

Economic Expansion of China: A Comparative Study of Sub-Saharan Africa and South Asia

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Abstract: *The experience of China's economic growth and expansion are impressive. China has been one of the world's fastest-growing economies in the last decade and has recently become the world second largest economy after the United States. At present, South Asia and Africa are very vital regions to China's foreign policy, especially in economic affairs. China shares common borders with five South Asian countries such as India, Pakistan, Afghanistan, Nepal, and Bhutan and has maintained a good with this region from the establishment of the Han dynasty. China's trade relations with South Asian nations have based on good neighboring policy. Conversely, due to an economically emerging and integrated region, China has an interest in Sub Saharan Africa (SSA). Over the last decade, the Sino-African economic relation is growing. Nevertheless, it is complicated to separate the evolution of China's economic expansion policy from other elements of Chinese foreign policy, particularly with regard to South Asia and SSA. This article attempts to place China's economic expansion policy and politics toward South Asia (Bangladesh and Pakistan) and SSA (Kenya and Angola). It also analyzes in more details the key elements of China's economic expansion policy and political attitudes toward South Asia and SSA. Finally, this paper finds that China's economic expansion strategy towards South Asia and Sub-Saharan Africa is mainly driven by its mounting needs for energy and strategic matters.*

Keywords: Economic expansion, China, South Asia, Sub-Saharan Africa.

Introduction

The growth of economically powerful countries in history like England, the United States, now the Chinese economic model(s) to be emulated. At present, the economic expansion of China is a very important phenomenon in the world economic order. In light of its remarkable growth, the Chinese economic strategy is a model for developing countries. China is the largest nation according to land area, political and economic influence in the world. Post-1978 Chinese economic growth was really notable GDP grew 9.3 percent annually in the 1979-1993 period (Woo, 1998). Thus, China became capable to go the foreign investment. Nowadays, China has the second largest economy in the world economic domain. In Asia, Africa, Latin America, and other most of the parts of the world, China has a huge investment. China not only invests in Asia and Africa they also invest in Europe, Australia, and America. In globe perspectives, the Chinese development projects have been influencing by the wider geopolitical circumstance in which it was entrenched (Beeson, 2009). China has been the top largest investor in South Asian countries like Bangladesh, Pakistan, Nepal, and Afghanistan as well as the Sub-Saharan African region. After the cold war, the past ten years China makes a great

economic influence over the African countries (Taylor, 2013). The signs of China's economic expansion are becoming increasingly apparent in Sub-Saharan Africa. Over the last decade, China has built a network of trade, aid, and investment links with close to 50 African countries, and there has been a rush to buy up concessions to African natural resources. Chinese are mining oil in Angola and Sudan, building roads in Ethiopia, working with the electricity sector in Kenya, building infrastructure and developing the tourism industries in Sierra Leone, and serving mobile phone networks in Kenya and Nigeria (Zafar, 2007). In South Asia, China is the largest investor, top trading partner and top source country for import of goods for Bangladesh and Pakistan.

This article evaluates the trade, investment, and aid links between China and Sub-Saharan Africa and South Asia. Present article also assesses the principal political dynamics of this economic relationship of China with Bangladesh and Pakistan in South Asia and Kenya and Angola in Sub-Saharan Africa (SSA). It also examines China's motives and effects of economic expansion toward SSA and South Asian region.

Objectives and Methodology

The main objective of the study is to explore economic expansion strategies and interests of China in SSA and South Asia. This article also explored the Chinese motives for economic expansion towards Sub-Saharan Africa (SSA) and South Asia.

Qualitative method used to review sources such as government and others national, international organizations documents, statements, reports, and statistics to explore the Chinese economic growth in SSA and South Asia. Furthermore, topic related books, journals, research reports, seminar reports, unpublished documents and also reviewing reports and editorials of major international or national newspapers and internet sources reviewed. Finally, stand on this analysis; this article investigates which factors are motivating China to expand its trade and investment in SSA and South Asia.

