



# **The CHINESE in the NIGERIAN Economy**

**IKENNA EMEWU**

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## DEDICATION

*This work is dedicated to the virile and thriving economic bond that has been forged between Nigeria and China, a step I verily agree is in the right direction, and its sustenance would eventually blossom in actualising Nigeria's local manufacturing growth, and also become a good example to the world of the need for a synergy that would eliminate hunger and poverty.*



## ACKNOWLEDGEMENT

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They include:

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Former Chinese Consul General to Nigeria, Mr. Chu Moaming

Former Nigerian Foreign Minister, Mr. Geoffrey Onyeama

Former Nigerian Foreign Minister and Ambassador to China, Alhaji Bashir Wali

The management of several Chinese companies in Nigeria, and the China General Chamber of Commerce, Abuja.

I also sincerely acknowledge the Belt and Road Economic Information Partnership (BREIP) because while this work was about to go to print, my media group was in Shanghai inducted into the membership of this international framework powered by Xinhua News Agency. I believe that this book provides good quality economic information in tandem with the BREIP objective.



## FOREWORD

It is a pleasure to write the Foreword to this book.

The author, Mr. Ikenna Emewu, is a brilliant journalist and a visionary scholar. His intention of writing this book is to let more Nigerians know what Chinese companies are doing and contributing in Nigeria so that the people of our two countries can enhance their understanding and friendship, and then promote cooperation and common progress.

Having studied in China and traveled there extensively, Emewu has a profound comprehension of China's development experience. He completed the writing of this book with great enthusiasm, during which he conducted a lot of interviews and field research on Chinese enterprises in Nigeria to ensure the high quality and authenticity of the contents of the book.

China and Nigeria are respectively the largest economies in Asia and Africa. Despite their great distance, we have worked hand in hand for the past over half a century since the establishment of diplomatic relations between the two countries. In 2023, Nigeria has become China's second-largest trading partner in

Africa only after South Africa.

Since I assumed duties as the Chinese Consul General in Lagos, I have witnessed many large-scale infrastructure projects constructed by Chinese companies coming to fruition in Nigeria. The Lekki Deep-Sea Port, constructed by China Harbour Engineering Company Limited (CHEC), is the largest deep-sea port in West Africa and is expected to create nearly US\$360 billion of economic benefits and 170,000 jobs for Nigeria.

The first phase of the Lagos Rail Mass Transit Blue Line project, undertaken by China Civil Engineering Construction Corp (CCECC), was opened to traffic this year, further improving the urban function of Lagos State, the Centre of Excellence. There are many other projects telling stories about the fruitful results of practical cooperation between China and Nigeria.

And I have seen many Chinese people opening companies and factories in Nigeria. In the Ogun Guangdong Free Trade Zone and Lekki Free Trade Zone in Lagos, there are hundreds of Chinese companies investing and establishing businesses

here. In Benin City, Onitsha, Port Harcourt, Calabar, and other business centers, many Chinese companies have moved into many local industrial parks. Those Chinese companies have created a lot of jobs and contributed to the development of the local communities. They have also done many charity activities to give back to the local community, including repairing bridges and roads, renovating schools, assisting in mosquito control, helping the poor, rescuing disaster victims, and so on, in which process Chinese and Nigerians have become families.

Nigerians often say, “Hold a true friend with both hands”. Taking a cue from this, a Chinese saying buttresses that, “True friendship exists only when there is an abiding commitment to pursue common goals.” China and Nigeria share similar dreams. China is striving to realize the great rejuvenation of the Chinese nation. Meanwhile, Nigerian President Bola Tinubu has proposed a “Renewed Hope Agenda” for Nigeria. The two dreams are similar in that, in the final analysis, they both are to realize the great strength of the country and the welfare of its people.

The year 2023 marks the 10th anniversary of Chinese President Xi Jinping’s proposal to build a community with a shared future for mankind, the principles guiding China’s Africa policy, including sincerity, real results, amity and good faith, and the Belt and Road Initiative (BRI).

Along with the increasing economic exchanges between China and Nigeria, the volume of Chinese investments in Nigeria has

been a great stimulus to Nigeria’s local industrial development. Admittedly, in the course of China’s development with Nigeria, there are some misconceptions about the so-called “China’s exploitation of Africa’s resources”, “Neocolonialism”, “China’s debt trap”, and so on. Some of them are out of ignorance of the facts, while others are malicious and destructive.

In history, China has never invaded Africa, never plundered Africa, and never treated Africa as its vassal or “backyard”. China has never regarded itself as a superior master teacher, arrogantly lecturing other countries on what they should do.

China sees Nigeria as an important strategic partner in Africa and treats all countries in the world as equals. China has also never caused any country’s debt problem. On the contrary, China has contributed more to the Debt Service Suspension Initiative (DSSI) than any other Group of 20 (G20) members. China is not responsible for African countries’ “debt trap” but rather a supportive partner in helping them and other developing nations break free from the “poverty trap”.

As the Nigerian proverb goes, “In a moment of crisis, the wise build bridges, and the foolish build dams.” It is admittedly true that while the China-Nigeria relationship has grown significantly in various fields, it has also been faced with many new challenges. I am confident that together with Chinese institutions and enterprises, the Chinese community, Nigerians who have studied in China, and friends from all walks of life in the consular district, we will be wise bridge builders, address

risks and challenges, share development opportunities and promote the strategic partnership between China and Nigeria to new heights. I know Emewu's book addressed these issues in line with how the Chinese investors in Nigeria have been positive partners for growth, poverty alleviation, self-reliance in economic development, and the industrialization of the country.

Once again, I appreciate Mr. Emewu's outstanding work, and I believe that readers will be able to further recognize reliable, admirable, and respectable China through this book.

***Ms. YAN Yuqing, Consul General of the  
People's Republic of China in Lagos***



## INTRODUCTION

China's desire to invest in other worlds is hot, unpretentious, and voracious. Investors from this world's largest manufacturing country spread out in almost all countries, and do not exclude Nigeria which has been one of the spots within their investment focus.

The 2023 World Population Review (*worldpopulationreview.com*) on the FDI (inward and outward) standing of the world countries listed China as second to the USA. However, with Hong Kong as the third, if counted together with Mainland China, then China is the highest. This trend has been sustained since at least 2014.

Already, since 2014, "China remains the world's largest investor in Africa in terms of total capital. They invested more than \$72 billion in the continent from 2014 to 2018, according to the Brookings Institute. Those investments created more than 137,000 jobs across 259 projects."

Such figures even from a US-based agency are quite apt to prove wrong the notions that China uses Africa as an experimenting

ground for enslaving loans, commodity dumping, and export of poor quality goods only. Whereas China is the single country Africa owes the most, China is also by poles the largest investor in the same Africa, Nigeria inclusive. And Nigeria, is, however, at the top of the table.

On the contrary, the bulk of the US FDI traditionally goes to Europe, and this trend has been sustained for years (*europa.eu*, May 2023)

This traditional US investment pattern grew steadily uninterrupted between 2000 and 2017; experienced a slight drop in 2018, and went back to a steady rise the following year till 2022 quoting *statista.com* valid data.

With China's dominance as the largest investor in Asian countries, it is undoubtedly the largest global investor by geographical spread.

Relying on Ernst & Young in the overview of China's outbound investment of Q1 2023, "China's overall Outbound Direct Investment (ODI) was US\$40.5 billion in the Q1 2023,

representing a significant increase of 18% YoY. The non-financial ODI was US\$31.5 billion, up 17.2% YoY. The Belt and Road (B&R) non-financial ODI increased 9.5% YoY to US\$5.8 billion.”

In the first week of June 2016, I attended a conference in Wuhan capital city of Hubei Province in central China the objective was to woo the rest of the world to come to China and invest. The reason the hosts cited for the event was that since China reaches out to the whole world with more investments, they also crave that other worlds should have similar interests in the Chinese investment market.

Surprisingly, even with the extraordinary interest of Chinese investment in Nigeria as fertile soil, much research hasn’t focused on the topic, leaving it open to speculations, information manipulations, and guesswork.

In 2017, over 10,000 Chinese companies operated in the African continent, with over USD2 trillion value, with the investment in 2022 at USD300b. With that figure, Africa surpassed Asia as China’s largest market for overseas construction projects (*www.foreignaffairs.house.gov, November 2022*)

“Chinese investment has increased globally, and Africa is the third largest destination for Chinese investment, behind Asia and Europe...One-quarter of all Chinese investment (in Africa) is concentrated in Nigeria and Angola.

Nigeria is one of China’s largest investment partners on the

continent; five of the USD60 billion, or 12%, pledged at the 2015 FOCAC summit were dedicated to Nigeria (*www.brookings.edu*)

From the Chinese Investment Tracker data in 2018, Nigeria held a total of 17% of all Chinese investments in Africa in the year on focus. This is not a mean feat.

Such awesome interest of the world’s manufacturing powerhouse in Nigeria deserves attention and a special insight. The focus here is to comprehensively give and gain detailed information on the facts and nature of the economic relationship between China and Nigeria which many people on the street are meant to believe is all about exploitation, loans, debts, and the touted entrapment to it.

While Nigeria hosts over USD30 billion of Chinese investments, Nigeria’s loan exposure to China is USD4.34b, which is less than 16% of the investment, and also even less than the USD5.8 billion value of the Mambilla hydropower project financed 85% by China. When the value of the already completed and functional Zungeru hydropower plant of about USD1.2b also financed by a Chinese agency is computed with that of the Mambilla plant, the two are almost double the Nigerian debt exposure to China that is placed at the front burner like the only issue in the relationship between the two.

Globally, however, “China is one of the leading investors in renewable energy. Last year, (2017), parenthesis mine; China invested USD3 in renewable energy for every single dollar the

United States invested.” (*brookings.edu*) This data does not exclude Africa, and so long as Africa is on the investment radar of China, Nigeria receives premium attention.

Chinese companies in African countries between 2016 and 2017 were over 10,000, according to *statista.com*

- *Nigeria* - 920
- *Zambia* - 861
- *Tanzania* - 825
- *Ethiopia* - 689
- *South Africa* - 608
- *Kenya* - 396
- *Cote d'Ivoire* - 274
- *Angola* - 248
- *Entire Africa* - 10,000

Understandably, these companies have impacted the country and the continent greatly in business, human capital development, corporate social responsibility, and people-to-people interactions as the direct agencies implementing the Belt and Road Initiative (BRI) and the FOCAC agenda.

The 10,000 Chinese companies operating in Africa, according to McKinsey, command a total value of \$500bn of African industrial volume, all handled by Chinese investors.

This figure generates an amazing 12% of Africa's industrial

output. Back home in Nigeria, China contributed 9% of the country's manufacturing gross domestic product in 2017, per the World Bank.

The work on the topic becomes imperative to lay the facts bare and get to the kernel of the major ingredient that spices and flavours the Nigerian economy - the Chinese input.

However, while China is not on the list of the top four foreign investors in Nigeria, its investment has a different slant that makes it visible. China is the dominant investor in infrastructure in Nigeria and also in manufacturing, whereas most of the top investors focus on oil and gas, portfolio investments, and defence mainly.

In the past 45 years, the volume of Chinese investments in the country has been on a steady rise. Altogether, China has 17% of all its investments by volume and value in Africa located in Nigeria, and 10 percent of the total number in the continent also in Nigeria, making the country a most preferred destination for several reasons.

The dominance, contributions, and impacts of these investments make them a big issue in Nigeria's economic discourse.

Even though some other big economies invest in Nigeria, but the uniqueness of those of China is due to the strategic areas they venture in which are known, seen, and felt in the everyday economic life of Nigerians.

Chinese investment in Nigeria's infrastructure development in

recent years is unequalled.

The ordinary Nigerians see the Chinese build factories, farms, and trading companies, venture into fintech, information and communication technology, automobile manufacturing, develop free trade zones, partner to provide backbone support to telephone companies, automobile assembly, tourism and hospitality, and many more.

Right inside the bushes, the Chinese investors are seen in lumbering and prevail in dredging. They dominate in building railways, seaports, airports, and hydropower stations, fabricate and supply industrial raw materials; engage in food processing, drinks, building materials, and the rest.

The economic relationship between the two countries started mainly with trading and importing goods and has grown over time to local manufacturing in diverse ways and helped the real sector of the Nigerian economy to deepen and diversify.

Their presence has also gained local communities the benefits of modern facilities through the corporate social responsibility works of the companies.

Some of them have trained thousands of Nigerians in new skills in manufacturing, management, railway engineering, and many more. The value they add has become commonplace and fit for focus, discussion, and research.

This work explores and exposes the contributions the Chinese

investors have brought to the Nigerian economy and possible ways to make it better in the years to come.

China's impacts on the African economy touch on trade, manufacturing or industrialisation, job creation, and many more.

At the FOCAC Summit in Beijing in 2018, President Xi Jinping turned the focus to economic cooperation with Africa, challenging Chinese investors in the continent to think about larger production in Africa and exporting their finished products to the Chinese market to grow the continent's export and trade volume with China. He also challenged them to contribute to the building of infrastructure in their host countries and do much more in corporate social responsibility engagements. At this summit, China and Africa reached a strategic agreement to build a China-Africa community of shared future, joint responsibility, and win-win cooperation.

In the past 10 years, Chinese automobiles such as the JAC, GAC, Geely, Shackman, Daylong, Sinotruk, etc. silently sneaked into the Nigerian market and cut deeper into the market share every passing day.

During an interview in 2019, the President of China Chambers of Commerce in Nigeria, Ye Shuijin said: "One hundred and sixty of the Chinese firms operating in the country had also employed over 200,000 Nigerians. I believe the Chinese investment in Nigeria now is about \$20 billion and we have employed over

200,000 Nigerians. Our workforce is 95% Nigerians.”

To further endorse the facts of the claims, *nairametrics.com* wrote in 2019 that “For instance, when the Country Manager, Opay, Iniabasi Akpan, reeled out the statistics of the company and its subsidiaries at the KPMG’s Digital Summit on November 26, 2019, a lot of the participants were shocked that in less than five years, the company had achieved so much.

He said, “We make \$10 million/day in transactions through our agents; N5 billion+/day in transactions via Opay; 66% market volume of bank transfers, 10,000 riders with ORide, over 100,000 agents, and 125 million Monthly Active Users (MAU) among others. That is not all. A few weeks ago, another Chinese firm, PalmPay launched its product in Lagos. The app is expected not only to reward its users for making payments but will give Nigeria’s excluded population access to secure easy-to-use financial services.”

In manufacturing, the Chinese giant steel company, Western Metal Products Company Limited (WEMPCO) is rated as the largest in the sector in Africa. The multi-billion naira integrated steel factory on the Lagos-Ibadan Expressway in Magboro, Ogun State is a behemoth with a production capacity of 700,000 metric tonnes of steel per year and production machinery of a five-stand Tandem Mill. Its Group Managing Director in 2019, Mr. Lewis Tung boasted that WEMPCO wheels churn out “cold roll steel sheet of up to 0.15mm in thickness and coils of the

same dimension and above. WEMPCO is however an integrated factory facility with a 52-megawatt power generator, water treatment and recycling plant, a ceramic tiles plant; an acid-generating plant; an air purifier, and an annealing line.”

With the expansion and increase in the number of Chinese manufacturing points in Nigeria over time, the margin of dominance must have increased over these past six years from what it was. For instance, on a day I took a tour of the Ogun Guangdong Free Trade Zone in Igbesa, Ogun State, I was shown over 10 factories that started operation in the past four years. Along the Lagos-Shagamu highway, the Sinoma industrial cluster with some number of outfits in it came up after 2017. On the other hand, in the course of this work, I did not encounter a record of any of the Chinese companies stopping operations in recent years.

By all yardsticks of reckoning, China’s presence, impact, and role in the Nigerian economy is a big issue that needs the attention this work accords it.





Chinese and Nigerian workers lay railway lines on the Abuja-Kaduna railway project



# One

## CHINA'S PREFERRED INVESTMENT MARKET

- 1a. Nigerians' perception of China
- 1b. Comparative values
- 1c. Quality of local Chinese goods and services
- 1d. Automobile market
- 1e. Smartphones market
- 1f. Construction sector
- 1g. ICT hardware
- 1h. Huawei and Nigeria's FSI, oil sector cloud services
- 1i. Recognition of the Chinese by Nigerian locals
- 1j. Large pool of investment

In the distribution of Chinese companies in African countries, Nigeria has the largest share, almost 10% of the total number as shown in the table before this chapter. The reason for this larger concentration is known - the size of the Nigerian economy is the largest in Africa, with a market estimate of 200 million consumers, and friendly people to the Chinese. These two factors are the reasons the investors defy the institutional challenges of investing in Nigeria to sustain the tempo of their appetite.

In 2017, it was estimated that there were up to 40,000 Chinese nationals living in Nigeria. This was cited by *Wikipedia* and includes Chinese expatriates and those in Nigeria with Hakka ancestry. The Hakka ancestry is defined by *Wikipedia* as a Han Chinese subgroup mainly from the Hakka-speaking provinces of Guangdong, Zhejiang, Fujian, Jiangxi, Guangxi, Sichuan, Hainan, and Guizhou.

That about 10 percent of the estimated 10,000 Chinese companies in Africa are located in Nigeria is understandable as the largest investment market in the continent. The population of Nigeria is almost double that of the second most populous country in Africa, so there is an attraction to come here and invest.

But beyond the market size and depth, it also signifies that Nigerians are receptive to China and foreigners for them to

invest that much in the country.

### **1a Nigerians' perception of China**

Regarding the fact that Nigerians are receptive to China, it suffices to cite a *Wikipedia* document on China-Nigeria relations which affirmed that: "According to a 2014 BBC World Service Poll, 80% of Nigerians view China's influence positively, with only 10% expressing a negative view, making Nigeria the most pro-Chinese nation in the world." That is a very good and warm conclusion.

Imanche Adiyo, et al. (2021) found that: "On the other hand, China has sent \$44 billion investments to Nigeria in the same time frame as it sent \$47 billion investments to Indonesia, and 70 percent of Nigerians think highly of China.

"Nigerians have the second-most favorable view of China after Russians. Nigeria rather views China's rising economy as a positive for their country than a negative. A total of 55% think a robust Chinese economy is advantageous, while 30% believe it is a problem for the nation." However, while we would not confirm the financial value of their investment in Nigeria the source quoted, what we actually deduce is the affirmation that Nigerians have a very positive attitude towards the Chinese investors in their domain.

On the contrary, "Since 2005, China has given Indonesia

more than \$47 billion in capital investment and construction projects, but its attitudes towards China are evenly divided, with 36 percent favorable and 36 percent unfavorable."

This comparison shows a true picture of what the average Nigerian thinks of China, the Chinese individual, Chinese companies, and their services. That means also that beyond China's contributions to the economy of Nigeria, the Nigerians are naturally warm towards the Chinese and appreciate the value they bring.

### **1b. Comparative values**

Nigerians have the perception of China in the following ways and percentages from the polls I conducted in 2022 among 32 respondents for each of the points here according to their responses.

The number might not be large enough to draw a total conclusion, but it is also informative that opinion polls such as this cannot be sampled among citizens who never come across the Chinese or have adequate knowledge of their impacts. It would defeat the essence of the research to ask someone who would first ask you the meaning of the word Chinese or want to understand what foreign investment means. Therefore, to a large extent, the conclusion from these 32 informed citizens can very well form a pattern and help draw a conclusion that wouldn't be far from reality.

**Perception sampling points**

- *Killed monopoly in products, services, and construction - 86% agree*
- *Caused cost drop in foreign/imported products and services - 87% agree*
- *Creative in product manufacturing - 88% agree*
- *Positive force in job creation in Nigeria - 67% agree*
- *Made luxury commodities affordable to the average citizen - 87% agree*
- *Has engendered technology transfer through the building of factories in Nigeria - 62% agree*
- *Has helped deepen expertise in Nigeria - 55% agree*
- *Encouraging local manufacturing and partnerships in Nigeria - 72% agree*
- *Contributing to infrastructure development - 78% agree*
- *Believe some external interests attack Chinese image deliberately - 56% agree*
- *Believe most Chinese goods are inferior - 69% agree*
- *Believe that the inferior products are caused by connivance between Nigerian and Chinese businesspeople - 50% agree*
- *Believe that Chinese employers don't have good labour incentives and good workers' rights - 70% agree.*
- *Believe that made-in-Nigeria products by Chinese companies are of good quality 75% agree*

These persons were randomly sampled among a class of citizens who are well informed of issues about the Chinese in Nigeria

and Nigeria's relationship with foreign nationals. The poll was sampled in mid-November 2021.

The negatives from these samples seem to agree, tally, and align with essentially the 10% negative perception of Nigerians about China from the BBC poll seven years earlier.

According to all the eight other sources outside the questionnaire poll, that we spoke with, who are all knowledgeable in public and international relations even through international business, they agree that "If any day China works round the issue of poor quality of products exported to Nigeria and turns around its treatment of their Nigerians employees, everything about China here will turn positive."

**1c. Quality of local Chinese goods and services**

Beyond the quantity and the ordinary perception, when it is about the value of what Chinese companies offer in Nigeria, the views are overwhelmingly very positive compared to the views about goods imported from China.

It is important to know that services are like products but assessed independently on their own merits. The perception of the Nigerian of Chinese products is one of the two negatives in the 14 broad perception issues sampled.

One of the reasons Chinese investors and their businesses

enjoy a positive rating among Nigerians is that Nigerians appreciate the fact that even though the country is a very challenging investment environment, the Chinese dare it. “Despite this, many Chinese-owned small businesses and larger companies have prospered and are contributing to Nigeria’s socio-economic development. Therefore, the overall security and stability of Africa’s most populous country,” *Matthew Page*, a researcher, wrote in 2018.

On the surface, the average Nigerian believes that a Chinese work or project would be like his product or most of his products imported into Nigeria. However, in an in-depth finding from research, there is totally an opposite perception about products manufactured in Nigeria by Chinese firms.

For instance, sanitary wares, tiles, ceramic wares, other building materials, steel products, cosmetics, gadgets, home appliances, glasses, aluminum profiles, and automobiles by Chinese companies in partnership with Nigerians are well received and highly rated in the Nigerian market. The Chinese stone-coated roofing tiles exist in a class of their own with excellent acceptance of the almost unrivaled quality. Chinese security doors also enjoy good ratings.

A good instance is the building and interior finishing items made in the Ogun/Guangdong Free Trade Zone in Igbesa, Ogun State, glass panels, steel, aluminum, and others manufactured in the Benin City area of Edo State that have high patronage and most consumers feel excited to know they are made in Nigeria.

The Innoson Motors vehicles made here in Nigeria, the Anammco buses, the Sinotruk truck heads, and others manufactured in Nigeria with Chinese partners are highly acceptable. On a visit to the XCMG Automobile Company in Shagamu, Ogun State, we found that their trucks and construction equipment are well patronised and rated by consumers.

### **1d Automobile market**

In November 2021, Frank Kintum, a journalist in motoring reports wrote on *TransportDay* ([transportday.com](http://transportday.com)) that: “Before the Chinese auto brands were finally accepted in the country, brands from the USA, Europe and Japan were the only ones around. Today, the market is shared with the Chinese brands. Hitherto, prominent auto distributing companies in the country would have nothing to do with Chinese makes, but with the downturn in the economy (weakening purchasing power), and continuous improvement of the Chinese technology, the vehicles started gaining ground.”

Now, “most of the industry big players have embraced Chinese brands, the latest being Dana Motors, a company that popularised the Kia brand in Nigeria. The company recently introduced the DFM brand into the market. This is to be sold side by side with the Kia brand from South Korea.

Before Dana, we had Stallion distributing the Changan; CFAO selling the King Long; Elizade AutoLand distributing the JAC

*passenger and light trucks; and Lanre Shittu selling the JAC heavy-duty trucks.*

*Others are CIG Motors selling the GAC brand, promoted by the Chinese woman who has taken a chieftaincy title in Nigeria, Diana Chen; Chery, being sold by the Kewalram Chanrai group, etc.*

*It was found that the imports from China are growing yearly and currently put at about 20% of the passenger car market estimated at about 10,000 units.*

*Though all the auto companies that have embraced the Chinese brands are still holding on strongly to their original brands, it is believed that their marriage to these Chinese brands is a move to share from the low-budget market segment which is currently active in the local market. So much about the auto sector.”*

Kintum listed the major Chinese automobile brands making inroads into Nigeria as “JAC, GAC, Yutong, King Long, Chery, Changan, Dfm, BAW, Forland, FAW, Sinotruk.”

As for the Innoson vehicles, a local Nigerian brand that has started gaining traction in the automobile market, the plant has the capacity to make 10,000 vehicles a year.

David Hundeyin (2019), a Nigerian investigative freelance journalist reported that: “Innoson has a technical partnership with several Chinese automakers, enabling it to manufacture models like the BAIC BJ80 under its own brand name. It has a goal of eradicating secondhand cars in Nigeria.”

I visited the Innoson automobile plant in Anambra State in the company of four other editors about 13 years ago. We witnessed the Chinese partnership and presence with this popular local automobile maker. We saw some Chinese in the workforce and even a Nigerian who was said to have arrived in the country in the company of the Chinese experts to work as an interpreter because he was fluent in Chinese language and also English.

November 2021, at the Abuja International Motor Fair, the rave was GAC, the Chinese car brand that was described in a *Punch Newspaper* report as stealing the show and swaying car lovers to its appeal.

Also, the *Leadership Newspaper* alluded to the MoU signed between the Lagos State government and GAC in March 2021. The reality of that deal is the car assembly line I visited as part of this documentation. I witnessed the cars imported as partially knocked down GAC cars assembled at the Ogba, Ikeja factory. The project is making good progress with the partnership of the Lagos State government which has been heavily patronising the brand with its LagRide city taxi project. The facility owned by the CIG Group is flourishing and makes good quality cars, according to users. On the surface, the presence of GAC cars in the Lagos traffic and streets is becoming so commonplace. The upswing is a testament to its acceptability by the consumers.

“Recall that in a milestone that was celebrated on March 4, 2021, GAC Motors Nigeria entered a successful Joint Venture

with the Lagos State Government, where Governor Babajide Sanwo-Olu signed an agreement to assemble and produce GAC vehicles in a state-of-the-art assembly plant in Lagos, marking the next step of the GAC Motor brand's local operation and effort to impact positively in the life of Nigerians," an online newspaper reported.

If the quality of the GAC automobiles wasn't up to world-class, the government would not have thought it proper to sign such a deal.

### **1e Smartphones market**

When taking inventory of the burnishing of the image of Chinese products in Africa and Nigeria to obliterate the old perception of inferiority to those made by other countries, credit must go to the Chinese smartphone makers.

Their trend of constant improvement, aggressive and strategic marketing of offering good quality for a lesser cost, and a relentless quality advancement policy have done so much to change the wrong and stereotyped impression that Chinese products are not good.

When these brands started finding their way into the Nigerian market, they honestly were not as good as the other brands from Finland, South Korea, the U.S., etc. But with time, they have not just turned things around, they have literally taken

over the market. Today, Tecno, one of them, is the highest-selling smartphone in Nigeria and Africa with trusted quality.

*Nairaland.com*, an online platform testified to this in 2016 and wrote:

"Gionee (Gionee Communication Equipment Co. Ltd.) is a Chinese mobile phone manufacturer based in Shenzhen, Guangdong Province. Founded in 2002, it is one of China's largest mobile phone manufacturers. According to Gartner, its market share in China was 4.7% in 2012, and it has expanded into other markets, including India, Bangladesh, Nigeria, Vietnam, Taiwan, Myanmar, Thailand, Philippines and Algeria.

After 2010, Gionee started focusing on slimmer smartphone designs, and by 2014, Gionee held the title of the slimmest smartphone in the world with the Gionee Elife S5.5 whose body is only 5.5mm thick. Gionee launched an even thinner smartphone, the Gionee Elife S5.1, which is only 5.15mm thick.

Tecno Telecom Limited, established in July 2006 in Hong Kong, is a comprehensive mobile phone manufacturer specializing in R&D, manufacturing, sales, and service. With years of development, it has now become one of the major mobile phone suppliers in the world and one of the largest mobile phone manufacturers in China.

In 2008, TECNO decided to focus on Africa as its key market

and accordingly launched the TECNO brand strategy. Through three years of efforts, TECNO has achieved initial success with its outstanding and unique marketing strategy and has now become one of the most popular mobile phone brands in many countries in Africa. Besides, it has been recognized as the No.1 Dual SIM mobile phone brand in those countries with TECNO branches, including Nigeria, Kenya, Ghana, etc. In 2010, TECNO had ascended into the top three mobile phone brands in Africa.”

An online phone sales and awareness blog in India wrote about the Chinese phone innovation that: “Rationally, you can say, Chinese smartphone makers are catching up with Apple and others. And Chinese mobile phones are quite inexpensive, most of their devices are under US\$500. Best Chinese mobile phones are quite easy to find, they are available in offline and online stores.”

On the Counterpoint platform, Anshika Jain in 2019 found that four of the five top smartphone brands in Nigeria were from China.

The clearer picture is that: “The market share of the top five smartphone brands in Nigeria reached a record 84% during Q2 2019, according to the latest findings from Counterpoint’s Market Pulse Service. Transsion Group’s brand, Tecno led the market, while others in the top five included Samsung, iTel, Infinix, and Huawei.

Commenting on the findings, Jain said: “The top five smartphone brands’ market share reached the highest-ever level during Q2 2019 in Nigeria. The market continues to be dominated by Tecno, Infinix, iTel, and Samsung. Tecno’s market share of 33% during Q2 2019 was the highest ever. The brand continued to refresh its product portfolio and ran various promotions and campaigns during the quarter.”

The rave of the rise of Chinese smartphones in Africa has hit global acclaim and it is no longer a joke, but rather a statement of fact that China is not the image and hub of inferior products, but rather a base for strategic and planned aggressive take over of any market with good quality products, the same way Huawei swept through the whole world with top range ICT products.

*Marketing Edge*, a Nigerian market research group reported in glowing words that: “Since founding the Tecno mobile brand in 2006, Zhu Zhaojiang has overseen an expansion that now claims a 48.7% market share in Africa. Transsion shipped 94.44 million mobile phones to Africa in 2018 out of a total of 124 million global shipments.” Up till the first quarter of 2021, market surveys still attributed 44.2% of shares to the Transsion Chinese brands.

*Quartz* (*qz.com*), a U.S. newsgroup, also joined in screaming louder the positive vibes that: “A decade after it first set course for Africa, and seven years after the Ethiopian factory opened, Transsion last year became Africa’s top smartphone maker. The success of

its leading phone brands Tecno, iTel, and Infinix has especially shown how a company with a strong regional focus, the right product mix, and strategic pricing can outperform bigger and more dominant firms. The Shenzhen-based company's rise has also coincided with a rising appetite for smartphones in Africa, encouraged by cheaper internet costs and increasing mobile-based innovation. By betting on local consumers long underserved by tech giants, the sleepy Chinese brand has shown that you ignore emerging markets at your own cost.

Founded in 2006, Transsion's success has hinged on a glocalization strategy that has enamored it to users across Africa, says Tarun Pathak, associate director with technology intelligence firm, Counterpoint. By working closely with research and development centers in Nigeria and Kenya, and providing affordable and region-specific phones to cities and rural Africa, Transsion has been able to continuously innovate around the needs of its customers and bump its sales."

### 1f Construction sector

Two Chinese construction companies are listed among the top 10 in the Nigerian market on *infoguidenigeria.com*, and with a record of good quality jobs. There is no mention, or insinuation of their works being inferior to any other from other countries.

For the CCECC, the website documented that: "This is yet

another construction company to look for. They are known for civil engineering design consultancy, project contracting, and advanced railway construction. The construction company was established in 1979 in Mainland China and has grown over the years to be an international company. It is a well-known construction company that has projects in over 40 countries. They are presently responsible for the ongoing construction of the Lagos Light Rail project in Nigeria. They have also constructed bridges, rail systems, stadia, and world-class roads."

