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An Analysis of China-Africa Agricultural Cooperation and Prospects of Belt and Road Initiative: A Case of South Africa

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Abstract
The aim of this paper was to assess the agricultural cooperation and agricultural trade that exists between China-Africa using South Africa as a case study. In addition, the research assessment provided the prospect of the Chinese Belt and Road Initiative into South African agriculture, taking into consideration the current existing agricultural cooperation between Africa and China. To assess the prospect, the research employed a descriptive analysis approach. Both secondary and primary data were employed. The research used a qualitative research method, for data selection of the primary data; a purposive sampling method was used. The secondary data was extracted from industry annual reports such as Agricultural Business Chamber, World Bank data. Open-ended interviews were conducted with 40 South African agricultural experts on their perspective on the prospect of Belt and Road and its future in the South African agricultural industry. The results indicate that South African agricultural experts are still pessimistic on working with China. They emphasized on China-South Africa agricultural cooperation that is formed on mutual respect despite the negative arguments on some of the Chinese engagements in African Agriculture. Finally, the areas of interests were agro-processing, export orientated produce, labour intensive produce and appropriate mechanization.

Keywords: Agricultural Cooperation, China, South Africa, Belt and Road, Trade
Introduction
In recent times, China took a resolution to support African development through pledges and financial backing (Beijing review, 2017). China in 2006, released its African policy on economic cooperation (Sandry & Edinger, 2009). This happened at the time when China’s economic growth was shaping up and attracting many countries to learn about its policies, particularly the developing world (Cheung & Qian, 2010). Additionally, China held its first Forum on China-Africa Cooperation (FOCAC), which was attended by almost all African leaders. The forum was the beginning of the foundation of China-Africa economic relations and cooperation.

Since 2006, China and Africa have been working closely with each other through FOCAC amongst others. Many scholars are continuously researching China-Africa relationships and the results are showing both positive and negative sentiments (Gumede, 2014). China is the biggest trade partner with African countries in particular in the mineral industry (Sandry & Edinger, 2009) and food products. China’s trade relationship with Africa continues to be amplified in political and economic forums (Beijing review, 2017 & China Africa magazine, 2018).

China since joined the World Trade Organisation (WTO) in 2001, it has emerged as the global trade player and has become the “capital provider” in the developing world (Cheung & Qian, 2010). At the time of global political and economic development such as Brexit and the election of President Donald Trump, who is implementing many protectionist policies against globalisation, China is becoming the global player in providing finance in the world, particularly in Africa (Beijing Review, 2017 & China daily, 2017). According to the United Nations 2017 report (UNCTAD, 2017), China is the second largest foreign investor in developing countries.

China’s trade relationship with Africa started taking a shape ever since China became the member of WTO and collaborations with South Africa, Nigeria, Kenya, Ethiopia and many other countries were seen as the major cooperation (Sandry & Edinger, 2009). However, even though China-Africa cooperation is projected to increase and remain robust with a lot of political backing from African leaders, China has a trade surplus with Africa in many products (Sandry & Edinger, 2009). This is a major concern for economists and policy makers including local producers in African countries. In addition, there is a call for major policy shifts to protect local manufacturing in Africa and the promotion of local economic growth. In South Africa, since the 2006 State of the Nation Address by former President Thabo Mbeki on Free Trade Agreement (FTA) with China, trade and cooperation between the two countries increased. During the presidency of former President Jacob Zuma, South Africa signed a Memorandum of Understanding (MoU) with China in 2015 FOCAC, held in Johannesburg (FOCAC, 2015). In 2016, China and South Africa signed an MoU for South Africa to export table grape to China and another MoU was signed for South Africa to provide China with beef meat. All these agreements are as results of cooperation agreements signed in 2015 between President Xi Jinping and President Jacob Zuma at FOCAC.

China is the largest trading partner with South Africa, and is the biggest trading partner compared to other African countries (Sandry & Edinger, 2009). Since 2010, China has surpass traditional trading
partners of South Africa, in 2016, the two countries had a bilateral trade of $21.8 billion in 2016 (Msimang, 2018). Accordingly, since China took the spotlight of joining other Asian global players such as Japan, Malaysia, Singapore, Korea, all developing nations became interested in understanding how these developments would influence their own developments (Sandry & Edinger, 2009).

China’s achievements have been seen in many sectors, and these include: agriculture, industry, science and technology amongst others (Jonansein & Amina, 2011). Accordingly, this led to Chinese emergence as a “manufacturing powerhouse” coupled with it being ranked the second largest economy in 2010 following the United State of America (Information office of the state council, 2010). Undoubtedly; Chinese emergence has raised many arguments regarding the implications to and the future of the African continent from across the world. Subsequently, some are optimistic that Chinese engagement presents “an opportunity for African’s growth and development such as an increase in trade with China which might be of beneficial to African industries” (Jonansein 2011, Amina 2011, Van der Wath, 2004 and Draper, 2006).

On the contrary, others argued that this relationship might pose some serious threats to Africa’s growth and development, considering that trade between China and Africa is in favour of China (Taylor, 2004 Jonansein & Amina, 2011). Having discussed the various views on China-Africa economic, trade and diplomatic ties, the focus of this study is to assess the views of South African agricultural experts regarding China-South Africa agricultural cooperation in the future, to assess the current agricultural trade between South Africa and China and whether it is sustainable or beneficiary to both the countries. More specifically, this study analyzes activities in only Agriculture. The results provide an insight of China’s involvement in South African agriculture as it attempts to answer the following research questions;

1. What is the nature of China-South Africa Agricultural trade?
2. What are the agricultural projects that are existing between China and Africa?
3. What are the views of South African agricultural experts on China South Africa cooperation in Agriculture for the future, considering different views on China’s current engagement in African agriculture?

The paper will be arranged systematically as follows: section one covers introduction up to the China-Africa overview and the Belt and Road initiative, section two covers methodology, design and literature review, while section three will be the South African-China agricultural trade trends, with section four being the results and discussions, five conclusion and recommendation.