Chinese Key Interest in Sub-Saharan Africa and South Asia

After the 1990s Chinese government tries to extend its investment in the overseas. The Chinese government encourages its national companies to invest in foreign countries. In Sub-Saharan Africa (SSA), China's key interest in the natural resources that are important needs for raising China. Due to rapid economic growth, China will face a crisis of natural resources. Consequently, the Chinese government has a serious concern about new sources of natural resources (Taylor, 2013). Chinese economy that was speedily growth had an annual rate of growth 10 percent for the last three decades until 2010. Due to this rapid growth, China has to have needs energy like oil, natural gas, coal, and so on. Now China is the second world largest oil consumption country after the United States and top oil importer in Asia. China will become the number one world consumer of oil by the year of the 2030s (World energy outlook, 2014). In this situation, SSA is the superior area for China to pursue oil, copper, and other natural resources. After the Middle East, Africa is the second source region for China to import the oil. Trade expansion by the Foreign Direct Investment (FDI) and capture the African market for Chinese industrial goods is another key interest of Chinese growth in Africa. The main raw materials exporters to China are Angola, South Africa, Sudan, Congo, Guinea, Nigeria, and Gabon.

These seven countries account for approximately 90 percent of African's raw material of exports to China. Raw materials are extracting from Africa by country showed that for oil, Angola, Sudan, Congo, and Nigeria are the prime source countries for China. Gabon for lumber, iron ore and manganese, Gambia is highlighted for copper and base metals, Congo is famous for raw materials, Cameroon and Congo are the best sources for timber to China (Moody, 2011). China has four overarching strategic interests in Africa: access to natural resources, particularly oil and gas; markets for Chinese exports; political legitimacy; and sufficient security and stability to continue its commercial activities. Sub-Saharan governments look to China to provide political recognition and legitimacy and to contribute to their economic development through aid, investment, infrastructure development, and trade (Hanauer & Morris, 2013).

In contrast, after the end of the Cold War, China has expanded its investment in South Asia. In South Asia, India is an economic giant which has attracted the United States and China as well. In recent years, China is trying to build up a strong economic relationship with India and India is among the first ten of China's trading countries. Chinese economic policy toward India has strongly considered by its strategic interest (Palit, 2010). China has started its investment in Bangladesh in 2000 when the Readymade Garments Sector (RMG) has raised. China is the main source country for Bangladesh intended for RMG accessories. Most of the RMG equipment in Bangladesh is imported from China. Conversely, for business expansion, China has planned to build 3000 kilometres route between Bangladesh, India, and Myanmar. The aim of the Bangladesh-China-India-Myanmar (BCIM) corridor pursues their infrastructural development, trade investment, using different modal transport, energy resources sharing and develops their agriculture sectors (Keystone Quarterly Review, 2015). Additionally, big market, cheap and abandon labour also acting as an important factor for Chinese growth in the South Asian region especially in Bangladesh, Pakistan, and other South Asian countries.

China has another major interest in Bangladesh and Pakistan that is related to the use of a seaport for business expansion in South Asian land locked countries like Nepal, Bhutan. Due to the strategic place, Bangladesh shares a border with India and Pakistan shares a border with Myanmar. Because of geographical surroundings, Bangladesh and Pakistan are the important gateways for South, Southeast, and Central Asian countries. Thus, China already proposed Chittagong-Myanmar-Kunming highway for linking a deep seaport 'Sonadia' of Bangladesh (Islam, 2012).

In South Asia, China observable policy is to trade extension nonetheless, China has a key interest in regional connectivity (one belt and one road) for greater trade expansion and increases political influence over South and Southeast Asian regions. In addition, "the implications of closer Sino-Indian relations for U.S. foreign policy are far-reaching. Although India's close relations with the U.S. will remain a priority, maintaining positive ties with its large neighbour will probably be increasingly important to ensure future security. A warming of ties between these two countries also means that the U.S. needs to understand that China, India, and Japan could work cooperatively in the future and attempts to play off India against China may be unlikely to bear fruit. At the same time, a

more secure India will mean a more stable partner for the U.S. in South Asia, a less dangerous Asian dynamic, and a more attractive destination for U.S. investment in the future" (Rollie, 2003: 5). In this projection, Bangladesh and Pakistan are the key countries for China in South Asia. In addition, China has maintained a good relation with Pakistan against the Indian domination in South Asia.