As confirmed by numerous references, the CCECC Nigeria for instance, has been so dominant in the railway sub-sector with almost no competitor since its first major railway contract by Gen. Sani Abacha in 1995. The company also stands out with bridges, airports, roads, dams, etc.

We spoke with four persons who work in construction multinational companies in Nigeria other than those of Chinese origin who admitted that as players in the sector, the Chinese companies don't do any work inferior to others in the sector from other countries. They emphasised with an assurance that their works enjoy high acclaim in the industry. Two of those construction workers we spoke with are with the Reynolds Construction Company (RCC), one works with Julius Berger and the fourth is with Setraco. They could not allow their names used for their job safety.

*Oluyomi Babatunde and Sui Low* in 2013 in their academic work recorded that: "China has developed one of the world's

largest and most competitive construction industries, with particular expertise in the civil works critical for infrastructural development. China's involvement in Africa's construction and infrastructure sectors has proved most effective in building relations with African governments - increasing influence and expanding access to natural resources on the continent through resource-backed infrastructure loans. China has been involved in the construction of power plants, railways, roads, bridges, and dams in different parts of Nigeria. Chinese companies and Chinese banks are now the biggest builders and financiers of global dams."

In further endorsement, another research in Nigeria by *Adaora Osondu-Oti* in 2016 noted that:

"China is currently the biggest lender to, and investor in infrastructure development in the African continent. The support of the Chinese government to its construction firms is in line with its go-out policy, targeted at gaining increased access to an international market and being able to compete globally.

China currently has the largest construction market in the world.

The capacity of the Chinese Construction market is illustrated in the sheer volume. As of 2005, there were 15,545 design firms

and 104,297 construction firms in China, employing upwards of 40 million people."

These confirmations are not for nothing, but the attestation of quality work. And to that effect, she said also that:

"China's construction works have been rated well by the Nigerian government. According to the former Nigeria's Aviation Minister, Mrs. Stella Oduah, during the signing of the construction of four new international airport terminals with the CCECC in 2013, CCECC was adjudged a reputable construction firm that would give Nigeria the best. In her words: "The desire to have the best for Nigerian airports informed the decision to work with a reputable, world-class construction firm, like the CCECC. I have no iota of doubt in my mind on either the quality of the job to be delivered by CCECC or the completion timeline."

Even China does not doubt the quality they give out to the world, including Nigeria. The assurance made by China's Economic Counsellor at the Embassy of the People's Republic of China in Nigeria, Mr. Zhou Shanqing to tell Adaora that "if Chinese firms are not delivering effectively and efficiently, CCECC would not have won numerous contracts in Nigeria. The fact that CCECC is the biggest Chinese company doing business in Nigeria, with a local staff strength of over 20,000; an expatriate quota of over 1,000 Chinese citizens, and executed projects that are

over 100, and is still executing more, signifies that the firm to a considerable extent is reliable and of good standing.”

### 1g ICT hardware

A visit to the Huawei corporate headquarters in Shenzhen, China will convince you that it has the global ICT world in its cusps. My first visit in September 2016 was awe-inspiring, and a repeat in May 2018 wasn't less exciting. Huawei is simply an ICT dream world.

“Huawei is a Chinese information and communications technology (ICT) company that specializes in telecommunications equipment. The company also offers services and consumer electronics including wearables, mobile broadband modems, smartphones, tablets, and PCs. With over 170,000 employees, Huawei is the largest manufacturer of telecommunications equipment in the world. Over 80 percent of major telecoms in 50 countries around the world have worked with Huawei. A global partnership with DataCore Software announced in 2015 marked Huawei's entry to the hyper-converged infrastructure market with products to be based on Huawei hardware and DataCore's virtual SAN (VSAN) software.”

This is an apt introduction to the Chinese ICT giant company of global fame and no mean reputation in quality service and products on [searchconvergedinfrastructure.techtarget.com](http://searchconvergedinfrastructure.techtarget.com)

In Nigeria for instance, the ICT sector has seen rapid development over the past 15 years and Chinese ICT hardware have been dominant in internet modems, handsets, tabs, desktop computers, laptops, wearables, gaming equipment, mouse, and many more.

According to [oxfordbusinessgroup.com](http://oxfordbusinessgroup.com), major multinational ICT hardware manufacturers such as Samsung, Acer; HP; Dell; Asus; Huawei, Toshiba, and Lenovo among others currently account for 70 percent of sales in the market. The Guardian, ([guardian.ng](http://guardian.ng)) in 2016 reported also that: “Nigeria is too low on ICT local content to the benefit of these foreign producers.” Also, those brands from China such as Asus, Acer, all of Taiwan, and Lenovo and Huawei, ZTE from Mainland China are not rated inferior to those from other countries.

The dominance of China in this sector is attested to in the assessment of [columbia.edu](http://columbia.edu) that “initial assessments suggest that China has chosen several hubs from which to roll out its telecommunication strategy on the African continent. These include Egypt, Algeria, Tunisia Kenya, Nigeria, and South Africa.

Compared to the established Western telecom gear-makers, Chinese companies offer more cost-effective equipment and solutions. In addition, according to Zhou Tao, executive vice-president of ASB, the Chinese government's increasing financial support to African countries is also giving a boost to the establishment of telecom infrastructure.”

That role was underlined and explained better in 2004 when Deputy Minister of Commerce Chen Jian said: “China will further expand telecom cooperation with African nations in line with mutual benefits and common development. Moreover, the Chinese government will support its telecom enterprises to inculcate more telecom services in Africa.” To a very large extent, the headway most African countries have been making in the ICT infrastructure sub-sector is through China and the facilities have been of very commendable qualities.

Specifically in Nigeria, many Chinese ICT firms that supply hardware have over time partnered with Nigerian companies in so many ways. Prominent among them was in September 2018 when President Muhammadu Buhari and Chinese President Xi Jinping penned a USD382m deal for equipment support.

The Nigerian media widely reported that “Nigeria has completed the signing of a USD382 million agreement with China for the implementation of the National and Communication Technology Infrastructure Backbone (NICTIB) Phase II. This was confirmed by President Muhammadu Buhari’s Senior Special Assistant on Media and Publicity, Garba Shehu.”

In 2019, Globacom, a Nigerian indigenous GSM company executed another partnership with Huawei as was reported by *Africa China Economy Magazine* ([africachinapresscentre.org](http://africachinapresscentre.org)) that “Globacom, and Huawei Technologies the leading global ICT and telecommunications equipment and service provider have signed a partnership. Globacom and Huawei Technologies also

decided to reward Nigerian students with a combination of high-end smartphones and super-fast internet service. This program, targeted at 30 universities and 150 Nigerian students, will be offering free Huawei smartphones loaded with six months of unlimited Glo 4G data to five students and five Huawei routers with pre-loaded 60 GB of Glo 4G data to the institutions.”

The *Vanguard Newspaper* corroborated the report that: “The plan is to aid fast and free internet WiFi connectivity for research in schools and to enable students to stay connected to good internet for academic tasks while outside of the school premises for free. The program kicked off recently at the Babcock University, Ogun State.”

The company followed up on the ICT deepening drive with another deal with the Ahmadu Bello University, Zaria in November 2020 with the donation of equipment.

Nigerian media announced that: “Chinese telecom company Huawei donated telecommunication equipment to the Ahmadu Bello University (ABU) in the northwest Nigerian city of Zaria as part of a partnership to stimulate the learning of information and communication technology in the West African country. The equipment, which was inaugurated on Saturday by Chen Yangfeng, director of enterprise delivery and service of Huawei Technologies Nigeria Ltd., will be used to train students in intermediate and advanced technologies in routing, switching, and cybersecurity,” said a statement sent by Huawei.

The equipment was three Huawei AR6280 routers and five Huawei S5720 switches for designing physical and logical topologies, the statement added. Chen Yangfeng, according to the statement, said: “The relationship between the university and the global ICT firm dated way back to 2018.”

Huawei didn't stop here in the build-up to the ICT development of Nigeria as it had another deal with MTN Nigeria.

“MTN Nigeria and Huawei completed commercial deployment of the RuralStar 2.0 solution. The project provides low-cost long-distance voice and mobile broadband services for remote rural areas in Nigeria, helping to connect the unconnected. The voice and data traffic of newly deployed RuralStar 2.0 sites exceed expectations, which reveals the enormous telecommunication demand in rural Nigeria

MTN and Huawei jointly innovated and introduced Huawei's RuralStar 2.0 solution to reduce the TCO by 50% for a given target coverage area in contrast with traditional site solutions. Using low-band NLOS LTE Relay, it allows site deployment locations to change from high towers to low poles with a height of only 12m, reducing the site infrastructure construction cost by 70%,” the Nigerian media in multiple outlets reported when the agreement came into force in 2018.

*French Radio International (FRI)* in documenting a major ICT project to cover Africa and link it with the Middle East through a sub-sea cable said: “On 14th of May 2020, China Mobile,

together with seven other partners including Facebook, the Mauritius-based West Indian Ocean Cable Company (WIOCC), MTN Global Connect in South Africa, Telecom Egypt, Saudi telecom provider STC, Vodafone, and Orange announced the creation of the 37,000km “2Africa” cable, heralded as “the most comprehensive subsea cable” to connect Africa with the Middle East. The cable, which will surround the African continent, will have landings in 16 countries and underpin the growth of 5G and broadband access for hundreds of millions of people.”

The announcement came two weeks after a former Huawei subsidiary, HMN Technologies, which was taken over by Hengtong in 2019, announced that it had started the construction of the 720km Senegal Horn of Africa Regional Express (SHARE) Cable, creating the first high-capacity direct link from Dakar Senegal on the African continent to the offshore islands of Cape Verde landing at Praia. This kicked off in April 2020 and was completed in January 2022, Ma Yangfei, Executive Vice President of HMN informed. The same Chinese company four months earlier launched the Hainan to Hong Kong Express subsea cable project that featured the world's first 16 fibre pair repeated system, per *capacitymedia.com*.

It said: “The SHARE system will promote the development of Senegal as the ICT Hub in West Africa and accelerate the development of the digital economy and innovative economy in the region.”

The report gave further hints to the comprehensive work going

on to revolutionize the ICT system in Africa and championed by Huawei in addition to the sub-sea cable job led by China Mobile, one of the two largest telecom companies in China.

Specifically, the report noted that: “On the continent itself, Huawei is already offering a wide range of services, including the provision of data centers, where the critical data of organisations -from small companies to governments - are stored. According to a report by the African Data Centers Association, Africa needs 1000mw and 700mw data center facilities to meet demand. The African Data Centers Association (ADCA) and Xalam Analytics say the rest of the continent needs significant investment to meet needs and to reach par with South Africa. And China is ready to go.”

### **1h Huawei and Nigeria's cloud services**

In August 2021, representing the Africa China Economy Magazine, I attended the Huawei cloud services workshop in Lagos. During the proceedings of the event, I met in attendance so many Nigerian companies that use the Huawei backbone services and its cloud content and backup.

Huawei at the workshop vowed better cloud solutions and services in the Nigerian ICT sector with better equipment and human resources. This assurance was given to operators and consumers of its IT services, especially the latest trends in cloud solutions during the conference. The customer summit

also hosted consumers in the oil and gas and financial sector industry (FSI) with the theme ‘Creating a new digital era through cutting edge ICT in the 21st Century.’

It was attended by over 100 guests including Mr. Way Ne, Director of Huawei IP Solutions, Mr. Dharmesh Gupta, Executive Director, Manifold Computer, and senior officials from Access Bank, UBA, Smile Network, Consolidated Hallmark, Unity Bank, etc. It also showcased Huawei networking solutions, DCF solutions, and storage solutions. The ICT firm re-emphasised its resolve to keep providing cutting-edge technology and continuously enriching the lives of Nigerians by working with top customers, and partners in the industry to achieve the best outcomes. It used the outing to assure that its Cloud Solutions allow enterprises to use IT resources as they use water and electricity. Due to its credibility and reliability over time in cloud solutions, over 500 organizations in Africa with more than 100 partners and more than 50 government organizations are already on the subscription list of Huawei Cloud Solutions. The company explained that Huawei Cloud manages cyber risk through security strategy development and policy definition, embedding security by design and building value into banking environments through a network of certified experts globally. Mr. Jimoh Okoh, ICT architect with Huawei explained during his presentation that: “The configurations are carried out optimally by the financial best practice and regulatory compliance ensuring optimal operation and security services to respond to cyberattacks.” He cited an instance that

“when Opera migrated their traditional data cloud business to Huawei Cloud, their massive storage systems were transformed into a diverse suite of robust IaaS and PaaS on the cloud with 30% cost efficiency, 20% lower latency, and three times resource utilization

Opay, a one-stop mobile-based platform for payment and other vital delivery services faced the difficulty of high cloud management volumes, instability, and slow response earlier in its business, but after integrating the Huawei Cloud brilliant innovation, the business currently has 70% stability, 40% efficiency, 50% response by hosting vendors and 39% TCO.”

Huawei Cloud is used by over 47 out of 100 top banks in the world in over 60 countries and by over 2,000 global financial institutions. Its data centre facility share is leading the industry as it provides on-demand elastic capacity expansion, relieving capital pressure just in time service supply requests, refined management, and SPC collaborative development which will provide a higher revenue, lower energy consumption, and lower OPEX. Mr. Olayemi Joseph, the Enterprise Marketing and Solution Sales Manager stated that one important factor is that Huawei has submitted over 2,000 payments in storage, thereby, defining the storage industry. Huawei also invests heavily in research and development with more than 4,000 engineers in R&D. It has over time gained industry recognition in various ways through performance and tests carried out according to industry standards. As an end-to-end provider, Huawei ensures

that the hardware installed has the capacity to render adequate services to the consumers.

Since Huawei signed a deal to operate in Nigeria in November 2004 in the telecommunication sector, it has also played a major role in the provision of telecom infrastructure in Nigeria. The two countries - host Nigeria, and China, the native place of the ICT firm in 2007 signed a USD311m agreement for cooperation in communications and space programs that helped develop and launch the Nigerian communications satellite (NigComSat-1) to expand cellular and internet networks in Nigeria.

### **1i Recognition of the Chinese by Nigerian locals**

Sometime in March 2020, an issue arose when a government agency, the Federal Competition and Consumer Protection Commission (FCCPC) sealed up a Chinese restaurant in upscale Victoria Island, Lagos.

The allegation was that the Huafei Chinese Restaurant denied and discriminated against a Nigerian using the place. It took my reply as a media and public relations consultant to the restaurant to turn around the story, by revealing the truth. With a compelling and factual response, Nigerians rallied around the Chinese restaurant and told the agency it wasn't fair in its conclusions.

Meanwhile, the company name, Huafei means 'China-Africa',

a significance of the regard the owner of the restaurant has for Nigerians. Also, the owner of the restaurant has a chain of other businesses where he has employed Nigerians in the past 22 years he had lived in Nigeria at the time when the incident broke out. His association in the past awarded scholarships to Nigerian students of the University of Lagos who were scholars at the university's Confucius Institute, for further studies in China.

That particular incident was a good example that Nigerians don't live with biases against the Chinese among them as a tradition apart from individual differences. It is also the same views they have about their companies, products, and services.

Nigeria has a custom of honouring and appreciating people that impress them with good deeds. Local communities honour such persons with the title of a 'chief'. Such has been common with Nigerian local people on many Chinese.

The CCECC engineer, Mr. Kong Tai who supervised the Abuja metro railway and the Abuja-Kaduna railway projects was so honoured by an Abuja local monarch in appreciation for a primary school the company, CCECC in its corporate social responsibility built for the community. The chairman of the Chinese Association of Investors in Lagos, Mr. Liu Chang'an is a chief in a local community in Ogun State and simply known as Chief Liu by his Nigerian friends and associates.

Another investor and businessman, Mike Zhang, who impacted

the locals positively in Kano was recognised by the former Emir of Kano in 2018 in like manner.

Early in 2021, a private university in Abia State, Gregory University, Uturu conferred on a Chinese investor and inter-culture promoter in Lagos, Eric Ni with an honorary doctorate for his positive works in promoting Nigeria-China culture exchange.

The chief executive of CIG Group, the automobile manufacturer and distributor, Ms. Diana Chen also enjoys similar conferment by a Lagos oba (king)

### **1j Large pool of investment**

The 10,000 Chinese companies operating in Africa, including 920 in Nigeria, according to McKinsey, command a total value of \$500bn in African industrial volume and are handled by Chinese investors, many of them in partnership with Africans.

This volume contributed 12% of the total African industrial output stated earlier as confirmed by the World Bank, and 9% for Nigeria at the local economy as of 2017. With this enormous presence of the Chinese in Nigeria's local economy as expatiated, their contributions should not be left unnoticed but rightly taken for what they are.

There is a good reason to fill the research and documentation

void of what impacts - positive and negative - the Chinese investors have made in Nigeria over the years, and also still making as more seem to move to Nigeria than exit.

At the office of the China General Chamber of Commerce in Abuja, this agency that coordinates and supervises Chinese investors confirmed to me that the number runs into well over a thousand and advised that it would be more concise if I focus on the prime ones among them.

“If we give you the list of all companies owned by the Chinese in Nigeria and doing business here, including the small trading companies and individuals, the work will take you years. It is better you select some, over 170 of them in our list are some of the top players that identify with us because we know they are some major players we don’t have their data because they don’t really identify with us,” Mr. Tristan Cui, the Director General of the Chamber said.



President Buhari commissions new Nnamdi Azikiwe International Airport, Abuja terminal and metro train station



# Two

## FROM TRADE TO LOCAL PRODUCTION

- 2a Greasing local production wheels
- 2b Currency swap policy initiatives
- 2c Dominance in construction
- 2d Human capital development
- 2e Cultivating local succession culture
- 2f 18 years of strategic economic partnership
- 2g Exploits in fin-tech
- 2h Leap in economic cooperation
- 2i Committed to better days with Nigeria
- 2j Nigeria-China economic relations
- 2k Loans from China
- 2l Amb. Bashir Wali weighs in
- 2m Infrastructure backbone
- 2n Nigeria should get acts right

During an interview with the *Africa China Economy Magazine* in August 2020, the Chinese Consul General in Lagos, Mr. Chu Maoming said there were over 120 top-grade Chinese companies known to his office who were doing business in Nigeria -from engineering, oil, and gas, fin-tech, ICT, construction, manufacturing, agriculture, and partnerships with Nigerian private sector business players. Aside from these, there are thousands of Chinese citizens in some other businesses.

In March 2023, the figure I got from Mr. Cui, the director general of the China General Chamber of Commerce, Abuja was more than 170 of such top player companies as I noted earlier in the previous chapter. In the same vein, trade between Nigeria and China has expanded over the years and China has been Nigeria's largest trading partner in machinery and consumer goods in the past 14 years.

### 2a Greasing local production wheels

At the Chinese New Year celebration in Abuja in January 2019, the Chinese Ambassador to Nigeria, Dr. Zhou Pingjian told me and other Nigerian journalists that beyond just the growth of trade volume, the composition and content had

started to change with Nigerian goods to China increased by 70 percent, and made of a higher percentage of finished products. However, the bulk of the goods China buys in Nigeria are raw materials.

In September 2016, immediately after my coverage of the G20 Summit in Hangzhou, I visited the Nansha Seaport in Guangzhou, the capital of Guangdong Province, the hub of the Chinese economy on an official reporting assignment for my employer media organisation then as the Beijing Bureau Chief, a position I held for the entire 2016. That one year of reporting in China and travelling through 17 provinces, some of them more than once, and attending over 16 international conferences on Africa-China relations, and others exposed me to the depth of China's economic relationship with Africa, Nigeria inclusive. On many of my tours, I met CEOs and other top officers of Chinese companies in Nanjing, Kunshan, Yiwu, Guangzhou, Shenzhen, Zhuhai, Jinan, Chengdu, Beijing, Suzhou, Xi'an, Shanghai, Qingdao, and others who exchanged cards with me and introduced themselves as having lived in Nigeria to represent their companies, having visited or about to visit their Nigerian offices. It was in Jinan, the capital of Shandong Province during a visit to Sinotruk's head office I knew for the first time that Sinotruk was setting up an assembly plant in Nigeria, which I later confirmed in March 2017 when I visited the plant in the company of Chinese Ambassador to Nigeria, Dr. Zhou Pingjian during an event at the Lekki Free

Trade Zone (LFTZ).

In Beijing, I first heard of the LFTZ's existence and also knew about Sinoma, the giant cement production machine maker partnering with Dangote Cement for equipment supply. A further confirmation that Sinoma in Beijing was right was when in the first week of February 2023 Dangote Cement announced a fresh business with China Sinoma International Engineering to build a six-million-tons-per-year cement plant in Itori, Ogun State. The deal, according to media reports was signed by Aliko Dangote, the chairman, and Yin Zhisong, the group president, and Liu Renyue, the company chairman.

What important roles China's Sinoma plays in the Nigerian economy was captured by Dangote in glowing words: "You are a strategic partner who has been instrumental to the success of key projects of the group. We are comfortable working with your company. You have handled some of our key projects and I am positive that this project will be completed as scheduled," *Businessday Newspaper* reported on February 2. Sinoma has also been instrumental to the building of cement plants in Edo, Kogi, and Sokoto, among others as explained in details later in the annexure to this book listing some Chinese companies.

The port authorities at Nansha during the tour of the facility told me that 30 percent of goods China imports from Africa come from the Lagos ports, and mainly timber.

On the ground in the Nigerian local economy, many Chinese investors have also made inroads into manufacturing diverse goods - building materials such as glass, aluminum profile, sanitary wares, steel, ceramics, ethanol, roofing sheets, and many others.

In the past three years, there have been over 10 proposed industrial parks in states of Nigeria all in alliance with Chinese investors. These are in addition to already existing ones like the Ogun-Guangdong Free Trade Zone in Ogun State, and the Lekki Free Trade Zone, Lagos which houses the world's largest refinery in the making owned by Aliko Dangote with Chinese technical partners. The facility has a Sinotruk vehicle assembly plant, a seaport, fertilizer factory, all valued in billions of dollars. Sinotruk is a major Chinese truck brand with a head office in the city of Jinan.

Some other Chinese companies as listed on *danbelinvestmentltd.com* in the LFTZ are

### ***H&Y International FZE***

H&Y International FZE is a large-scale registered firm dealing in artificial hair, wig, and human hair development, production, and sales.

### ***Yulong Steel Pipe Lekki Investment FZE***

Jiangsu Yulong Steel Pipe Co. Ltd. is the largest steel pipe manufacturer in China with over 35 years of experience. The company employs around 3,000 people and has an annual production capacity exceeding 2,500,000 tons of steel pipes and tubes and 5,500,000 sq. meters of coating. Yulong has been serving the Nigerian oil and gas industry for over eight years with a verifiable record in the country.

### ***Sinotruk International Nigeria FZE***

Here, engineers reconstruct Sinotruks, and change and redesign trucks to meet the greater part of the customer's undercarriage necessities.

### ***Asia Africa International FZE***

Asia-Africa International FZE is an automobile assembly company that specializes in heavy and light vehicles. Asia-Africa International focuses its business on vehicle assembly and spare parts production. They possess a standard CKD automatic production line with full capacity to produce 4,000 units per year, and the ability to deliver special designs, built to specification on demand.

### ***Huachang Steel Structure Engineering (Nig) FZE***

Huachuang Steel Structure Engineering FZE is a specialized steel structure engineering company fully equipped with the ability to design, produce, and install steel structures for factory buildings, logistics warehouses, high-rise buildings, and lots more.

#### ***Others include:***

- *China Golden Triangle Group FZE*
- *Hongye Construction Group FZE*
- *Huayi Furniture Manufacturing Company FZE*
- *China Singye Renewable Energy Technology (Nigeria) FZE*
- *Shanghai Tongji Urban Planning & Design Institute FZE*
- *Xiyang Design & Consulting FZE*
- *Yfk Pharmaceuticals FZE*
- *Zhongsheng Group New Technology Building Materials Co. FZE*

At the eastern flank, Chinese investors have partnerships with Innoson Motors in Anambra and ANAMMCO in Enugu respectively manufacturing automobiles, while Skyrun, the home appliances company has its head office in Calabar.

In early 2019, the Lagos State government signed a deal with the Guangzhou Automobile Company (GAC) to assemble cars in Lagos. It is already mentioned above that we visited to witness operations in Ogba, Ikeja.

Chinese investors' partnerships are also very prominent in Cross River State, Akwa Ibom, Enugu, Edo, Delta, Ebonyi, Benue, Kaduna, Kano, Kogi, and some in alliances with the state governments, while most others are with local private investors.

I recall a private meeting with the former ambassador, Zhou where he challenged Nigeria to work towards more industrialization as that was the only way its trade with China would be more favourable. He advocated what he called the Made-in-Nigeria-with-China industrial plan, stating the willingness of China for a larger partnership with Nigeria towards such a goal.

### **2b Currency swap policy initiative**

The expanding interest of Chinese firms in local manufacturing in Nigeria and the springing up of partnerships between local manufacturers and Chinese counterparts prompted a currency swap deal between the Central Bank of Nigeria (CBN) and the People's Bank of China in 2018. This new angle became an addition to the expanding trade, industrial, and general

economic relations between the two countries.

The arrangement became important and necessary as the CBN said that at least 45 percent of foreign exchange requests by Nigerians for international business are by those that do business with China, including the Chinese that do business in Nigeria. CBN reasoned that it would make business easier if such a swap was in place to save the Nigerians and Chinese the trouble of circuitous transactions of exchanging the naira for the US dollars and later the Chinese Yuan. The swap was intended to make it possible for people in Nigeria to apply to the CBN directly or through designated commercial banks for the Chinese Yuan.

In a casual discussion with a street foreign currency trader in September, he asked me why Nigeria doesn't have Chinese money to buy or sell. Even at his level, he knew that the majority of the people that come for their service to buy foreign currency are businesspeople travelling to China. He felt worried that with the volume of travelers to China for business, their currency is not sold or seen. He was right to conclude that if the Chinese currency was on sale in tune with the demand for US dollars by people who go to China for business, the unusually high rate of exchange for dollars must crash.

The currency swap was however a follow-up to an earlier policy where the Nigerian government in 2014 ordered that 4 percent of the country's foreign reserve be domiciled in the

Chinese Yuan.

## 2c Dominance in construction

In the construction industry, China Civil Engineering Construction Corporation (CCECC) has been dominant in providing transportation infrastructure including railways, airports, seaports, roads, and bridges since 1981. The company successfully completed the Abuja Integrated Transport system projects that included the Abuja metro light rail, the expansion of the Abuja International Airport, and the Abuja-Kaduna railway. Later, the Ajaokuta-Itakpe-Warri railway link was commissioned in 2020, and the Lagos-Ibadan railway started operation in December of the previous year before it was commissioned in June 2021. Within five years, CCECC delivered 717km of railway in these four projects, a huge boost to the country's transport infrastructure. That was before the last, the 12km Lagos metro blue line that came on board in January 2023.

The construction mettle of CCECC was proven once again when in December 2022 the Lagos State government awarded it the construction of the 37km Fourth Mainland Bridge at a cost of USD2.5 billion on partnership funding basis, an architectural wonder in the making. The bulk of the funding, up to 80 percent, will come from China EXIM Bank.

Other companies like the CGCOC Nigeria Ltd, and China Harbour Engineering Company (CHEC) have been prominent in the construction industry and agriculture. CHEC for instance completed and had the Lekki Deep Seaport commissioned in January 2023.

## 2d Human capital development

Among about 78,000 Africans studying in China and mostly on scholarship, Nigeria has the largest of over 6,800 students. This sounds positive in helping the country develop its human resource base. In 2023, it awarded another set of scholarships from bachelor to PhD degree courses, to about 30 scholars. Of this number, only three were in the first-degree category, while the rest were for postgraduate courses. There were other special scholarship awards to five universities under the aegis of the Committee of Vice Chancellors of Nigerian Universities. I led the team of the executive of the Committee to a courtesy visit on the Chinese Ambassador, Cui Jianchun in March 2023. Shortly after that, the Committee reported back to me that the Chinese government through the embassy, first invited some vice chancellors to China for a course in modern agriculture. Later the five scholarship slots were announced in all fields of study for lecturers, and essentially PhD courses. The Committee used its discretion to spread the slots among federal, state, and private universities.

In early December 2019, *Africa China Economy Magazine* reported that: “The Chinese government and the China Civil Engineering Construction Corporation (CCECC) Nigeria Limited have promised to remain faithful to a commitment to help develop the Nigerian transport economy.”

The pledge was made good few days after in Katsina, northwest Nigeria, as the Transportation University groundbreaking ceremony was performed. The university is built by the CCECC as contractors and donors.

While the Abuja-Kaduna railway project was on, CCECC stepped out of the contract duty and built the local community of Papei in the Idu district of Abuja, a primary school that has been an addition to the social and educational infrastructure of the community. It was part of their corporate social responsibility (CSR) demonstration that had a good impact. In November 2021, the company assisted in setting up a railway engineering department at the University of Abuja to encourage human capital development in the country and reduce dependence.

This move was also to help the country train local experts for the development of the railway sub-sector of the transportation industry. At a press event, the Vice Chancellor of the university, Prof Abdul-Rasheed Na’Allah announced that it had entered into an agreement with the Chinese company, CCECC, to begin a course in railway engineering.

In the first week of July 2023, the 65 Nigerian students CCECC

trained in various engineering and management courses on scholarship returned and were hosted at a reception. The students were welcomed with overwhelming applause, heart-touching speeches, and warm embraces, during a colorful ceremony at the head office of the Chinese construction firm in Abuja. The scholarship program, facilitated by collaborative efforts between the Nigerian government, the CCECC, and two Chinese universities, aimed to promote academic exchange and foster stronger ties between the two countries.

In the last week of August, I sent many of them questionnaires through their email to get details and facts of their courses. The totality of the bill was picked by CCECC under its local human capacity enhancement scholarship. While some of the fresh graduates responded immediately, many of them didn't get back as fast. They replied that they were going through their National Youth Service Corps (NYSC) orientation at various camps nationwide. However, when they all responded, their stories after their degree courses training at the Central South University, Changsha, Hunan Province, and Chang'an University, Xi'an, Shaanxi Province of northern China were quite positive.

## 2e Cultivating local succession culture

The Corporate Culture office of CCECC told me in an interview regarding this successful scholarship with an assurance that:

*We at CCECC Nigeria Limited discovered that Nigerians are industrious and dedicated to work but lack the basic skills. Therefore, we decided to develop a scholarship program for young Nigerians to study in highly skilled areas in the railway transportation industry in China.*

*The skilled young Nigerians will be employed in the railway transportation sector to man the areas now being occupied by expatriates thereby reducing the high cost of maintaining expatriates and encouraging localization of employment.*

*We are incredibly excited about the potential these graduates hold. Their specialized training in fields like railway transportation and civil engineering perfectly aligns with our ongoing and upcoming projects right here in Nigeria. CCECC sees each graduate not just as a skilled professional but as a potential catalyst for innovation and progress in our endeavors. They today represent the future of the China-Nigeria productive friendship.*

*At CCECC, our dedication to education and skills development remains unwavering. We intend to continue the award of scholarships to young Nigerians to serve as a source of skilled manpower for railway transportation in the country.*

Speaking at the ceremony to receive the scholars, Magdalene Ajani, permanent secretary of the Ministry of Transportation, expected the graduates to play a critical role in the current efforts of the government to upgrade the transportation system, especially the railway sub-sector. Ajani said "the effective and

efficient transportation system and its related infrastructure assets are the backbone and enablers of national economic growth and development. And the government realises the need to have indigenous transportation experts in line with global trends. This feat cannot be accomplished without knowledge sharing and indigenous professionals who will not only develop the requisite skills but will also domesticate it,” she said, thanking the Chinese government and the Chinese company for making the training a great success.