**Objectives**

**Main Objective:**
The main objective of the study is to evaluate South Africa-China agricultural cooperation at an aggregate level and assess prospects of the belt and road to South African Agriculture. Accordingly, this main objective will be answered through the following specific objective;

- To assess the agricultural cooperation between South Africa and China
- Assess the prospects of Belt and Road Initiative between South Africa and China.
**Problem Statement**

South Africa and China relations in the last 20 years have been increasing drastically with a lot of developments and strategic partnerships (Msimang, 2018). These relations have a strong political backing, which according to former President Jacob Zuma presents an opportunity for South Africa and China. All the former Presidents of South Africa have seen China as an important ally since the time of the struggle and they see nothing wrong to continue to cooperate economically with China even during the time of independence. Against this understanding, the years: 2000 partnership, 2004 strategic partnership and 2010 strategic partnerships, which saw China-South Africa economic trade reaching $21.8 billion high in 2016 is a testimony of the economic activities that are happening between the two countries (Msimang, 2018).

However, these trade surpluses have attracted many scholars and policy makers in the importing countries about the impacts of China imports (Gumede, 2014). In addition, studies regarding trade imbalances have been carried. However, there is no study that assesses the agricultural cooperation between South Africa and China and the plan how these countries could assist each other in addressing the negative balance of payment, except the 2015 agreements signed at the Forum of China-Africa Cooperation. This study then attempt to assess how much agricultural cooperation exists in Africa and between South Africa and China and what improvements that could be done to fast track this cooperation to boost South African Agriculture.

**Justification of the Study**

Feeding a 9 billion, estimated world population by 2050 will require more cooperation from the world economies. Strengthening cooperation and diffusion of scientific proven knowledge and methods will be needed to decrease the hunger that is faced by the developing economies and those that are still poor. Accordingly, more agricultural information sharing needs to take place in fighting poverty alleviation between countries. The world draws inspiration from the works of Mexico through the green revolution that was introduced during the 1950s, which spread across to Asia during the 1960s and continued through to reaching China in the 1990s through research spillovers and diffusion of knowledge. It is therefore important for Africa to hear the call by China through its Belt and Road Initiative (B&R) for the continent to benefit from the technological advances of China.

With no doubt, China’s reforms and technological advances are worth noting and assessed as they represents an opportunity for other developing nation to learn and adopt where necessary. Notwithstanding the current agricultural cooperation between china and Africa, but South Africa need to strengthen its agricultural cooperation with China to overcome some of the challenges it faces because China presents an opportunity for South Africa to learn.

China is currently feeding almost 21% of the world’s population with less than 9% of the world’s arable land (Tang et al, 2011). A country such as South Africa with a lot of arable unused land (Wandile, 2018) can learn a lot from a country that is able to feed more with less of its resources using technological innovations that are able to produce even during different climatic conditions that are pressing the world. China through its continuous opening up policy introduced what is called
“the Belt and Road initiative” to try and working with the world (Xi Jinping, 2014). The belt and road initiative presents an opportunity for South Africa to benefit more in particular during this period where the South African economy is expected to grow at an average of 1.2% in the next 10 years (Stats SA, 2017).

In order to assess what opportunities the belt and road can provide in the future between the two countries, it is important to first understand the global economic environment these countries are operating under first, understand the current cooperation, their benefits and challenges as well as failures if there are any failures. Evaluating the cooperation will give light to the direction the future cooperation could take and assist policy makers from both countries to be able to shape future policy directions, taking reference from the evaluation of this document.

Limitation of the study
The scope of the study is limited to cooperation between South Africa and China. The research will be limited to descriptive data analysis of the existing trends and the views of the agricultural experts from South Africa, on China-South Africa agricultural collaborations in the future. The paper will not look on China-South Africa economic activities other than agricultural related activities. In addition, it will only focus on South African agricultural activities with China, trade and potential future cooperation.

Literature Review
The BRICS countries have been driving a new “development cooperation” within itself and in the African continent (Scoones et al., 2016). Scoones et al (2016), argues that there is new shift by developing countries to work with African countries on cooperation in many respects including agricultural development (Gu & Carty, 2014; White, 2013). There are criticisms for the emergence of these developing countries particularly when it comes to their engagements with African countries (Bong & Garcia 2018; Lumumba-Kasango, 2011). However, there are also arguments that some of these critics are too simplistic and rhetoric and do not necessarily outline the complexities of these engagements by China, Brazil in Africa and their developmental roles they continue to play (Alden,2007; Brautigam & Xiaoyang,2009; Carmody,2013; Taylor 2009;Taylor 2014). Furthermore, they argue that, there is subtle meaning in those South-South engagements when looked thorough.

Accordingly, several studies have been carried on the China and Brazil engagements in African agriculture through the framework of new “development cooperation” and its “features” (Scoones et al., 2016; Kim, 2015; Li & Carey, 2014). China, through Chinese Ministry of Commerce (MOFCOM), has established what is called “Business-run Chinese Agricultural Technology Demonstration Centres” (ATDCs) across the African continent, “as part of a the flagship agricultural development cooperation program” (Tugendhat & Alemu 2016). Accordingly, these centers vary according to the purpose and the region they are operation under and are operated mostly by different companies from China, some from state-owned national, provincial level, local, individual enterprises among others (Scoones et al., 2016).
According to Scoones (2016), “Building networks, soliciting political and commercial alliances, and training technicians and bureaucrats are all part and parcel of creating new platforms for capital expansion. While overt “land grabs” have not by-and-large been part of this, the expansion of business interests in mining, construction, and infrastructure development has very often preceded investments in agribusiness” (Weng et al. 2013). This then implies that Chinese engagements in Africa are not necessarily about taking land for its only selfish interests as per other narratives written out there about the skepticisms of the emergence of the “New Powers”.

Recent studies of China-Africa agricultural cooperation used case studies to analyze their findings (Amanor & Chichava 2016). Accordingly, their results give a more complex and thorough balanced understanding of different cooperation in agriculture by Countries such as Brazil in Mozambique, China, in Zimbambwe and Ghana for example (Zhang et al. 2015; Amanor & Chichava 2016). Brazil within the South-South engagement with Africa has been very prominent and many projects from Brazil such as ProSAVANA have been researched and analyzed (Scoones, 2016). He argues, “South-South Cooperation needs to be analyzed within a framework of changing patterns of aid and investment, and changing capitalist relations. Increasingly, northern development cooperation is driven by private sector interests and alignments between the private and public sectors, and policy is influenced by commitments to capital accumulation and growth”. There has been a growing and evidence of the presence of agricultural technologies and rural development strategies from countries such as Brazil, China and India in Africa.