Progression of Chinese Expansion in Sub-Saharan Africa and South Asia

African contemporary economic growth was therear before the Second World War. Duringthe colonial period, most of the cases colonial power developed itself not before in the last two decades of the 19th century. Economic expansion rapidly occurred in a few countries like Ghana, Senegal, Uganda, and Zaire but most of the countries constant economic development come after the Second World War (Patrick, 1987). After the Cold War, Chinese interest in Africa is enlarged, in 2003 alone Sino-Africa trade increased 500 percent but in the regime of 1990, no African countries trade with China, not more than 5 percent. Trade between China and Africa get momentum in the year between 2000 and 2006 (Taylor, 2013). Chinese involvement in promoting the development of Africa has started after China-African cooperation (FOCAC-2). This first forum was attended by 80 ministers from 45 African Countries. The second forum held in Addis Ababa, Ethiopia in 2003 and passed Addis Ababa plan, third FOCAC summit held in Beijing 2006, while fourth in Sharm el-Sheikh, Egypt in 2009. After the Addis Ababaplan, Chinese involvement with African economic affairs was quickening. Now Chinese support to African agriculture and infrastructure sectors is rapidly increasing.

Conversely, after the independent in 1971, Bangladesh has obtained membership of Common wealth nations in 1972 and Non-Aligned Movement (NAM) in 1973, joined United Nationsand Organization of Islamic Conference (OIC) in 1974. In the1980s, Bangladesh pioneered the formation of the South Asian Association for Regional Organization (SAARC). After acouple year of independent, Bangladesh faced numerous internal problems. However, from 1980, Bangladesh has accelerated its economy by industrialization. In 1980 to 1990, the RMG sector intensely grewdue to low-priced and availability of the labour force. During this time Bangladesh has required building its infrastructure for foreign direct investment.

At present, Pakistan is the second biggest and Bangladesh is the third major trading partner for China in South Asia. In the post-Cold War era, China itself developed economically but its economic ties with Pakistan turn downed as compared to defence relations (Palit, 2010). From 2002 to 2001, Pakistan-China annual trade rose from 1.9 billion dollars to 6.9 billion dollars and both sides were expected to reach 15 billion dollars, in 2014 (Rehmat, 2011). But in the 1990s trade and investment of China has started in Bangladesh. In this perspective, the sub-regional organization, Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM) has played an important role in Bangladesh-China economic relations. Forum for regional cooperation was established in the1990s which also known as Kunming Initiatives and the first meeting of this forum were held in 1999 in Kunming. China and South Asian countries appear to be keen to renew the ancient route and build it into a robust economic corridor for trade and investment. This route, otherwise known as the BCIM route (Bangladesh, China, India,

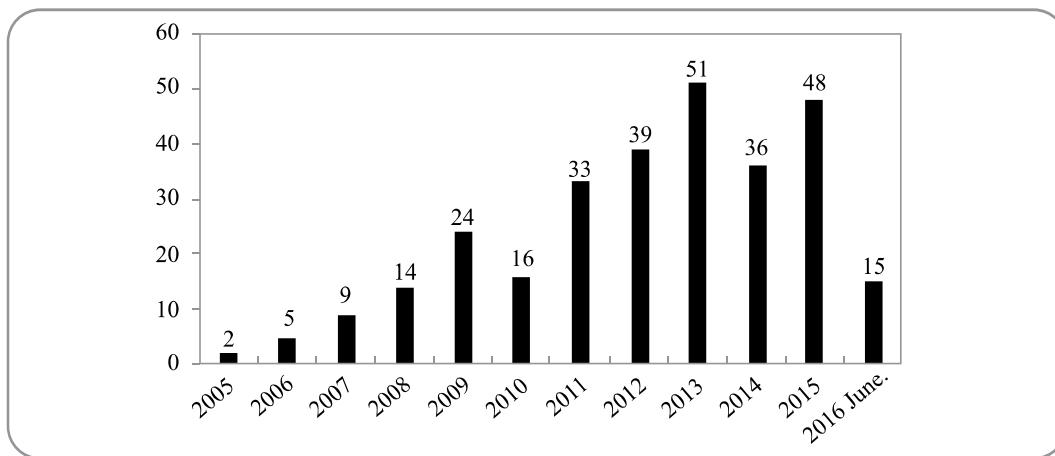
and Myanmar) was reportedly discussed with Indian leaders during Chinese Prime Minister Li Keqiang's India visit in May 2013. With joint efforts by China, India, Myanmar, and Bangladesh, a highway route starting from Yunnan to India by way of Myanmar has been reportedly accepted in principle by the relevant departments of the four countries. The joint statement issued at the end of Keqiang's visit to India said that encouraged by the successful BCIM Car Rally of February 2013 between Kolkata and Kunming, the two sides had agreed to consult the other parties to establish a joint study group on strengthening connectivity in the BCIM region for closer economic, trade, and people-to-people linkages, and to initiate the development of a BCIM Economic Corridor. The governments of Bangladesh and Pakistan have been a strong supporter of regional connectivity, and given its unique geographical position, both countries can derive enormous benefits from regional connectivity. Connectivity through road, rivers, and railways is apparent as an economic necessity and constitutes a part of the service industry (Rashid, 2013).