Ambassador Cui who also graced the event told Xinhua News Agency that “the scholarship program is a model for deepening cooperation and exchanges in talent cultivation between China and Africa under the Belt and Road Initiative, representing in-depth cooperation between China and Nigeria.”

He expected the graduates to make full use of what they have learned in China, to play an important role in the development of their country, and also help promote mutual understanding and trust between the peoples of the two countries.

The excited scholars shared tales of personal growth, academic excellence, and cultural immersion during their five-year stay in China while appreciating the support of the Chinese and Nigerian governments. “During our study at Chang’an University, we not only experienced the Chinese culture and felt the breadth and depth of the Chinese culture but also understood that seeing is better than hearing,” said Mustapha Hamisu, one of the returned students. “We actively participated

in social practice, entered rural areas in Shaanxi, performed in literary and artistic events, supported teaching, and worked with Chinese classmates to bring joy to left-behind children in China,” one of them said, on behalf of others who attended their courses in this particular university among others.

Among the 65 returnees, 49 did undergraduate courses, and 16 others were postgraduate students, majoring in civil engineering, transportation engineering, road and bridge, and river-crossing engineering. While congratulating the returning students on a successful academic journey in China, Zhang Zhichen, chairman of the CCECC Nigeria Limited, expressed his wishes and readiness to have the students work in the Chinese construction firm to shape and solidify their professional experience and contribute to the development of their country, as well as the friendship and cooperation between China and Nigeria.

With China’s global towering height in engineering presently, as the country setting the standards for the rest of the world in quantity and quality, training experts, as much as 65 for Nigeria by just one corporate organisation is a leap in the accumulation of economic enablers. It is a huge contribution. China’s engineering high ground is indisputable and attested to by various authorities. “For decades China has been fostering a culture of engineering to propel the country’s economy. While the UK is suffering a drastic shortage of engineers, China has been steadily building the next generation of infrastructure,

innovating new technology, and going to the moon. All this points to the possibility of China attempting to perpetuate itself as a global superpower. A ‘superpower’ is a country that has the capacity to project dominating power and influence anywhere in the world due to political or military power. By many economist’s standards, China is already an economic superpower. But how will it become an engineering one?

The Chinese government has declared its aim to be a world leader in AI by 2030, and both the government and private businesses are investing massive amounts of money to meet this goal. AI is predicted to add \$15.7 trillion to the global GDP by 2030, with \$7 trillion of that being China’s. In 2017, China accounted for 48% of the world’s funding for AI start-ups. China is uniquely poised to become an AI superpower thanks to a convergence of all the factors needed to dominate the field: abundant data, the latest technology, high levels of investment, and growing AI expertise,” *v-hr.com* reported in 2019

Another authority, *asiatimes.com* in July 2022 affirmed that: “Much has been written about China’s numerical advantage in science and engineering. China awarded 1.38 million engineering bachelor’s degrees in 2020. The comparable American number is 197,000 (144,000 in engineering and 54,000 in computer science), or just one-seventh of China’s total.”

Like a final confirmation, *The Guardian* of London in March 2023 reported that: “The United States and other Western countries

are losing the race with China to develop advanced technologies and retain talent, with Beijing potentially establishing a monopoly in some areas, a new report has said. China leads in 37 of 44 technologies tracked in a year-long project by think-tank the Australian Strategic Policy Institute. The fields include electric batteries, hypersonics, and advanced radio-frequency communications such as 5G and 6G. The report said the US was the leader in just the remaining seven technologies such as vaccines, quantum computing, and space launch systems. (*theguardian.com*, March, 2023)

It is quite interesting that the United States Institute for Peace (*www.usip.org*) aligned with the benefits of the CCECC Nigeria Limited railway projects and the enormous manpower inputs to the wider Nigerian economy. It publicized in 2018 that:

*The Economic Benefits of Railway Investment and development have been featured in China’s wider Belt and Road Initiative (BRI) across Eurasia and East Africa. In Eurasia, as in Africa, Beijing emphasizes the contribution of the BRI to peace by promoting development and prosperity. Based on the author’s interviews with the Nigerian Rail Commission, Department of Transport, and CCECC economic connectivity, railways are an integral part of this formula. The intrinsic advantages of railways over road networks lie in their economies of scale: railways need less frequent maintenance and have higher speed and efficiency over long-distance routes, making them a highly advantageous low-cost option for freight traffic and offering huge potential for trade promotion. Connecting Nigeria’s*

*underdeveloped but resource-rich inland regions with richer coastal consumer markets and port cities would have obvious benefits. Reducing inland transport costs - a huge problem for agriculture and manufacturing industries - would improve the competitiveness of Nigerian firms against foreign imports and potentially promote the export and trade of Nigerian goods. New railway hubs could also help attract investment and migration to previously underdeveloped areas. Railway development also has positive spillover effects for complementary industries in upstream manufacturing supply chains, such as steel and construction materials, and generates demand for retail and services, all of which promote employment.*

*A central trunk corridor would open up agricultural and mining industries in the middle-belt and plateau states. Likewise, the development of the western Lagos-Kano corridor would benefit northern cattle and leather industries, which are currently disadvantaged against cheap imports given the costs of transport.”*

*It further revealed that “current projects have already generated employment - contrary to popular beliefs that Chinese firms import their own labor, CCECC’s localization strategy mandates a ten-to-one ratio of local to Chinese workers. The company estimates that the construction of the Abuja-Kaduna line itself created 4,000 local jobs, and currently approximately 500 Nigerians are employed in operating the line. Even so, the lack of local engineering capacity necessitates continued Chinese presence in management and maintenance. The company has been proactive in running training initiatives and technology transfer centers for local*

*engineers, including courses on railway maintenance, signals, and communications systems; staff at the Department of Transport also traveled to China for training in railway network management. However, technology and skills transfer necessitates a long-term systematic investment.”*

CCECC Nigeria alone has over the years created 20,000 job opportunities for Nigerians, according to its official data within its firm and taking into cognisance the statement of Chu, then Consul General in Lagos, that Chinese companies in Africa employ 89% of the local workforce, then, Nigeria has multiple benefits in this sector of the economy.

As operations commenced, the Chinese expatriates worked alongside Nigerians and after they mastered the process and had taken over, the trains were driven by Nigerians, not excluding other technical duties like repairs as of 2020. The day I presented a copy of the documentation of the Abuja Metro railway and expanded infrastructure projects, including the new airport terminal, a team of Nigerian journalists, myself inclusive, after the event at the Nnamdi Azikiwe International Airport station of the Abuja Metro line in November 2020 interacted with four of the several young Nigerian train drivers.

Regarding these young emerging Nigerian experts through CCECC, Olatunji Saliu of Xinhua, Abuja reported that: “Last month, some Nigerian youths were about to round off their mandatory one-year National Youth Service Corps (NYSC) program after graduation from local universities when

the Chinese firm held a job fair in their camp.

The job fair, which has now provided 50 of the fresh graduates their first jobs, was organized on April 12 by the China Civil Engineering Construction Corporation (CCECC) Nigeria Limited.”

“Across Nigeria, in all the company’s projects, there are about 20,000 Nigerian workers,” as reported by the Chinese news agency, *Xinhua*, in 2018.

## 2f 18 years of strategic economic partnership

In 2005, after China and Nigeria elevated their bilateral relations to Strategic Partnership, the economic aspect of the relations hit a new note.

To affirm this claim, in December 2021, Magnus Uchendu wrote in *The Guardian Newspaper* that “Nigeria is the first African country to be designated a “strategic partner” by China. “Most of China’s strategic partners are in Asia, where almost all China’s neighbours (with the notable exception of Japan) are designated as partners of some sort.” The bilateral relationship between Nigeria and China has ramped up trade from USD1.9 billion in 2013 to about USD20 billion. A 2020 policy brief by Yunnan Chen, a John Hopkins School of Advanced International Studies (SAIS) researcher, said that “China’s Ministry of Commerce, identified 218 Chinese firms registered in Nigeria, with 128 in

manufacturing” as of 2015.”

## 2g Exploits in fin-tech

In the fin-tech sector, OPay, and Palmpay, two Chinese giants have been dominant. They both control an asset base of close to USD3 billion from their investment assets details. These two became so prominent between December 2022 and April 2023 when the Nigerian economy was hit by the infamous acute cash scarcity occasioned by the Central Bank of Nigeria (CBN) naira redesign policy.

The situation forced over 85 percent of financial transactions to pass through the electronic banking system. The commercial banks were so overstretched by this sudden development that their online banking platforms could not cope. They literally collapsed that people would not conclude transactions. Over 86 percent of tech-based financial transactions failed and caused widespread economic glitches.

It was OPay, and Palmpay, to a lesser extent, that became the saving options. OPay especially turned the darling of the common bank service users with up to 90 percent of online banking transaction success either through the POS or transfers from the Apps. OPay, which has a microfinance bank (MFB) licence from the CBN, became the second largest bank in Nigeria in view of its USD2 billion asset base, which is 33 percent of Nigeria’s largest bank, according to *BusinessDay* report in

August 2021.

During the cash scarcity months of 2022 and 2023, OPay's efficiency became a preferred report in the media, and understandably so, commending the fin-tech and also Palmpay for providing a ready rescue for users who found it almost impossible to use their ATM debit cards or to transfer via their mobile gadget apps.

The embassy said that in 2021 when the two countries celebrated 50 years of their relations they have always enjoyed mutual respect, mutual trust, and mutual support, and the practical cooperation in various fields has yielded fruitful results, bringing great benefits to our two countries and two peoples.

## **2h Leap in economic cooperation**

In my interview with the embassy in February 2020, the mission noted that:

*Over the past 50 years, the mutually beneficial China-Nigeria economic and trade relations have enjoyed a robust development. The scales and areas of cooperation continuously expand, and the modes of cooperation have been diversified. Projects like the Abuja-Kaduna railway, Ogun-Guangdong Free Trade Zone, currency swap, satellite launch, and joint marine scientific exploration, are the first of their kind in Africa.*

*In September 2018, when President Muhammadu Buhari attended the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), China and Nigeria signed the Memorandum of Understanding for cooperation on the Belt and Road Initiative, which lifted bilateral cooperation to a new level. In 2019, the trade volume between China and Nigeria reached USD19.27 billion, which was 1,900 times that of 1971 when the diplomatic relationship was established. And the bilateral trade growth rate is ranking first among China's top 40 trading partners in the world. Despite the adverse effects of COVID-19, the bilateral trade volume from January to October 2020 increased by 0.7% year on year, which was 14% higher than the trade growth rate between China and Africa as a whole. Nigeria surpassed Angola and South Africa respectively to become China's second largest trading partner and largest export market in Africa. At the same time, Nigeria is China's major investment destination in Africa. The Ogun-Guangdong Free Trade Zone and Lekki Free Trade Zone have attracted a large number of Chinese companies to invest and operate their businesses. The infrastructure projects built jointly by the two countries, such as roads, ports, and airport terminals, can be seen everywhere in Nigeria.*

## **2i Committed to better days with Nigeria**

*As an old Chinese saying goes, a single flower does not make spring, while hundreds of flowers in full blossom bring spring to*

*the garden. We are ready to work with Nigerian friends to speed up the implementation of the consensus reached during the visit by Mr. Wang Yi, and continuously push forward the development of a China-Nigeria strategic partnership, so as to build a stronger and closer China-Nigeria community with a shared future. Let's create the next glorious 50 years of bilateral relations together, with a major focus on the growth of the two economies.*

*Meanwhile, the China-Nigeria relationship, which has been a pacesetter in China-Africa cooperation, has gone beyond the bilateral scope. China is ready to work with Nigeria to uphold multilateralism and oppose unilateral actions; to uphold free trade and oppose protectionism; to uphold fairness and justice, to oppose hegemonic bullying; and to safeguard the common rights and interests of developing countries.*

*In the second half of this year, a new session of the Forum on China-Africa Cooperation will be held. China will join hands with Nigeria and other African countries to make it a success, so as to build a closer community with a shared future for China and Africa," the embassy assured in 2021.*

## **2j Nigeria-China economic relations**

In the discussion I had exclusively with Onyeama in his office in Abuja for the commemoration of the 50 years of Nigeria-China diplomatic relations, he addressed certain germane issues that

occupy the rumour mill of the streets.

He noted:

*Nigeria has been working seriously with China on capacity building in the power sector and other areas to make sure we move up the value chain with respect to what we export from just primary to finished products. The quality has to be better for it to be competitive for consumer acceptability. We have to be competitive also in the pricing of the products in the international market. But challenges militate against our competitive advantage to be able to hold our own in the trade sector, especially those finished and value-added goods. We have done our best to leverage wherever we can.*

*These are the challenges and reasons why China has a competitive advantage over us. We have power and other downsides including machinery that makes us non-competitive and therefore we can't hold our own in adding value to our products now until we overcome the retarding factors.*

*We also have to try to leverage where we can through China to have a better deal and balance of trade. The quality has to be there and at affordable prices in order to stand the global competition. That is China's advantage over us and many countries that their goods are very competitive in the global market, quality and price wise.*

*We have to overcome our challenges to manufacturing like electricity, transportation, local sourcing of industrial machines, the right market, and so on. When we do those, our goods will have*

*more value, we sell more to the world and to China, and also lift our economy from its present level. I am sure the quest for such heights is what motivates the government to focus more on the provision of the lacking basic infrastructure towards industrialization and as I had mentioned, China has been a wonderful companion of Nigeria towards achieving those in the areas I had stated.*

### **2k Loans from China**

*I would want to explain that Nigeria as a country has not exposed herself to uncomfortable loan standing. What we have borrowed is still within our allowable threshold. Regarding China, when last we needed the credit facility to help finance our infrastructure projects, we approached many international capital exporting agencies and eventually found that China had the most agreeable and favourable conditions. That is why we settled with the facility from China and the projects have been executed or are currently in progress. So whatever allegations against the government getting into unfair deals with China over loans are not just correct. Nobody in the government entered into any deal that breached the sovereignty of Nigeria with China or any other country.*

*A lot of our borrowings are for very capital-intensive projects. When we wanted loans, we would not get them available from other agencies and the international market. But China was the only one available with the right or acceptable conditions. I can say we*

*are still capable of repaying what we have borrowed and not yet enslaved ourselves to anybody*

*The reason we borrow from them is because they have high liquidity. We never took credit facilities recklessly, but for only those ambitious projects that should be the foundation of our infrastructure development.*

### **2l Amb. Bashir Wali weighs in**

The former Nigerian ambassador to China also spoke with me during the 50-year report focus and said:

*If you were in China, you would be really amazed at the number of Nigerian students studying in that country. They pursue studies in several courses and disciplines. Before the relations, this did not exist. There are thousands of Nigerian scholars in China, all young people and they are imbibing the type of education, culture, and positive attitude of the Chinese people.*

*You know it is discipline, tenacity, and patriotism that took China to its height. They are known for their commitment to hard work and respect for rules. All these made China achieve all they did. If our students acquire the Chinese lifestyle and sense of industry coupled with the discipline they learn in their schools, and they come back to Nigeria with such attitudes, we will be quite comfortable to say we have gained much for the future of the country's economic growth*

*through that relationship. If they pursue their professions with the attitude they imbibed in China, it would be good for the social development of Nigeria.*

## **2m Infrastructure backbone**

In 2021, I handled the project of documenting the construction and roll-out of the Lagos-Ibadan railway line operation. The following year, I did a similar project for CCECC, the construction company, in respect of the Lagos Metro Railway Blue Line. These two were preceded by that of the Abuja integrated transport infrastructure upgrade by CCECC. That included the 186km Abuja-Kaduna railway line and the Abuja airport-Kubwa-Central Business District metro line that connects the Nnamdi Azikiwe International Airport. The projects were encompassing and included an insight into the socio-economic impacts they have on the local economy.

Research and interviews related to these mega infrastructure projects and the documentation opened my eyes to the reality that infrastructure is the blood that keeps any modern society and economy alive ranging from roads, institutions, bridges, airports, seaports, railways, dams, power plants, telecommunication facilities and many more.

My assumption on this reality was consolidated by *brooking.edu* publication that “Infrastructure enables trade, powers

businesses, connects workers to their jobs, creates opportunities for struggling communities, and protects the nation from an increasingly unpredictable natural environment. Infrastructure is the backbone of a healthy economy from private investment in telecommunication systems, broadband networks, freight railroads, energy projects, and pipelines to public spending on transportation, water, buildings, and parks. It also supports workers, providing millions of jobs each year in building and maintenance.”

It goes without saying that if you take research in Nigeria today on ongoing infrastructure projects, China and Chinese companies are ahead of other countries in their contribution to the development of our infrastructure.

Ambassador Wali in my interview with him buttressed this and emphasised that: *When you look at that institution or framework called Forum on China Africa Cooperation (FOCAC), a lot has happened through it in the creation of infrastructure powered by China, not only in Nigeria but all Africa. Through FOCAC, no country in the world would compete or compare with China in assisting to provide these basics for our growth. With these factors there for everyone to see, there is no question of whether the relations have been of benefit to us, especially our economy. It definitely is. I will say without fear of being contradicted that the relations for known reasons of growth and development imbalances have been of bigger benefit to Nigeria than China. The gains are very visible for all to see, and by this, I say again that the leadership of Nigeria that started*

*the relationship even at a time of the bipolar war when the West was still breathing down the neck of Nigeria, did a great service to the country.*

*We were one of the few and earliest in Africa to take such bold steps to establish diplomatic relations with China. Today we reap the economic and other dividends.*

## **2n Nigeria should get acts right**

*Anywhere or any country that has not been able to regulate, sustain, and structure its system in business and the general economy, people living in such a country or operating within such a system must exploit the lapses and take the shortcut to get what they want. Human beings naturally exploit the easier way. What would guide how others from around the world, not only China, would do business in Nigeria should be the duty of Nigeria to enforce.*

*If we talk about an 'invasion' of our investment or economic space by the Chinese, let us not forget that Nigeria is a land of opportunities and people gravitate towards opportunities. Here, many of us are not even aware of the opportunities and foreigners see it more and flow into Nigeria. As we argue about being exploited, what have we done about firming up our regulatory systems to stop abuses? Are we fair to complain about China alone? What about the other countries that had been exploiting Nigeria for hundreds of years? Did we do anything to stop them as they still carry on the usual old way?*

*The major manufacturing companies of the West relied on and still rely on Nigeria, Africa, and India to get to where they are. That was the real and bigger exploitation. So don't blame anybody now at this age until our authorities sit down, think, and control the businesses, investments, and economic activities of the country to the benefit of Nigeria and the people. They should also make the rules to favour the investors also because they won't come if they do not make profits. But mainly, we are the ones to work to make the system favour us. As long as we are not yet ready to entrench a system that puts in the checks to our gains, why should we blame another person? Every country has regulations and strictly adheres to them. In fairness to our leadership, there are regulations but we also make sure we connive with the foreigners, not only China, to circumvent the system.*

*The so-called invasion does not only occur in Nigeria. As China is investing here, other people invest in China. So far as I know, there is no strong and big multinational corporation with origin in the West that doesn't have a business investment in China. So as China goes to the world, the world also comes to China. They go to China because it is a big market and a potential gold mine.*

*However, China has entrenched rules and regulations to make sure that as the investors come, the country derives maximum benefits from them too. Their systems are strict about regulations. Therefore, what we should do is learn what the Chinese have done to domicile those investments and businesses to operate under very effective regulations that benefit both sides in the best interest of*

*all. We have a lot to learn from China on what they did to become what they are today as the second-world industrial giant that would soon be the number one.*

While discussing the impacts of the BRI in 10 years, Yan Yuqing, the Chinese Consul General at the time of publishing this work in her article published by Africa China Economy Magazine in August 2023 expatiated that:

*Over the last decade, in developing relations with Africa, China has always adhered to the principles of sincerity, real results, amity and good faith, and pursuit of the greater good and shared interests. In the exchanges with other developing countries, especially African countries, China provides timely assistance and empowering ability to develop these countries, dedicating itself to the promotion of sustainable development in African countries. In 2018, China and Nigeria became partners in the Belt and Road Initiative, which further deepened our cooperation with more practical results.*

*This year, in January, the opening ceremony of Nigeria's Lekki deep-water Port was held. As the largest deep-water port in West Africa, the Lekki deep-water Port was constructed by China Harbour Engineering Company Limited and is expected to create nearly US\$360 billion of economic benefits and 170,000 jobs for Nigeria. All these achievements will usher in new prospects for Nigeria's economic development. Also in January this year, the first phase of the Lagos Rail Mass Transit Blue Line project, undertaken by China Civil Engineering Construction Corp(CCECC), was opened to traffic.*

*The operation of rail transit will further improve the urban function of Lagos, easing the pressure of urban traffic, reducing air pollution, and meeting people's travel needs. These China-Nigeria jointly-built livelihood projects are closely related to every Nigerian. They are gradually upgrading the urbanization process in Nigeria and contributing to its economic and social development.*



CGCOG modern farm USHAFA

# Three

## BURSTING THE NEGATIVITY

3a Criticisms

3b What ails Nigeria local manufacturing isn't China

3c What the problem is

3d Chinese investing in power sector

3e Debt trap claims

3f Trade imbalance

3g How China-funded infrastructure works

Some negative issues dominate the minds and discourses of those Nigerians who raise concerns about Nigeria-China economic relations especially. Even though they are some of the naysayers who speak as an echo of what some other powerful countries, for their personal interests, say about the relationship, some of the points and people holding them deserve proper attention. In fact, they need to be addressed factually and critically.

Some of these major issues include the allegation that China raises unfair economic competition against Nigeria. They also complain about the wide imbalance in the trade ledger over the years. Others emphasise that China dumps its goods in Nigeria and chokes the local manufacturing possibilities. One of the issues always dominating the Nigeria-China, and by extension, Africa issues is the allegation of China debt-trapping Nigeria and Africa.

### 3a Criticisms

In every discussion involving Nigeria and China trade and economic relations, scathing remarks about how China exploits Nigeria are often heard. Even in the streets, discussions easily allude to that conclusion, most of them without specifics. Lamido Sanusi, the former governor of the Central Bank of Nigeria, stated in 2013: “China takes from us primary goods

and sells us manufactured ones. This was also the essence of colonialism.” Indeed, of all countries of the world, it’s only Japan and South Korea that have surplus trade balance against China due to machinery imports. With Japan, the deficit was USD11.9 billion and USD37.8 billion in favour of South Korea in 2022, per *visualcapitalist.com*, August 2023. The few others that have such feat against China in trade are Saudi Arabia and Iran where most of China’s crude oil imports come from; and also Switzerland where they import luxury goods from, citing *quora.com*

“First is the negative impact of Chinese imports on Nigerian industries, of which the biggest casualty has been textiles. For example, in Kano - which is considered to be one of the main textiles cities in northern Nigeria, an estimated 28,000 Nigerians lost their jobs to Chinese imports as at 2015,” *theconversation.com* wrote in April 2021.

Particularly heavy criticism has focused on the claims that Chinese imports have completely undermined the textile sector. “Both China and Nigeria have long histories of textile production dating back to hand weaving in the eighteenth century in the Yangtze Valley in China under the Qing dynasty and the city of Kano under the Sokoto Caliphate, which began in 1804. Both were affected by colonialism, foreign ownership, and/or mechanization in the twentieth century. In China, cotton textiles rapidly expanded after the nationalization following World War II. In Nigeria, the modern history of textiles began in

the 1940s and 1950s as part of the textile development scheme centred in Kano and Kaduna with support from overseas capital. The first indigenous factory was commissioned in Kano in 1952. Later the Emir of Kano, with the financial support of Lebanese businessmen, opened a number of factories. Other factories were opened in the 1960s with capital from Britain, Sudan, and the Hong Kong-based CHA group which provided financial support for United Nigeria Textiles Ltd (UNT),” according to Omolade Adunbi and Howard Stein in their essay - *The Political Economy of China’s Investment in Nigeria* (*academia.oup.com*)

### **3b What ails Nigeria local manufacturing isn’t China**

With regards to the death or poor showing of local manufacturing in Nigeria, it has been a lingering malady since 1983, when the military sacked the Shagari government. In the course of research on my master’s degree thesis, I recall reading a document in 1998 at the Nigerian Bureau of Statistics office on Broad Street Lagos that narrated how Nigeria’s manufacturing sector was 12 percent of the GDP in 1983 when President Shedu Shagari was in power and plummeted rapidly to 8 percent in 1985 and slumped further to 4 percent in 1993 when Ibrahim Babangida left power. At such time, China had not arrived on the scene of Nigeria’s import sector as a major force. It had also not started setting up factories either.

According to *brookings.edu* on the Nigerian economy, “the industrial sector accounts for 6 percent of economic activity while the manufacturing sector contributed only 4 percent to GDP in 2011.” However, as earlier explained in this work, between 2017 and 2019, Chinese input in Nigeria’s manufacturing contributed 9 percent of our total output. With this figure, it is unfounded how in today’s setting someone can validly claim that China exporting goods into the country is the reason Nigeria’s industrial growth chokes when the figures say otherwise.

China’s exports of goods and services to the whole world were the highest in 2022 at a value of USD3.6 trillion. It exported to the US, to the entire EU market, and to the big Asian economic powers such as Japan, South Korea, India, Singapore, Indonesia, Malaysia, etc. Interestingly, the countries also sustained their clout as big exporters because their internal manufacturing and production systems operate on a sound footing. That challenges us to situate better what ails our manufacturing system beyond casting blame on China. Such focus was handled more extensively as you read further.

Since Nigeria’s first National Development Plan for the period 1962-68; the Second between 1970 and 1974; the Third in 1975 to 1980; the Fourth between 1981 to 1985; and even during the explosion of industrialisation policies since 1986 and upwards, Nigeria’s manufacturing objectives never had a smooth take off or cruise. In those years, China was not in the picture anywhere

around Nigeria doing business. These histories don’t support the blame heaped on China by some for where Nigeria’s manufacturing is today.

On August 31, *Africa China Economy online* published a dismal economic report about Nigeria culled from *Yahoo Finance* that our country, although with the largest GDP among African countries is the 5th highest exporter of goods. In fact, Nigeria’s exports in 2022 were 30 percent of that of South Africa with a smaller GDP and less than one-third of Nigeria’s population.

“Despite having the largest GDP among African countries, Nigeria was rated the 5th respected economy on the African continent in 2022.

The rating published on Yahoo Finance in the last week of August had Nigeria as a laggard behind Morocco, Algeria, Egypt, and South Africa in an ascending order.

On the basic rating criteria adopted, the rating group, *insidermonkey.com* noted that “according to the World Bank, a stronger economy corresponds to better services, infrastructure, and political environment.”

Although Nigeria’s economic volume of USD477.338 billion is the largest in the continent, its exports in the year in focus were far below the other four countries ahead of it in the rating. In the volume of the economy, Egypt is just a spot behind Nigeria, but with a much larger export volume. With its USD476.747 billion GDP, Egypt made a total of USD71.927 billion in the export

of goods and services, while Nigeria had a paltry USD47.388 billion. The difference in nominal GDP between the two is just an inch of USD591 million.

South Africa however had Africa's largest volume of export in goods and services at USD135.738 billion and a GDP of USD405.869 billion. From the figures, South Africa's volume of exports in goods and services, with a population that is one-third of Nigeria's, was almost thrice of Nigeria's volume of exports in 2022. Its GDP places it third in Africa, behind Egypt.

Per capita, Nigeria therefore stands woefully, a world away from the economic status and strength of South Africa and Egypt.

Nigeria's export volume was also less than those of Morocco and Algeria, and in comparison, the higher volume of exports recorded by them with a smaller market and GDP is definitely the reason Nigeria is no contestant against the rest four.

South Africa and Egypt are also the first and second-highest African trading partners with China as per exports.

So, if Chinese exports are the reason we lag behind, why are the rest powering higher in exports when receiving large Chinese exports too? Their higher export volumes imply higher local manufacturing.

Of the USD164.49 billion Chinese exports to Africa in 2022, per *statista.com*, China's exports to Nigeria were USD22.6 billion, to South Africa were USD21.2 billion, and USD18.3 billion to

Egypt. All these include capital goods exports, which cover industrial machines, and Nigeria is the country where China has its largest local production and construction projects.

"As of 2021, South Africa was the main African exporter to China in terms of value. South African exports to the Asian country amounted to around USD33 billion. Moreover, Angola's exports to China were valued at USD20.9 billion while exports from the Democratic Republic of Congo reached USD11 billion." (*statista.com*, June 26, 2023)

Painfully, Nigeria's exports to China in 2022 was USD1.85 billion, and about USD1.6 billion in 2021, with oil making 87% of the total volume," according to United Nation's database on international trade, published in May 2023.

The total GDP from the ranking of the 15 top African countries was USD2.38 trillion and less than the USD2.63 trillion that was the volume of the world's 7th largest economy in 2022, which was France.

Also, the 15 top countries that command the economy of the continent made a total of USD547.893 billion in exports of goods and services in 2022.

The figure also fell badly short of the world's 12th largest exporter, Canada with USD597b, and the 11th, the United Arab Emirates grossed a volume of USD598 billion in exports in the same 2022.

In that same year, China stood tallest among the world countries in export volume at \$3.593 trillion, followed by the US with \$2.026 trillion in exports.

As this work was in the making, Nigeria's branch of the UK multinational corporation (MNC), GSK pulled out of the country after 51 years of operation. While it filed a notice to shut down production in Nigeria, it indicated an interest in adopting a distributor-led model of supply to the same Nigerian market. Some of the reasons cited for the decision included a harsher and inclement business environment Nigeria has become, including of course the near impossible forex crunch in Nigeria, cost of operations, and others.

Years earlier, Dunlop and Michelin, the giant vehicle tyre manufacturers exited Nigeria due to unfavourable government policies that rather encouraged import over local production.

On a particular day in June I visited XCMG, a Chinese company in Shagamu that sells trucks and construction machines in the course of this work, the general manager said that the reason they didn't assemble their trucks in Nigeria which was the original plan is because the tariff for import of full vehicles into Nigeria was reduced by the government from 30 percent to 10 percent. Faced with such a situation, it was unwise to bring in completely or partly knocked-down components and assemble them in Nigeria. The large and spacious structures they had put in place for assembly lines are wasting away due to the lack of use.

In January 2020, *Punch Newspaper* published an article on the misfortunes of the manufacturing sector of Nigeria's economy. It was lamentable and all the reasons for the downturn were traceable to poor economic governance, corruption, and the impossible operation environments due to government negligence.

The lamentation in the report authored by Babatunde Babalobi peaked with the revelation that while "hundreds of Nigerian manufacturing companies have folded up over the years, the surviving ones are gasping for breath, and some planning to relocate to Ghana, a country recently described as 'the new world's factory' by *Deutsche Welle*, a German media firm.

A World Bank Enterprise survey reported that 322 private firms closed down in Nigeria between 2009 and 2014 due to stifling business regulations, corruption, and the political environment. The Director of the Economic and Statistics Department, for the Manufacturers' Association of Nigeria (MAN), Oluwasegun Osidiye, was once quoted as saying 196 manufacturing companies shut down their operations between 2015 and 2017 due to the biting recession. There is a very long list of manufacturing companies and factories that have folded up in Nigeria, space will not permit naming all."

In 2016 August, the Manufacturers Association of Nigeria in a public statement announced that at least 222 small-scale businesses had shut down because of the import restrictions, leading to 180,000 job losses.

In the same month, 20 shipping companies wound up their operations in Nigeria. To this development, the union of dockworkers said they experienced over 3,000 job losses.

It was also in that month that local airline Aero Contractors suspended operations indefinitely and sent its staff on an indefinite leave of absence. That was a follow-up to an incident four months earlier when the Spanish national carrier, Iberia Airlines left Nigeria due to poor business patronage.