Literature suggest that FDI in agriculture differs depending on the nature of the investor country, whether its developed or developing (Zhang, Y. 2010; Amendolagine, 2013). According to Santangelo (2018), FDIs on land by developed countries have proven to be contributing to the food security of the host countries as they contribute by increasing the areas of production. On the other hand, FDIs on land by developing countries “hamper” food securities of host countries (Zhang, Y. 2010; Amendolagine, 2013). Additionally, these evidence-based findings suggest that all the host countries would skeptical of the nature of the investor country and its contributions towards the local contributions. Inevitable so South Africa is one of the countries that have laws that are very open and critical of investments that do not seeks to benefit the local people.

Table 1: Studies on South-South agricultural cooperation in Africa.
<table>
<thead>
<tr>
<th>Authors, Year</th>
<th>Study topic</th>
<th>Methods of analysis</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clever Mapaure, 2014</td>
<td>Chinese Investments in Zimbabwe &amp; Namibia, a comparative legal analysis</td>
<td>a qualitative, interpretivist approach</td>
<td>African countries also need to be transparent about the deals that they sign with China. Lack of transparency raises unnecessary suspicions and unfounded conclusions about Chinese investments in Africa</td>
</tr>
<tr>
<td>Kojo S. Amanor &amp; Sérgio Chichava, 2016</td>
<td>South-South Cooperation, Agribusiness, and African Agricultural Development: Brazil and China in Ghana and Mozambique</td>
<td>Case Studies and Interviews</td>
<td>There are complex sentiments when it relates to these developments. Both positive and negative sentiments</td>
</tr>
<tr>
<td>Henry Tugendhat and Dawit Alewu, 2016</td>
<td>Chinese Agricultural Training Courses for African Officials: Between Power &amp; Partnerships</td>
<td>Interviews and secondary data using descriptive analysis</td>
<td>More than 10 000 African officials are trained by Chinese Annually</td>
</tr>
<tr>
<td>Alex Shankland and Euclides Goncalves, 2016</td>
<td>Imagining Agricultural Development in South-South Cooperation: The Contestation &amp; Transformation of ProSAVANA</td>
<td>Imaginaries, GIS maps. Qualitative descriptive research analysis</td>
<td>There is a wide context of state-society debates around South-South cooperation in Mozambique-Brazil.</td>
</tr>
<tr>
<td>Scoones et al., 2016</td>
<td>New politics of Development Cooperation? Chinese and Brazilian Engagements in African Agriculture</td>
<td>Primary Interviews and secondary data using descriptive analysis</td>
<td>There is a huge role played by state-business relationship in shaping development in African agriculture</td>
</tr>
<tr>
<td>Cláudia Dias &amp; Mário Franco, 2018</td>
<td>Cooperation in Transition or Tradition in Cooperation? Networks of Agricultural Entrepreneurs</td>
<td>Qualitative approach and a case study method</td>
<td>There is a huge benefits through inter-organizational cooperation</td>
</tr>
</tbody>
</table>

Source: Compiled by author from the above studies

There are no studies between South Africa-China agricultural cooperation and engagements in agriculture except on trade (Sandrey & Edinger 2009), news articles (Grimm et al, 2014) and recent agreements signed by governments for future agricultural working relations (FOCAC, 2018).
However, there are studies on China-South African strong economic relations and its future prospects (Lehlogonolo, 2016).

Lehlogonolo(2016), when assessing China-South Africa comprehensive relationship, he aligned his study to a “Neo-liberal Institutionalism” theory. In addition, he argued, “Neo-liberal institutionalism argues that states are rational international actors and thus, it is in their rational state behavior to enter into cooperation with other states, to maximize their mutual interests and absolute gains, in a harsh and unpredictable international system. China and South Africa benefit from mutual interests and maximum absolute gains in their cooperative partnership, through rapid and extensive bilateral trade relations”

**Table 2: Some Notable collaborative business between South Africa-China entities.**

<table>
<thead>
<tr>
<th>Chinese Companies involved with SA Companies</th>
<th>Nature of the partnership</th>
<th>In current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huawei(China) &amp; MTN(RSA)</td>
<td>Joint Venture(JV)</td>
<td>Good</td>
</tr>
<tr>
<td>Zinjin Mining Group(China),Ridge</td>
<td>JV</td>
<td>Good</td>
</tr>
<tr>
<td>Platinum mining Company, Sino Steel&amp; Samancor(rSA)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>South African Companies involved with Chinese Companies</th>
<th>Nature of the partnership</th>
<th>In current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naspers(RSA) &amp; Tencent(China)</td>
<td>JV</td>
<td>Good</td>
</tr>
<tr>
<td>SABMiller(RSA)&amp; China Resources Enterprise(China)</td>
<td>JV</td>
<td>Good</td>
</tr>
<tr>
<td>Standard Bank(RSA)&amp; ICNC</td>
<td>JV</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: Compiled by author from lehlogonolo’s study

Lehlogonolo (2016), note that China-South Africa cooperation in business has special characteristics such as Mergers and Acquisitions. He argues that when China invests in South Africa, it does not open its new factory but partners with the local entity that is operating within the areas of interest of the investor enterprise. Unsurprisingly, when South Africa also invests in China, it buys stocks into an existing entity.

**Methodology and Research Design**

**Methodology**
According to Rajasekar et al (2013), “methodology is a systematic way to solve a problem. It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. In this research, the data will be collected from well-known organizations
such as World Development Indicators, DAFF, NAMAC for South African agriculture data. Department of Trade and Industry will be used for trading trends in South Africa.

Research Design
Bless et al (2013), define research design as a detailed outline for the testing of a hypothesis [or answering of research questions], spelled out in clear and definite terms and is a specification of the most appropriate operations which need to be performed in order to test a specific hypothesis [or answer a research question] under given conditions.

