



**Infrastructure Development
in Africa Supported by
The Export-Import Bank of China**

For 3rd Annual Meeting of the Infrastructure Consortium for Africa

17 January 2007

Berlin

Agenda



- **Introduction on China Eximbank**
- **Operations & Policies in Africa**
- **Challenges and Solutions**
- **Collaboration with Development Partners**



Part 1 Introduction on China Eximbank

Overview



Legal Status	State policy bank directly under the leadership of the Central Government-State Council Established in April 1994
Mission	Enhance Sino-foreign economic and technological cooperation Support China's foreign trade and shift of growth mode Support Chinese enterprises to go global
Government Support	Government provides capital and liquidity support Relevant ministries provides policy guidance Operate on self-sustained basis
Credit Ratings	Equal rating as China's sovereign ratings (Moody's : A2, S&P : A)

Major Financial Services



- **Export Credit**
 - **Seller's credit**
 - **Buyer's credit**
- **Chinese Concessional Loan(ODA)**
- **Corporate Finance**
- **Project Finance**
- **Import Credit**
- **Guarantee**
- **Onlending loans from foreign governments and financial institutions**



Part 2 Operations & Policies in Africa

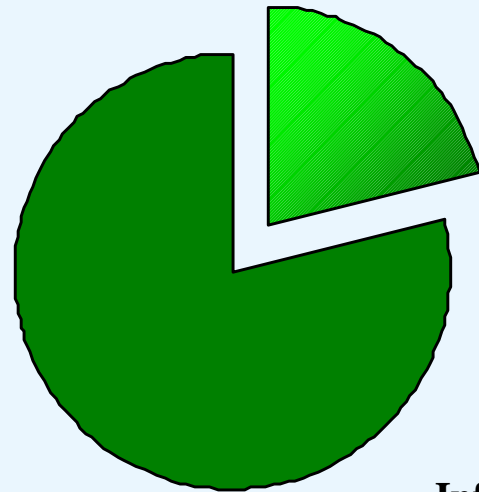
Operations in Africa



At the end of September 2006

- 259 projects in portfolio
- Established relationship in 36 countries
- Infrastructure is 79% of total commitment in Africa

Total Commitment in Africa



Infrastructure
79%

Experience & records in major sectors



Transportation

- Road
- Railway

Energy

- Power plant
- Transmission lines
- Oil & gas pipelines

ICT

- Fixed line
- Mobile (rural access)
- E-government

Water supply & Sanitation

Major financing tools and priority area



Concessional Loan



- Major tool for Sub-Sahara Africa Region
- Focus on infrastructure, agricultural & social development
- Emphasize development impact
- Filling gap of investment left by commercial credit and other donors

Export Credit



- Promote trade relationship and provide efficient contracting services
- Focus on infrastructure and industrial projects
- Financing large EPC contracts

Investment Loan



- Build energetic private sector and transform resource advantages to competitive advantages
- Focus on energy, mining and industrial sectors
- Transfer knowledge and technology is encouraged

Chinese Concessional Loan Contribute to Mutual Development



Introduction

- Concessionary lending tool with long maturity and low interest rate
- One type of official development assistance
- The Export-Import Bank of China is the sole lender designated by Chinese Government
- South to South cooperation, equal & mutual beneficial basis

Goals

- Promote social and economic development and improve living standards in developing countries
- Boost economic cooperation between developing countries and China
- Enhance development efforts by developing countries through transferring experiences and technology learned in the development of Chinese economy

Add value in assisting Africa Countries to develop infrastructure



- Introducing Chinese investors and facilitate investment
- Transform resource potential into development strength
- Encourage sub-contracting to local partners
- Transfer of technology and knowledge
- Capacity building



Country Policy

- ❖ Based on specific needs of Partner Countries
- ❖ Assess development plan
- ❖ Tailor made, comprehensive funding solutions

Lending Policy

- ❖ Development impact matters the most
- ❖ Good economic return & social benefits
- ❖ Environment friendly and sustainable development

Our Strength



- **Principle of cooperation: equal, mutual benefit and common development**
- **Respect choice of modality of development by African Countries**
- **No political conditionality**

- Main financing channel of Chinese enterprise to go global
- Sole lender of Chinese Government Concessional Loan
- Friendly relationship with African partners
- Bring appropriate technologies and services to African countries with relatively low cost
- Proven financing records in many sectors
- Simple and efficient procedures



Part 3 Challenges and Solutions

Challenges and Solutions



Lack of funds



**Scaling up Concessional Loan
Create more innovative financial product**

**Weak Investor
interest**



**Introducing Chinese investor
Consulting services**



Part 4 Collaboration with Development Partners

Preliminary efforts made



- Establish frequent contact with World Bank, AfDB and other multilateral and bilateral agencies
- Work with other leading commercial banks which is active in Africa
- Strengthen the efforts by regional banks

How can we work together



- **Understanding & respect**
 - Understand each other's policy and operation
 - Respect difference
- **Harmonize policies and procedures**
 - Remove restrictions which hinder development efforts
- **Identifying potential opportunity for cooperation**
 - Seeking win-win results
- **Frequent contact and periodical meeting**



Thank You

Gao Zhen
Deputy Director
Concessional Loan Department
The Export-Import Bank of China