“Perhaps the saddest story of all came in July 2018 when fast-moving consumer goods giant Procter & Gamble closed its \$300m production plant commissioned just a year before by Vice President Yemi Osinbajo in Ogun State. Earlier in 2018, the multinational had also divested from another plant in southwest Nigeria, saying it was “restructuring its Nigeria manufacturing operations to deliver a more effective business operation for now and sustainably for the future,” *Punch Newspaper* reported.

Taken further, A. Fadahunsi and B.U.N. Igwe in their edited 1989 book: *Capital Goods Technological Change and Accumulation in Nigeria*, page 11 lamented that: “Regrettably, however, in spite of this very strong position of the state, it was still possible for the same Fourth Plan document to state in 1981 that...there is hardly any domestic production of capital or intermediate goods, and that the manufacturing sector is dominated by a handful of industrial groups. In effect, this means that after over a decade

during which unprecedentedly vast sums were spent, not much has been realised by way of developing a significant domestic capacity for the production of capital or intermediate goods, a task that the federal government set for itself for 1970.”

A lot of retardants are piled up on the way of local production and the production volume dropped by over 60 percent between 1984 and 2004. However, none of these contributing factors was the making of Chinese investors in Nigeria or exporters from the country, even when other countries also export goods to China.

Instructively, before China, we held such ill notions against India, especially in the textile industry. Frankly, it is neither India nor China nor any other country for that matter that formulates or implements the economic or industrial policies of Nigeria. These foreigners don’t come with their immigration, customs, police, judicial system, or any other enforcement agency. However, the rules that are applied or deliberately not applied are within Nigeria to decide, and Nigerians to take the blame. If other countries take the credit for their successes, Nigeria should also take the credit or the flak for its failure.

### 3c What the problem is

To make clearer this alarming downturn and how local it is, *businessinsider.com* in September 2022 reported that “the Q2

figures for 2021 came in at N4.51 trillion, and N2.87 trillion for Q2 2022. The exportation of manufactured goods also had a substantial decline within the period in review, as its numbers dropped from N211.67bn recorded in 2021 to N119.53bn in 2022. That was a 43.5 percent decline in 12 months. These alarming figures result from several factors, including insecurity and a higher cost of running a business. People within this industry find it more difficult to balance their sheets as the profit-to-cost ratio continues to widen.

The net profit of manufacturers continues to shrink as they subsequently invest more and more money into production with lower profit margins. The cost of operation also presents an issue, as that too is impacted by inflation. Insecurity is a major catalyst in this decline.” According to another report by Punch Newspaper, “the Manufacturers Association of Nigeria (MAN) noted that its members had to resort to adopting survival strategies to improve production.”

In *sunnewsonline.com* a similar report in 2022 further emphasised the same crisis and noted that “the lack of industries, stunted growth in manufacturing, rising unemployment rate, food insufficiency, lack of investments as a result of poor infrastructure, capital flight due to huge dependency on importation, inadequate raw materials supply, production of sub-standard goods, illiteracy/inadequate skilled manpower, among others, are still huge challenges to the nation. At 62 years, the Manufacturers Association of Nigeria

(MAN) in 2022 was worried that the sector that should propel job creation, productivity, and economic growth is encumbered by a series of challenges as it recorded a dismal 9 percent average contribution to the GDP in three years, from 2019 to 2021. There is the need to develop a strong infrastructural base, as extensive, cheap, and affordable infrastructure is vital for the success of our economy.”

To further affirm and properly situate what ails the manufacturing sector in Nigeria, *BusinessDay* recalled that “low demand and other challenges, including rising energy costs, are forcing manufacturers in Nigeria to reduce their production while some are shutting down operations temporarily. Top officials of the Manufacturers Association of Nigeria (MAN) confirmed the decline in manufacturing in Lagos and Ogun states, both of which have over the years attracted many investors owing to their strategic location, available market, port availability, and accessibility, among others. Frank Onyebu, chairman of MAN, Apapa branch, told *BusinessDay* that the manufacturing sector “is on the brink of collapse as many manufacturers are struggling with rising energy costs, widening supply gap, increased tax burden, etc. Within the past two years, 10 percent of manufacturing firms have shut down operations, more have reduced their production significantly while some others have relocated to neighbouring countries,” he said.

Further to that, Tobi Awodipe in May 2023 alerted that: “the new policy in VAT increase will fuel illicit trade, industry

recession, layoffs.” It itemised other negative factors against manufacturing in the country and said “high energy costs, forex scarcity, naira crunch impede manufacturing.”

Let us take a little look at the policy of President Muhammadu Buhari in August 2019 that shut down the Nigerian land borders until he left power in May 2023. While this lasted, the Lagos Chamber of Commerce, Mines and Agriculture lamented, especially on a particular discussion the director general had on AIT in early 2020 that the border closure was causing the Nigerian manufacturing sector in Lagos alone 13 percent business losses as they would not export to the West African market.

According to his analysis, whereas Buhari’s reason for the border closure was to stop the smuggling of rice into the country. And the volume of rice and other goods brought into the country through those borders was just 4 percent of our imports. Weighed against the loss to the manufacturing sector, it is clear who caused us the problem.

In March 2020, immediately the ravages of the global pandemic started hitting hard, the Central Bank of Nigeria (CBN) and Nigerian National Petroleum Corporation (NNPC) hosted an economic summit in Abuja. One of the speakers was Aliko Dangote, reputed Africa’s richest man. He made a valid point during his speech that Nigeria’s economic policies don’t favour local manufacturing. His allusion was specific that the

Customs Service should not celebrate high revenue yields to the economy like it did the previous year, declaring an income in excess of N1.34 trillion. According to Dangote, Custom’s high earnings were a sign that the economy was not productive on the domestic front. He challenged that the country should firm up its manufacturing and industrial policies so that the celebration of high revenue should be that of the federal and state inland revenue boards accruing from taxes paid by a robust manufacturing sector. So, our policies and their implementation are the problems. Everything else is a blame game.

### **3d Chinese investing in power sector**

While we agree that epileptic electricity supply is one of the major ailments of manufacturing in Nigeria that forced many of the foreign industries to leave the country and produce in neighbouring countries, Chinese agencies are rather funding the Mambilla hydropower plant in northern Nigeria at a cost of USD5.8 billion through the China EXIM Bank that bankrolls 85 percent of the budget. This also calls to question how China which is rather investing to shore up electricity generation and availability that would encourage local manufacturing should take the blame for Nigeria’s industrialisation downturn. At the Ogun Guangdong Free Trade Zone, which will be explained in detail elsewhere in this book, Chinese factories there are about 50 in production. This facility generates a larger quantity of the

power it consumes. The Lekki Free Trade Zone (LFTZ) prides itself with the largest industrial cluster in Africa by value with the Lekki Deep Seaport, Dangote Fertilizer plant, Dangote petroleum refinery, Sinotruk assembly plant, and many others.

Before the LFTZ took off, General Electric announced four of its Waukesha gas Enginators were commissioned at the Lekki Free Trade Zone (LFTZ) near Lagos, providing 12 megawatts (MW) of uninterrupted power supply to the first phase of the Lekki development zone.

“With three Waukesha 275GL+ and one VHP 7104GSI gas Enginators, the project is the largest of its kind in sub-Saharan Africa using GE’s 275GL+ and VHP Enginator technology,” a media report said.

In May 2015 also, it was a media event that was widely reported that the Lagos State government switched on a 12-megawatt Independent Power Plant (IPP) at the Lekki Free Trade Zone (LFTZ). Here are, therefore, the facts that Chinese investments in Nigeria rather encourage power generation, one of the major headaches of the Nigerian economy. During my visit to the China Railway Corporation, the parent company of the CCECC Nigeria, in Beijing in March 2016, I was shown a site plan of the LFTZ, and it was the first time I heard about that project. The spine of this hub is China.

As early as 2012, China through its Export-Import Bank provided 75 percent funding for the 700-megawatt Zungeru

hydropower station in Niger State, while Nigeria had the rest of the 25 percent or USD309 million to provide. That 75 percent by the Chinese lender firm was USD927m.

Now, the clincher is that in May 2023, a little before Buhari left office, “the Minister for Power, Abubakar Aliyu, announced that the long-awaited Zungeru Hydroelectric power project has been completed, and is already supplying 700 megawatts of electricity to the national grid.”

In August 2022 the National Agency for Science and Engineering Infrastructure (NASENI) said it had “partnered with China Great Wall Industry Corporation for the establishment of a transformer production plant in Nigeria to ensure industrialisation through economic diversification. This particular round of visits by the Chinese technical partner to Nigeria was to ensure that all the finishing touches on the commencement of construction work for the projects were done for effective take-off in September. For any nation to offer permanent solutions to the issue of power supply, it must have its own high-voltage testing laboratory, which is what this project is expected to achieve for Nigeria. NASENI has already trained about 60 engineers since 2019 in these areas to ensure that when the plant effectively takes off, it will be the best and will be run by trained Nigerian engineers and scientists,” the head of corporate communications of NASENI told the press.

In Chapter Two, I had discussed the prime importance of

infrastructure as the yardstick to measure modern development and advancement and how China is the dominant force in this area in Nigeria. Since infrastructure is the spine of economic development, how does that onerous task of China in Nigeria's infrastructure agree with the notion that China is the bane of Nigeria's local economy?

Pray, do these facts support the claim that China wars against the industrialisation of Nigeria? From these few instances cited, including the Mambilla power plant, Chinese investments in Nigeria's energy/power sector is in excess of USD7 billion. One strong point about Chinese infrastructure support in Nigeria and other state-funded or Chinese agency-funded projects no one can factually fault is a history of a zero cases of any abandoned or uncompleted project or contract. The Mambilla hydropower project was the only one that suffered a delay. And that was not through the funding agency or the contractor but through litigation by some parties. Immediately that was resolved, the contractors returned to work.

### 3e Debt trap claims

The loudest of the negative stances is the allegation of a debt trap - that China lays debt landmines on the tracks of Nigeria through loans. These were issues of discussion between me and two informed persons - Nigeria's Foreign Minister then, Onyeama, and former Nigerian ambassador to China, Bashir

Wali in 2021.

To this, Wali said:

*Debt is a universal phenomenon. No matter how you call or describe it, no country in the world is debt-free. For instance, China bought US bonds worth trillions of dollars. That is a form of debt because bonds are loans. You can call it any name, but it is Chinese money that went into that investment in America.*

*Any credit facility we get from China would be a debt trap depending only on how we manage the fund and to what use it was put. If we put it into what is not beneficial, it becomes a trap and the trap is not the fault of the creditor. A good example is the loan from China to fund the railway projects between Abuja and Kaduna and later Lagos and Ibadan. If those infrastructure projects are properly managed, they will generate the money to repay the loan in four or five years, while they remain as economic assets to the country over the years.*

*As for the clamour about China taking over, yes, they can do that if you allow them because they come for profit just like every investor. It would be my pride and happiness if Nigerians travel abroad to countries with opportunities and come back to the country with the gains they made. That also applies to China and other countries. You really have to look at it from their context too, and ours. We have billions in foreign currencies repatriated home by Nigerian experts living in other countries and we are pleased to have such benefits. That is what China does or the way they also feel about their people*

*returning their profits and earnings.*

*Globally, China has arrived and they invest everywhere, not only in Nigeria and it depends on us to make the best of it by enforcing our rules and investing in loans wisely. If you look only at China, why not also look at Europe and America?*

*They have been here for centuries exploiting the benefits. Why single out China? And I say again that it is left to us to wake up and find ways of deriving the gains and unbalancing the imbalances. We may not be equals, but we can still close the gap of the imbalances. It is very possible to attain. I am a Nigerian and my loyalty is to my country. Therefore I would love to see Nigeria getting the best of the relations especially to help our economy grow.*

That is Ambassador Wali's frank and balanced position to the allegations that are often cited by some Nigerians who see China's presence otherwise, even without valid facts to buttress the negative claims.

*"In terms of the debts, it is a question of how we are able to negotiate the terms, and after we get it, how best do we apply them rather than bickering over the debt trap?*

*Today, we have free trade zones, especially Lekki and Ogun State. They have been of immense benefit to the economy of Nigeria. There are many other investments and partnerships between Nigerians and Chinese business people. These are fantastic avenues providing for both sides. I bet that we derive more benefits in our economic*

*relations with China than China does.*

*So, before we get committed to a deal, we have to get the best experts in international transaction negotiation. I am sure Nigeria has them and they must be the ones we use. Don't forget the Chinese are astute bargainers and we should also train our people to gain expertise in such areas and use them to handle such deals rather than complaining when other countries get the best from the enormous wealth of China in their foreign investment drives.*

*Every advantage we are looking for comes from the type of negotiation we engage in. Again, on balance, we gain more from China than they do from us, even though it is a two-way traffic because I have been there and seen what gains Nigerians make in China in so many ways,"* the retired diplomat further clarified.

The negativity was in August 2020 taken to a very ridiculous zenith when it became a popular issue of discourse in the public domain that Nigeria signed off its sovereignty to China as a condition for a loan.

As a student of international law, with bias in the economy and business, I wrote an article to clarify on the fallacies of this position that got good mileage in the media as the article was published by *Africa China Economy Magazine* and four other newspapers.

When I read Article 8(1) of the loan conditions that were latched on to as the offensive clause, I would not find any reasonable

substance in the malicious interpretation. The clause described the loan as ‘commercial’. That is an important qualification in public international law.

It read “The borrower hereby irrevocably waives any immunity on the grounds of sovereignty or otherwise for itself and its property in connection with any arbitration proceedings pursuant to Article 8(5) thereof with the enforcement of any arbitral awards pursuant thereto, except for the military assets and diplomatic assets.”

There is no stretch of interpretation of this clause that connotes Nigeria losing its sovereignty to China. In the simplest interpretation, it means that if the borrower (Nigerian agency) defaults in paying, and the lender takes the borrower to arbitration to decide how the loan would be recovered, the borrower can’t plead it is a sovereign state to evade subjecting to the jurisdiction of the arbitral panel or any arbitral awards therefrom.

Sovereign immunity is a rule in public international law that precludes sovereign states from subjecting to the jurisdiction and decisions of the court of another sovereign state. This rule applies in two arms – absolute sovereign immunity, and/or restrictive sovereign immunity.

Absolute sovereign immunity applies in issues related to pure state activities termed *acta jure imperii*. The restrictive immunity applies in matters that are commercial in nature termed *acta*

*jure gestionis*. This issue of loan is commercial and the rule of Absolute sovereign immunity can never apply. That is why the clause exempted military and diplomatic assets. I don’t think, with due respect, that whoever entered into that treaty ceded Nigeria’s sovereignty as we heard in the loud nationwide frenzied cacophony.

Also, we need to know who the parties to the commercial loan agreement are. Is it the state of Nigeria or an agency of the state of Nigeria in commercial dealing, maybe a ministry, commission, etc.? The loan deal is absolutely not with the state of China, but with an agency of the state in a commercial deal, the China EXIM Bank.

This rule didn’t start with China and Nigeria loans. It is an old one and consolidated even with Nigeria in the case of Trendtex Trading Company vs. Central Bank of Nigeria in 1977 in a judgment of a London court. ([1977] 2 WLR 356).

Its first application and judicial interpretation was in 1961 in the case of Harris & Co Advertising vs. Republic of Cuba, 127 So.2d 687 (Fla. App. 1961) between the private commercial company and the state of Cuba. In the court’s considered judgment, the restrictive rule of sovereign immunity was correctly applied and the State of Cuba was found liable for the damages of the breached contract because the issue in the dispute was purely a commercial matter the state was involved in.

### 3f Trade imbalance

Ambassador Wali in continuation of his incisive explanations in the interview with me noted with regard to the trade imbalance of the two countries and affirmed that: *The issue of trade imbalance with China is a serious one. It doesn't apply only to Nigeria or only between Nigeria and China but to so many other developed and industrialized economies.*

*Even the US also complains bitterly about this against China. I had argued this with the Chinese Ministry of Commerce (MOFCOM) when I was ambassador in China. I raised issues on tariffs and other factors that would improve on balance of trade. For example, I took the issue of cassava and argued that China should not put equal tariffs on our cassava as those coming from Thailand because the distances and cost of handling are not the same. The transport cost is like three or four times higher when exported from Nigeria. So on agricultural goods, we have to fashion out ways of closing the balance gap since our manufacturing capacity doesn't in any way compare with China. Since I left, I don't know how Nigeria continued with that discussion because my argument and position is that considering the imbalance gap, China should be considerate about the rules. They could be renegotiated apart from the standard rules of the World Trade Organisation (WTO) due to their peculiar nature. I just hope our Ministry of Trade and Industry is continuing on that to arrive at what is fair to all sides.*

*We can engage the Chinese better than we have done depending on the focus of the sitting government. If their focus is on China and they work towards that, we stand to gain a lot more from China.*

*From my understanding and I am sure I am not naive about it, the Chinese are in a hurry and quite eager to have a strong relationship with*

*the less developed or developing countries. These countries have seen the signs too. Even China willingly accommodates the lesser countries in a way that they can never accept while relating with Europe and America because they know that industrially, we are no threat to them. They also appreciate our Nigeria market, the largest on the continent. That has been of benefit to them.*

*If the government comes up with purposeful policies in gainfully engaging China in the future, I am sure that will bear fruits for us and for China too.*

*In addition, no matter how viewed, the duty to grow our local production is still our obligation, not that of any foreigner. China, India, South Korea, etc did not grow against the dominant European and American markets because there was no competition. They rather firmed up their acts, policies, and implementation to grow, swimming against the tide.*

*Unfair competition has always been there, therefore, no student should justify not coping with the pace of the academic work and failing in exams because some other students work ahead of time. When we decide to do the right things, our growth starts. Even though it doesn't happen overnight, China and the entire world coming to invest in Nigeria will understand that we have rules and don't joke about them. They dare not flout them because they know we won't take that. And because they need our market just as we need them, they will definitely act accordingly.*

### 3g How China-funded infrastructure works

Stephen Lee, Head of Business Development of the China Harbour Engineering Company (CHEC) in Nigeria made a presentation at

the Nigerian Institute of International Affairs in October 2023. It was a Ford Foundation-sponsored research project on *China's Resource-Backed Infrastructure in Nigeria*. He used the 'Angola Model' to illustrate how China-backed financing in Nigerian infrastructure works to disabuse minds. Remember that China CHEC has been one of the prominent Chinese infrastructure contracting companies in Nigeria. Since I was one of the speakers and guests, it was quite interesting listening to Lee, and also got a copy of his presentation reproduced here:

### **Gi. Resources-Credit-Project package cooperation model**

*After years of exploration and practice, the “resources, one credit, one project” package cooperation model in China-Africa economic and trade cooperation has become increasingly mature. That is, in projects such as large-scale infrastructure and resource exploration, the Chinese side funds and develops them, and the partners use certain resources and Investment equity to serve as security or a portion of the proceeds from a resource or project is used directly to repay a loan. Because this model has achieved good results in resource-rich countries such as Angola, it is also commonly known as the “Angola model”*

### **Gii Formation of the Angola Model**

*In 2002, Angola ended its 27-year civil war and was in urgent need of construction funds. However, international financial institutions and Western countries had imposed various stringent conditions for providing loans to Angola, resulting in Angola being unable to obtain initial funds*

*for reconstruction. What is completely different from Western countries is that China has provided a helping hand, not only providing a large amount of funds for Angola's post-war reconstruction but also laying the foundation for obtaining Angola's oil resources.*

*The practice of the Angola model began in March 2004. The Export-Import Bank of China and the Ministry of Finance of Angola signed a loan framework cooperation agreement for large-scale infrastructure construction. China provided a total of US\$2 billion in loans to Angola to support the provision of various projects in Angola. For equipment, materials, and infrastructure construction projects, the Angolan government signed a long-term oil supply agreement with Chinese petroleum companies, using crude oil export revenue to China as a loan guarantee. This agreement is based on the traditional “credit and engineering” relationship and adds an oil guarantee and repayment mechanism. It is a package cooperation method of “petroleum, credit, and engineering”. It can be seen that China started the post-war reconstruction of Angola by agreeing to pay with the oil extracted in the future when Angola had no collateral or repayment ability.*

*By the end of 2007, the first phase of the agreement worth approximately US\$1 billion had been completed, involving 50 projects including the repair of hospitals, schools, water supply, and power transmission and transformation lines. The second phase of the project, mainly involving 52 projects including telecommunications, fishing vessels, sanitation, and public works, had also started. Due to the effective implementation of the first and second agreements, China and Angola jointly signed the second loan frame cooperation agreement in September 2007, with the agreement amount still being US\$2 billion.*

### **Giii What Angola model brings**

*The Angola Model is based on the plight of African countries that have resource advantages but are unable to implement large-scale projects. In the case of limited government preferential loans, it strives to provide more development funds for African countries. At the same time, China's cooperation model of "infrastructure, loans in exchange for resources and markets" has achieved good results.*

*From a Chinese perspective, the "Angola Model" has promoted Sino-Angolan economic and trade cooperation to achieve mutual benefit and win-win results, and reduced investment risks. The total trade volume between China and Angola has increased from US\$2.35 billion in 2003 to US\$37.5 billion in 2012, and the scale of trade has expanded almost 15 times in 10 years. Angola has become one of China's most important trading partners in Africa. Among them, China's crude oil imports from Angola increased from 10.1 million tons (USD 2.2 billion) in 2003 to 40.86 million tons (USD 33.27 billion) in 2012. Angola has become China's second-largest crude oil supplier after Saudi Arabia, accounting for 15%. China's direct investment stock in Angola increased from US\$300,000 in 2003 to US\$400 million in 2011.*

*From an Angola perspective, according to statistics released by the International Monetary Fund, Angola's economy has grown rapidly since 2003. From 2001 to 2010, Angola's economy grew at an average rate of 11.1%. From 2004 to 2008, the average annual economic growth rate was as high as 17.8%, making it the country with the fastest economic growth in Africa and even the world. Calculated on a purchasing power parity basis, Angola's per capita GDP increased from US\$3,116 to US\$6,412 from 2003 to 2010.*

The facts are relevant to put to rest the claims that China fraudulently entangles African countries to steal their resources, including Nigeria, and build their infrastructure. At the conference, the pool of experts raised issues on how the resources are evaluated as payment of collateral for the credit facility that finances the infrastructure. The experts, mainly Nigerians from the academia, business sector, industry players, journalists, and others agreed that the evaluation is not shrouded in arbitrariness but with patterns of the market situations and also tied to the time within which the project must be completed in order not to run into losses that accrue from adverse market forces. Some of the time, the model supports that the projects are put out in concession and they generate the returns to pay for them. For instance, the USD2.5 billion Lagos Fourth Mainland Bridge mentioned in this book is one of such. The returns would come from the tolling of the bridge when in use.



Data Centre, Kano built by Huawei Technologies, Nigeria

# ***Four***

## **ECONOMIC DIPLOMACY**

- 4a Many areas of intervention
- 4b Global funding challenge
- 4c Livelihood for the people, most important
- 4d The basic goals
- 4e Investment interest in power
- 4f Noble role
- 4g Targeting a modern economy
- 4h Chu Maoming - Chinese investments deepening Nigeria local economy
- 4i Chinese companies in Nigeria
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- 4k New investment through IFC

During his keynote speech at the opening of the 2018 FOCAC Summit in Beijing, President Xi Jinping set a specific task for Chinese investors in Africa to target the industrialisation of the continent. He challenged them to invest unsparingly in local manufacturing, and through that also contribute to the provision of infrastructure to the local communities as part of the Chinese corporate culture.

In March 2022, the new terminal of the Murtala Mohammed International Airport Lagos was commissioned by President Buhari in conjunction with Ambassador Cui Jianchun. It was the fourth in the chain of such built by CCECC, the Chinese construction giant that has been the spine of Nigeria's infrastructure growth since 1981.

Cui spoke with me on a range of issues immediately after the ceremony was over at the new terminal. The interview touched on various aspects of the Nigeria-China economic diplomacy, from infrastructure to power, ICT, aviation, real estate, maritime, and many more.

He said "Power and energy crises are two major hitches to the growth and development of Nigeria. The need to have them fixed is a nagging concern that even visitors to Nigeria quickly notice."

Already, the Mambilla hydropower project in particular has

been exuding very positive feedback from the government that work is smoothly in progress. The final word on its continuation was made in May 2020. It is going to be Africa's second-largest hydropower plant at a cost of USD5.8 billion. When the construction by the Chinese consortium was to commence at the end of 2020, the project was targeted to be completed in seven years. It is expected to start operation and power supply in 2030 and will produce 4.7kWh of electricity, with the capacity to generate about 50,000 local jobs.

The project is projected to be financed 85 percent by the China EXIM Bank and constructed by a team of Chinese contractors led by the China Gezhouba Group (CGGC), a subsidiary of CCECC, Sinohydro, and CGCOC.

To buttress how essential power is and how badly its shortage bites the Nigerian system, the Chinese chief diplomat recalled an incident involving him that same day as he was about to leave Abuja for Lagos. "The pilot of the aircraft that flew me to Lagos apologised some number of times for the delay in take-off due to power failure at the airport. That incident made me understand better that Nigeria needs to do all within its means to handle the power crisis.

Since China is a concerned partner of Nigeria in development, I vow to apply all the push I can to convince Chinese investors in this vital sector to show interest in Nigeria and assist in surmounting this obstacle that frustrates the country's many

sincere efforts towards modern growth and infrastructure provision."

Cui commended Buhari for the push to lift Nigeria's infrastructure to a modern level that would be the foundation for further growth, and also, especially for seeing China as a partner in such efforts.

#### 4a Many areas of intervention

He recalled that China has partnered in Nigeria's infrastructure in the building of highways, railways, deep water harbour, civil infrastructure, factories, and now an aviation hub.

*That is a mark of true friendship. Nigeria as Africa's largest country and economy has a major challenge in infrastructure and to resolve that means we should all be part of the task to provide them. That is where China fits in well.*

*I had mentioned the economic benefits of the new airport terminal during my speech at the inauguration and we all know that Lagos is a city of class and it needs and deserves an international airport of this magnitude. I am sure it would in so many ways boost the standing of the city and the country. With this modern airport terminal, many more people would be interested in and happier visiting Nigeria. Globally, there is a lull in travel because of the COVID-19 pandemic restrictions that still linger, but would*

*soon be over. However, the larger gains of the new terminal may not be noticeable now, but with time, we will return to a tourism boom. So, the project is very important for the country to access the international community and for the world to also reach Nigeria. It is a flagship project in the China-Nigeria friendship and a landmark in our economic diplomacy. I am so happy and proud of our relationship that in just my one year in office, I have been part of the history of commissioning some very vital projects from railways to a seaport, airports, factories, and others.*

#### **4b Global funding challenge**

*We have been facing the challenge of project funding and that is not peculiar to China and Nigeria but to the whole world,” he lamented.*

*Before fund is allocated for projects anywhere in the world, the experts calculate the risk exposure and the profitability. But much as we face such a dilemma, we are happy our friendship has been achieving great strides that are hinged on commitment and sincerity of purpose. However, in whatever projects, partnerships, policies, or programmes, the most important is the political support to get things done.*

*Without the right political environment, without the right people to people, party to party, policy to policy, and other engagements around good leadership, we cannot achieve much for our people and in our interrelations. It is through them that we can build trust.*

#### **4c Livelihood for the people, most important**

*My personal perspective and understanding of Nigeria is that we need to work out a comprehensive, complete, and workable, systematic approach to our relations and development. Yes, we have railways, seaports, aviation infrastructure, and others. But those are not the most important because we cannot have people buy tickets and fly or board the trains or use the facilities we build if they don't have the finances to afford them. We need to produce and fill the local and global markets with our products. That would in turn provide employment for the people and make us have the goods and services that should attract people to Nigeria.*

*So, we need just more than what we have now. Local production should be encouraged as the most assured way of lifting the economy and liberating the people from poverty, a role China has shown a great example among all countries of the world. In such aspects, we still need more of China-Nigeria relations in the private sector investment where Chinese investors and the Nigerian business community would work closely together to lift the local economy.*

#### **4d The basic goals**

*Immediately at the resumption of his diplomatic assignment in Nigeria, Ambassador Cui unfolded his work plan, and most of it*

hinged on robust economic partnership, among other targets.

He encapsulated the target into what he tagged “The ‘5 GIST’ or goals of relationship under my watch. They include political consonance, economic cooperation, people-to-people collaboration, technology, security, and military cooperation. They must all be taken holistically.”

*The five ‘I’s that centre on infrastructure, including the ICT powered by the 5G technology is also paramount. With them, we can forge a stronger and better-assured future together. With investments, one of the 5 ‘I’s, we would attract more foreign investments to Nigeria which China has been championing in banking, oil and gas, agricultural sectors, and many more. When we have all these, nothing will stop Nigeria from exporting goods to China. With them, we can certainly create jobs. No country has enough to rely on only local resources in investments, therefore, we need the outer world to be part of it. With a good knowledge of the Chinese economic policy, you know that no country does it all alone. We need to put on the ground all the incentives to attract the world’s wealth and resources and also make them stay to contribute to local growth. We need import and export support and promotion to boost these also and not invest only in infrastructure development. Our efforts must flow in a holistic way.*

*We have a need for technology exchange. And technology represents the ‘T’ in the 5GIST. We all should be proud of Nigeria because it has human resources, natural resources, and others that we need to grow*

*and develop. These basic resources are not found in all countries, but Nigeria has them all.*

*We need technology and its application as an essential in the policy structure or concept we pursue to drive all these, through proper application. That is another major area in Nigeria that needs more cooperation with China for the two to share experiences and benefits.*

#### **4e Investment interest in power**

*The importance of power or energy is quite outstanding and should not be overlooked. When planning to leave Abuja this morning for Lagos like I mentioned earlier, I woke up quite early to catch my flight. We had booked a flight to Lagos and a helicopter to take us from the Lagos airport to Lekki. But before take-off in Abuja, I was told at the airport that we would not fly immediately because there was a power outage, and there was no electricity. The pilot announced and apologised that there is a power failure. It was quite discouraging. This is so bad and there is no way Nigeria or any country can forge ahead without an assured power supply. It is a major challenge Nigeria is facing and must be tackled with all the seriousness it deserves. Because I understand the enormity of power to the development and growth of Nigeria, I have talked to the power minister about it and suggested the importance of incorporating nuclear power in addition to other renewable energy sources such as wind, solar, oil and gas, and biogas to Nigeria’s power policy.*

*The minister made me understand that there is a nuclear power policy in existence and I also explained that just beyond generating power, the nuclear power option adds the value of creating jobs for the young population and helping to advance them in technology. The benefits are quite many and we need all these to take Nigeria out of this challenge.*

*I am currently working hard to convince Chinese investors in such areas to show interest in Nigeria and make them aware that it is a long-term investment whose profits might not mature overnight, but take some time. They understand that because investment is their area of specialisation. Hopefully, we may get something positive soon. It is an assurance. We need it like the air that sustains our lives. Can you imagine that I have four power generators in my home at the embassy and that is not comfortable at all?*

#### 4f Noble role

*To widen our cooperation, I am glad that the Chinese investors in Nigeria are diversifying into hospitality and real estate. I would love to see a day when Nigeria will reap from her beautiful natural endowments for tourism. Every year, China hosts an average of 130 million foreign visitors. If Nigeria, for a start can get one-tenth of that, that is 13 million visitors, and enough to drive up the economy of the country.*

*In the real estate sector, Nigeria needs the depth that China can add.*

*CCECC has started taking bold steps into the area with the recent groundbreaking of the Grand Panorama Estate in Ikoyi Lagos, just the day before today. I am sure they will do more in the sector. I heard that the Lagos State government challenged them to partner with it for larger real estate development to meet the housing needs of the citizens. That is commendable. The relationship between the two countries could be larger than imagined as Nigeria is a very vast arena for diverse investments in various sectors. China, I assure you, has the potential to tap into these vast options in Nigeria, and very soon, these efforts would yield dividends for the two countries.*

#### 4g Targeting a modern economy

At another interaction, Cui told me that “the economic cooperation targets to elicit modernization of agriculture, industry, and services, ultimately giving rise to the eradication of poverty and turning Nigeria to an economic powerhouse in Africa and the world. These sound like a purpose to work more closely with Nigeria, sharing with them those secrets that took China to the top.”

