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| **The Impact of Coronavirus on African Economies and the Future of Cooperation with China.**ByHumphrey P.B. Moshi (Prof.)Director, Centre for Chinese StudiesUniversity of Dar es SalaamThe corona virus has spread from Wuhan in the Hubei Province, China, to countries across the world. This is a clear testimony to the fact that we live in a highly interconnected world. This interconnectedness manifests itself in a number of ways ranging from politics, economy, to culture. This globalization phenomenon, which in the recent past has deepen and broadened with unprecedented speed has been propelled by a number of factors including the following: improved technology in transportation and telecommunications, movement of people and capital, and diffusion of knowledgeChina in the last four years of reforms has been a key player in the process of globalization. In that regard, the world has not only changed China, but also China changed the world. This is due to the fact that, in the process of globalization China has become the second largest economy in the world, and the catch-up with that of the USA is highly likely in less than five years. Further, the word “Made in China” has become a household name globally and more so in Africa; a clear indicator of China’s influence in the world economy. Hence, it is because of this growing influence that people are interested and concerned about the impact of this epidemic cum pandemic on the socio-economic status of countries. This article attempts to analyze some of the likely effects on world economies, with a focus on Africa. However, I would like at the outset commend and congratulate the Chinese leadership and its people for the efforts being undertaken so far to fight the virus. Indeed, we have seen over 20,000 healthcare workers in 100 plus medical teams converging in Hubei, the hardest hit province, from across the nation to support epidemic control. Further, we witnessed several thousand engineers and construction workers building the two specialized hospitals, equipped with 2,500 beds. Furthermore, and according to government sources, these measures were complimented with those of lockdown, mass testing, disinfection, stay- at home, wearing protective masks, social distancing, among others. Indeed, these measures have and are paying off since the number of confirmed cases has now been reduced to zero, clearly showing that the pandemic can be contained and hence controllable. However, in other countries, especially those in Europe and USA the COVID -19 has not only spread in an unprecedented speed, but also the death numbers have been quite alarming. However, the good news is that the measures adopted by China are being emulated by other countries with varying degrees of success, depending on how early they were adopted; how efficient was political and administrative coordination system; the capacity for mobilization of preventive and curative resources; the level of awareness of the population on the virus; avoidance of naming, blaming and shaming; the level of politicization. Indeed, on these issues China scores extremely high to the extent that she showed the way and provided global leadership, coupled with displaying the spirit of community, solidarity and unity. In this case, the world needs to say “well done China for showing the way”.The above commitment and determination displayed by the Chinese Government, not withstanding, there are negative economic and social effects that will be experienced by countries which are dependent on China. If one were to consider the social economic relations cum cooperation between Africa and China, it is driven by four vehicles namely; trade, investment, finance and people to people exchanges. With regard to which channel the impact of the virus will have obvious negative effects? The answer is very clear; on trade and people to people exchanges. This means, there will be decrease of both imports and exports. This will in turn translate into reduced personal incomes, decrease in government revenues, budget switching, re-prioritization, and increased inflation rates, triggered by scarcity of imported commodities. Apart from these, the efficiency of ports may be impaired, not only because of the reduced cargo, but also because of virus screening process which translates into longer ship-waiting time at ports.Again, the virus will impact negatively on people to people exchanges; we focus specially on business people and tourists. Evidence shows clearly there have been travel restrictions. And some airlines, such as Kenya, Ethiopian and South Africa Airways, just to mention a few, have suspended flights to and from China. Such measures have negative effects not only on the tourist sector’s value chain (hotels, restaurants, bars, entertainment, curio shops, etc.), but also on the airline industry.I did allude to earlier that the impact of the virus on investment and on finance will be minimal because of two key reasons. One, the investments and financing have been and are being undertaken outside China borders, and these are free from the virus, such as in Ethiopia, South Africa, Nigeria, Egypt, Tanzania, etc. Two, they involve less movement of people, in the sense that more local workers than foreigners are involved in running the investments. But in the cases where foreigners are involved; they are already residents in the requisite country or countries. In the case of finance, the deal can be either negotiated online or where face to face encounter is necessary, such an encounter is normally a one-off event.However, two caveats need to be highlighted with regard to investments and finance. One, the reduced scale of economic activities because of the adopted preventive measures by countries will result in lower profits, and in most cases huge losses would be realized. Second, the poor performance of socio-economic ventures will impact negatively on the stock markets.In spite of the bad side of the virus on countries’ economies, there is good news; that is, the Africa- China Cooperation will scale-up for five basic reasons. One, China has shown the capacity to control the further spread of the virus and we can claim with confidence that they have earned globe leadership role in this regard. Second, the economic fundamentals in China have not deteriorated. In other words, the fundamentals sustaining sound economic growth have not changed and will not change in the short – run. Indeed, the country remains and will continue to remain a “darling of investors” for many years. This being the case, recovery period will be a quick and a short one. Third, China’s policy of relocating some industries outside its borders is paying-off, since it is mitigating the severity of the virus. And this policy is well aligned with Africa’s development aspiration of industrialization and poverty reduction. Four, the solidarity shown to Africa by China through provision of the requisites cum essentials, in terms medical supplies during this time of need will consolidate, and not weaken, the cooperation. Five, given that most of the western countries’ economies have been negatively affected by the virus, their capacity to provide development assistance to Africa will be weaken because they will mostly be preoccupied with their domestic challenges rather than external ones. This being the case, China would definitely fill the emerging gap.The last three developments above are a clear indication that the future of China-Africa Cooperation is bright. However, the rising xenophobia, against Africans, experienced in the recent past in Guangzhou, should never be tolerated by the Chinese Government because it will poison badly that relationship and at the end of the day both sides will be great losers. |