This research is a qualitative research design study (Pope C & Mays N 2000, Nkwi P et al 2001, Bless et al 2013). In-depth descriptions of the agricultural cooperation between South Africa and China will be assessed. The existing agricultural cooperation between the two countries and future prospects will also be assessed. Drawing from the unit of analysis, which is in this case International agriculture cooperation, and the main actors, are South Africa and China in cooperation.

Qualitative Research Design
Bless et al (2013:) suggests that a research design implies a sketch or a blueprint outlining the process through primary data is collected, evaluated, measured, analysed and interpreted, findings can be generalised from a relatively sample. According to Saunders et al (2012), qualitative research is associated with interpretive philosophy because it needs to make sense to the subjective and socially constructed meaning expressed about the phenomenon being studied(Schesul J & LeComote M, 1999). Qualitative research is done by collecting data and analysing it(Pelto P & Pelto G, 1997). This design is very relevant to the study because this study is based on getting facts from individuals. In this case to achieve objective three, agricultural experts from South Africa were interviewed using an open-ended questions.

Descriptive Study
Using a descriptive study is to gain an accurate profile of events persons or situation. It is necessary to have a clear picture of the phenomenon through which you want to collect data. A descriptive study focuses on describing a certain situation and then collected data will be analysed to come with conclusion (Sounders et al, 2012). Therefore, this study to achieve objective 3, it will have a one on one interview sessions with agricultural experts in South Africa.

Sampling Method
The population target of the study is the agricultural experts in South Africa, University professors, government officials and directors of agricultural enterprises. a specific sample was selected from each sphere of leadership. In addition, these experts will be able to give valid information for the study. The study used the purposive sampling method. Accordingly, this means that, open-ended questions were formed and asked from 40 agricultural experts from South Africa about prospects of Belt and Road Initiative in the agricultural sector.

Table 3: Data collection and target population for the prospect of B&R into South Africa
The Overview of China-South Africa Agricultural Trade

Global trade shape has been changing for some time in the past decades. Accordingly, a feature of many new players into the market has been caused by United States imports. Asian country’s emergence as full participants into the global trade meant that global tariffs behaviour would shift in favour of globalization (Sandrey & Edinger, 2009). China followed other Asian international players such as Malaysia, Japan, and Singapore, which meant that it also would pose a threat as a competitor to many exporting nations (Nguyen, 2016).

Certainly, China’s economic evolution has sparked a lot of attention from many economic role players across the globe. In that regard, China’s economic growth has been followed by many countries including South Africa, which on its own underwent a trade liberalization. In addition, China’s growth presented an opportunity for South African raw products to facilitate its manufacturing industry. On the other side, China posed as a threat to Asian markets but many studies have observed that China exports do not necessarily pose a threat to African market (Nguyen, 2016). In that regard, this section seeks to understand agricultural trade trends between South Africa and China.
Exports of agriculture in South Africa have been positive for a long time as indicated in figure 1 above. The trade balance has been positive and an increase in the trade balance can be observed in the period under review.

As indicated in figure 2, agricultural exports in South Africa maintains a positive trade balance since 1911 until 2011. The diagram is a confirmation of the well reported thriving agricultural exports of South Africa into the world.
European Union (EU) for a long time has been a largest region to receive South African agricultural exports as indicated from 2001 up until 2009. In 2009, Africa surpassed EU as the largest trading partner with South Africa, followed by Asia. According to Le Pere & Draper (2005), ever since China joined the World trade Organization in 2001, it played within the rule and traded with many countries such as South Africa. Trade relations between the two countries have been increasing (Le Pere & Draper, 2005). China has strengthened its trade relationship with Africa through bilateral and multilateral forums (Sandrey & Edinger, 2009).

South Africa and China have already had a protocol of Phytosanitary requirements for the export of maize, which was signed in Beijing on the 4th December 2014. The protocol specifies the specific pests of concern to China, which warrant quarantine. The Agricultural Business Chamber (Agbiz) indicated that South Africa could potentially increase its sorghum exports to other key sorghum consuming countries, including China. “The export of grains to china is expected to increase in the next growing seasons, while these prospects might be deflated by the impact of the drought, a return to normal weather conditions will see South Africa re-building its stocks. With policy uncertainty surrounding national bio-fuel projects on the one hand, land reform and a relatively saturated regional market on the other, there is likely to be a renewal of interest in the Asian markets for exportable surpluses “(Kapuya, 2016).

The Department of Agriculture, Forestry and Fisheries (DAFF, 2016) pointed out two important aspects of the Chinese market that are worth noting. Firstly, that China constitutes the bulk estimated at 70% of the Asia Pacific’s fruit and vegetable market. China is the 7th largest importer of edible fruits in the world (ITC, 2015). China imports about 35,527 tons apples and pears (apples accounting for 28,000 tons of this) annually. Secondly, according to DAFF (2016), China has a decent regulatory environment and a good grocery penetration, including a well-developed retailing sector that
presents scope for expansion. They also note that China’s food safety, labelling or MRL regulations do not present any problems for South African exports of fresh produce.

South Africa is among the most competitive exporters of fresh produce in the world. The country is a leading exporter of oranges globally, while being a leading apple exporter in the African continent”(Kapuya, 2016; Wandile, 2018). South African apples recently got market access into China, while mangoes are still awaiting approval for access. However, South Africa’s competitiveness in the Chinese market is affected by high tariffs. For instance, South Africa faces 11% duty for oranges; 10% for apples; 13% table grapes; and 35% for mangoes in the Chinese market. The fresh produce includes; fresh grapes, guavas, mangoes, oranges and apples. Undoubtedly, China’s agricultural imports have been dramatically going up over the last decade and South Africa has become one of the crucial suppliers of these imports such as oranges, wool amongst others.

South Africa-China Agricultural Trade trends
Trade between South Africa and China has grown tremendously in the past years, with overall bilateral trade growing from US$1.5 billion in 2001 to $23 billion in 2015(Kapuya, 2016). The value of all agricultural commodity trade grew from US$67 million to US$655 million during the period under review. This includes inputs trade. Traditionally, South Africa has had a net deficit in terms of the agricultural trade balance. South Africa has imported more agricultural products from China than it exports ever since China assumed a position into the WTO. However, since 2014, South Africa saw a positive trade balance for agriculture with China as already mentioned above.