In January 2023, Cui’s article on the economic diplomacy of China and Nigeria featured prominently in the Nigerian print and online media.

He coached that:

*Trade acts as the engine for cooperation. In 2021, despite the*

*adverse impact of the pandemic, China-Nigeria trade reached USD25.68 billion, rising 33.3% year on year, and Nigeria's exports to China reached USD3.04 billion, rising 22.4% year on year. From 2016 to 2021, this bilateral trade increased by nearly 142%. According to uncompleted statistics, in the first ten months of 2022, the bilateral trade volume reached USD20.04 billion. Currently, Nigeria is China's third largest trading partner in Africa, and China is Nigeria's largest source of imports.*

*Investment and contracted projects inject impetus for cooperation. Nigeria is one of the African countries attracting the most investment from China. By 2021, cumulative investment had exceeded USD20 billion, mainly in the construction of free-trade and export-processing zones, oil extraction, home appliances and vehicle assembly, agricultural production, etc. The two free trade zones, Lekki FTZ and Ogun-Guangdong FTZ have attracted investments of more than USD 1.51 billion and created more than 7,000 job opportunities. China is the leading contributor to Nigeria's infrastructure development. More than 20 Chinese companies are participating in the construction of major projects concerning the economy and people's livelihood in Nigeria, comprising of railways, roads, electricity, ICT, and oil refineries. The Abuja-Kaduna Railway, the Lagos-Ibadan Railway, the four new airport terminals, the Lekki deep seaport, the Zungeru Hydropower Station, etc., are making important boosts to the economic and social development of Nigeria.*

However, given the reality on the ground, Cui's estimation

of USD1.51 billion investments in the two FTZs was grossly inadequate. The Lekki Dep Seaport alone in the LFTZ is already the figure he mentioned. The figure may be correct only if he narrowed it down to a single year. From our on-the-spot findings and projects already listed above, the LFTZ alone is an investment in a cumulative excess of USD30b as was found in the course of a focus on the facility during the information gathering for this work. Granted that all the funding didn't come from Chinese investors, just like the companies, but the Chinese interest at the LFTZ is not less than 30 percent from our findings, starting from the conception to the number and value of Chinese companies there. The Ogun-Guangdong is another behemoth as I witnessed during my tours to document their activities and works in the course of gathering materials and information for this work.

#### **4h Chu Maoming - Chinese investments deepening Nigeria's local economy**

In the September 2020 edition of *Africa China Economy Magazine*, we published an interview by the Consul General of the Chinese Consulate in Nigeria, Mr. Chu Moaming where he explained some details about the economic ties between the two countries.

*After years of accumulation, the results of the Forum on China-Africa Cooperation have spread all over Africa. In terms of infrastructure,*

*China has built more than 6,000 kilometers of railways and roads in Africa, as well as nearly 20 ports and more than 80 large power plants. It has promoted the process of industrialization in Africa and enhanced Africa's ability for independent development.*

*In the field of people's livelihood, China has so far assisted in the construction of more than 130 medical facilities, 45 gymnasiums, and more than 170 schools. In the past five years, China trained more than 200,000 talents of all kinds in Africa, who are distributed in various industries. It has made important contributions to promoting the vital interests and welfare of the African people.*

*In terms of trade and investment, the volume of trade between China and Africa exceeded US\$200 billion in 2019, and China has been Africa's largest trading partner for 11 years in a row. The country's stock of indirect investment reached USD110 billion, and more than 10,700 Chinese enterprises have invested and started businesses in various parts of Africa as of 2019, providing a strong driving force for sustained economic growth in Africa.*

*In this list of economic impacts on Africa, Nigeria is a major beneficiary, much more than any other African country, especially in investments."*

*He said further that:*

*In 2019, the bilateral trade volume between China and Nigeria increased by 26.3% year-on-year. Nigeria continues to maintain China's third-largest trading partner position in Africa, the largest engineering contracting market,*

*and an important investment destination. China-Nigeria bilateral economic and trade relations have sustained vigorous development with a larger cooperation scale, broader fields, and more diversified patterns.*

*In Nigeria, Chinese commodities such as clothes, small household appliances, and small items of daily use are very popular among local consumers. In addition, Nigeria's exports of petroleum, natural gas, and farm produce to China have provided important production and livelihood materials for Chinese people.*

*Obviously, both China and Nigeria are big developing countries, having their own advantages in resources, funds, human capital, and markets, and they are highly complementary to each other, with huge potential for cooperation and broad development space.*

*In the future, we will positively implement the consensus reached by the two countries' leaders, to further tap cooperation potentials, enrich cooperation contents, innovate cooperation patterns, and push forward bilateral economic and trade cooperation in larger scales, broader fields, and higher levels.*

*First, both China and Nigeria boast of a huge market, so there is a tremendous potential for bilateral trade. China will continue to encourage its businesses to export mechanical and electrical products as well as consumer goods with high quality and at proper prices to Nigeria, and import more advantageous Nigerian products so as to optimize bilateral trade structure.*

*Moreover, Nigeria's huge consumer market and demographic*

*dividend are highly complementary to China's processing industry. The two parties could rely on economic and trade cooperation zones to strengthen cooperation on textile, apparel, and household appliances, gradually expanding scales and striving for industrial clusters to enhance their cooperation. China will encourage more enterprises with the capability to increase their investment in manufacturing, technological transfer, and personnel training, and create more jobs there.*

*Third, the two countries can further extend their industrial chains to develop processing cooperation on some tropical economic crops like cassava, palm oil, and rubber as well as fishery products, so as to make use of Nigeria's strong advantages in market radiation, build regional logistics channels for the trade of farm produces, and promote sustainable development of related industries.*

#### **4i Chinese companies in Nigeria**

*According to a report: Guide for Countries and Regions on Overseas Investment and Cooperation of the 2019 (Nigeria), issued by the Ministry of Commerce of China, towards the end of 2018, there were more than 120 large Chinese enterprises registered in the Economic and Trade Office of the Chinese Embassy in Nigeria.*

*In recent years, more and more Chinese companies have been investing in Nigeria.*

*China is the most populous nation in the world while Nigeria is*

*the most populous nation in Africa. As two major fast-growing economies in the world, China and Nigeria provide opportunities for each other. With such huge markets and rich human resources, there is a firm belief the economic and trade cooperation between the two countries will be deepened.*

According to Wikipedia documentation, Chinese companies have increasingly been located in Nigeria. As of 2013, according to the local investment agency, there were 208 registered Chinese companies in Nigeria focusing on oil and gas, construction, and telecommunications (Umejei, 2015). By 2016, the number registered with the investment agency had grown to 308 though the numbers could be considerably higher (Sun et al., 2017). Chen et al. surveyed two sources - the Nigerian Investment Promotion Council (NIPC) and the Chinese Ministry of Commerce (MOFCOM) - for the number of Chinese companies approved to invest in Nigeria and found 221 and 297 respectively though there was no guarantee they all actually invested. A total of 141 listed with MOFCOM and 92 with NIPC were in manufacturing. Only 21 to 30 were overlapping in manufacturing.

In continuation of his position, Consul General Chu explained that "Nigeria is still the most populous country and the largest economy in Africa. From 2009 to now, it has been China's largest project contracting market on the continent, second-largest export market, third-largest trading partner, and a major investment destination in Africa. The larger the scale of

China-Nigeria economic cooperation, the greater the benefit it will bring to the two countries.

Nigeria needs manufacturing and industrial development, whereas China has fairly strong capabilities in financing and cost-effective spare production capacity in these fields. Cooperation based on such complementarity and mutual benefit will give an even stronger boost to China and Nigeria's respective development.

In fact, the extra liquidity provided by Chinese investors has revitalized many Nigerian companies and projects. Chinese investment is also generating more jobs for Nigerians. More importantly, the growth of Chinese investment is contributing to the diversification of Nigeria's production system, which is conducive to the long-term and sustainable growth of the Nigerian economy.

It is China's sincere hope to share its experience with Nigeria, and we are willing to provide capital, technology, and personnel in support of Nigeria's sustainable development. China will firmly support the localization of Chinese companies in Nigeria and promote the initiative of 'Made in Nigeria with China' to achieve Nigeria's high-quality development."

A Nigerian federal government document from the commerce ministry noted that of the USD881 million worth of goods Nigeria exported to China in 2018, 78.7% was crude oil or natural gas. This poses a challenge for Nigeria to do much more

to earn itself the opportunity to close the trade imbalance between the two countries. These points of synergy in local production facilitated by the Chinese investors as enumerated by the Consul General would to a large extent make possible the closing of the trade imbalance through higher local production and a qualitative range of finished products that would be competitive at the international market.

#### **4j Commissioned projects in 5 years**

- *Zungeru hydropower plant, Niger State - May 2023 - USD1.2 billion, after variation from initial contract sum of USD927 million in 2012*
- *Lagos-Ibadan railway - June 2021 - USD1.5 billion*
- *Lekki Deep Sea Port - January 2023 - USD1.5 billion*
- *Murtala Mohammed International Airport, Lagos new terminal - March 2022*
- *Nnamdi Azikiwe International Airport new terminal and metro railway station - December 2018*
- *Port Harcourt International airport - October 2018*
- *Aminu Kano International Airport, Kano - May 2023*
- *The 4 airports, an initial USD600 million and a variation of USD150 million - Total of USD750 million*
- *Abuja Kaduna railway - USD874 million, commissioned in July 2018*
- *Ajaokuta-Itakpe- Warri - 2021 -USD200 million for completion of project*

- *Abuja metro railway line - 290km project to be executed in 6 phases and signed in 2012 at USD824 million with 60% China Exim Bank loan funding. The completed part was Commissioned in December 2018.*
- *12km Lagos metro blue railway line - January 2023, total cost of USD1.17 billion for all phases*
- *Daura transportation varsity - 2021, USD50 million cost borne totally by CCECC*
- *Railway Engineering department in University of Abuja - 2019 - Cost not made known*
- *Projected Kaduna-Kano railway a cost of USD973 million to be financed by CDB*
- *Total of 729km of railway in 6 projects, including the Lagos light rail of 12km so far completed*

**Total investment figure USD9.491 billion**

**Total percentage of funding by Chinese banks - average of 75%**

#### **4k. New investment through IFC**

On September 7, the International Finance Corporation (IFC), a member of the World Bank Group, approved the provision of

USD107 million in loans to China's Sunda International Group to ramp up its production in five African countries.

One of those five is Nigeria, and the rest are Cote d'Ivoire, Ghana, Guinea, and Kenya.

*Africa China Economy Magazine* reported that "IFC is committed to strengthening manufacturing in Africa because it builds skills, creates jobs, and helps ensure that essential products are more readily available and affordable on the continent," said Dahlia Khalifa, IFC's regional director for Central Africa, Liberia, Nigeria. In the meantime, the Chinese company said that it values the partnership with the IFC, which will help increase the company's production in five key African markets and promote exchanges between the private sectors in China and African countries to boost local employment and economic growth. The development is an indicator that rather than diminishing, the volume of Chinese investments in Nigeria keeps growing larger.



General Manager of XCMG Nigeria Limited showcases Hanvan trucks at the Sinoma Industrial cluster, Shagamu



Huawei e-Library Kaduna

# Five

## LABOUR ISSUES AND FRICTIONS

5a Labour laws in China

5b China Labour Act

5c Local labour enforcement

5d Human face employment

5e Workers' rights abuse cases

5f Chinese I know isn't racist

5g Causes of frictions

5h Conflicting work cultures

5i Communication gap and structure

5j A word for corporate China in Nigeria

5k Duty of our government

5l Time changes things

Labour in China does not operate in arbitrariness but under laws and rules. Yes, there would be deviance and infractions, but on a general note, rules exist to guide the system in the country.

### 5a Labour laws in China

Articles 36 and 41 of the newly amended Chinese Labour law provide permissible working hours to legally restrict employers from forcefully making workers overwork. According to Article 36 of the law, labourers cannot be made to work for more than eight hours a day making, 44 hours a week.

“Workers rights also include minimum wage which is expected to reach CNY2,590 in a month by the end of 2023, according to Trading Economics global macro models and analysts expectations. In the long-term, the China Minimum Monthly Wages is projected to trend around CNY2650/month in 2024, according to our econometric models.” (*tradingeconomics.com*)

As of May 2023, the average salary in China ranged from CNY7,410 per month (USD 1,066) to CNY131,000 (USD 18,842) per month, with CNY7,410 being the minimum salary and CNY131,100 being the maximum salary

## **5b China Labour Act**

*Section 1 of the China Labour Law Act provides that This Law is formulated in accordance with the Constitution in order to protect the legitimate rights and interests of labourers, readjust labour relationships, establish and safeguard a labour system suited to the socialist market economy, and promote economic development and social progress.*

*Section 2. This Law applies to all enterprises and individual economic organizations (hereafter referred to as employing units) within the boundary of the People's Republic of China, and labourers who form a labour relationship therewith.*

*Section 3. Labourers shall have the right to be employed on an equal basis, choose occupations, obtain remuneration for their labour, take rest, have holidays and leaves, obtain protection of occupational safety and health, receive training in vocational skills, enjoy social insurance and welfare, and submit applications for settlement of labour disputes, and other rights relating to labour as stipulated by law. Labourers shall fulfil their labour tasks, improve their vocational skills, follow rules on occupational safety and health, and observe labour discipline and professional ethics.*

*Section 4. The employing units shall establish and perfect rules and regulations in accordance with the law so as to ensure that labourers enjoy the right to work and fulfil labour obligations.*

On ilo.org website, it published that “The People’s Republic of

China is a founding Member State of the International Labour Organisation (ILO). The country has ratified 28 Conventions, which include seven Fundamental Conventions, two prioritized Governance Conventions and 19 Technical Conventions.”

With this plethora of labour laws applicable in China through municipal and international statutes, the Chinese labour system definitely operates on rules. It would, therefore, not be right to assume that if a Chinese employer in a foreign country goes against the rule, such is acting according to the culture of his native country. Whereas societies set standards in behaviours, individuals also can opt to act to the contrary. That is why it is not wise to rate an entire people from the actions of an individual or a few individuals, no matter the circumstances.

In January 2021, as part of the annual diplomatic traditional Chinese Foreign Minister tour of African countries, Wang Yi was in Nigeria, the then FM, and while he addressed the press at the presidential villa, he affirmed that Chinese employers in Nigeria are under strict obligation to respect workers rights and obey Nigerian labour laws.

Wang said: “Most of the Chinese companies in Nigeria were obeying the laws of the land, pointing out that if there were exceptions, there were established diplomatic channels to address such issues. We make this clear to each and every Chinese company doing business in Nigeria, Nigerian laws and local customs shall be respected. We believe most of the

Chinese companies here are doing well in this regard but there can be a few exceptions because of this or that kind of reasons they might have some labour issues. This is not something the Chinese government wants to see and whenever such issues occur we have diplomatic channels to communicate to make sure that the situation is properly handled to protect the legitimate rights and interests of Nigerian workers.”

The media taking up that vital issue with a very senior Chinese government official at the least opportunity was laudable, and responsible journalism. I guess that if the relevant agencies of the Nigerian government had acted in like manner to tackle the existing allegations and find the substance of it or the biases or falsity of the claims, the issue would be properly resolved, and better and more harmonious labour relations attained.

A Chinese official, as earlier cited in this book admitted that Chinese investors in Nigeria employed an average of 200,000 Nigerians in around 2017. But whereas issues of rights abuses are not acceptable, no matter how few, our findings have shown that the percentage of Nigerian workers who complained in the past about mistreatment by Chinese employers is quite low, and not as high as ordinarily heard.

Next to that, wherever there is human interaction, and relationships are normative, disagreements arise. That applies among family members as it does among strangers. But what helps to smoothen the rough edges is the ability to put in

checks and ameliorating measures in order not to give room to full-scale impunity, or breakdown.

### 5c Local labour enforcement

The Chinese employers in Nigeria operate under the local labour laws, rights and obligations. In most of the cases of disagreements, the tardiness in enforcement of the rules should take the blame. No reasonable person encourages the maltreatment of workers or the infringement of workers' rights. But when they arise, the system puts them in check through prompt enforcement. Employers all over the world drive on the tendency to exploit the worker as a weaker party. That is why labour laws exist to put them in check. But that becomes the rule if no punishment is meted out.

I always argue that the existence of laws is a huge question mark on the sanity of humanity. If human beings were all sane, orderly and decorous, there would be no need for laws in the first place. Laws exist to check the excesses of our social aberration, and we need to find ways to enforce compliance within our terrain. People deal with you in line with what they think you tolerate. For those Nigerians who claim maltreatment of workers, we hardly hear of any pressing charges against the employer - Chinese or others. This is partly because the common labourer is not financially empowered to go through the rigours of litigation, taking into consideration the time and cost. This

is where the labour unions and rights agencies of governments should play a role in protecting such helpless workers.

During my early journalism days covering the courts, I was conversant with so many of labour-related litigations. Most of them were by oil and gas sector workers due to their financial advantage and power of collective bargaining.

Over 25 years ago, I personally intervened in a labour issue involving a cousin of mine in the employment of an Indian company in Lagos. The young man was injured, a permanent type, though not debilitating, and the employer acted like nothing happened, especially after sending him to a hospital and paying the bill. I took it upon myself to step in for his sake only to find out that the person frustrating any compensation for the young helpless worker was a Nigerian who supervised the rest of the Nigerian workers. I rolled up my sleeves and angled for a showdown before the employer sat up and invited their insurance company to take details and later compensated him after some months. If the right complaint was not raised, maybe the company wouldn't have acted towards its responsibility to the injured employee.

We have infringements at workplaces, irrespective of the nationality of the employer, but as is the case with human beings, when the employer is a foreigner, it is viewed differently. Bad labour relationships hamper the progress of business and friendship. Therefore, to take advantage of the employee

because you have the economic advantage is a huge disincentive.

Every Chinese employer in any country should always have this clear in his or her mind that he or she represents the image of the country of origin like an ambassador.

### **5d Human face employment**

Any member of the society can never live outside the society, just as a corporate organisation or business group etc. cannot be detached from the society where it operates.

If we want to get the best out of this, we need to listen to *bandboo.co* research group. Throughout this work, the issue of Chinese companies and humane employment issues have been recurring. For that to be an issue, means it has to be addressed to be taken out of the way and make way for progress. Good enough, the CCECC Nigeria's list of CSR obligations includes respecting workers' rights and treating them with dignity.

The research group admonished that: "This social media age is a problem against keeping secrets and keeping quiet. So, with social media being a ubiquitous part of our lives, all your employees now play a more significant part in enhancing/diminishing the company's reputation. Employees can choose to rave or grumble about the company online but remember that companies have the power to influence that.

Firstly, companies can begin to eliminate any discriminatory hiring practices within the organisation by employing people on the basis of ability and potential. This can begin anywhere from the recruiting process and interviews to the workplace culture and employer remunerations. There are clear guidelines on how to do that in the Tripartite Alliance of Fair & Progressive Employment Practices (TAFEP).

Secondly, protect and value your employees by implementing progressive employment policies. As employees, we hope to be more than just individuals who help companies get work done, but part of a community that looks out for us.

Certainly, action taken to improve the company and employment culture should not be based solely on the purpose of boosting the company's reputation but should be part of an ethical way of treating your employees."

We don't need to go far to confirm this policy advice. One of China's most successful firms of global renown is Huawei and it has a culture of pampering and treating the worker like a king, especially in China, which hopefully we guess would not be too different in Nigeria.

Even in China, humane labour laws are not alien as ascertained in 2021 by the Global Strategists, a rights' research body: "The labour law of China protects the rights of both male and female workers against unlawful discrimination, acts of harassment, unlawful termination, and ill-treatment at the workplace. The

law safeguards the interests of the employers and employees to provide a safe and secure working environment."

In that country, workers' rights awareness is on the increase while the government has mellowed down on strict rules and today accommodates labour rights more.

"After Guijun was acquitted, he was compensated by the government and used that money to fund a labour rights group called Xin Gong Yi. This nongovernmental organization (NGO) stands up for workers by giving them legal advice. The Panyu Workers' Service Centre, an NGO based in the city of Guangzhou, advocates for better labour laws. They submit key research reports to the Chinese legislature, stressing the importance of protecting all citizens equally. For example, they helped draft a new social security law in 2008 that increased the legally mandated welfare benefits for workers."

This was admitted in a research by the Borgen Project in 2018. There are labour issues all over the world, but it should not be made the hallmark of some people, especially many Chinese companies in Nigeria, even though there are exceptions where workers are treated kindly.

### 5e Workers' rights abuse cases

The *Business and Human Rights Resource Center* released a report on the subject in 2021. The non-profit, Britain-based group

found 181 claims of human rights abuses connected to Chinese investment activities in Africa between 2013 and 2020. Many of the incidents were in Uganda, Kenya, Zimbabwe, and the Democratic Republic of Congo (DRC).

The same year, a “Kenyan worker was awarded more than \$25,000 by a court after he was beaten by his Chinese restaurant employer. A Kenyan court found the man had suffered extreme abuse.”

Concerning Nigeria, a report published by *icirnigeria.org* in February 2022 on labour issues between Chinese employers and Nigerian workers itemised some number of reported infractions.

The report was produced with the support of the Centre for Democracy and Development (CDD) in collaboration with the International Republican Institute (IRI), through the ‘Countering Malign Foreign Influence’ project.

The major issues raised in the report included “neglect of workers, poor welfare and child labour.” Regrettably, the report accused that “Nigerian authorities often overlook such atrocities. Labour experts say the Nigerian government has been lenient with Chinese companies due to its financial relations with China.”

One of the cases was about the death of a worker in October 2020. He was a casual worker and allegedly died in the course

of his duty after a rock hit him on the head.

Another was injured on duty in January 2021. One other sustained injury that led to permanent partial disability. Two child labour issues where two teenagers 13 and 17 are employed in a Chinese quarrying company was another ugly incident. The last of the complaints was allegation of workers locked in in the premises of the factory and were meant to work all through the COVID-19 lockdown period. The excuse was that the workers going home would expose them to infection and also stop the work. These are altogether, five reported and documented incidents among over 200,000 Nigerians working in Chinese firms. No doubt, no rights infraction is minor, but the frequency from this documentation might not paint the picture of a culture of gross abuse of Nigerian workers’ rights as heard commonly. Again, the enforcement will grossly take part of the blame as this report alleged that they refuse to act on complaints.

From the figure given in the continent-wide report, there were 181 cases in seven years, an average of 25.85 cases a year. That figure is high for a relationship as strong as that between Africa and China with so much investment in the efforts.

Looking at it critically, however, if Chinese investors and business owners are in every country in Africa, the number is not so bad because this is about half of the countries of the continent in an entire year. If they are in about 12 countries,

the cases are an average of two per year. But being aware of the impact of negativity and how groups interested in seeing the China-Africa friendship go down would twist it out of shape, we need to further scale this down.

My early journalism reporting duty was at the courts for years. So, I was quite conversant with the numerous cases of disputes between Nigerian workers and foreign oil companies, all from the Western world, but they would lay in wait for just what happened in Africa relating to China.

In September 2018, *africanliberty.org* reported similar incidents: “The plight of African workers under Chinese employers brings into focus the poor and non-implemented labour laws that exist in many African countries. In *Silent Army*, an investigative book on China’s activities in Africa and other parts of the world, Juan Pablo and Heriberto Araujo said: “Common trends at Chinese businesses in Africa [included] hostile attitudes towards trade unions, various violations of workers’ rights, poor working conditions and several instances of discrimination and unfair labour practices. In reality, a lot worse goes on and the Chinese companies operating in various African countries have been accused of ill-treating workers among other accusations.”

VOA again in May 2022, but earlier before the first report cited, published an expose with a suggestive headline: ‘Are Rights Abuses Tarnishing China’s Image in Africa?’

Of course, we all know what the Voice of America is up to

and so Chinese investors who are employers in Nigeria and Africa should not play into their hands. Whenever there are infringements by workers, the laws of the country should be followed to handle them. No Nigerian would even wish that the Chinese companies operating here go under, but we need to balance the relationship by adhering to the laws.

*Quartz Africa* in 2021 also dwelt on the same issue and screamed a publication: “China’s business operations in Africa may have a human rights problem.” The report itemised some incidents, noting that: “According to the Business & Human Rights Resource Centre, a London-based nonprofit, Africa has the second-highest number of allegations of human rights abuses, with 26.7% of the claims recorded against Chinese companies operating abroad from 2013 to 2020. Asia-Pacific has the most with 39.6% and Asia the third-highest with 26%, the report says, describing the three regions as “high-risk.”

### 5f Chinese I know isn’t racist

As I compiled the reports of my experience of the vast country while there in China, I recalled a lot of fond memories – from places to people; and all I have with me are pleasant retrospection. When I say China, I mean the people of China.

I can say I saw much about that country touching about 18 provinces – from the east to the west, south to the north and

the centre, borrowing the Chinese traditional reference order of the cardinal points.

And what I did find is that the Chinese are just normal human beings like all others. Some embrace you, some distance you, the same mannerism you see among Nigerians and all human beings.

The Chinese are not demons, just as they are not all angels. They are just like you and I. They don't hate strangers. They love people including strangers. China, like Nigeria, has all characters – the restive, the withdrawn, the loving and easy-going, the gentle, and the hurting. Remember it is an aggregation of 1.4b people – the largest cluster of human beings in any single country in the world. If there are diverse characters among 200 million people of Nigeria, I bet there would be a lot more among over a billion.

As per the country, with my deliberate observation, I never saw a convincing reason that China is not forthright in its official relationship with Africa.

Then, is the Chinese individual racist?

I will answer the question this way... there was a particular friend I had in Beijing, a woman of about mid-50s by my assessment, in whom I saw the entire China. She was that special kind of person, a small-scale foodstuffs seller not far from my Jianguomenwai diplomatic quarters residence of Chaoyang District, close to the Chinese Ministry of Foreign Affairs.

In November 2019, all African media partners of the Chinese Xinhua News agency congregated in Nairobi and during the presentation of the Afri-China Media Centre, I told the gathering about this special friend of mine – the lady foodstuffs seller in Beijing who shaped my opinion of who the Chinese are towards other human beings. What did the woman do to earn my deep appreciation? Just two wonderful things. The first day I shopped for food in that market, she welcomed me to her stand to buy foodstuffs and the trader who can't speak a word of English language, whom I can't guess ever visited my part of the world, did just more than enough communicating in the most effective language in the world – her hearty smiles. She always smiled happily whenever she saw me, and spoke to me in Chinese I would not understand but knew the meaning. Some of the days I got there I saw her family members, including her husband, and she would talk to them about me as they would in turn warm up to me like a familiar friend. She was so nice and loving that my friend and colleague from Cameroon called her my 'mother'. In addition to her smiles, every visit to this great woman's shop ended with a gift of a quantity of fresh vegetables for me, even on days I didn't buy anything from her stand. The vegetable I didn't know the Chinese name seems to be a major staple. The leaves have a strong scent and minty taste. From trained hands, she would lift the vegetable and stretch it to me; which I discovered was just the same quantity every time, wrapped and delivered with her wonderful smiles. As I appreciated and thanked her in my language, she would

respond in hers and I bet we understood each other perfectly well. Her human love was so warm and touching. It was for humanity.

Another instance was a day I went to the outskirts of Beijing, so far away that we exhausted the vast Beijing subway and our train ran on the surface for some miles before we arrived at our destination for a global conference on robots.

On our last lap of the train ride, my friend and colleague, Elias Mhegera from Tanzania asked a Chinese passenger how we would get to the venue. The way he answered was to disembark from the train at our own destination and away from his schedule to take us to where we were going before continuing with his journey. On getting there, he took photos with us and exchanged WeChat contacts. The Chinese I know is the one that is more willing in a place like Beijing to direct you to where you are going than many black people you ask in the street.

In May 2017, I arrived in Beijing at about midnight via Emirates and was picked up by a taxi driver who dropped me off at my hotel and patiently waited for me who didn't remember to get some Chinese money at the airport bureau de change to try two ATMs to draw money and pay him that late, about 1.00 am, without raising any quarrel of wasting his time.

The following day as we readied to attend the inauguration of the Belt and Road Initiative on May 14, my friend, Ralph Oni, and I went to a nearby hotel to pick up our press tags and materials.

There we met two Chinese persons we later discovered to be journalists – a man and a lady. The man was later introduced as Mr. Du Xin and the lady, a reporter for the CCTV was Liao Youping. A little exchange to ask them where to get our tags exploded into a good friendship that the lady even paid for the taxi that took Ralph and I to the next destination. To date, there is hardly a day I don't chat with Du who a year later surprised me with a very elaborate documentary of me containing a long compilation of my published articles in China and Nigeria that I still treasure.

On the evening of the following day, he called me to join them at one of the hottest night spots in Beijing where he introduced us to a bevvy of friends who all welcomed us like old pals, two of us were the only non-Chinese among about 12 friends on the table. When we left at about midnight, they still paid for the cab to take us back to our hotel. And the story was just unfolding as Du still kept his word and invited us over to Xiamen, Fujian Province to join them as foreign guests and friends in their career fair for young people. We were hosted like VIPs and the following day at the event, I received the most resounding accolade as a journalist when I was called up to address the crowd of over 300 young participants. The next day, we flew back to Beijing, all on their bill. My friendship with them still remains to date.

I can go on and on with so many more instances of whom I discovered the Chinese to be, even way back here in Nigeria. I

still keep in touch with over 95 percent of the Chinese friends I made between 2016 and 2018 through WeChat. Some of them have become so close that when my daughter was to travel to study in Beijing, some of them volunteered to go to the airport to pick her up on her arrival as a first-time visitor to China, one signed as her mentor and they keep close to her like a family member.

### **5g Causes of frictions**

Having lived and worked in China, interacted with the people and observed their lifestyle, I can fairly guess that apart from the normal culture shock that happens when alien cultures meet, there are marked gaps and differences between the Chinese and Nigerian ways of life.

Our close relationship with China hasn't been one-tenth as long as that with the West. Yet, even with them, it was in 2005 that Shell which came to Nigeria in the 1930s had the first Nigerian CEO, Basil Omiyi, almost 70 years after it opened shop in Nigeria. Most of the misunderstandings at the workplace with the Chinese employers are part of the teething challenges, but should not just be helplessly watched to change shape over time. We can play a role in putting it into shape fast, especially as the world is wide awake in both eyes today.

Indeed, every society has a distinct work attitude and ways. Until I studied in South Korea, I didn't know of work break

hours. Of course that is alien to the Nigerian. But at such places that observe them, work completely shuts down for an hour to observe lunch break, in most places between midday and 1.00 p.m. Restaurants become quite busy at such times and overflow with workers having lunch, after which everyone retires back to work.

I once hired a cab in Abuja where the driver told me that he was a staffer of the Chinese Embassy. When he pulled up to pick me up at the embassy gate, I corrected him that where he stopped was wrong. It was when I had boarded he told me that he did that because he works there. The Nigerian said he has about two hours of lunch break every workday and feels idle, therefore, he decided to use the period to make some money operating a hailing cab.

### **5h Conflicting work cultures**

In a place like South Korea, I mentioned, in the institute I attended and lived, work starts at 9.00 a.m. and closes at 6.00 p.m. Within these official hours, the ordinary worker whose work schedule doesn't depend on phone calls would not use a personal cellphone, unless in an emergency or a special situation. All calls needed during the work hour must be official and most times with the official phone line.