Therefore, in late 2013 Chinese Present Xi Jinping announced the new development and trade policy for China and surrounding region named the "Silk Road Economic Belt" and the "Twenty-First-Century Maritime Silk Road" together named as "One Belt, One Road" initiatives (Tsui, Wong, CHI, & Tiejun, 2017). For this mega project, China is trying to make a strong connection with the Asia and European countries through the road and sea line communication. China has invested about 900 billion US dollars in infrastructure, transport and energy cooperation and connectivity (Ma, 2018). Due to the regional connectivity project, China has also tried to build a good relation toward South Asian countries like Bangladesh and Pakistan.

Chinese Contemporary Growth in Sub-Saharan Africa

Currently, two third of African countries list China has a top five trading partners, Chinese trade in Africa is increasing dramatically. Due to many advantages, China is increasing its trade in Sub Saharan Africa (SSA).

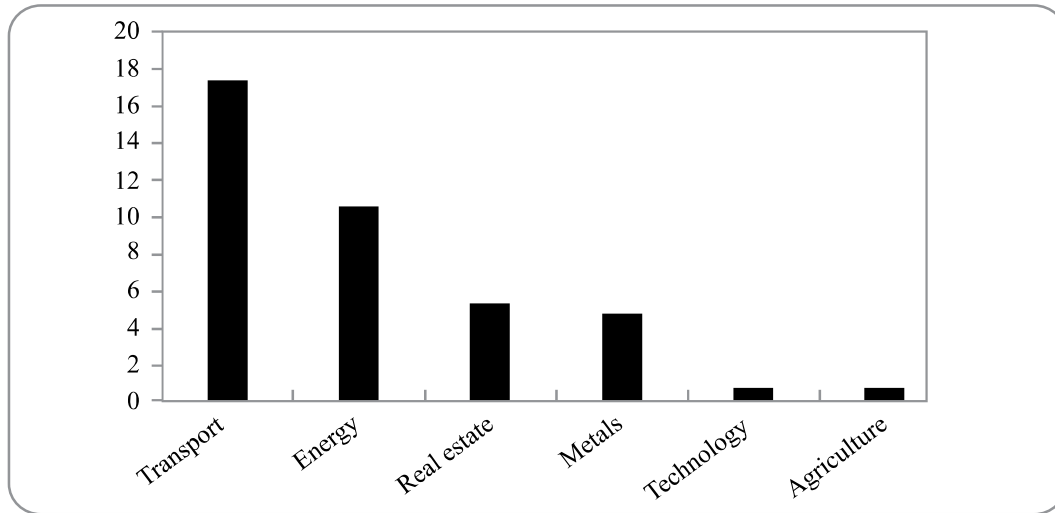
Figure 1: Chinese Investment and Contracts in Sub Saharan Africa (SSA), 2005-2016 (number of contracts)



Source: American Enterprise Institute and Heritage Foundation's China Global Investment Tracker, 2017.

Figure 1 shows, Chinese investment, and contracts in SSA were continually increasing from 2005 to 2009. In 2005, a number of Chinese contracts to be 2 and it increased to 24 in 2009. In 2010, China's contracts with SSA decreased to 16. But from 2011 to 2013 again it's increased and reached 51 in 2013. According to June 2006, Chinese contracts with SSA were only 15.

Figure 2: Chinese investment and contracts in Sub-Saharan Africa (SSA) by sectors, 2015 (billion U.S. dollar)



Source: American Enterprise Institute and Heritage Foundation's China Global Investment Tracker, 2017.

