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# Current Intelligence Report Circular

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## EU meets with African leaders to compete with China's Belt and Road Initiative

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On FEB 17, the European Union (EU) met with 40 African leaders to draw up plans for investment in Africa, totaling about 340B USD. Roughly half of this sum will be used to pay for COVID-19 treatment and vaccines, leaving about 170B to be invested in African infrastructure projects for the purpose of countering China's potential economic dominance of Africa. EU chief Ursula von der Leyen said on 10 FEB that she wants the EU to become Africa's "most reliable" partner. The 170B USD seven-year infrastructure plan is a large commitment to African infrastructure compared to that of China's 21.7B USD investment over recent years (2015-2020). During the 8th Forum on China and Africa Cooperation in NOV 2021, China presented its infrastructure investment plan, the China-Africa Cooperation Vision 2035. This is an increased effort by China to expand the Belt and Road Initiative (BRI) in Africa. It includes a commitment of 60B USD to Africa to be spent in the next 13 years until 2035. END

### CMCD Note

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China has been increasing its foreign direct investment (FDI) in Africa since 2013 when the belt and road initiative was launched. During the time BRI was launched, US FDI to Africa decreased, which allowed China to take the lead in economic influence in Africa. The BRI has been accused of being a "debt trap" by Western media by offering loans that are extremely difficult to repay which forces participating countries to continue to rely on Chinese trade and influence. Africa is an ideal target for Chinese FDI due to its inexpensive labor and resources such as rare earth metals and oil. Competitive EU FDI may harm China's ability to expand the BRI in Africa which could lead to a higher cost in raw materials imported by China.

### Sources

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