The Chinese are also well known for their strenuous work attitude or culture. That is a lot different from what obtains in

Nigeria. At the informal level, Nigerians work extraordinarily hard and long hours. But in the organised sector, a totally different story applies. Things are so relaxed to a point it looks like rules do not exist.

China ranks among the top hardworking countries in the world. In Asia, it is just second to Singapore and amasses an average of 42 hours a week or 2,184 hours a year. That is approximately 8.4 hours a day for those that work from Monday to Friday. However, factories operate a different routine where some are open every day and workers take a day off in a week and work up to 10 hours on each work day, and also sometimes take overtime hours.

According to Yahoo Finance (*yahoo.com*), hard work is related to productivity. “In recent years, an increasing number of countries have recognised the indispensable link between hard work and economic growth. This realisation has sparked a global trend towards promoting a culture of hard work and determination.”

Everyone who knows something about China also understands that two major things power its hyper economic growth - discipline and hard work.

If you work with a Chinese, for instance in China, you face a different approach. When you have a work appointment that takes you on a trip to another city or location, the work starts immediately after you arrive. In most cases, the vehicle that picks you up from the airport or train station takes you to the

workplace with all your luggage in the vehicle while you go working right away. It is like a rule that you only report at your hotel to check in at the end of the work day. But work must stop during lunch break for the workers to refresh. In my trips and work experiences, I learnt not to complain or ask for a break because the Chinese team leading me didn't stay off the workplace. They work alongside you and when you are to end, everybody ends for the day.

During a particular trip to China from Nigeria, some team members actually complained so bitterly that we were overworked and not allowed a breathing space. At one point, I had to talk to some of them to understand that the Chinese work that way and they witnessed that they worked alongside us.

During my KOICA fellowship in South Korea before I ever knew China, it was the same tale of non-stop work. Most of our fellow Nigerians in the team were civil servants and almost all of them felt so bitter to board the bus at 8.00 am for work or lectures. With all modesty, those of us from the private sector had been used to it, especially a journalist. These are about grooming and acculturation that make a difference in peoples.

From my findings during the fieldwork for this book, most Nigerian workers in Chinese companies complained about their work attitude. It was in a few of the cases that the issue was on the rights of workers. However, some of the Nigerians told me that they were quite okay with the work structure at the Ogun

Guangdong Free Trade Zone, Igbesa. To Tope from Ekiti State and Stephen from Imo State, all young men, the work pattern had nothing wrong with it. Stephen studied in Europe for his master's and said he got used to long and strenuous work hours there and enjoyed every new experience. To Tope, work hour doesn't feel stressful as long as he gets new experiences. Hard work is some form of fun and he doesn't complain. Therefore, when Chinese employers drive Nigerian workers hard at work, many interpret it otherwise due to cultural differences.

### **5i Communication gap and structure**

The communication gap between most Chinese employers and the employed Nigerian where many of the supervisors, in fact, most of them can't communicate effectively with the local workers is a challenge on its own. The problem of application of niceties, when work gets testy and frosty, becomes an issue that frays nerves. In many Chinese factories and employment places visited, interpreters are on the employment list, proof that the gap is really still there.

At the newsroom in Beijing, I recall two junior and younger journalists asking me why I felt so free relating with them at work or after work the way I did. I was introduced to them as a senior editor and sometimes was asked to offer some coaching or reporting training to the rest of the reporters by the boss

of the department. The first time I was asked that question, I didn't make a meaning of it, until at another instance, one of them told me that hierarchy in Chinese workplace is strict in a way that most times you only relate with the higher ranks essentially on official issues, especially at work hours. I later observed that for myself the bosses lived in a different world. Hierarchy is supreme. China believes in order and fashions the work environment that way. When they are found in the Nigerian environment, that culture is given different meanings that border on negativity when actually those are not done out of biases or superiority stand, but an entrenched culture pattern.

However, that doesn't imply that across the board, the Chinese are mirthless or faceless in the workplace. Whereas these are the general rules, individual differences also exist where some bosses are easygoing and playful. That also applies in Nigeria among Nigerian workers and among all peoples. Some bosses are really bossy and full of air, while others are simple and friendly.

As pointed out earlier, when this is seen from a person of a different world, the negative sound rings so loud.

The collision of cultures manifests in attitudes, cultural differences, communication barriers, mutual suspicion, reluctance to dialogue, and idiosyncrasies, including notions, and mindsets.

### 5j A word for corporate China in Nigeria

Robert L. Dilenschneider, the authority on corporate communication in his influential book: *The Corporate Communications Bible* pages 143-144 cautioned: “You are going to be savvy about your relationship with the stakeholders, whether they are the local community, the state, or foreign companies and foreign governments. Whenever you deal with them, you will always have to act locally; that is, be intimately familiar with their needs and with how you can fill these needs. You also have to understand the customs and laws of the area you live in. If not, you could end up not only in the cold but also making an enemy. The halls of business are filled with war stories of executives who didn’t do their homework before dealing in Egypt or Japan and really alienated some people.”

Many Chinese companies in Nigeria from personal experiences of approaching them to market their services or just for a press interview with no strings attached due to our special reporting focus on Africa and China economy seem detached and cold. They are suspicious. Most of them don’t even have the patience to hear you out to discuss interviews or tell their experiences, services or the values they add to Nigeria. They seem to dismiss you as someone who is probably targeting to rip them off.

A business consultant who used to supply a community of

Chinese businessmen pork in Ogun State told me the investors don’t act warmly towards local clients and rather behave like they are suspicious of everyone. While caution is a major watchword in business and other relationships, there should be time to open up, and at least have close confidants among the locals. The average Chinese investor in Nigeria should not act on stereotypes or mindsets about Nigerians. Excessive suspicion kills business just like so much easy trust. An investor having trusted the Nigerian market enough to stake substantial fortunes in a country or market should also find a way to extend his or her trust confiding in individual citizens of the country to help the company remain in business. They may engage professionals to handle certain things for them to build a good image by creating relationships.

No matter the lifestyle of the people from their background, while in another environment and doing serious business, there is the need to adjust to the realities so long as they are not negative. The world of today is not a silent one where people keep their work out of public attention. What should be guarded against is being overtly loud. But so long as it is about factual publicity or even informal everyday public relationships, there is no alternative to it in today’s world of business.

This peculiar style makes it difficult to get many Chinese business people involved in some negative publicity to speak up and tell their side of the story. Without being flippant, companies should know when to talk to the public about their

services or defend themselves against some allegations because if they keep silent, even a false allegation takes shape as true. They also should know how to create the right environment for proactive image-making. That is easy by creating friendships.

For us to have a different and better story about the Chinese companies in Nigeria knowing their positive contributions, some deliberate steps need to be taken by them, and urgently too. It might surprise many that many Chinese companies in Nigeria don't operate a website or social media accounts where people can find information or updates on the activities of the company online or even do business. That alone is enough to raise suspicion about the openness of their operations when they actually should be celebrated for their positive contributions.

The necessary steps include:

- *Having local media and public relations consultants*
- *Exploiting the benefits of the new/social media with websites, social media accounts etc*
- *Holding regular or periodic meetings to brief the public on what you are doing*
- *Hosting training for workers and being more workers' friendly, respecting their rights*
- *Creating a friendly environment with the host country and local community*
- *Being a part of the society - when things happen, issue statements that show you identify with the local*

*environment. Some of them did this during the pandemic.*

- *Reacting to misgivings about the Chinese companies or community to prove wrong the lies. Also distance from any individual that goes wrong*
- *Paying periodic visits to VIPs, the media*
- *Doing CSR and announcing them to make the world know about them. Some of them actually do this.*
- *Engaging in image building*
- *Killing this bias on inferior goods*
- *The rest may borrow some strategy from CCECC that seems to be most proactive about public image among Chinese firms in Nigeria.*

### 5k Duty of our government

Some people hate the Chinese and for no reason actually. Some hate Nigerians, and blacks, without reason. Some come with the mindset of 'we are superior to others.' Some welcome them with the mindset of 'I wouldn't yield an inch because they are here to cheat us.'

For the lowly people, honour is not part of their appurtenances.

That is why the Nigerian government should do its work to elevate the Nigerian citizens by providing them with jobs. When a foreign employer knows that the local employee has an alternative if asked to leave, such would be treated more

humanely. When they know they have no alternatives, the foreign employer can toy with them. This can apply to all foreign employer firms in Nigeria, not only the Chinese.

Also helping to fuel any suspicion is a carryover from the frosty relationship between Nigerians and the earlier batch of foreigners who terribly exploited them. The old experiences still haunt and make some loathsome and suspicious of all foreigners. People with that hangover see the Chinese like another set of colonial masters with modern tricks. It is the proverbial case of someone smitten by a snake that is terrified of even the earthworm. That also fuels the over-hyping of any minutest negative incident in labour relations, no matter how little. Even those labour issues we overlook with local employers become so heated with the foreigners.

On our part, the leadership of the country has been wanting in the enforcement of compliance to labour relations rules. This issue is mentioned earlier in this chapter. Even when genuine complaints are raised, not much is done, just like when false alarms dominate, nothing is done to dig to the roots and find out what and who exactly is right or wrong. Justice as popularly said is not for one party but for all parties involved. Deviance should be punished on either side to ensure fairness.

Aside from punishment of infractions, we never had a case of government agencies holding periodic sensitisation of the work environment to make sure that both parties - employer and the employed act within their bounds and limits.

A good instance was my failed or non-replied efforts to reach the Nigeria Labour Congress (NLC) on these issues. I called the contact number on the NLC website for some days from the third week of August, at least twice every day, and no response.

I tried the email option explaining the details of my inquiry, who I am and why I needed their response as the apex labour body in the country. The email to gsec@nlcng.org never got any reply. This looked to me like the attitude of the body in responding to labour issues of individual workers.

I have repeatedly told people close to me that a major reason I have much attachment to the Chinese is the ability to rise above the traditional oppressors of the human race. I have watched very familiar documentaries of the gruelling and inhuman treatment the Chinese people were subjected to in America working under the harshest winter in the fields laying railway lines and dying of cold. I read many years ago, Charles Belitz's account of how whites of a particular country built a recreation park in Beijing in the 1940s and wrote a sign at the gate - "No Entry for Chinese and Dogs."

In 2016, I listened to former US Secretary of State, Madeline Albright narrate on CNN how her attire was a scene to Chinese ladies in Shanghai in about 1991, the first time she visited China. She also recalled that shortly after that, during her subsequent visits, the Chinese ladies didn't notice her any longer, as according to her, her wears didn't matter again because the Chinese ladies had become better dressed due to

their affluence and wonderful economy.

On that particular day in downtown Shanghai in May 2016, I sat down with Mr. Zhao Qizheng, the former deputy mayor of Shanghai who actually supervised the turnaround of the city to its wondrous status today. He narrated to me how GM Motors arrived from the US, started production, and paid Chinese workers exactly 1/7th of what their US counterparts earned for doing exactly the same work. He looked at me and asked, “Do you think that the US can do that to us today.” The answer is obvious. The government has a duty to work on the lifting of the status of the Nigerian worker before foreign employers.

### **51 Time changes things**

The Nigerian should also know that you pay a price to get something, including skills. The Chinese experienced it, just like many other countries did. Sometimes Nigerian workers are not employed in very high positions in Chinese and other foreign companies because the foreign investor is in business for profit and inclined to trust his closer people more. The Nigerian might also not be competent in the skill sets required for the high position. That also changes with time and the acquisition of better skills by the local worker. There was hardly a Nigerian worker who knew how to drive a train when Chinese companies started rehabilitating railway lines and bringing today’s train model those who drove trains some 40 years ago never knew,

even when most of them are no longer in service. With time, these trends change with a steadfast effort.

CCECC brought railway engineering and our people didn’t have the manpower for that as real skilled professionals. They needed to understudy the Chinese experts, the same way the Chinese in 2002 understudied German, French and Japanese experts for speed train tech and mastered it. Today, they rule the world and consult for the World Bank in railway projects globally.

That is where CCECC interventions to train locals into professionals count a lot. In July this year, 65 young Nigerians who trained as experts in various engineering courses and management in Chinese universities returned home with bachelor’s and master’s degrees as expatiated in the next chapter. With time, they will be engaged either by CCECC, or other related companies in the industry as top experts.





# Six

## A HUMAN FACE TO INVESTMENT

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Corporate Social Responsibility (CSR) has become the fad that almost all corporate organizations globally latch on to in diverse forms.

It is a major culture of industries, service organizations, intergovernmental agencies, private business companies, etc. In today's world, it forms a part of the corpus of international best practices and a signpost of how responsible a corporate organisation is towards society and the locality where it operates. In some instances, corporate bodies create programmes that even cater to larger audiences outside their locality or even the country of their operation.

The World Business Council on Sustainability Development, 1998 described CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”

According to the European Union in 2006, “CSR is the concept that an enterprise is responsible or accountable for its impact on all relevant shareholders.”

However, *Wikipedia*, a grand reference authority on universal nomenclatures sees it as “a form of international private business self-regulation which aims to contribute to societal goals of a philanthropic, activist, or charitable nature by

engaging in or supporting volunteering or ethically-oriented practices. While once it was possible to describe CSR as an internal organization policy or a corporate ethic strategy, that time has passed as various national and international laws have been developed and various organizations have used their authority to push it beyond individual or even industry-wide initiatives. While it has been considered a form of corporate self-regulation for some time, over the last decade or so, it has moved considerably from voluntary decisions at the level of individual organizations to mandatory schemes at regional, national, and international levels.”

World Bank explains CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life, in ways that are both good for business and good for development.”

From my visits, interactions, interviews, and personal investigations, many Chinese companies operating businesses in Nigeria have not all been just after the profit only and giving nothing back for society to remember.

Some of them have really made humanitarian, and corporate social impacts on the local and host communities, and in diverse ways. My findings consolidate the conclusion that Chinese companies operating in Nigeria don’t act aloof or indifferent to this corporate culture of being responsible and caring - giving back to society, in common Nigerian parlance. They well know

that the local community is just the external premises of their company beyond their walls.

### **6a Chinese CSR policy**

The Chinese government is not left out in according meaning and focus to CSR and encapsulates the task and challenge to ensure that “corporations should carry out their social responsibilities by abiding by all relevant laws, regulations, and business ethics codes. While pursuing economic profits, corporations are held responsible by shareholders, employees, consumers, suppliers, communities, and other stakeholders. Moreover, corporations have responsibilities to protect the environment.” (*USAID: Foundation for Environmental Security and Sustainability journal, August 2008; fess-global.org*)

It is also pertinent to point out that contrary to some unfounded notion of the ‘exploiter’ tag on Chinese companies or China as a people against the international status quo, China and Chinese investors, even here in Nigeria don’t operate contrary policies against the world order of responsible investment culture manifested in CSR.

A Cambridge research paper of August 2020 debunks this wrong position.

The focus of the paper on *cambridge.org* authored by Bingyu Liu was specific to note that:

“The close institutional, relational, and bureaucratic ties between the state and the business community give the Chinese government the power to influence the behaviour of Chinese state-owned enterprises overseas. The Chinese government can influence the CSR practices of Chinese companies overseas through mandating, facilitating, endorsing, and partnering in order to minimize the negative externalities of companies’ overseas activities.”

This position was reinforced by a thesis of *jstor.org* on *Pacific Affairs: Vol. 86, No.2, June 2013 journal*, that “China, as a new country of origin of FDI, and Chinese firms are now making commitments to corporate social responsibility (CSR) and sustainability remains significant, indicating an important development in the country’s ‘Going Global’ strategy.”

## 6b Exploring corporate China in Nigeria

The first of the encounters I had in discovering this aspect of the Chinese investor in Nigeria was in July 2018 at the University of Lagos.

It was the day the graduating students of the Confucius Institute of the university were hosted at a job fair by the institute.

At the event, the Chinese Investors Association for Development pledged scholarships for up to 15 of the graduates. That was meant to take them to China for their studies, some for degree

courses. In the same vein, the body led by Mr. Liu Chang’an (Chief Ronnie Liu) and with membership from among the Chinese businesspeople community in Lagos took up the challenge to establish a joint institute in the university. It was in response to a call by the Vice Chancellor, Prof. Oluwatoyin Ogundipe for such. Eventually, the Institute of Nigeria China Development Studies was created in November of that year.

From that point, I have been quite familiar with a good number of Chinese companies operating in Nigeria and discovered their policies and corporate actions. There is no doubt that some internal operations may differ a little from the corporate rules, but they don’t as a rule operate adverse and inhuman rules, especially with regard to CSR. Where compromises exist, we should look beyond the corporate to see a lax attitude to enforcement by local agencies as a corollary, or just the deliberate individual decision of the particular organisation. Human beings naturally drive against rules for profit, but it peaks when such deviance is not called to order through punishment.

I found out many Chinese companies giving scholarships to locals, providing basic infrastructure such as water, roads, food, schools, healthcare outreach, etc. to the locality where they operate their businesses.

One of them even went as far as giving me a research brief on corporate communication to focus on what the society perceives of their image and operations. I am sure they later adopted some of the suggested measures for a better operation

and public outlook and perception.

### 6c Covid-19 human interventions

When it mattered most to intervene for society and friends, such as the COVID-19 global pandemic, Chinese investors and communities in many cities and states of Nigeria rose to the challenge.

During the battle against the dreaded COVID-19, a coalition of Chinese firms and nationals resident in Nigeria fought alongside Nigeria and Nigerians through a lot of donations. Of course, no Chinese person in Nigeria doesn't have a business such does. They are all investors at various levels. Even the smaller ones aggregated efforts and pulled resources together to be part of the support.

A group of Chinese women made donations to an orphanage in Ogun State while other groups and companies also did similar things. According to *Premium Times*, a Nigerian online media, “Mutual Commitment Company Ltd donated medical face masks and hand gloves to the Nigerian military and medical protection materials to the Bauchi State government as its support in the nation's quest to curb the ravaging Coronavirus pandemic in the country. The donation to the country's military was received by the Chief of Defence Training and Operations, Maj-Gen. Lucky Irabor, who got the items on behalf of the Chief of Defence Staff, Gen.

*Gabriel Olonisakin at the Defence Headquarters.*

*Another Chinese firm Kenyang Mining Company Nigeria Limited donated N3 million and 30,000 face masks to the Nasarawa State government as part of its contribution to fight the spread of the pandemic in the state. Other donations that also came in from the group of Chinese firms included the donation of eight tons of ethanol to Ondo State by Wewood Limited, the donation of Viju milk drinks, Obest Biscuits, Mama V tomato paste, and Mr. V Premium Table Water by Viju Industries (Nigeria) Limited, a player in the milk drink industry in Nigeria and West Africa to Lagos, and Ogun State governments in alleviating the pains and disruptions to the daily lives of citizens as a result of the lockdown.*

*Speaking about the resolve of the Chinese firms to support the country, the Director General, of the China General Chamber of Commerce in Nigeria, Tristan Cui revealed that, “We have companies that have spent many years in Nigeria, so whatever challenge that confronts the country would also affect us. We are in Nigeria and we must unite and work to counter this challenge. The success achieved in fighting the virus is a common success because the problem has no colour.”*

The coalition of investors reasoned that it had to carry out a large-scale outreach to the people impacted most by the pandemic lockdown. It, therefore, directed its member organisations to identify states, governments, agencies, groups, or individuals that they desire to support. Through this structured approach,

the donors will reach a larger number of recipients.

Also, *ACE Magazine* brought to the public in its report that “the Association of Chinese Women in Nigeria distributed food items to an orphanage in southwest Ogun State to support its COVID-19 fight. The donations, presented by Zhou Jun, president of the Association, were meant to help the children amid a 14-day lockdown announced by the Nigerian federal government to curb the spread of the COVID-19 pandemic.

The association, which has been supporting orphanages and vulnerable persons in different communities in Nigeria, said the donation was their way to identify and show love to the orphans in the home. “We are worried about likely food shortage for the children in the orphanage in this lockdown period,” the association’s head said in a statement to Xinhua in Lagos.

They donated bags of rice, packs of water, cartons of biscuits, and cartons of noodles. She added that the Chinese association had donated to the VictimsSupport Fund set up by the Lagos State government following the gas explosion that destroyed more than 100 homes in the Ado Sabo area of the state early in 2020.

Receiving the items, Obakoya Victoria Abosede, head of the Ijamido Children’s Home, thanked the Chinese women’s association for the gesture, especially at that crucial time. She said the donation was timely and would go a long way in assisting the less privileged in society.

On May 27, in what was her first official assignment after resuming in Lagos a few days earlier, the new Chinese Consul General, Ms. Yan Yuqing commissioned a mini recreation park right opposite the Chinese Consulate in Victoria Island. The place where the park was built for public use used to be a dirty and squalid spot in the middle of the highbrow neighbourhood.

The facility built with the permission of the local council and at a cost the donor companies refused to disclose was a CSR contribution of XCMG Ltd, BGP/CNPC International Ltd, and Anhui Construction Engineering Group. Even though some of them don’t operate any business or office on Victoria Island, they still made a contribution which the community appreciated them for.

### 6d CCECC and Responsible business operation

Chinese construction major player in Nigeria, CCECC once explained that its business operations in Nigeria since 1981 have been beneficial to the country in so many ways. Because of how comprehensive its CSR report card has been, it was proper reflecting on it extensively to capture the truism that Chinese companies are responsible in their business ethics in Nigeria.

A statement in the corporate social responsibility (CSR) report of the company for 2022 signed by the chairman, Mr. Liu Weimin, and the Managing Director of CCECC Nigeria, Mr.

Chen Sichang explained:

*“As a responsible model of the international development of CCECC, CCECC Nigeria improves social infrastructure, introduces advanced equipment and technology, and hires the locals for localized operations. A mechanism has been established to keep transparent communication and exchange with governments, project owners, partners, employees, communities, etc., contribute to local economic development and industry upgrading, and boost local people’s livelihood and well-being. It thus contributes to a China-Nigeria community with a shared future.*

*As a multinational corporation that offers services in 111 countries and regions, CCECC in Nigeria has always fought for common interests and sustainable development. As we accelerate the upgrade of our traditional businesses, we strive to build a whole-industry-chain platform for international projects. Led by design and consulting, our project contracting-centered business structure is established with asset investment management as the highlight based on the foothold of transportation operations.*

*We fully deepen our integrated capability of investment, construction, and operation, facilitating the infrastructure and economic development of the host countries. Implementing the Global Development Initiative is a “golden prescription” for global economic development and revitalization. While prioritizing development, CCECC will continue the win-win cooperation with Nigeria for an open and shared economy, and fully leverage our global platforms and resources to offer new vitality to the recovery*

*of the global economy and economic development as well as the improvement of people’s livelihood in Nigeria.”*

*In the detailed report, CCECC reckoned that “no one can achieve prosperity without the help of others, according to a Nigerian proverb. Through thick and thin, we have worked with our stakeholders in Nigeria over the past 41 years. Committed to “providing Nigeria with quality infrastructure and services”, we provide top infrastructure solutions and services across the whole industry chain for Nigeria, which is a must for our adherence to the principles of sincerity, real results, amity and good faith, and a necessity to ensure high-quality Belt and Road development. By now, we have undertaken many large-scale infrastructure projects in 30 states across the country, covering railways, highways, housing projects, free trade zone development, real estate investment, etc.*

*Fulfilling social responsibility is a commitment shared by world-class enterprises. While contributing to the development of Nigeria unwaveringly, we have always aimed for connectivity and mutual benefits on a larger scale. Attaching top priority to development, we earnestly contribute to local infrastructure construction, technological cooperation, and industry development, with an effort to create greater benefits for local industries and people. Putting people first, we advance local employment and procurement to create more job opportunities and continuously increase the proportion of local products and services used. As an inclusive company, we build a cornerstone for win-win partnerships with high-quality products and professional services.*

### 6e Quest for innovation

*To pursue innovation-driven development, we accelerate the transformation of technological research results into actual productivity by giving full play to our experience, technology, and resources. Upholding harmonious coexistence with nature, we protect the local ecology with eco-friendly operations. In line with the action-oriented principle, we support local public welfare undertakings and achieve mutual respect and harmony with the community.*

*The past is a prologue to our achievements at present and in the future. CCECC Nigeria will continue to work closely with our local stakeholders to create greater value while contributing more to the Belt and Road development, so as to constantly deepen China-Nigeria cooperation in a responsible and sustainable manner.*

### 6f Poverty reduction

*Tracking local communities' urgent needs for community development and improvement of people's livelihood, we give full play to our expertise and resources in infrastructure construction to improve the local living conditions and have helped the local villages and tribes improve infrastructure. To give local children access to better education and support local cultural and educational development, we fund school construction, donate school supplies,*

*and popularize safety knowledge. Besides, we help local communities resume production urgently, thereby giving back to Nigeria.*

*We hire local workers to create more job opportunities for the local people. At the same time, we offer diversified training programs for local employees, which have effectively improved the labour skills and income of residents around the projects. We develop education and training facilities for Nigeria, including the founding of the University of Transportation in Daura and the Nigeria Luban Workshop, boosting local higher education and vocational education. The two organizations also help train professionals in various fields such as transportation engineering, railway operation, communication engineering, and power system automation for the country, and provide opportunities for outstanding candidates to study in China. Meanwhile, we vigorously promote technology transfer, leaving more outstanding professionals and advanced technologies in Nigeria.*

### 6g Building harmony

*We work to establish harmonious relationships with governments and communities, and highly respect Nigeria's history, culture, traditions, and customs. By participating in cultural activities organized by international organizations and the Chinese Embassy in Nigeria, we provide new opportunities for Nigerians to learn more about China and CCECC. To realize sincere and open cultural exchanges, we enhance the exchange among employees with different*

*backgrounds and increase mutual trust and friendship.*

*New drivers are needed in our times. In the face of numerous development challenges and difficulties such as the global outbreak of the COVID-19 pandemic, intensified geopolitical conflicts, climate change, and economic recession, the concept of ESG (Environmental, and Social Governance) is gaining social concerns. It has also become an innovative solution for CCECC Nigeria to achieve higher-level cooperation, higher efficiency, higher-quality supply, and higher development resilience in practicing the Belt and Road Initiative.*

*CCECC Nigeria advocates the spirit of innovation. Relying on our experience and technologies, we strive to make technological breakthroughs and carry out scientific research. By organizing technical exchanges and cooperation extensively and promoting the application of advanced technologies, we provide strong support for improving local infrastructure and economic development.*

### **6h Responsible development model**

*We insist on a sustainable and responsible development model. By building a systematic and equal management framework in compliance with laws and regulations. We also become a reliable and close partner of governments, project owners, business partners, employees, and communities to create a favorable business environment together.*

*We do these by:*

- *Attaching great importance to sustainable development and ESG, strengthening localized management, and improving the implementation of governance and management structure.*
- *Formulating the Rules for Implementation of the Management System of CCECC Nigeria Ltd in accordance with the requirements of quality, environmental, and occupational health and safety management systems to improve the management system.*
- *Strictly following Nigerian laws and regulations, respecting local business practices, cultures, and customs, and maintaining a favorable business environment of operation with integrity and fair competition.*
- *Improving the management system and issuing the Rules for Implementation of Anti-Commercial Bribery Commitment of CCECC Nigeria Ltd., etc.*
- *Actively communicating with project owners, governments, communities, the media, and other stakeholders to enhance mutual trust and establish a long-term communication mechanism.*

### **6i Creating diversification**

*CCECC Nigeria takes a people-oriented and mutually beneficial*

*approach to pursuing development. By enhancing technology transfer and accelerating the transformation of scientific and research findings into productivity, we aim to create greater momentum for development with innovation. We continuously strengthen safety and quality management, create diversified value by building safe, reliable, and quality engineering projects, and encourage an increasing number of partners to raise their awareness of risk prevention.*

*We have improved corporate governance and ESG management by improving our organizational structure, system implementation, and compliance management, and enhancing CSR communication, thus laying a sound foundation for stable operations.*

- *Strengthening corporate governance and insisting on a responsible development model*
- *Stimulating the innovation and accelerating the commercialization of scientific and research findings*
- *Building a solid foundation for safety, and strengthening quality management and risk prevention*

## **6j Enhancing Compliance Management**

*Strictly abiding by the relevant laws and regulations of Nigeria and China, we have set up the CCECC Nigeria Compliance Committee and the compliance office under its management for relevant work.*

*A compliance review mechanism has been established to carry out anti-commercial bribery commitment and compliance risk assessment, so as to constantly improve our risk prevention and control capabilities and business compliance level.*

*We have prepared and issued the Guidelines on “1+9” Compliance System Implementation of CCECC Nigeria to strengthen the operability of the compliance management system, ensure the standardization of compliance due diligence of project management personnel, and promote the integration of compliance management into the business.*

*We have comprehensively carried out the anti-commercial bribery commitment. Employees in essential posts and all subcontractors and suppliers have been organized to sign the letter of commitment in accordance with the requirements of the Rules for the Implementation of Anti-Commercial Bribery Commitment and a joint force for compliance management has been formed.*

*We have carried out compliance risk assessment through interviews and questionnaires so that we can identify current main compliance risks and problems, and adjust work focuses and directions in a timely manner.*

*We have strengthened communication training to improve business compliance. Through organizing special compliance training covering the compliance management of project bidding and sanction disclosure requirements of international financial institutions, the compliance awareness of all employees has been effectively improved.*

*We actively disclose social responsibility management, measures, and achievements to Nigeria and have issued CSR reports for three consecutive years. Our CSR implementation progress is also regularly summarized and reviewed to constantly improve the transparency of our CSR performance. Besides, we consciously accept the supervision of the government and the public and provide channels for local stakeholders to better understand the Company.*

*We keep in touch with project owners through letters, emails, phone calls, and visits;*

*We proactively contact the owners during the project implementation process to protect their right to know;*

*We invite the owners to visit our company to further enhance communication with them.*

*We maintain communication with the government and actively establish friendly and cooperative relations with the Nigerian government.*

*By holding special meetings involving subcontractors and consortium members, we inform the subcontractors and suppliers of the progress of projects in time.*

## **6k Workers' rights**

*We cooperate with local Labour Unions to effectively protect the*

*rights of local employees;*

*In order to protect employees' right to know, supervision, and participation, we listen to the voices of employees through the petitioning system and visiting;*

*We negotiate wages with employees, disclose corporate affairs, and issue in-house publications to enhance employees' understanding of the Company.*

## **6l Responsible corporate communication**

*We distribute brochures and video materials such as CSR reports to local communities to enhance their understanding of the Company;*

*We have developed a community engagement and communication mechanism, and assigned special personnel who communicate with local residents regularly, listen to their expectations and demands, and offer them necessary support;*

*We also organize the "Open Day" activity to invite local residents to get a better understanding of the Company's projects and enhance the transparency of our operations.*

*We publicize the Company's CSR achievements on Twitter, CCECC Nigeria's official website, printed media, etc., aiming to create a responsible corporate image of "win-win cooperation".*

### 6m Deepening technology innovation and application

*CCECC Nigeria advocates the spirit of innovation. Relying on our experience and technologies, we strive to make technological breakthroughs and carry out scientific research. By organizing technical exchanges and cooperation extensively and promoting the application of advanced technologies, we provide strong support for improving local infrastructure and economic development.*

*CCECC Nigeria has established its technical sub-center to enhance technology development and innovation capabilities and strengthen the close integration of technology, research, and production.*

*The CCECC Nigeria Technical Sub-Center Management Measures (Trial) has been issued to clarify the organization, responsibilities, incentives, assessment measures, etc., and regulate innovation management.*

*Vigorously apply the “four new” technologies and the 16 sub-items under the nine major technologies in the construction industry during the construction of the Abuja-Kaduna Railway Project, and has independently developed five new technologies to address challenges brought about by the harsh natural environment, differences in standards and regulations between China and Nigeria, the lack of power systems, and difficulties in grid connection and joint commissioning of electro-mechanical.*

### 6n 49 awardees at 49 years of diplomacy

As the global pandemic hide-indoors eased, the Chinese Embassy immediately found time to celebrate Nigerian workers in the employment of Chinese companies.

