports coming in the form of ore and metals.

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