Bilateral trade in agricultural products has been relatively small in terms of share of total trade, ranging between 2% and 6% of total trade over the past decade. The share of total trade has, however, averaged 3% between 2012 and 2015. The bilateral trade between South Africa has dropped by 25% in value between 2012 and 2015. This overall decline has been attributed, to a large degree, by the fall in South Africa’s agricultural imports from China – which fell by 50% from US$576 million in 2012 to US$289 million in 2015. The drop in South Africa’s agricultural imports from China was mainly attributed to the decline in apples (-30%), kidney beans (-70%), glucose and glucose syrup (-17%), animal feed preparations (-33%), sugar confectionary (-12%), and plain weave cotton fabrics (-17%), among others. South Africa’s agricultural exports have increased over the period under review by 24% - from US$295 million in 2012 to US$366 million in 2015.

Macadamia nuts, grapefruit, peaches, oranges, fine animal hair and grape wines, among others, have driven the increased agricultural export to China. Even though South Africa’s growth in agricultural exports to the world in 2015 fell by 10% (from US$10 billion to US$9.1 billion), the value of South Africa’s agricultural exports to China grew by 5% compared to 2014. However, despite South Africa is growth in agricultural exports in the Chinese market, China’s agricultural imports slowed by 4% over the period under review (NAMC, 2016).

Table 4: South Africa’s Agricultural Exports to China, US$ 000(2011-2015)
South Africa’s top 10 agricultural exports constitute an average of 86% of the country’s total agricultural exports to China between 2011 and 2015. This means that South Africa’s agricultural exports are very concentrated among a few products. Of the top 10 products, greasy shorn wool constituted almost half of the country’s total agricultural exports to China in 2015, with a value of US$175 million. Over the past 7 years, greasy shorn wool have averaged 54% of South Africa’s agricultural exports to China. As shown in Table 4, Grape wine exports in containers of less than or equal to 2 litres accounted for 9% of South Africa’s total agricultural exports to China. Oranges accounted for 8%, followed by fine animal hair (6%), flour, meal and pellets of fish not fit for human consumption (5%), peaches (4%), macadamia nuts (4%) grapefruit (3%), edible nuts (2%), rock lobsters, and crawfish (1%).

South African fruit exporters have noted that when considering exports to China, it is important to take into account both direct and indirect exports, more specifically, exports through Hong Kong. According to the DAFF (2016), South Africa’s direct shipments of fruit to China have increased from...
5,000 to 45,000 tons on the one hand, while shipments through Hong Kong increased from 60,000 to 105,000 tons over the same period, on the other.

Table 5: South Africa’s Agricultural Exports to China including exports shipments via Hong Kong, US$ 000 (2011-2018)

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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>510111</td>
<td>Greasy Shorn wool</td>
<td>147,177</td>
<td>176,457</td>
<td>194,838</td>
<td>186,457</td>
<td>174,692</td>
</tr>
<tr>
<td>2</td>
<td>080561</td>
<td>Macadamia nuts, in shell</td>
<td>0</td>
<td>19,073</td>
<td>45,554</td>
<td>67,345</td>
<td>74,341</td>
</tr>
<tr>
<td>3</td>
<td>080510</td>
<td>Oranges</td>
<td>42,890</td>
<td>35,902</td>
<td>30,123</td>
<td>45,430</td>
<td>57,419</td>
</tr>
<tr>
<td>4</td>
<td>220421</td>
<td>Grape wines in containers&lt;2litres</td>
<td>23,397</td>
<td>28,849</td>
<td>23,440</td>
<td>21,043</td>
<td>37842</td>
</tr>
<tr>
<td>5</td>
<td>080540</td>
<td>Edible nuts</td>
<td>13,739</td>
<td>36,324</td>
<td>24,456</td>
<td>33,491</td>
<td>37,536</td>
</tr>
<tr>
<td>6</td>
<td>080610</td>
<td>Fresh Grapes</td>
<td>31,710</td>
<td>39,634</td>
<td>30,876</td>
<td>29,174</td>
<td>28,023</td>
</tr>
<tr>
<td>7</td>
<td>200870</td>
<td>Peaches</td>
<td>15,163</td>
<td>17,109</td>
<td>18,225</td>
<td>22,502</td>
<td>25,065</td>
</tr>
<tr>
<td>8</td>
<td>080550</td>
<td>Lemons</td>
<td>8,517</td>
<td>8,967</td>
<td>8,781</td>
<td>42,393</td>
<td>24,137</td>
</tr>
<tr>
<td>9</td>
<td>510539</td>
<td>Fine Animal hair</td>
<td>11,861</td>
<td>11,523</td>
<td>14,401</td>
<td>19,357</td>
<td>20,933</td>
</tr>
<tr>
<td>10</td>
<td>030789</td>
<td>Other abalone</td>
<td>0</td>
<td>16,188</td>
<td>9,468</td>
<td>18,865</td>
<td>19,943</td>
</tr>
<tr>
<td></td>
<td><strong>Total of top 10 agricultural exports</strong></td>
<td>294,454</td>
<td>390,026</td>
<td>400,162</td>
<td>486,157</td>
<td>499,911</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total overall agricultural exports</strong></td>
<td>490,556</td>
<td>537,532</td>
<td>523,169</td>
<td>653,466</td>
<td>634,290</td>
<td></td>
</tr>
</tbody>
</table>

Source: Agricultural business chamber (Agbiz)

This means that indirect shipments of fruit (via Hong Kong) account for as much as 70% of exports to mainland China. Table 5 shows South Africa’s top 10 agricultural exports to China, after including Hong Kong. A comparison of Table 4 and 5 shows a number of notable differences in the ranking of products and commodities. Greasy shorn wool maintains its pole position as South Africa’s leading agricultural export product into China, and oranges maintain third position, with the latter doubling in value. However, macadamia nuts rise from being the 7th largest agricultural export to 2nd, increasing from US$13 million to US$74 million in 2015. Fresh grapes and lemons get into the list of South Africa’s top 10 agricultural exports to China, reflecting the importance of Hong Kong as a key market route for the two products.