Two days before October 1 - a date that is coincidentally Nigerian and Chinese National Day, the Charge D’Affairs, Mr. Zhao Yong hosted 49 Nigerian employees of Chinese companies operating in Nigeria for their outstanding performance and contributions to strengthening diplomatic ties between both countries. It was also the 49th year of China and Nigeria’s diplomatic ties. Each awardee got a cash reward and plaque as a mark of honour, friendship, and appreciation. That was another human face to labour relationship where a worker in a company would be honoured by the embassy of the native country of the business organisation.

Zhao said the award ceremony was organised to commemorate both countries’ independence anniversary on Oct. 1, and 49 years of friendship and bilateral relations. He commended the employees whose contributions, he said, had led to Nigeria’s development, especially in infrastructure.

According to him, China and Nigeria have a long history of great friendship and solidarity, both of which have grown tremendously over the years. He said that such friendship and

solidarity would continue to grow stronger.

The chief diplomat noted that both countries also gave each other invaluable support at the onset of the Coronavirus pandemic (COVID-19).

“The coming October 1 marks the 60th anniversary of the Independence of Nigeria, as well as the 71st anniversary of the founding of the People’s Republic of China. Celebrating October 1 together constitutes a unique bond between China and Nigeria. I wish to take this opportunity to thank Nigerian employees in local Chinese companies for your contributions to the beneficial bilateral cooperation. With joint efforts, tangible results have been recorded in many areas, especially in the area of infrastructure. Next February will mark the 50th anniversary of China-Nigeria diplomatic relations. Let us work together to uplift China-Nigeria relations to new heights for the benefit of two peoples and countries,” Zhao persuaded.

He said that statistics from the China General Chambers of Commerce revealed that the total value of materials and funds donated by the local Chinese private stakeholders to Nigeria during the pandemic months amounted to N3 billion.

On behalf of the award beneficiaries, Miss Ninilola Fafore, Public Relations Director, Huawei Nigeria, lauded the Chinese government for its sustained support and development of different sectors in Nigeria. She admitted that as a Chinese company, Huawei is using its telecommunication expertise to

ensure work continuity in a virtual space even at the height of the pandemic.

“It is an important thing to understand how much we have come together with China, a country that has brought so much growth and development to different sectors in Nigeria, across several industries. Without their support I do not think we would have had such growth in ICT development that runs across other industries. This has been a great support. Huawei has done a lot working directly with the federal government by providing protective wear and aiding the continuous work in the virtual space for the Federal Republic of Nigeria and its staff. We have been able to provide the network devices and have the telepresence devices to the federal government and even the president was impressed at what we have done.”

A major point she made was revealing that aside from contributing to Nigeria’s Gross Domestic Product (GDP), Huawei had as of 2020 produced more than 20,000 engineers in Nigeria who have moved from vendors to operators and working abroad in top management and expert positions. Since the award began in October 2008, a total of 670 Nigerians have been recipients.

The following year, at the celebration of China-Nigeria’s 50 years of diplomacy, similar awards were extended to 50 Nigerians whom the Embassy said contributed in some number of ways to promote friendship between the two countries.

### 6p OGFTZ many strides for community

Giving back to host communities is what any wise, smartly-run organisation needs to set aside time, resources, and efforts for.

Needless to say the Ogun-Guangdong Free Trade Zone (OGFTZ) has toed this line and has actively kept its corporate words to the Igbesa Community of Ogun State. The OGFTZ is a conglomerate of Chinese industrial outfits, with more than 50 companies so far in various goods manufacturing in the area. The companies already in operation make up just some 45 percent of the expected full capacity of the Zone which is projected to have about 120 factories running and creating wealth in the Nigerian economy.

Over the last decade and half, the OGFTZ has appreciated and integrated with its host communities by providing better road networks, employment, water, electricity, and more outside its core manufacturing business.

Education as we all know is the route out of poverty for many rural children, a concern that OGFTZ put into consideration as it built a fully equipped school and donated to its host community in Igbesa, where thousands of local children have received qualitative education, enabling them to compete at the same level playground as students in urban schools or from privileged families.

In many parts of Nigeria, the provision of community-based schools is prevalent in areas where the onus of education has traditionally been on the community or where governments presence is hardly felt.

OGFTZ saw the gap in education infrastructure in Igbesa. In this small town where the expansive factory cluster is located in Ado-Odo/Ota Council of Ogun State, it stepped in to intervene.

It is 14 years since the industrial cluster has been in business. And just two years after its take-off, it quickly intervened and gifted the community this school – China-Nigeria Friendship Model School (CNFMS). Recently, the Chinese Consulate General renovated the school and built additional structures and facilities to bring it up to today's standard. The additional facilities, according to the head teacher for 12 years who retired in June 2023, Mrs. Akinboade Abimbola was a huge lift to the school.

"I was highly overwhelmed when the Chinese Consulate approved a massive renovation of the school premises, building additional classrooms and a cafeteria. This also commemorated my retirement and I felt highly honoured to leave the school better than I met it," she confessed.

She also recalled that "the location of the school in a serene environment attracted the attention of people living in the community and when the school started it brought sanity and provided the lacking right environment for learning with

qualified teachers on the ground, decent uniform and sound practical teaching that could meet international standards. The school also introduced clubs, like the Literary and Debating Club, Boys Scout, Health Club, Press Club, Cultural Group, School Choir, and Sports Club.

A good number of the ex-students are already in higher institutions now, while a few others are into artisanship. I personally created a WhatsApp platform called De.Genius as a means of getting in touch with them to know how they are getting on in life. I started teaching/administration and supervision in the school since its inception in 2012, and can say for sure that the school built by the Chinese investors who operate their businesses here has made an immense contribution to the society and the state.”

In the past 12 years, the CNFMS has graduated and produced worthy children with prospects for society. Many of them are already in universities and other higher schools pursuing academic careers. Currently, the school has an amazing population of over 675 pupils at the end of 2022/2023 school year in July, with also a good number of teachers, and learning facilities.

Apart from the government sending teachers who operate the school, most of its management and upkeep, especially infrastructure, is sustained and supported by the FTZ.

Through this education facility, OGFTZ seeks to achieve the twin goal of ensuring that the local children have access to educational facilities and ensuring such facilities are able to get the students ready for higher education.

Their effort has made it possible to better equip the teachers and students with quality academic facilities.

Since its resumption, OGFTZ school has recorded a significant increase in its enrollment per year. With this challenge, it also addressed the growing needs of the CNFMS learners and teachers.

The school buildings also have dedicated rooms and places for special services such as a clinic, isolation room or sick bay, computer lab, a library, and a guidance and counselling room including, a basketball court.

The Zone’s management represented by Mr. Stephen Makanjuola promised continued sustenance of the commitment to retain this school as the best in the state and keep the good relationship of the industrial cluster and the community going.





CIG Car Assembly Plant Ikeja Lagos



Abuja metro train chugs through the railway line in the city's CBD



# Seven

## APPENDIX

### FOCUS ON SPECIFIC COMPANIES

- 7i. **HUAFEI:** Investment and friendship
- 7ii. **Huawei:** Nigeria's ICT industry companion
- 7iii. Western Metal Products Company (WEMPCO)
- 7iv. **SINOMA:** A cement machine giant
- 7v. **XCMG:** Providing equipment backbone to Nigeria's construction sector
- 7vi. **NATDC:** Lure of Abuja's CGCOC farms at Ushafa
- 7vii. **TECNO** and Infinix giving Chinese products new reputation
- 7viii. **CIG** making Chinese cars in Lagos
- 7ix. **Ogun-Guangdong Free Trade Zone:** USD300m manufacturing hub

- 7x. **YONGXING STEEL:** 2000 jobs, USD150m investment support to the economy
- 7xi. **RONG SHENG GLASS:** USD200m business boost to Nigeria
- 7xii. **OPAY:** The power of swift, innovative banking
- 7xiii. **CCECC:** Nigeria's infrastructure creator since 1981
- 7xiv. **STARTIMES:** Reliable, affordable information harbinger
- 7xv. **CHEC:** Boost to Nigeria's blue economy with West Africa's largest seaport
- 7xvi. **SKYRUN:** Producing locally to crash home appliances monopoly
- 7xvii. **CWAY:** Water value chain is big business
- 7xviii. **VIJU:** From beverage drinks diverging into dairy farming

**A**fter a general overview of the roles of the various and diverse Chinese companies in the country, I decided to take a close-up look at some of them.

This profile of the selected companies would further validate the depth of their commitment to the Nigerian economy and the extent of contributions they make.

### 7i. HUAFEI: Investment and friendship

Huafei Nigeria Limited was founded in the year 2000, with its headquarters located in Lagos, Nigeria's largest economic city. It is a diversified company that combines trade, hotels, logistics, finance, and information services.

The company operates hotels, restaurants, supermarkets, exhibition centers, logistics centres, and warehousing centres in the Ikeja and Victoria Island areas of Lagos. It also has branches in Osun State and offices in Shandong, Shanghai, and Guangzhou, China.

Huafei serves as the president Unit of the Chinese Investors Association for Development and Promotion (CIADP) in Nigeria and has long been committed to facilitating economic and cultural exchanges between China and Nigeria.

Investment net worth is USD1 million

It has 98 employees, of which 93 are Nigerians

Addressing workers' rights challenges is a critical aspect of our operations, and we take such issues seriously. Here's how we handle and resolve workers' rights challenges:

- **Compliance with Labour Laws:** We are committed to strict adherence to both Nigerian labour laws and

*international labour standards. Our employment policies and practices are designed to ensure that workers' rights are respected and upheld.*

- **Open Communication Channels:** *We maintain open and transparent communication channels with our employees. They are encouraged to voice their concerns or grievances through various means, including regular meetings, suggestion boxes, and dedicated human resources personnel.*
- **Internal Grievance Mechanisms:** *We have established an internal grievance resolution mechanism where employees can confidentially report any issues they face. These grievances are taken seriously and addressed promptly through a fair and impartial process.*
- **Commitment to Non-Retaliation:** *We have a strict policy against any form of retaliation against employees who raise concerns or grievances. Whistleblowers are protected, and we take measures to ensure their safety and job security*
- **Corrective Actions and Remediation:** *If any violations of workers' rights are identified, we take immediate corrective actions to address the issue. This may involve disciplinary measures, policy changes, or enhanced training programs.*
- **Continuous Improvement:** *We are committed to*

*continuous improvement in our labor practices. We regularly review our policies and procedures to align them with evolving labor laws and international standards.*

Our approach to workers' rights challenges is proactive and collaborative, aimed at fostering a workplace environment where employees are treated fairly, with dignity and respect. We understand the importance of upholding workers' rights not only for the well-being of our employees but also for the overall success and sustainability of our business operations.

**Our relationship** with the local communities in Nigeria is one of mutual respect and collaboration. As a Chinese investor, we have worked hard to establish a positive and harmonious rapport with the people living in the areas where we operate.

We built this good relationship through:

- **Community Engagement:** *We actively engage with local residents through various channels. We participate in community events, sponsor local initiatives, and regularly meet with community leaders and members to understand their needs and concerns.*
- **Employment Opportunities:** *We have created numerous job opportunities for local residents, helping to improve*

*their livelihoods and support their families. Our commitment to hiring locally is a testament to our dedication to the community's economic well-being.*

- **Economic Development:** *Through our investments, we have contributed to the economic development of the region. This includes not only direct employment but also indirect benefits to local businesses and suppliers.*
- **Environmental Responsibility:** *We are committed to environmental responsibility and have implemented eco-friendly practices in our operations, ensuring minimal impact on the local environment and surrounding communities.*
- **Listening and Feedback:** *We actively seek feedback from the community and take their concerns seriously. This two-way communication helps us address issues promptly and tailor our initiatives to better meet their needs.*

Our goal is to be a responsible corporate citizen in Nigeria, not only by contributing to its economic growth but also by actively participating in and supporting the social and cultural aspects of the communities we operate. We value the trust and goodwill of the local communities and remain committed to nurturing this relationship for the long term.

Huafei has a News Agency arm also. It is a comprehensive

bilingual media platform serving overseas Chinese communities in West African countries.

### **7ii Huawei: Nigeria's ICT industry companion**

The Chinese giant ICT company and a major global player came to Nigeria in 1999.

In these past 24 years, it has been the backbone of ICT growth and deepening in Nigeria to the extent that without Huawei, it is doubtful that Nigeria would not have been at the ICT backwaters.

It has been a key player in diverse ICT development in Nigeria, taking digital services to schools, and telecom firms through partnerships.

Huawei has become a principal influence in the Nigerian fintech sub-sector also with reliable services to banks and other financial institutions with superb cloud backbone.

In February 2023, it commissioned the Kano data centre reported to have facilities such as a Tier 4 datacentre with a capacity of 72 rack cabinets (66 IT racks and 6 network racks) and fully equipped cloud infrastructure of 2.2PB storage capacity, 6,144vCPUs and 9TB memory; a regional office building of three floors, with private and open office spaces, Network Operations Center, Training facilities, meeting

rooms and co-location room with a total of 900sqm of space; and Comprehensive power systems of 33KVA utility source, dedicated transformers (1250 kVA capacity) and backup generators (600 kW capacity). The project is valued at USD21.4 million, including the Abuja data centre with IT facilities valued at \$11.56 million.

During the 2020 COVID-19 nationwide lockdown, Huawei partnered with Fets, a grassroots financial services company to launch a solution that assisted local people in accessing cash. By April 2020, they deployed hundreds of POS terminals, mostly in the southwest, and by the end of that year, there were over 3,000 POS terminals in use for financial inclusion, serving over two million users. The services at a point stretched to nine states.

Out of its genuine concern, Huawei noted that “Nigeria's Fintech market remains heavy in innovation around payments and there is a need to onboard MSMEs at the center of our ecosystems, motivate them to stay online and carry out business online. This means we have to go beyond payments and attempt to fix some of their enterprise operations pay points such as business digitization, connection to demand from customer side and B2B marketplaces that include local suppliers as well as those from China and facilitating seamless cross border payments.

“For the Nigerian market, Huawei has deployed its Finance and payments cloud as part of its FINTECH 2.0 strategy

that boasts of microloan, buy now pay later, shoppers loan, overdraft, savings, Super apps with mini-apps, etc. - allowing FinTechs in Nigeria to enjoy them on SAAS mode with minimal investment in November 2022.

“It’s not just technology but our ability to package all this best practice learning from other successful sites and bring that success DNA to your project to ensure faster time to revenue. We are seeking partnerships in Nigeria with like-minded organizations to deepen financial inclusion.”

Huawei’s white paper titled, “Nigerian FinTech’s Cloud Adoption” focuses on deployment of cloud services and operation in the nation’s fintech industry and how to provide guidance for businesses that are adopting cloud services.”

In May 2023, the company took another major step as a driving factor in the nation’s fintech space, giving an assurance that the company was resilient in addressing the visible challenges in the industry through cutting-edge technology and innovative solutions available in its cloud services.

Huawei said that Nigerian FinTech’s Cloud Adoption White paper presented at the event analysed the current situation, requirements, and challenges of the fintech industry and how to solve these challenges through cloudification. It boasted of rolling out notable global infrastructures that cut across storage, cloud computing, and networking. “As a leading provider of cloud services across the world, we are intensifying our efforts

at deepening penetration and promoting the adoption of cloud services for businesses in Nigeria, especially fintechs. We want to ensure affordability of cloud migration, security resilience, and provide higher speed of cloud interaction on their platforms.” It also noted that users of its cloud services were guaranteed maximum security of their data owing to its sophisticated end-to-end security and artificial intelligence services.

In partnership with Globacom, Huawei empowered 30 institutions, and 150 students in Nigeria who were offered Huawei smartphones loaded with six months of Glo 4G data to five students and five Huawei routers with pre-loaded 60GB of Glo 4G data to the institution.

In April 2018 MTN Nigeria and Huawei completed commercial deployment of the RuralStar 2.0 solution. The project provides low-cost long-distance voice and mobile broadband services for remote rural areas in Nigeria, helping to connect the unconnected. The voice and data traffic of newly deployed RuralStar 2.0 sites exceeded expectations, which reveals the enormous telecommunication demand in rural Nigeria.

“Huawei is a leading global provider of information and communications technology (ICT) infrastructure and smart devices. With integrated solutions across four key domains – telecom networks, IT, smart devices, and cloud services – we are committed to bringing digital to every person, home, and organisation for a fully connected, intelligent world,” it affirmed

about itself.

In October 2016 it inaugurated its Innovation and Experience Center and the Joint Open Lab of the University of Lagos and Huawei in Lagos, Nigeria at a cost of USD6m. It is established under the concept of “Cloud”; which enables visitors to share Huawei global resources.

It has 1,200 staff of which 70% are locals. In order to assist Nigeria in developing its own ICT skills and infrastructure, Huawei at its Abuja ICT Training Center has trained more than 12,000 employees, customers, suppliers, and partners. In December 2015, Huawei signed an MOU with the Nigerian government to provide more than 2,000 training opportunities to Nigerian youths.

### **7iii. Western Metal Products Company (WEMPCO)**

This mega Chinese firm owns some chains of companies, including the prominent 5-Star Oriental Hotel in Lagos.

It is however mainly known for the giant steel rolling mill near Lagos, once known as the largest in West Africa.

When bad business weather which has become the tradition in Nigeria hit home, the media was awash with the news that it was letting off Oriental Hotel and about shipping out of Nigeria entirely. But WEMPCO quickly denied the claim. The reasons for the headwind the group faced include a burdensome tax

load and the inclement investment environment Nigeria had become.

WEMPCO, a steel value-chain group has been one of the largest private-sector Chinese companies in Nigeria, contributing so much to the economy. When the news of its bankruptcy broke, the speculation was that should that happen, at least 250,000 jobs, directly and indirectly linked to WEMPCO would go down the drain, worsening Nigeria’s economic crises, especially in the real sector.

Oriental Hotel alone, with hundreds of Nigerians employed, is valued at USD250m or about N98 billion.

Punch Newspaper reported that “at least 250,000 jobs are also under threat as the survival of more than a dozen firms depends on WEMPCO. Nineteen enamelware firms have already shut down. The paper also reports that WEMPCO was for years “the authorised sole distributor of cold-rolled iron sheets, used in the manufacturing of roofing sheets and annealed iron sheets used in the manufacturing of enamelware.”

### **7iv. SINOMA: A cement machine giant**

On its official Facebook account and in a post of August 2023, the company described itself as “an innovative industrial engineering company based in Abuja, FCT, Nigeria. We specialize in engineering, procurement, construction, and operation.”

On August 29, 2022, the company explained itself “as the world’s largest comprehensive building material group, and the world’s leading new material developer and comprehensive service provider that always adheres to the concept of sustainable development, promotes green technology innovation, provides high-quality products and services, and promotes better economic and social development.”

It also noted that “for the past 15 years, we have been deeply committed to Nigeria known as the “Eagle of Africa”. With high-quality service, commitment, responsibility, and passion, we have been working with the local people to build this beautiful country.

Sinoma Nigeria Company Ltd will continue to spread the concept of smart resource utilization and environmental protection, enhance public awareness and recognition of building materials enterprises, and showcase the achievements made in the intelligent upgrade, green development, safety, and health, as well as openness and inclusiveness to fulfill our mission of “Promoting green and intelligent development, serving a better world.”

Recently, the 2023 U.S. Engineering News-Record (ENR) list of Top 250 International Contractors was released. Sinoma reached another record high, ranking 43rd in the world, and 11th among Chinese enterprises.

In the future, we will continue to improve on the core

competitiveness of the whole industry chain with the mission of “promoting green and smart development for a better world.”

Its other building engineering businesses include cement aggregate; ready mix concrete; lime; fiber cement board; float glass; new house; and dry wall. It also operates new energy concerns in the areas of hazardous waste treatment; alternative fuels; desulfuration and denox; kiln co-processing, and municipal water treatment. In other industrial sectors, Sinoma engages in mining; alumina and aluminium, edible oil refining; large industry zone; terminal and wharf; petrol refinery and chemical; intelligent agriculture, and hydroelectricity.

The company said it recently hosted the 2023 China-Nigeria Cross-Cultural Integration Open Day Activities with great success. It was their major CSR project to create the right environment between them and the host local community. The company invited the family members of several Abuja local employees from different departments to visit their R&D and operation centre building.

“During the event, representatives from the management team engaged in discussions with the invited local employees and their families, focusing on the company’s current development and gathering future suggestions. To conclude the event, personnel from both China and Nigeria participated in a culinary cultural exchange activity, where they had the opportunity to taste dishes from both countries and envision a bright future together.

In early August, it commissioned its Edo Line 3 OSOSO Mine Project, which is now officially operational. The launching ceremony of this project marked a significant milestone in the partnership between SINOMA Nigeria and the project owner.

“With a strong emphasis on quality and efficiency, our goal is to enhance operations and drive sustainable growth for SINOMA in Nigeria.

Sinoma Nigeria has for almost two decades, been involved in operations such as industrial investment, engineering, procurement, construction, production, and operation management in the cement industry, electrical engineering, road and bridge, refineries, etc. Through our efforts in the local market, Sinoma Nigeria Company Ltd has established a strong brand image and set an example in Nigeria. We are committed to our mission of “Creating a Better World with Materials” and actively contribute to building a community with a shared future for humanity with the local people. We firmly believe that through cooperation and win-win partnerships, we can make even greater contributions to the development of Nigeria and create a brighter future together.”

Earlier in July, it heralded a new development in the SOKOTO4 project. On July 10th, the installation of the cement mills was successfully completed, marking the beginning of the final sprint phase of the project.

The two cement tube mills in the SOKOTO4 project were

independently developed and designed by the company, with a single weight of up to 203 tons. The project team has fully implemented safety measures during the lifting process of the cylinder body, ensuring safety and efficiency, contributing intelligence and strength which has greatly benefited the project execution.”

This success story was preceded by the Kogi4 project. The installation of the rotary kiln for the 6000T/D clinker cement production line was completed. Despite extreme weather conditions including strong winds and heavy rain, the project team meticulously organized and implemented special emergency plans to mitigate any potential risks. After three and a half days of dedicated efforts, the lifting task was accomplished smoothly.

“The successful installation of the rotary kiln marks another significant milestone for the project, boosting the enthusiasm and determination of the entire team, and establishing a solid foundation for achieving the overall project timeline.”

The EDO3 project was also successfully completed with the “installation of two domestically produced cement mills of the largest size, marking a new phase in the installation of the EDO3 project. These two cement mills were independently designed by CNBM and have a size of 5.2mx19.25m with a single weight of 203T, making them the largest pipe mills in the country.”

### 7v. XCMG: Providing equipment backbone to Nigeria's construction sector

At the sprawling Sinoma Industrial cluster in Sagamu, some 5km from the Redemption Camp, travelling from Lagos, XCMG Automotive Nigeria Limited, a Chinese multinational company powers an elaborate construction equipment business.

The particular arm of the larger XCMG Group that is into delivery trucks and mixer trucks manufacture and sales is ruling the sector.

The global company sells Hanvan G7 concrete mixer trucks and the tipper version, including the truck head, an entire truck, spare parts, and servicing of the trucks as after-sales additional business concerns.

The General Manager, Mr. Wang Xu, popularly known as Zorro described the mixer truck as the flagship product in Nigeria that sells most.

XCMG in a year sells at least 1,000 trucks and is fast becoming one of the most dominant brands in Nigeria.

Wang explained to *ACE Magazine* that its products are world-class and the second or third largest globally, sold in almost every country and with a plan to start assembly in Nigeria.

He lamented that it is only a contrary policy of the government

that hampered its take-off in the past two years.

The company was almost set to launch its assembly plant when the government crashed the duty on imported machines and trucks from 30 percent to just 10 percent.

The low duty made it economically unwise to produce in Nigeria as it rather favours importation with lower costs, especially since production in Nigeria, even though more beneficial to the local economy, is quite expensive and any such trucks assembled in Nigeria will be so expensive, and will not survive the price competition because of higher cost.

Wang who had headed XCMG offices in some European countries described the Nigerian market as strange in comparison. He said when he resumed in Nigeria, everything was like upside down, but with time, the company is adapting to the reality.

Even though he admits that Nigeria is a very large market with sales of up to 10,000 trucks annually, across the board, he wishes and challenges the government to look into making investment in the country more rewarding and less challenging.

He reasoned that since Nigeria will gain more when production is boosted, there is every need to encourage manufacturers by taking away and tackling the obstacles.

On a note of optimism, he said Nigeria will get better with time. "Some 40 years ago, China was at the level where Nigeria is today. But with dedicated leadership and commitment, it grew

over the years to where it is now as the global leader in so many sectors of production and the general economy.”

The arm of the company that has subsidiaries in earth moving machines and equipment employs at least 200 workers, among whom are more than 180 Nigerians.

Since its commencement of business in Nigeria, XCMG has invested over USD100 millions to bring the business to what it is.

Beyond the trucks, XCMG also sells original spare parts, services the trucks, and handles other equipment maintenance.

#### **7vi. NATDC: Lure of Abuja’s CGCOC farms at Ushafa**

The Nigerian Agricultural Technology Demonstration Centre Ushafa, Abuja arose through a partnership between two governments – Nigeria and China. It is a modern farm owned and operated by CGCOC Nigeria Limited, a Chinese firm that has been in the local construction sector for years.

It is actually called the CGCOC Agriculture High-Tech Abuja Industrial Park. The modern farm sits on 80 hectares of land and is projected to be developed into: “An agriculture high-tech industrial, economic and technological development park combining the function of crop varieties R&D and cultivation demonstration, horticultural protected agriculture, agro-processing, agricultural equipment manufacturing,

development and promotion of new energy micro-grid power supply system and other technologies, agricultural inputs and equipment sales and technical services, supporting living services, scientific research office, technical training, business consulting, conference and exhibition, trade promotion and other services, as well as research on Africa’s agricultural industrialization, and sustainable development.”

As Mr. Wang Xuemin, the Assistant Managing Director took me around the farm, he explained the technical details of the various rice species – local, foreign, and blended breeds. He coached on how the local farmers who buy the hybrid varieties misunderstand that they are for just single-season planting.

Wang has been nurturing that farm for five years which is just an extension of his 15 earlier years in similar projects in Kebbi State. With his 20 years in food cultivation at a very advanced, technical, and tech-driven level, he has over time become a factor, in Nigeria’s modern agriculture development.

Five years ago, the CGCOC kick-started the joint venture to put this farm in place. Such high-end farms are common in Guizhou, Shandong, Heilongjiang, Tibet, and other regions of China.

From the entrance is a block of product processing facilities for rice, animal feeds, beans, vegetables, grains, and more. The husks and other wastes from these processing mills are put back into the fields as manure. It is a cycle that doesn’t stop and doesn’t waste. The rice cultivation methods adopt two

systems of broadcasting where the rice grains are scattered in the paddy fields and the traditional transplant system from the rice nursery.

Down the hills after the capacity training halls, product exhibition centres, and research labs, one of the numerous clean roads takes you through a bridge over the long lake. To the two sides of the bridge, farms, and fields are laid out in orderly arrays. Driving in the open picnic car through the hills and valleys, over the lake, and into the farms is some fun. Cultivation was ongoing and local hands engaged in one activity or the other, including plowing with the tractors, weeding, and application of herbicides and fertilizers.

It has become a multi-faceted facility with even living quarters and expected over time to develop tourism facilities such as accommodation spots to enable Abuja residents to use the farm as a tourism destination where friends, families, corporate organisations, and others can host events and vacations.

### **7vii. TECNO and Infinix giving Chinese products new reputation**

Transsion Holdings, the mother company that makes TECNO and Infinix smartphones set up its Nigerian subsidiary in June 2008, and had subsidiaries in seven countries in Africa by October of that year.

Since then, the Chinese conglomerate has remained a dominant force within the Nigerian mobile phone sector with a retail market share of 75.2% an increase from 73.% in 2017. Their continuous success is a fact of the brand carving a niche for itself by creating a variety of smartphones to meet the needs of the diverse income segments of the population.

The steady quality improvement of these brands and their affordability have contributed so much to keeping the prices of smartphones in the Nigerian market within the average consumer's reach. In addition, they arrived at the market like a joke and with poor quality products that have been on steady improvement and re-written the script of what many conceive as Chinese products. The qualities of the two have beaten all market hurdles and forced the other competing brands to put their price rise in check. Since about 76 percent of Nigerian internet users access it through their mobile phones, the Transsion innovation has been a potent factor in powering Nigeria's internet penetration with over 70 percent of the market occupied by the two.

According to *Euromonitor International's* August report based on Mobile phones in Nigeria, "Transsion Holdings occupies the top position with the highest brand market share in the Nigerian mobile phone industry as of the end of August 2018. This is a result of the brand's well-established repertoire, large consumer base, overall product functionality, strong affiliation with e-commerce platforms, and ease of access to readily purchase

their products.”

Still, in the *Euromonitor* report, Infinix Mobility was confirmed as one of Africa’s leading smartphone makers. Infinix Mobility has had quite a stellar year churning out impeccable devices such as the Hot S3X, “Beyond Intelligent” Note 5, and “Intelligent Creator” Note 5 stylus among others. This has been reflected in the brand’s retail market share which shot up to 8.5% higher than that of Samsung which stands at 7.6%.

This growth in retail market share within Nigeria for Infinix Mobility is attributed to the brand’s extensive understanding of the terrain it operates in. According to the brand owners, the smartphone brand’s vision is to become the most popular and fashionable smartphone brand in emerging markets.

Concerning the report, the penetration rate of smartphones in Nigeria is expected to increase based on the early and successful passage of the Telecommunication Critical Infrastructure Bill by Nigeria’s Legislature and is expected to boost internet usage in Nigeria which was at 47% of the population in 2018. The report also noted that competitive pricing among internet service providers is expected to drive growth due to affordable internet availability.

Since up to 74 percent of Nigeria’s internet users access it through smartphones, TECNO and Infinix also dominating over 50 percent of the smartphones consumption, the company is a huge factor in powering the country’s internet visibility, the

ICT sector and fintech.

#### **7viii. CIG making Chinese cars in Lagos**

Choice International Group, better and simply known as CIG is the brainchild of Ms. Diana Chen, the Chinese lady investor in automobile sales, servicing, and in other products.

But before long, Chen took her venture higher into the production of automobiles in Nigeria. It was satisfying witnessing what manufacturing exploits her company is making in Lagos producing models of China’s GAC cars locally.

The GAC brand of automobiles made popular in Nigeria by Chen is an old and trusted product since 1954 in China. It is today the country’s largest automobile manufacturer with 2.14 million vehicles sold in 2021.

In Nigeria, Chen has been powering this brand since 2014. The crux of the pact for the production in Lagos is that the brand must come in the exact standard as those produced in the head office in Guangzhou. This new addition to the CIG automobile business and service has created a chain of valuable inputs to the Nigerian economy and manufacturing industry.

The head engineer Mr. Heng Tan explained that as the cars arrive in Nigeria from the GAC plant in Guangzhou, China, it is in a semi-knocked-down mode.

All the cars are rolled in a trolley into the assembly production line with just the body as they arrive in the country. They are merely empty shells without any components inside. The parts that would make up the interior and turn it into a car arrive separately and are later fitted on the production line by a team of Nigerian engineers and technicians. As the car shell rolls into the production line, it starts taking up the substance and the components that make a real car from one production stop to another.