Figure 2 on Chinese investment and contracts in SSA by sectors shows that in 2015 China's largest investment sector in SSA was transported and invested about 17 billion U.S. dollars. In 2015, China's second largest investment sector in SSA was energy (about 11 billion U.S. dollars), third was real estate (5 billion US dollars) and lowest investment was in agriculture sector about (1 U.S. billion dollars).

Sub-Saharan countries' trade with China is increasing steadily both in terms of exports and import. In 2003, Sub-Saharan countries trade with China was only US\$ 12 billion. However, within 9 years it increased by more than 1000% which is US\$ 124 billion in 2012. From 2003 to 2006 Sub-Saharan countries' trade deficit with China was almost zero but after that, it has been increased slightly. In 2009 its trade deficit was US\$ 11 billion but it was reduced in 2010 and further increased after 2010 (Paulo & Estelle, 2013). Raw materials and energy is the main searching target of the Chinese investor in SSA. In Zambia, China has a huge investment in the copper field and in Zimbabwe, China invests in its main natural resources platinum sectors. On the other hand, China is one of the top trading partners of Angola due to its rich oil sector (Sandrey, 2009).

In 2018, Chinese exports to African countries reached US\$ 8.31 billion, losing 4.7%; China's imports from Africa reached US\$ 8.19 billion, up 41.4%; the trade surplus was US\$ 130 million, down 95.7% year on year (Ministry of Commerce of China, 2018). On

the other hand, among the SSA countries, Kenya and Angola are the key source country for China's trade and mounting energy needs.

China-Kenya Relations

Among the 54 of SSA countries, Kenya is a significant country for Chinese trade and investment. After the independence of Kenya in 1963, Kenya has maintained economic relation with China and it's become a significant nation in the East African region. Recent China-Kenya trade relations show a massive picture. China-Kenya relations is based on China's policy of sincerity, friendship and equality; mutual benefit, reciprocity and common prosperity; mutual support and close coordination; learning from each other and seeking common development (Omolo, 2016).

Kenya's trade with China has reached the top in between 2011 and 2015. The average growth of exports from China to Kenya has been 27 percentage and China's exports to Kenya is reached about 35 percent of Kenyan total imports. As a world top largest exporter, China trade with Kenya has a strong negative balance (Omolo, 2016). Recently Chinese company's involvements to the Kenyan social construction like schools, hospitals construction in the rural areas is growing. China's policy is trying to capture the Kenyan market through its goods and services but China is not concern about the governance in Kenya that criticized by the western donors (Warui, 2010).

China in Angola

Angola is one of the civil war victim countries in the SSA region. In addition, Angola is one of the African energy giants. As a second largest energy consumer in the world, Chinese interest in Angola's energy sector is visible. At present, Angola is China's major oil supplier, outpacing China's previous largest supplier, Saudi Arabia (Brookes, 2007). China has been net oil importer in 1993 but until the new century, China was not a big oil importer. Due to growing energy needs, now Chinese foreign policy is mainly energy-centric. In addition, growing instability in the politics of the Middle East, China is moving to Sub Saharan Africa for its mounting energy needs like oil. Thus in SSA, Angola is becoming one of the key source nations for China (Power & Cristina, 2012).

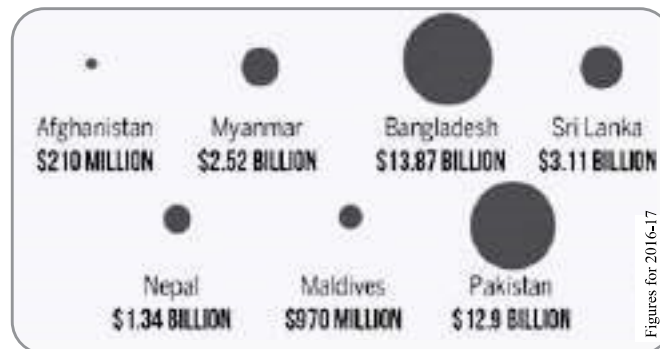
On the other hand, the Chinese have a huge investment in the infrastructure sector of Angola. "The majority of Chinese workers in Angola are engaged in reconstruction projects, but many thousands have branched out and become real estate developers, retailers, photocopy shops owners, street hawkers, and masseurs" (De Morais, 2011). But Chinese investment and business security in Angola has in threat. On the other hand, trade between China and Angola has a huge gap and Angola is staying in a negative position. In addition, democratic transaction and established transparent government are also major challenges for Angola. In this perspective, Angola has to need China's support to ensure good governance and sustainable peace.