China’s notable agricultural activities in Africa
Agro-processing in Africa, particularly west and east Africa is championed by African Development Bank. About 100 projects valued at US 2.97 billion (African Development Bank) through its agriculture

Table 6: Number of Chinese Agricultural Firms operation in East and West Africa

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of countries</th>
<th>Number of Chinese agro-firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Africa</td>
<td>17</td>
<td>73</td>
</tr>
<tr>
<td>West Africa</td>
<td>16</td>
<td>57</td>
</tr>
<tr>
<td>Central</td>
<td>9</td>
<td>34</td>
</tr>
<tr>
<td>North</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>Southern</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Share of East &amp; West</td>
<td>33</td>
<td>130</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>185</td>
</tr>
</tbody>
</table>

Source: Authors compilation from SAIIA

Chinese firms (185 firms) operate in almost all African countries (54), as per the table 6 above. All these firms are agricultural firms. China State Farms Agribusiness Corporation (CSFAC) is one of the major players in identifying and distributing Chinese Agricultural investments in Africa (SAIIA, 2015). China Exim Bank, CDB, Industrial and Commercial Bank of China among other are at the centre of providing soft loans and funding industrialized agriculture with African States (SAIIA, 2011). In 2006, a State farm of Chinas Shanxi province announced its investment in 5000 hectar Cassava and Rice plantation in Cameroon funded through FOCAC. In 2009, Chinese firms signed MoU with Malian government for Sugar plantation and processing (SAIIA, 2015). China invested first mainly on human development and technology transfer to African officials. Between 2007-2009, about 1004 technology expects were sent to 33 Western and Eastern African countries on different Agri-business enterprises and during the process about 568 Agricultural, officials were trained. There are many Chinese agro-investment firms operating in Africa in different regions. The following tables (table 7,8 and 9) give the brief distribution of Chinese firms in East and West African countries on various farming enterprises. From (table 6, 7, 8 and 9), Eastern and Western Africa share a large number of Chinese agro-firms in 33 countries with 130 firms and more.

TABLE 7: Agricultural Investments in Africa

<table>
<thead>
<tr>
<th>Country &amp; year</th>
<th>Investor</th>
<th>Size(hectare)</th>
<th>Type of enterprise(s)</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon 2006</td>
<td>Sini Cam</td>
<td>10 000</td>
<td>Rice,Vegetables,manioc</td>
<td>local</td>
</tr>
</tbody>
</table>
Table 7, indicates a concentration of investments by Chinese companies in the Sugar industry in Mali and Togo. In Cameroon, investments by Chinese Companies were in rice, vegetables and ostriches. All these investments are done by different Chinese enterprises. These enterprises focus mostly on the local market with only palm oil targeted for an international market.

Table 8: Notable Chinese companies that invested in African Agriculture

<table>
<thead>
<tr>
<th>Company name</th>
<th>Host country</th>
<th>Activity/enterprise</th>
<th>Size(ha)</th>
<th>Funding model(source)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAIC</td>
<td>Madagascar</td>
<td>Hybrid rice</td>
<td>2 300</td>
<td>CADF</td>
</tr>
<tr>
<td>Jiangsu SFE</td>
<td>Zambia</td>
<td>Grains,vegetables</td>
<td>2 300</td>
<td>Co-operation with CSFAC</td>
</tr>
<tr>
<td>Anhui SFE</td>
<td>Zimbabwe</td>
<td>Wheat,maize,Soybean,tobacco</td>
<td>50 000</td>
<td>EXIM,Tianrui(private)</td>
</tr>
<tr>
<td>Hubei SFE</td>
<td>Mozambique</td>
<td>Rice</td>
<td>22 000</td>
<td>In co-operation with Wanboo and Hefeng(private)</td>
</tr>
<tr>
<td>Hubei SFE</td>
<td>Zimbabwe</td>
<td>Tobacco and vegetables</td>
<td>3000</td>
<td>EXIM</td>
</tr>
<tr>
<td>Hunan Rubber Group</td>
<td>Sierra Leone</td>
<td>Rubber, Rice</td>
<td>135 000</td>
<td>EXIM</td>
</tr>
<tr>
<td>Jilin Overseas</td>
<td>Zambia</td>
<td></td>
<td>2000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors compilation from SAIIA

In 2009, China had approximately 142 agricultural projects in Africa (SAIIA, 2015). China also established Technology Demonstration centres in West and East Africa in an effort to transfer knowledge for smooth industrialization of agriculture in Africa. Table 8 above shows investment by Chinese Companies from countries such as Zimbabwe, Zambia, Sierra Leone, Mozambique and...
Madagascar, with these investments in Wheat, Maize, Tobacco, Vegetables, Rubber, rice and hybrid rice. The funding models are from different entities from different provinces.

**Table 9: Notable Chinese companies that invested in African Agriculture....conti..**

<table>
<thead>
<tr>
<th>SDIETC Group(Shandong)</th>
<th>Sudan/Democratic Republic of Congo</th>
<th>Cotton</th>
<th>6 700</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tianli Group(Shanxi)</td>
<td>Madagascar</td>
<td>Cotton</td>
<td>60 000</td>
</tr>
<tr>
<td>ZTE Energy</td>
<td></td>
<td>Palm oil, maize, cassava (biofuel)</td>
<td>5 300</td>
</tr>
<tr>
<td>COVEC</td>
<td>Sudan</td>
<td>Rice</td>
<td>2 000</td>
</tr>
<tr>
<td>China-Africa Cotton Company(Shandong)</td>
<td>SADC except Lesotho and South Africa</td>
<td>Cotton</td>
<td>&gt;10 000</td>
</tr>
<tr>
<td>Lianfang(Shandong)</td>
<td>Zambia</td>
<td>Cotton</td>
<td>1 300</td>
</tr>
<tr>
<td>Junde(Shandong)</td>
<td>Zimbabwe</td>
<td>Cotton</td>
<td>3 000</td>
</tr>
<tr>
<td>Jinfang</td>
<td>Zimbabwe</td>
<td>Cotton</td>
<td>80 000</td>
</tr>
<tr>
<td>Wudi(Hubei)</td>
<td>Zambia</td>
<td>Cassava, soybean, maize (biofuel)</td>
<td>80 000</td>
</tr>
<tr>
<td>Wanboo(Hubei)</td>
<td>Mozambique</td>
<td>Rice</td>
<td>20 000</td>
</tr>
<tr>
<td>Hefeng(Hubei)</td>
<td>Mozambique</td>
<td>Sugarcane</td>
<td>2 000</td>
</tr>
<tr>
<td>Hoode(Henan)</td>
<td>Mozambique</td>
<td>1 000</td>
<td></td>
</tr>
<tr>
<td>Tianrui(Anhui)</td>
<td>Zimbabwe</td>
<td>3 000</td>
<td></td>
</tr>
<tr>
<td>Tianyuan(Shandong)</td>
<td>Sudan</td>
<td>Cotton</td>
<td>1 300</td>
</tr>
<tr>
<td>Fenghui(Shandong)</td>
<td>Sudan</td>
<td>Cotton</td>
<td>3 000</td>
</tr>
<tr>
<td>Yingma(Hunan)</td>
<td>Madagascar</td>
<td>Hybrid rice</td>
<td>7 000</td>
</tr>
<tr>
<td>Yuemei(Zhejiang)</td>
<td>Nigeria, Tanzania, Togo, Sierra Leone, Mali.</td>
<td>Cotton</td>
<td></td>
</tr>
</tbody>
</table>