On the production line loop, it starts with the engine block and gearbox mounted. From there it leaves to pick up other parts, including every interior component – the seats, battery, the tyres, some minor body fittings, and more. By the time the car arrives at the final assembly point, everything mechanical and electrical that is required to make it a serviceable automobile is in place. At last, it gets infused with the basic fluids – coolant, air conditioning gas, and brake fluid. At this stage, it is ready to go meet the customer dressed for the road, but for a few more minor stops basically in quality assurance and checks.

Each stage of the production chain goes through quality control and assessment to be sure there is no error. When all these are done, the car is driven out of the loop into another section where the last check is done. These include diving fitness, road worthiness, waterproof check, and finally the road check. At the time the car passes through the rain chamber where a jet of water bombards it for a set time, and is found not to have any

gap for water penetration into the interior, it gets the final test when it is driven through different simulated track surfaces for stability check. This test drive takes 1.5km to complete, after which the product is set for the market.

The single factory line churns out an average of 300 cars a month since its inception in 2021. They come in three major models – GS3, GS4, and GS5, and will produce the flagship GAC model of GA8 shortly.

The visit to the production plant, together with the sales and others that have over 100 Nigerians employed was an eye-opener to the new preponderance of GAC brand of cars on Nigerian roads.

During my earlier visit to the corporate head office of CIG on Victoria Island, the CEO, Chen had explained the larger plan of the company and how it thought it improper to keep importing automobiles into Nigeria rather than manufacture here.

She noted that the Nigerian automobile market has warmly embraced the GAC brand which is fast killing the monopoly of some older brands and affording the Nigerian consumer more and better options at affordable prices.

Chen assured that her company is ready to do more to enrich the Nigerian automobile market, with an additional model service centre that will soon take off in Ojota, Lagos.

With such centre nearby, after-sales service of the cars with

assured quality spare parts, GAC will soon take over the market with top range products.

It later introduced the Mini Space Bus GN8 and intends to cover the Nigerian market with the world's best in terms of automobiles. CIG Motors Co., Ltd recently signed another landmark technical assembly agreement with a new partner, Jiangxi Jiangling Motors Import and Export Co., Ltd, thereby extending its vehicle models to include all commercial vehicles and cars of GAC, ZNA, Dongfeng (DFAC), and JMC brands.

Website

[www.cigmotorsng.com](http://www.cigmotorsng.com)

Industries - Motor Vehicle Manufacturing

Company size - 201-500 employees

Specialties - car assembly, sales, and GAC Motor distribution

The lack of stable electricity supply and insecurity were among the hurdles militating against the effective operations of automobile assembly plants in Nigeria, according to Chen, the CEO.

### **7ix. Ogun-Guangdong Free Trade Zone: USD300m manufacturing hub**

Ogun Guangdong Free Trade Zone is the product of a joint

venture agreement between the governments of Nigeria and China.

At the 2006 FOCAC Summit in Beijing, it was decided that China would embark on establishing economic cooperation zones in Africa to boost the continent's local economic growth. One of them became the Ogun-Guangdong Free Trade Zone (OGFTZ) located in Igbesa close to the prominent Agbara industrial belt of Ogun State.

OGFTZ is one of the eight such designated to be formed in Africa and is the second free zone followed by the Lekki Free Trade Zone which is located on the island axis of Lagos. It is powered by Chinese companies and with credit and technical facility support from the Chinese government and affiliated agencies.

Construction of the free zone started in 2008 while production by factories commenced in 2009. On my visit to the FTZ in the course of this work, the management told me that the FTZ is 14 years in operation. It is jointly operated by the Chinese conglomerate called China African Investment Company (CAIC) and the Ogun State government. Approval of the project and its operation was given by the Nigeria Export Processing Zone Authority (NEPZA) in 2008.

"The total planned area that the OGFTZ covers is close to 10,000 hectares, and it also has the lease on the land for 99 years. Since the free zone is a product of a joint venture, the

China African Investment Company has a controlling stake in the management. CAIC, which is led by China's Guangdong, is the owner of a whopping 82% of the complete free zone. The Ogun State Government has the remaining stake, which is 18%. The CAIC also has 100% management control of the free zone, and it consists of a 100-year concession for all the goods produced in the free zone."

During my visit and a tour around the facility in June, about 52 factories were in operation, and that was after the second phase of a planned total of five phases.

The primary focus of the free zone is on the manufacturing and processing industries. The major industries in the region are related to furniture manufacturing, the manufacture of lightweight objects, and ceramics. In the long run, the OGFTZ is focused on expanding more into the engineering, marketing, and trading industries. As discussed in the China-Africa Summit forum, the free zone is trying to develop its real estate development and R&D department and is striving to provide services such as logistics, manufacturing, trading, financial assistance, etc.

The OGFTZ employs about 4,000 people and has provided training to around 30,000 people in the past eleven years, according to its official records as I was told by the public information office. During my tour of the facility, about 52 operational factories producing various goods from food processing including canned foods to building materials such

as cement, sanitary wares, interior finishing products, foam rubber, paint, tyres, ceramic tiles, carpets, aluminum products, plastics, wears, beauty products and many others were in place.

"The zone has provided the people with a platform to increase their skill level, and since the inception of the region, there are 30 percent more skilled workers by now. Phase two and three of the developmental activities in the zone will see more job creation and better services which the area will offer to its clients," as explained in an article about the Zone.

As of March 2021, The present worth of investment in the OGFTZ Limited, Igbesa, was more than \$300m. "The zone is probably the only one in operation in the country. Forty-four companies have commenced full operations; 17 are under construction." This position was well before its present standing where the investment and volume of production are also way larger than this figure.

Twelve years ago, the Free Trade Zone opened a school it built for the local community of Igbesa as part of its CSR. I visited the school twice in the course of putting this work together and interviewed the authorities where I found out that the school in June 2023 had 675 pupils at the nursery and primary levels. It was also recently renovated before my visit by the Chinese Consulate General in Lagos with more facilities provided. It has been an educational backbone to the Ogun State and has groomed hundreds of children. The first head teacher of the school, Mrs. Akinboade Yetunde Abimbola who served there

from inception for 12 years till her retirement, placed the figure of graduates of this school at about 450. In addition, the FTZ also constructed a 10km double-lane road with solar street lights connecting Igbesa town through the FTZ to Lusada that links Agbara.

### **7x. YONGXING STEEL: 2000 jobs, USD150m investment support to the economy**

Nigeria Yongxing Steel Co. Ltd is located in Benin City, Edo State, in South South Nigeria. It is a comprehensive construction steel production enterprise. The company was established in 2012, covering an area of more than 2,000 acres, and is equipped with a self-supplied power plant.

At present, more than 600 acres of workshops have been built, with a total investment of more than USD150 million, with more than 2,000 employees from both China and Nigeria and the company is running well. The products cover all kinds of steel, including four main products such as steel bar, steel wire rods, strip, and section steel, as well as steel-processing products including nails, annealing wires, welded mesh, welded pipes, electrodes, angle steel, H-steel, flange plates, steel pillar components, oxygen, etc. The annual comprehensive output is more than 500,000 tons, and the output value is more than USD500 million.

For more than ten years, Nigeria Yongxing Steel Company has brought “China speed” to the upgrading and iteration of Nigeria’s steel industry, and also has boosted local employment, economic development, and social stability by injecting “Chinese technology” and “Chinese power”. The company has achieved many breakthroughs from scratch, which is the first enterprise to establish a full production chain of high-speed steel wire rods and their processing products, the first enterprise that established a full chain of strip steel and its processing products, and the first enterprise providing various types of products for local customers, ensuring that steel products can be purchased by “one-stop

For over ten years, while seeking sound development, Nigeria Yongxing Steel Co., Ltd. has followed the principle of harmony and win-win, actively fulfilling its social responsibility and integrating into local development, promoting “Yongxing Charity” projects to express “Chinese Love” to the local people.

On March 13, 2023, the company awarded a scholarship to Endurance Aiyudubie, an indigent student of the host community as a way of expressing its oneness with the local people and extending its CSR obligation.

(This profile was culled from its online citation)

### **7xi. RONG SHENG GLASS: USD200m business boost to Nigeria**

RongSheng Group Nigeria Limited is registered in Benin City, Edo State, and has been in business operation since 2016. It is wholly owned by RongSheng Investment Co. Limited, a Chinese large-scale multinational group, and is registered at the China National Development and Reform Commission, the Ministry of Commerce, State Administration of Foreign Exchange.

Its registered capital is more than USD200 million, while the first phase occupies a land area of 91,5000 square meters.

RongSheng Group's business is mainly in the production and R&D of float glass and aluminum alloy profiles. At present, we have 958-1,200 employees, including 15 scientific research personnel, 10 senior management staff, 8 chief engineers, 20 senior engineers, and 80 different kinds of professional technical staff.

Rongsheng Group adheres to world-class management standards, and first-class technology, together with the best staff team and service. The company meets the criterion of ISO90001 quality management system, and ISO140001 environmental management system and it is determined to provide quality products and services for Nigeria and other countries in the world.

We produce and sell float glass of different colors, sizes, and dimensions. We have in stock clear float glass, dark green, dark blue reflective, dark blue tinted, dark bronze reflective, dark bronze tinted, dark grey reflective, dark grey tinted, etc. Thickness 3mm - 12mm. Maximum size: 3300mm x 2250mm."

(This profile was culled from its online citation)

### **7xii. OPAY: The power of swift, innovative banking**

OPay is like the spine of fintech and a major player in banking operations in Nigeria. It exploits to the fullest, the possibility of total online banking. With no physical branch outlets and offices, yet, its efficacy is a marvel.

Even though OPay has been around for some years, the cash crunch that inflicted Nigeria during the currency redesign era sometime between November 2022 and March 2023 was a great opportunity for the fintech giant to prove its worth. It grabbed the opportunity and ran with it for success. During that time, while physical cash transactions became a mirage, the online banking space was clogged and jammed. Nigeria faced a standstill.

Their services include mainly account funding, transfers, and general banking transactions, other services such as online airtime purchases, service payments, and many more.

During that scarcity, OPay was the only banking platform that had assured transaction success, with up to 85 percent of transfers concluded and almost instantly.

The cause of the sluggish service was due to a volume of online transaction traffic much larger than the infrastructure. But OPay seemed ready and prepared for such an eventuality and captured the market for good.

The company is an arm of OPay Digital Services Limited, a company founded by Opera Norway AS Group with footprints in emerging markets across Asia, Africa, and Latin America in countries like Mexico, Nigeria, Egypt, and Pakistan.

Over 60% of people in Africa remain unbanked and can't access the most basic financial services to invest in their education and businesses, which limits their full potential. With a passionate team, sophisticated mobile platform, and a fast-growing community of users, OPay is making financial services more efficient for millions of users and it starts with the ability to pay and have access to the right opportunities at the right time."

It originally developed a payment platform designed to help users send and receive money from any bank in Nigeria. The company's platform lets users send money, pay bills, and buy food, enabling users to accomplish more with the money by getting smart financial services.

"Nigeria-based OPay has secured \$400 million in a new funding

round led by SoftBank Vision Fund, the venture capital arm of Japanese conglomerate, SoftBank.

The latest funding brings investments to date in OPay to \$570 million and values the Nigerian mobile payments platform at \$2 billion. It is the single-largest investment round secured by an African-based startup and marks the first investment in a startup on the continent by the SoftBank Vision Fund.

"We want to be the power that helps emerging markets reach faster economic development," OPay's Chief Executive Officer, Yahui Zhou, said.

OPay operates in a competitive fintech space, where others like Paga and TeamApt are equally working to increase their market share as they aim to bring financial services to the millions of unbanked Nigerians.

"Currently, the company's monthly transaction volumes exceed \$3 billion, driven by its strong network of 300,000 agents and 5 million registered app users.

As stated earlier, during the trying days between December 2022 and March 2023, as the cash scarcity bit harder and deeper, OPay rescued bank customers with a very effective online banking service that was the best in Nigeria," the company made public.

Founded in 2018

Workforce of 1,542 in 2022

Capital base USD2 billion

Agents - 300,000

App users 5+ million

### **7xiii. CCECC: Nigeria's infrastructure creator since 1981**

China Civil Engineering Construction Corporation (CCECC) Nigeria Limited has been a mover and commander in the infrastructure sub-sector of the Nigerian economy since it commenced business here 42 years ago.

Since it built the major project to expand South East-North East railway in 1995 under Gen. Sani Abacha, CCECC has not looked back in the development of infrastructure in Nigeria.

To date, the company has no record of abandoning or not completing any project ever awarded it, and has executed over 120 infrastructure projects in 29 states of Nigeria.

In the recent years, in fact since the President Olusegun Obasanjo days after the government started the 25 years railway development policy, CCECC has been like a lone, dominant operator in the sector. This is not because of any monopoly it created but because of its competence in railway engineering.

From about 2016 when it completed and had the Abuja Metro railway line commissioned, CCECC has sustained the firepower and momentum of championing the development of railway. This project was followed by others such as the Abuja-Kaduna

railway line, Ajaokuta-Itakpe-Warri railway, Lagos-Ibadan railway, Lagos metro railway blue line, the last of them that was flagged open for use in January 2023. These five major projects amounted to a total of 729km of railway, a huge addition to the transportation infrastructure of Nigeria, at least in the railway sub-sector, aside other areas. It still has about three other railway projects that are ongoing.

In addition, CCECC handled the projects for the building of expanded new terminals of the Abuja, Lagos, Kano and Port Harcourt international airports. The last of them was completed and commissioned in March 2022 in Lagos.

In addition to building railways, roads, bridges, the giant construction company has a thriving real estate firm that has been in massive housing development in the island area of Lagos. In March 2002, it laid the foundation stone for the construction of muti-apartment, multi-floor Grand Panorama Apartments on the highbrow Alexander Road, Ikoyi Lagos. It is a 21-floor luxury apartment project that construction has been quite swift.

In December 2020 at a meeting with the media to enlighten on its CSR strides, the managing director, Han Shuang revealed that it has investments worth USD2 billion in Nigeria.

It is difficult to see any company in Nigeria that invests more in CSR than the CCECC as extensively noted earlier in the book.

The last of its milestone impact on the Nigerian society was the graduation of 65 students from two Chinese universities on the bill of the company. While majority of them studied for their first degree in engineering, especially railway, the rest were masters degree majors in similar fields. For the construction of projects in Kaduna alone in about 2020, it employed 1,700 Nigerian local hands.

Part of its major society impact projects is the construction of the Daura Transportation Technology University in Katsina State. It also set up a railway engineering department at the University of Abuja, built a primary school for the local Papei Community of Idu Abuja when it handled the Abuja-Kadua railway project. During the COVID-19 global pandemic outbreak, CCECC brought in 15 Chinese medical experts to fight alongside Nigeria to stop the spread of the pandemic.

CCECC other positive impacts on Nigeria’s economy include the provision of tens of thousands of jobs, skills empowerment of the work force, the opening up of rural areas through railway lines and access routes and making them part of the larger country’s economic space.

As further testament to its competence, in December 2022, it won the open bid to build the Lagos Fourth Mainland Bridge of 37km at a cost of USD2.5 billion, a project that would be mainly funded by the China EXIM Bank.

**7xiv. STARTIMES: Reliable, affordable information harbinger**

StarTimes Media, a well-recognized pay TV service provider with about 20 million subscribers, and most them in Africa debuted in Nigeria during the 2010 World Cup when it used that global fiesta to launch its services.

StarTimes Nigeria is a subsidiary of the StarTimes Chinese multinational that was founded in 1988. The company currently specializes in the media and entertainment sectors. The position of the CEO is occupied by Zhang Junqi. The number of employees ranges from 250 to 500. The annual revenue of StarTimes Nigeria varies between USD1.0b and USD5.0b.

StarTimes Nigeria employees size - 5,000-10,000 (direct and indirect)

Specialties Pay TV, digital entertainment, sports

SIC Code 4833

Founded 2009

Estimated Annual RevenueUSD1.0b - USD5.0b

In 2019, the company announced an extra investment of \$220m in the country due to the expanded subscriber base that climbed to 4 million. This was disclosed by the country CEO, David Zhang, when he hosted journalists at its Abuja office. He said the \$220m was invested in setting up over 80 transmitting stations, satellite and digital infrastructure, programmes,

software and hardware.

In line with the commitment of the Chinese President Xi Jinping, StarTimes was set on an objective of extending its reach to 10,000 villages in Africa and provide them with affordable satellite TV as part of the Belt and Road Initiative policy on information dissemination in Africa and for a more robust connectivity between China and Africa.

StarTimes Nigeria set its sight in covering 1,000 villages out of the total for Africa. That is 10 percent of the continent-wide policy.

Zhang assured that “Our target in Nigeria is at least one satellite TV in each of the 774 local government areas in the country. He said StarTimes has so far employed about 1,300 Nigerian workers and also trained them to enhance their technical capacities. A cultural centre established in Beijing was adapting Nigerian films and content into Chinese languages to boost cultural exchange between Nigerians and the Chinese.”

He clarified that some Chinese animators who were interested in working with local animators visited Nigeria recently, and added that they expressed interest in working with local investors to produce Nigerian-Chinese cartoons.

In 2016 and 2017, I attended the StarTimes conference on Africa digital TV transition hosted by the group in Beijing. The two occasions afforded me a practical and close shot opportunity to

know the company better.

In each of these conferences, not less than 44 African countries represented by their information or communication ministers attended. The discussions were essentially on the Africa market - the digital migration and how to make digital pay TV services affordable to the people.

On the second event in 2017, StarTimes took the journalists on a tour of its head office in Beijing where the newsroom almost looked like an African office. I recall meeting at least 10 Nigerian young experts working there and honing their professional depth. Even here in Nigeria, most of the StarTimes staffers are Nigerians who pursue their career development.

Their presence in the Nigerian market also created an opportunity for competition which destroyed the monopolistic stranglehold of a lone digital service provider operator.

### **7xv. CHEC: Boost to Nigeria's blue economy with West Africa's largest seaport**

On January 24, Nigeria's leadership literally gathered at the Lekki Free Trade Zone to flag off the operations of the Lekki Deep Seaport, a large infrastructure of USD1.5 billion funded by a Chinese agency.

The event was by President Muhammadu Buhari and the

Chinese Ambassador to Nigeria, Mr. Cui.

The management of CHEC is quite inclusive with a team of eight directors, two of whom are Nigerians.

Construction of the seaport started on June 15, 2020, and was completed in less than three years on October 24, 2022.

Governor Babajide Sanwo-Olu of Lagos revealed that the port has the capacity to handle or accommodate 1.2 million 20 Equipment Units, (TEUs), that is the 20ft containers, and will become the largest in West Africa.

CHEC is synonymous with mega engineering projects of world class in China. They built the world's largest seaport, the famed Ghost Seaport (Yangshan Seaport) of Shanghai which is connected to the Shanghai mainland by a 36km bridge. I was at this port in May 2018 as part of a team of Nigerian editors who paid visits to Chinese major landmark projects. Coincidentally, the world's longest bridge, the Hong Kong-Zhuhai-Macao Bridge of 55km which my team also visited was built by CHEC as the managing director in Nigeria once explained to the press when it completed the Keffi-Makurdi highway expansion.

“The Hong Kong-Zhuhai-Macao Bridge used up 420 thousand tons of steel merely for the part of the main beam, which is equivalent to the weight of 60 Eiffel towers combined. Since its establishment, CHEC has always been committed to a corporate culture with its core values of “keen responsibility,

excellent rewards, and win-win cooperation” and the maxim of “inclusiveness, integrity, innovation, and dedication.”

CHEC entered the infrastructural market of Nigeria in 1994. Having accumulated extensive knowledge of the Nigerian market after 25 years of endeavour, CHEC has executed various projects across different fields, including dredging works in Calabar River, rehabilitation of Terminal B of Warri port, and construction of a breakwater in Lagos. So far, there are two large-scale ongoing projects, Lekki Port and Keffi Road Project, with a total contract amount of over USD2.24 billion, evidence of CHEC's technical and financial capacity.

The Keffi-Makurdi road project starts from the southwest of Abuja and crosses the Federal Capital Territory and the states of Nasarawa and Benue. The contract amount was \$542.14 million, 15 percent of which is funded by the Federal Government of Nigeria and 85 percent is by China EXIM Bank in the form of Preferential Export Buyer's Credit. The expansion and dualisation of the existing carriageway was to ease the suffering of commuters and motorists on the Keffi-Akwanga-Lafia-Makurdi road. Lekki Deep Sea Port is located in the Lagos Free Trade Zone. After completion, it is going to be the most modern and efficient port south of the Saharan Desert. Lekki Deep Sea Port is to be executed through two construction phases, after completion of Phase I, the designed annual handling capacity will be 1.2 million TEUs, and the total investment of Phase I amounts to USD1.5 billion. After

Phase II, the handling capacity will be enhanced to 2.5 million TEUs in total, which is approximately twice Nigeria's current actual annual turnover. The project is to be carried out through the BOOT, the Build-Own-Operate-Transfer mode. A large portion of funding sources is secured by CHEC and China Development Bank," the Managing Director in Nigeria Zhang Wenfeng narrated.

CHEC is a subsidiary and a major construction and engineering arm of China Communication Construction Company (CCCC), which ranked No.3 among Engineering News Records in 2018 and the first of Chinese construction companies for 10 consecutive years.

### **7vi. SKYRUN: Producing locally to crash home appliances monopoly**

Skyrun is a company that belongs to Jiangsu Skyrun International Group of Companies. Located on a sprawling landmass in the Jiangsu industrial zone, the company produces cheap consumer electronics for Chinese middle-class, and low-income families. SkyRun Partners's revenue is estimated at USD19.3 million.

As a new entrant into the Nigerian consumer electronics market, Skyrun Electronics Company had to partner with two other companies – China Jiangsu International Group and

Shinco Air Conditioner Manufacturing Company – in order to penetrate the market as deeply as possible. This was made possible through the economic plan set out in 2006 by the President Obasanjo government that encouraged investors to come to invest in the Nigerian market

The year 2006 was a kind of landmark in Chinese investments in Nigeria. Recall that that was the year Obasanjo and Chinese President Hu Jintao signed an agreement to create the OGFTZ.

Again in that year, through a similar investment pact, Skyrun Electronics got the approval to start operations in Nigeria at the Calabar Free Trade Zone towards the commissioning of Tinapa. Between 2006 and 2010 Skyrun produced its first TV sets and fridges in Nigeria.

Skyrun Electronic Company had no prior experience in international businesses until it ventured into other countries, including Nigeria. Before reaching out, its manufactured products were entirely consumed in China and other Asian countries. In 2005, the Chinese government developed a policy and backed it up with functional provisions to enhance new technological companies to explore opportunities abroad. It was at this point the Tinapa Resort and the Calabar Free Trade Zone were constantly on the news. After that major investment step offshore, the rest have been positive tales as the fridge market in Nigeria has had a Skyrun invasion. Its market share of the subset is awesome and estimated to be up to 15 percent, a major

feat for a product that came just a few years ago compared to the older and entrenched brands.

Today, Skyrun has dominated the Nigerian market with its relatively cost-effective and good standard quality for home appliances and electronics and has other key locations in Nigeria.

Skyrun range of products include Air conditioner, blenders, cooker with inbuilt oven, freezer, gas cooker, generators, home theaters, inverter, inverter battery, microwave oven, QLED, QLED TVs, QUHDTV, refrigerator, sandwich maker toaster, Skyrun, skyrun freezers, Smart TVs, solar, Sound system, standing cookers, table top cooker, TCL, TCL TVS, television, washers, and water dispenser.

While focusing on the promotion of international trade, Skyrun proposes a moderate diversification development strategy, taking into consideration both international and domestic conditions and grasping good opportunities. In this way, SKYRUN has seen the gradual formation of a favorable situation in which trade serves as the leading force, with real estate and investment as the supporting forces.

Meanwhile, Skyrun actively carries out the developing overseas strategy and has established overseas bases including production and sales.

SKYRUN, adhering to the principle of “To serve the global economy and make a better life”, has fully implemented the modern enterprise system and succeeded in passing the

certifications of ISO9001, ISO14001, OHSAS18001, established and perfected a resource management system, thus paving the way for the further expansion of the enterprise.

The Group holds to its “Human-oriented” notion, keeps optimizing its talent reserve, and reinforces itself through staff training. The Group believes that emotion, career, and treatment are what count in attracting talented employees and only an excellent, stabilized, harmonious team can contribute to an ever-green enterprise. (*with materials from skyrunnigeria.com, and some media reports*)

### **7xvii. CWAY: Water value chain is big business**

In 1999, Mr. Onest Che founded CWAY group, a Foods and Beverages company in Nigeria and steadfastly committed these investments towards improving people’s lives. Since then, CWAY has been tending to consumers’ health needs and other high quality premium products.

CWAY Group is a multinational conglomerate, headquartered in Lagos Nigeria. The sectoral investments is in emerging diverse businesses including food and beverages, drinking water, snacks , confectionery, packaging solutions and animal husbandry.

CWAY Food & Beverages Nigeria Company was established in 2004 with an initial well blended unique brand: Peach Fruit Drink. Between 2007 to date, the Company’s transformation

drive in research and production has sustained Company's Mission focus of ensuring that our numerous innovative brands meet customer health needs and rewarding value chain systems with safe quality premium brand categories of Fruit Milk/Yogurt drinks, plant protein drinks, energy drinks and children's special formulated drinks with DHA for good growth. Currently, new brands from CWAY await market launch.

It's mainstay and the product for which the Nigerian market knows CWAY is water and its value chain. It started with the refill water bottles for dispensers and also the sale of water dispensers. Later, bottle water in 75cl bottles followed and has made so much foray into the market, cutting deep into the equity share of the total water sector. CWAY has invested in 17 factories located across Nigeria.

CWAY Water is the flagship of the CWAY Group operations in Nigeria and leads the industry since inception in year 2000. Our core interest is in providing clean hygienic water and innovative water dispensers with accessories and technology that supports healthy water drinking habit for all. Indeed, our impact is felt in every home and corporate offices as we developed products for all target market segments.

CWAY's CSR footprints are diverse and surefooted. It targets the vulnerable groups within the societies and of which on monthly basis, donations of drinking water, beverages and with inclusion of financial supports to care giver homes of vulnerable children in particular is sustained. In the current, other CSR focus areas

of concerns includes educational infrastructural development project, youth sports developments, health care and awareness drive support in environmental waste management.

CWAY in the last 10 years gives sustainable financial and product donations to three Orphanages in host communities. It made donations of classroom furniture. CWAY renovates school buildings. In February 2022, CWAY Group's CSR donated to Ijamido Children Village Ota Ogun State. ([www.cwaygroup.com](http://www.cwaygroup.com))

### **7xviii. VIJU: From beverage drinks diverging into dairy farming**

About 16 years ago, Viju's founder and chairman, Viju Wang Nianyong, was heavily involved in commodities trading. However, he realized that this business was unsustainable in the long term in Nigeria. He then imported milk products popular in China at the time to test the Nigerian market.

In the atmosphere of industrialization, Viju Industries Nigeria Limited took advantage of that moment and designed, researched and eventually produced what is fully accepted and known as "Viju Milk Drink" in 500ml and "Viju BB Star" in 210ml and 150ml.

In the confectioneries categories, "Obest biscuits" are the first to be introduced into the market for both school children and adults as they described it as the best biscuits produced locally

at the moment.

However, Viju Industries Nigeria Limited has added two variants to the existing 500ml namely the Viju Baked Yoghurt and Viju Malt Milk, the real diversification centered on confectioneries and water, while the water is already known across the nation as “Mr.V Premium water”.

Recently, it also added the V-Smartic Wheat milk drink and V-Joy chocolate milk drink which comes in a handy pack of 100ml, 200ml and 1liter also well design to fit into the lunch box.

Productions are made in a conducive and sterilized environment. The installation of the new ultra-modern machine has enabled the production of large quantity of milk drinks, biscuits, tomato paste and water.

The production is done daily to meet up with our consumers demand nationwide and neighbouring countries.

Viju Industries Nigeria Limited has the capacity to produce over a million milk drinks packs and Mr V. Premium water per day with its ultra-modern machine.

Obest Biscuit, one of the fastest-growing confectioneries in the market is being manufactured and produced with the new facility for biscuit making which has the capacity to produce over a million cartons per day.

Viju Industries Nigeria Limited has the readiness in meeting consumers’ needs both in quality and quantity.

Viju Industries is diversifying into cattle rearing. Eighty hectares of land has been acquired in addition to our factory at Igbesa Ogun State for cattle rearing.

The milk gotten from the cattle will be processed into milk powder and used for our milk drink production to satisfy our numerous consumers.

The factories In Kwali LGA of the Federal Capital Territory Abuja and Ozubulu in Ekwusigo LGA Of Anambra State acquired 20 hectares of land each for the same purpose which eventually will contribute to an increase in the employment rate.

*(With facts from vijufamily.com)*



Hanvan trucks by XCMG

**Sinoma executives with Aliko Dangote at the signing of deal for the building of a cement plant in Ogun State**







## ABOUT THE AUTHOR

**Ikenna Emewu** is a journalist with many years of standing, vast training, and practice over the years in local and international spheres.

He is a journalism Fellow of the China Public Diplomacy (Media). His fellowship at the School of Journalism of the Renmin University, Beijing opened his eyes.

Through journalistic interviews, interaction, observation, and research the author found out that Chinese investors play a vital role in the Nigerian economy in diverse ways.

This is his third book on China-Nigeria/African issues in the past seven years.

He has devoted close to 10 consecutive years of his journalism career to focus on Chinese growth, economic miracle, international influence, and vast relationships with Africa.

Emewu has written hundreds of published articles in newspapers, journals, online/new media, and many more in the Nigerian and Chinese media circles. He presently contributes to many media organisations in addition to publishing and editing the ***Africa China Economy Magazine*** for six years now.

He has delivered papers on these topics at international conferences and summits, discussed them on international and local TV, published them in various journals, and has come to be quite conversant with them.

The author felt it a duty to document these impacts by the Chinese investors in Nigeria, especially at a time when the contributions of China to the Nigerian economy are beclouded by sentiments and lies.

His experience and depth in this topic are worth earning him credibility on the subject of this book.

## BOOK OUTLINE

China's desire to invest in other worlds is hot and voracious.

Investors from this world's largest manufacturing country spread out in almost all countries, and do not exclude Nigeria which has been one of the spots that are within their investment focus.

In the past 45 years, the volume of Chinese investments in the country has been on a steady rise.

Altogether, China has 17% of all its investments by volume and value in Africa located in Nigeria, and 10 percent of the total number of investments in the continent also in Nigeria, making the country a most preferred destination for several reasons.

The dominance, contributions, and impacts of these investments make them worth focusing on.

Even though some other big economies invest in Nigeria, but the uniqueness of those of China is due to the strategic areas they venture in which are known, seen, and felt in the everyday economic life of Nigerians.

Chinese investment in Nigerian infrastructure development in recent years is unequalled.

The ordinary Nigerians see the Chinese build factories, farms, and trading companies, venture into fintech, information and communication technology, automobile

manufacturing, develop free trade zones, partner to provide backbone support to telephone companies, tourism and hospitality, and many more.

Right inside the bushes, the Chinese investors are seen in lumbering, and prevail in dredging. They dominate in building railways, seaports, airports, hydropower stations, fabricate and supply industrial raw materials; engage in food processing, drinks, building materials, and more.

The economic relationship between the two countries started mainly with trading and importing goods and has grown over time to local manufacturing in diverse ways that have helped the real sector of the Nigerian economy to deepen and diversify.

Their presence has also gained local communities access to modern facilities through the corporate social responsibility works of the companies.

Some of them have trained thousands of Nigerians in new skills in manufacturing, management, railway engineering, and many more.

The value they add has become so commonplace to be a focus for discussion and research insight.

This work explores the contributions the Chinese investors have brought to the Nigerian economy and possible ways to make them better in the years to come.