Chinese Contemporary Growth in South Asia

South Asia is one of the latest growing integrated economic regions to China. Due to the trade and investment expansion, China is approaching South Asia. In South Asia, China is the top trading partner to Bangladesh, one of the major trading partners toward India, Pakistan, Nepal, Bhutan and Sri Lanka. Additionally, the Chinese government has

continued implementation of the policy of 'One Belt One Road'. The policy has created new opportunities for China and South Asia economic cooperation. At present China's trade integration to South Asia is more than Asian's trade integration with China. South Asia is greatly dependent on the Chinese market but China does not depend on the market of South Asia badly (Xu, 2017). On the other hand, China is India's largest sources of imports. Excluding India, China has big economic contracts with other South Asian countries.

Figure 3: Chinese investment and contracts in the South Asian region, 2016



Source: <http://www.aei.org/china-global-investment-tracker>.

China's Trade Expansion in Bangladesh

China economic linkage with South Asian countries has established strong flexibility in the wake up of the past 2008 global financial crisis. Chinese major investing sector in Bangladesh are textile and RMG, manufacturing and power sectors. In this view, China has taken advantage of Bangladesh's developing country status. China became the largest trading partner of Bangladesh with total trade beyond 7 billion US dollar in 2010 and it was increased by 8.28 billion in 2011 (Islam, 2012).

In 2012, China had a huge investment in Bangladesh textile and weaving sectors which was 53% of total Chinese investments. In agricultural and fishing was the second largest investment sector in China that was 14%, only 2% in trading and 31% invested in the other sectors. In Bangladesh, the largest Yamuna River Bridge completed by Chinese finance and technological supports. Several China-Bangladesh Friendship Bridges and important infrastructure were also made by China's finance and technical assistance (Islam, Mahfuz & Khanam, 2013).

On the other hand, scenario of major import from China in fiscal year 2011-2012 shown that, Bangladesh imported cotton and cotton fabrics 19.2 million US\$, machinery 17.4 million US \$, electrical machinery and equipment 12.7% million US\$, fertilizer 4.6, manmade fibres 6.5% and knitted fabrics 5.2 million US\$ (DCCI Research cell, 2013: 2-3). In the fiscal year, 2012-2013 Bangladesh exported 0.458 US\$ to China and it is increased almost doubled to \$ 0.746 in 2013-2014.

In 2015, China was exposed more interest to invest US\$ 300 billion in Bangladesh's textile sectors (Dhaka Tribune, 2015). According to the Bangladesh Central Bank, the net

inflow of Foreign Direct Investment (FDI) from China increased moderately in the past year. FDI from China in net term stood at US\$ 68.58 million in the past year which was US\$ 61.4 million in 2016. Textile and weaving is the top sector-list of FDI from China in 2017 when some US\$ 13.75 million injected to this sector (Bangladesh Bank, 2018). On the other hand, in 2016, China exports to Bangladesh 1,600,000 U.S. \$ and it was 1,400,000 U.S. \$ in 2017 (China Customs, 2018).

China's Trade in Pakistan

Pakistan is one of the most desirable countries to China in South Asia. During the Cold War and the 1990s, China has maintained a close relationship with Pakistan to India's disadvantage. In economic relation, China has continued a balanced relation with India and Pakistan. But due to the strategic factor, China has given strongly arms support towards Pakistan. Pakistan imports 55 percent of its total arms from China (Martina, 2013). Including military assistance, China also economically supported Pakistan. Many infrastructural projects are doing by the Chinese company. On the other hand, the seaport building initiative is also one of the mentionable projects of China in Pakistan. At present, Pakistan is the second largest trading and business partner of China in South Asia (Rollie, 2003).