Note: CADF is China-Africa Development Fund from China Development Bank (CDB)
Source: Authors compilation from: SAIIA, 2011. SAIIA, 2015

From the above tables, it is clear that there is a lot of Chinese presence in African agriculture. There is a lot of concentration into the cotton industry, which can be mostly attributed to Chinese Cotton demand to boost their massive industrial sector.

**South Africa-China Relations**
South Africa maintains a robust diplomatic relations with a number of global players. The transition period from apartheid government saw the new government readjusting its foreign relations. South Africa joined South African Development Community (SADC), African Union (AU) and the Movement of Non-Aligned Nations (MNAN) which are all the bodies inside the African continent. The country is also a member of international bodies outside the continent such as commonwealth and United Nations (UN) general assembly; also is a member of G20 countries.

Recently, the South African government is focusing more on South-South ties, particularly in light of South Africa’s relationship with China (OGB, 2016). The relationship took a very positive turn in 2011 when South Africa joined Brazil, Russia, India and China (BRIC) bloc of emerging economies, which subsequently became BRICS when South Africa is included. Currently, among the BRICS bloc, China is a leading trade partner with South Africa (Department of Trade and Industry-South Africa, 2017). While the specific purpose and tangible results of the BRICS grouping is debatable and appears to vary across participating nations (Grimm, 2013), these interactions provide for high-level meetings which often include a significant participation by large business delegations. Consequently, if nothing more, these meetings are an opportunity for business networking and for state-facilitated deals between participating nations; China is certainly by far the most relevant partner.

The official relations between the Peoples Republic of China (PRC) and Republic of South Africa (RSA) are dated back as far as from the 1997/1998. The collapse of the then Apartheid regime in South Africa and the fall of the Soviet Union in the early 1990s in China opened up some possibilities of official relations between the two countries. China and South Africa started forming cultural centres in Beijing and Pretoria which were known as; South African Centre for Chinese Studies and Chinese Centre for South African studies which were a step towards diplomatic relations (DAFF, 2014).

The Belt and Road Initiative
Belt and Road Initiative (BRI), is a policy direction that is spearheaded by Chinese President, Xi Jinping. The initiative started in 2013 and was in 2015 documented and published by National Development and Reform Commission and ministries of Foreign affairs and commerce (The State council, 2015). According to the state security council of the people’s republic of China (2015), “The initiative aims to promote orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets by enhancing connectivity of Asian, European and African continents and their adjacent seas” In 2017 may 14-15 during the Belt and Road Forum for International Cooperation held in Beijing, saw many countries supporting the initiative and hailing it for its future potential for the benefits of their countries(Yu, 2017).

There are 29 heads of states and representative who attended the 2017 meeting from 130 countries (Yu, 2017). Policy researchers are in support of the programme as their say it will shape the skewed economic global balance of forces and brings many benefits to countries within the belt as most of the countries within the Belt and Road are developing (Yu, 2017).

Table 10: Notable Belt and Road studies

<table>
<thead>
<tr>
<th>Authors, Year</th>
<th>Study topic</th>
<th>Methods of analysis</th>
<th>Findings</th>
</tr>
</thead>
</table>

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<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title and Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christopher K Johnson, 2016</td>
<td>President Xi Jinping’s “Belt and Road” Initiative: A practical assessment of the Chinese Communist Party Roadmap for China’s Global Resurgence</td>
</tr>
<tr>
<td>Min He, Zequn Huang, Ningning Zhang, 2016</td>
<td>An Empirical Research on Agricultural Trade between China and “The Belt and Road” Countries: Competitiveness and Complementarity</td>
</tr>
<tr>
<td>Helen Chin, Winnie He, 2016</td>
<td>The Belt and Road Initiative: 65 countries and Beyond</td>
</tr>
<tr>
<td>Orestes Georgiou Daniel &amp; Mick Ryan, 2018</td>
<td>The Belt and Road Initiative: Opportunities and Challenges for EUSMEs</td>
</tr>
</tbody>
</table>

Source: compiled by Author from the studies above

The belt and Road initiative is a continuing Chinese project that continues to be adopted by many countries for a shared future and peace (Helen and Winnie, 2016). According to Helen and Winnie (2016), more than 65 countries are within the Silk Road and South Africa falls within countries that participated or even shown interest in working with China. Accordingly, the recorded participatory signature by South Africa is seen in AIIB signatory (Helen and Winnie, 2016). South Africa in 2018, hosted the first conference on the Belt and Road (Thokozani and Lavhelesani, 2018). The conference was held in Durban University of Technology engaging on advantages that come with the initiative for the African continent (Thokozani and Lavhelesani, 2018). As a result, many studies are being carried...
to assess its impact and its potential impact (see table 3). According to Thokozani and Lavhelesani(2018), the impact of the initiative are already being felt already in Asia where are already implemented, a number of bridges have been belt and trade within the Belt and Road countries is incrementing year in year out.

