



**INSTITUTE OF
STRATEGIC STUDIES**

web: www.issi.org.pk
phone: +92-920-4423, 24
fax: +92-920-4658

Issue Brief

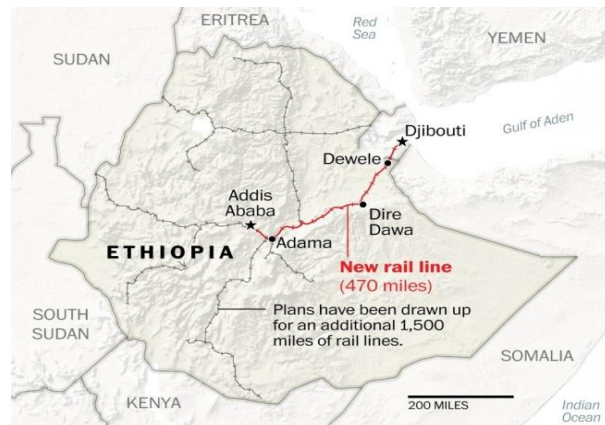
Chinese Built Railway Line Sparks Optimism in Africa

Ali Haider Saleem, Research Associate, China Pakistan Study Centre, ISSI

February 16, 2017

China surpassed the United States as the leading trader in goods in 2013 and has continued its momentum of developing trade ties with countries across the globe.¹ In doing so, it has taken up the initiative to support infrastructure development in developing countries to enhance economic connectivity and trading opportunities. President Xi Jinping's 'One Belt One Road' initiative embodies win-win cooperation and shared benefits between China and its partners. China has well established economic ties with Africa and is well ahead of the United States when it comes to value of trade with the continent.²

One of China's major initiative in Africa, the 470 miles long electric railway between Ethiopia and Djibouti, was officially launched in 2017. The cost of this project was \$4 billion which was mainly financed by China's Exim bank. The task of building the railway was carried out by China Railway Group and China Civil Engineering Construction.³



Hailed as "a railway of Sino-African friendship in the 21st century," it will reduce travelling time from three days to 12 hours between Ethiopia's capital, Addis Ababa, to Djibouti's Red Sea port.⁴ Being a landlocked country, Ethiopia relies on this port for most of its trade. The development of this railway will reduce the cost and time for traders in Ethiopia while Djibouti will get easier access to the large Ethiopian market.⁵ Shortly before the train departed for Addis Ababa for the first time on January 10, 2017, the Ethiopian Prime Minister, Hailemariam Desalegn, stated that "it is indeed a historic moment, a pride for our nations and peoples." He further added that this railway line will change the social and economic landscape of both the countries. Earlier, the President of Djibouti, Ismail Omar Guelleh, praised China's efforts in developing infrastructure in the continent, "too often, we hear that Africa must bridge the gap in infrastructure, and too often, we are told why it cannot be done; China has stood by us and has been instrumental in the infrastructural transformation of Africa."⁶

The completion of this project has earned the Chinese a lot of praise from the locals. For China, this project will not only lead to more efficient access to African markets but also serve as a testament to China's commitment in supporting the development of African countries.

The project also created employment opportunities for local labourers who were hired to perform non-technical tasks. The technical and operational duties are being carried out by Chinese workers but after five years, these jobs will also be handed over to local citizens.⁷

It appears that China's strategy of fostering global trade and economic development is working out well. Aboubaker Omar Hadi, chairman of the Djibouti Ports and Free Zones Authority, commended China for showing confidence in Djibouti's potential when the Western countries had refused to support infrastructure development in his country. According to AmadouSy, director of the Africa Growth Initiative at the Brookings Institution, the United States is missing out on leveraging Africa's huge potential whereas, the Chinese are there and are willing to take risks.⁸

Notes and References:

-
- ¹ <https://www.theguardian.com/business/2014/jan/10/china-surpasses-us-world-largest-trading-nation>
 - ² <http://www.voanews.com/a/trade-africa-us-playing-catchup/3676351.html>
 - ³ <http://www.bbc.com/news/world-africa-37562177>
 - ⁴ http://www.china.org.cn/world/2016-10/05/content_39431736.htm
 - ⁵ http://shanghaiist.com/2016/10/07/ethiopia_djibouti_railway.php
 - ⁶ http://news.xinhuanet.com/english/2016-10/05/c_135733669.htm
 - ⁷ https://www.nytimes.com/2017/02/07/world/africa/africa-china-train.html?_r=0
 - ⁸ Ibid.