"However, in economic relations, Pakistan is inconsequential to China because China's investment in Pakistan is negligible compared to its total outward investment. Thus, China-Pakistan relations are most focused on the military and security issues of South Asia against India. In the past half-century, Pakistan has been China's closest and most lasting friend for China's strategic needs and it has been changing since the end of the Cold War. Now, China has been gradually concerned about instability and inability trends of Pakistan government to control extremists" (Hossain, 2016: 12).

China's Politics towards Sub-Saharan Africa and South Asia

As a socialist country, Chinese politics is a one-party system. The Communist party is the driving force of Chinese politics and economic development. Intended for investment overseas, China changed its foreign investment policy based on common interest with the foreign countries. In this circumstance, Africa has emerged as a relative one the most significant region to Chinese economic calculation. During the Maoist period, China's political role in Africa was ideologically motivated and supported for African liberation movements against the colonial and military rulers. During the several African countries independence movements, China gave its support to the liberation fighters. Due to the support of the African nation in mid-1970, China had a greater number of aid projects than the United States. China faced a challenge on June 4, 1989, event in Tiananmen Square and for its consequences many western countries imposed on China, that time many African countries gave their support to China. However, in the mid-2000s the Chinese government has started "go global" policy to encourage Chinese corporations to invest in overseas and playing role in the international capital market (Taylor, 2013). Nevertheless, present China's policy is no interference to the African's domestic politics. China is working with the democratic, autocratic, and sometimes mixed characteristic types of government in Sub-Saharan Africa only for its business expansion and investment security.

Excluding Africa, China has also emphasized on Asian region due to its market extension. In Asia, except China, India and Japan are the major economic players. Both countries hold very strong democratic values and have emphasized their human right and market economy. Japan is the second largest economy according to the gross domestic product (GDP) on the other hand India is the tenth largest GDP in the world (Ashok & Mitoji, 2006). In this viewpoint, China has expanded its business and other bilateral assistance toward the South Asian region. Consequently, recent Chinese growth in the South Asian region is increasing.

In South Asia, Bangladesh is one of the promising countries with a respectable average annual growth of 6.16 percent over the last 12 years from 2004 to 2015 (Hossain, 2016). Bangladesh is also emerging as a special hotspot to economically powerful countries for their trade and investment expansion. Thus due to the good business environment, Bangladesh is one of the key countries for China in South Asia. In 1971, China's attitude toward Bangladesh's struggle for liberation was very negative. China and the United States were supported by West Pakistan. Therefore, the formal diplomatic relations between Bangladesh and China resumed when China accorded its recognition to Bangladesh on August 31, 1975 following assassination of its founder President Bangabandhu Sheikh Mujibur Rahman who was believed to be sided with Indo-Soviet bloc and the emergence of anti-Indian government in Bangladesh which constituted a strategic consensus in the perceptions of both Bangladesh and China and forms the foundation of their friendship (Nasrin, 2001).

In contrast, due to its strategic advantage, China has emphasized its military activities expansion in Pakistan. In recent times, China has no observable political influence in the domestic politics of Bangladesh but in Pakistan. At present, China is playing a neutral role in the domestic politics of Bangladesh. During the last national election in 2014, several people died due to the conflict between ruling and opposition parties. During this time diplomat of India, the United States, and European countries were trying to solve the political conflict by negotiation but at that time China was silent. On the other hand, China has emphasized both trade and military relationship with Pakistan. But China-Pakistan relation is more strategic than economic.

Impact of Chinese Economic Growth in Sub-Saharan Africa and South Asia

The huge growth of Chinese political and business interest is conceivably the most significant development for the continent since the ending of the cold war. China now Sub-Saharan's largest trading partner. China's economic growth has been positively influencing the economy of SSA. Due to Chinese economic growth, SSA countries' export capacity, high technology, and exchange managerial expertise of industries are acquiring. According to the IMF working paper, a 1% increase in Chinese domestic investment growth are associated average 0.6% increase in SSA countries export growth (Paulo & Estelle, 2013). Chinese engagement in Sub-Saharan has had some positive effects: job creation, the development of critically needed infrastructure, and an increase in economic growth, particularly in sectors or geographic areas in which international financial institutions and Western governments and companies have been unwilling to engage.