Experts suggest that Belt and Road is inevitable the fastest growing policy that is easily adopted and is poised to spread across the globe (Wenxian et al, 2018). Accordingly, it is strongly argued that China want to strengthen its Free Trade Agreements(FTA) into the world particularly to countries that fall with the Belt and Road routes(Wenxian et al,2018). However, even though Africa was not in the initial 65 countries, recent address by President Xi Jing ping and Premier Li Keqiang has vividly elaborated on the unrestrictive posture of the Belt and Road. Subsequently, It is on those bases that this paper looked at possible areas that could be presented by South African economy which at the same time fits within the frameworks of the Belt and Road. Additionally, the paper will look at areas that will be beneficial to both the PRC and RSA economies and the peoples of these countries.

Results and Discussions

There are no comprehensive agricultural projects between South Africa and China as compared to other African countries. Trade relations between the two countries have been increasing for the last decade. Accordingly, South Africa for years has been experiencing a positive trade balance in agriculture. In 2018, the country saw a sustained increment of agricultural exports to the value of R20.89 billion resulting to a net trade of R3, 736 billion.

The results indicate that China’s demand for South African agricultural commodities will increase in the short to medium term, due to factors such as the demand for animal feed and a growing middle class and living standards of Chinese people. Furthermore, the big manufacturing industry continues to fuel an increased demand for cotton and wool. It is anticipated that the increased demand for high value products in China will continue to increase because of the stimulated consumer taste and increased purchasing power. This is evident from a rapidly increasing import of processed products such as wine, cheese, coffee and tea.
Source: compiled by the author from the survey results

**Figure 4: Perception on Belt and Road prospects in Agricultural sector in South Africa**

On the prospects of Belt and Road towards agricultural cooperation between China and South Africa, the results from the survey (see figure 4) indicate that 80 percent of South African experts are willing to work with China on agricultural cooperation. In addition, 15 percent indicated that they are not sure towards about future cooperation and 5% were not willing at all to work with China. There are many reasons behind those who are for cooperation. Among them is the strong South African government commitment to work with many international players and many existing agreements with China. According to the experts, agricultural cooperation will fit correctly currently, since South African government is targeting a large volume of investments into agricultural sector. Accordingly, this implies that the prospects of Belt and Road in agricultural sector in South Africa are high consideration the call by South African President for more investments into the agricultural sector. Lastly, the areas where South African government is focusing in agriculture are presented in figure 4 according to the level of priorities from these agricultural expects.
University professors were very sceptical though, because there are many studies that do not see Chinese investment resulting into economic growth on the respective investment destinations in Africa (Gumede, 2014). However, Studies such those by Johansein Rutaihwa, on China-Tanzania where a significant employment was created from these projects, gives a convincing confidence to future cooperation with China, according to the experts. Emphases on projects that are built on real mutual benefits were encouraged. These results suggest that, South Africa is willing to work with China and the next process should be measures that are put forward by both countries to encourage businesses and organisations in their respective countries to implement at an operational level.

**Conclusion and Recommendation**

In light with the understanding of the already mentioned high demand from the Chinese consumers, particularly the growing middle class for high quality products that is healthy and organic. China-South African agribusinesses should use these opportunities presented by these multilateral platforms to increase food security of these countries and contribute to the global agendas of feeding the world exponential growing population.

South African government is putting more attention on policies and rules that will allow investing in the country more beneficial to the investors as well as the country. In that regard, the call by South African government for more investment under the leadership of President Cyril Ramaphosa,
possesses a strong indication for more investment cooperation particularly to sectors such as agriculture that are part of his priorities in his term of office.

South African investment environment is good for any international investor that wants to penetrate not only South Africa but also the entire continent that has a growing middle class and working class with growing incomes, which possesses a strong consumer demand in the medium to long term. South Africa has a strong logistics infrastructure that is recognised in the world, with world-class ports and sophisticated banking systems. Many multinationals have used South Africa as a gateway to the entire continent with their bases in South Africa. With the South African aim to expand its manufacturing, the Belt and Road investments should not miss the opportunity presented by South African environment.

In addition, government decision on prioritizing the grains and horticultural subsectors shows high level of decisions that are informed by research and understanding of areas of focus for medium to long-term gains. For example, there is no doubt the horticultural subsector in agriculture together with field crops are amongst the largest employing sectors in South Africa. This stimulus package focused on the horticultural subsector because it also enjoys an increasing international Asian market demand led by China. The Belt and Road coincides with the South African government programme called Operation Phakisa that seeks to create an significant number of Jobs in the agricultural value chain. Through the Department of Trade and Industry in South Africa, Belt and Road will have to focus on agro-processing to balance the trade imbalances between China-South Africa. In addition, the improvements of Special Economic Zones (SEZ) in South Africa with better economic incentives for investors brings more prospects for the Belt and Road prospects in South Africa in the short to Medium term.

**Theoretical Contribution of the Paper**

The studies of “International Political Economy” (IPE) are mostly defined as the study of “linkages between economic and political activities at the level of international affairs” (Harlen, 1999). IPE as a field is because of combination of political studies and economic studies. These fields were studied separately academically until it was recognized that they co-exist with one another. It has long been recognized that economic factors shape political decisions, just as political factors may have a decisive influence on economic choices” (Harlen, 1999). In that regard, this paper assesses the position of the political economy between South Africa and China with regards to whether political agreements taken at inter country forums such as BRICS, FOCUS does come to fruition in terms of implementation. Accordingly, the international relations theories that this paper aligned itself on are: dependency theory, realism (Helleiner, 2002.) and “Neo-liberal Institutionalism” theory (Lehlogonolo, 2016). He argues that, “Neo-liberal institutionalism argues that states are rational international actors and thus it is in their rational state behavior to enter into cooperation with other states, to maximize their mutual interests and absolute gains, in a harsh and unpredictable international system. China and South Africa benefit from mutual interests and maximum absolute gains in their cooperative partnership, through rapid and extensive bilateral trade relations”
It would be therefore within Chinas interests to look at its operation to maintain long lasting international relations with the entire African continent and particularly South Africa with strong democratic institutions to limit any bias in relation to any unfair economic activities.

References
Frank, T. M. (2001 February). Are Human Rights Universal?” in Foreign Affairs, 80(1),191-204


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