In contrast, Chinese engagement has also had negative effects: It has helped nondemocratic regimes grip to power; reinforced many African countries' dependence on

raw materials and unskilled labour; contributed to the loss of hundreds of thousands of manufacturing jobs in certain industries, such as textiles; and contributed to high levels of debt, economically unviable decisions, and official corruption. Through the China Development Bank, SSA countries receive a huge amount of loan for their structural building and others. Therefore, SSA debt day by day is increasing and most of the countries have no ability to back this money. SSA infant industries are also losing intended for Chinese constant economic growth. Another negative complaint against the Chinese companies in Africa is the ill-treatment of labour and the absence of standard labour welfare in many industries (Hanauer & Morris, 2013). For this consequence, the anti-Chinese sentiment is growing in the Sub-Saharan region.

In the case of South Asian countries like Bangladesh, Pakistan, Nepal and Bhutan, China constantly increases its investment. Due to Chinese investment, industrial sectors, particularly the textile and Readymade Garments sectors have promoted in South Asia. The technological and infrastructural development also positive side for South Asian nations. However, in China-South Asia trade, China is staying in the most favourable position. For industrial raw materials, import dependency of South Asian countries on China is increasing. South Asian nations have a huge trade deficit with China that is another negative side for South Asian countries. Like Sub-Saharan countries, Bangladesh, Pakistan, Afganistan, Nepal, and Bhutan have injured for China's rapid expansion. Another negative side is low quality and low-priced of China's goods. Due to the low-priced of Chinese goods, infant industries of South Asian countries are badly injured. Foreign Direct Investment (FDI) influences the host country's economic growth through the transfer of new technologies and know-how, the formation of human resources, integration in global markets, increase of competition, and firms' development and reorganization. Empirically, a variety of studies considers that FDI generates economic growth in the host country (Forte & Moura, 2013). However, in South Asia, Chinese trade and investment are growing without the transfer of new technologies that is also another negative criticism against the Chinese investment.

In these circumstances, in order to reduce trade inequity, the governments of Sub-Saharan Africa and South Asian countries should take initiatives for direct communication with the Chinese business community to expand its export volume to China and remove structural problems as the Chinese market is quite diversified and competitive. Due to reducing the trade gap between South Asia and Sub-Saharan countries, the Chinese government could start bilateral talks.

Concluding Remarks

Chinese economic expansion policy in Sub-Saharan Africa (SSA) and South Asian regions has been focused on several key aims and interest. China's policy to SSA has based on more economic than strategic but its South Asian policy based more strategic equation than economics. As a world second largest economy China's energy need is continually growing, consequently, China wants to host countries regime security for access to the host country's natural resources. China has played a noninterference policy towards South Asian and Sub-Saharan African countries. Nonetheless, China must have a stand against the autocratic or undemocratic governments in SSA and South Asia. Now

Chinese leadership has been gradually engaging in the civil affairs of SSA but not in South Asian countries like Bangladesh, Pakistan. Recent progress indicating that Chinese policy makers are trying to realize the non-economic factors like security and stability in the Sub-Saharan African region because China has to have needed its investment safety. In contrast, SSA countries like Kenya, Angola, and others should have a common policy toward Chinese policy. In South Asia, China has a long target to increase its business and political influence against the Indian hegemony. However, South Asian and SSA nations are still facing governance problem that negatively influences the Chinese investment. In this circumstance, China should provide more assistance to establish good governance in South Asian and SSA. South Asian countries need strategic policies to face the Chinese economic expansion intended for protecting their domestic industries and trade. It supposed that, as developing regions, in SSA and South Asia, Chinese economic growth is not absolutely positive but it has been deplorable desires for their economic enhancement. Due to Chinese investment, SSA and South Asian countries may get favourable results but it depends on how their governments manage the Chin's capital flow. In fact, it is now accepted within Beijing that there is an urgent requirement to publicize the positive side of Chinese diplomacy in South Asia as well as in SSA. China modified its Africa policy pledging to create more local jobs, transfer more technology, and improve working conditions because SSA demanded it. Additionally, China should take initiatives to promote democracy, accountability, and transparency in South Asia and SSA regions. South Asian and SSA countries have to need to improve their political attachment to China. South Asian and SSA nations may look into strategic partnerships agreement with China to tackle security threats that could compromise their regional interests. Finally, due to positive countenance the China's economic expansion, South Asia, and SSA countries are also required forest ablishing democratic institutions, political stability, and national consensus base on their national interest.

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