Analysis of approvals for Chinese companies to invest in Africa’s mining, agriculture and forestry sectors

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Ministry of Commerce (MOFCOM) complex on Chang’an Avenue in Beijing. MOFCOM serves Chinese business interests both at home and overseas and its support is behind many of China’s recent international business expansion endeavors.
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Abbreviations

BMZ Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (Federal Ministry for Economic Cooperation and Development), Germany
CIFOR Center for International Forestry Research
DRC Democratic Republic of Congo
GIZ Gesellschaft für Internationale Zusammenarbeit, Germany
ICRAF World Agroforestry Centre
M&A Mergers and acquisitions
MOFCOM Ministry of Commerce, PR China
MOFTEC Ministry of Foreign Trade and Economic Cooperation, PR China
NPC National Planning Commission
OFDI Outward Foreign Direct Investment

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Summary

The impacts of Chinese investment in and trade with Africa have become the subject of much speculation. CIFOR’s ‘Chinese trade and investment in Africa’ project seeks to understand the impacts of China’s role in shifting global trade flows and investment patterns on forests in 2 African eco-regions, the Congo Basin and the southern African woodlands, with a focus on sectors with potential direct impacts on forests: mining, forestry and agriculture.

The lack of a comprehensive database of Chinese investments in Africa makes it difficult to build a picture and analyse trends and patterns. The analysis in this working paper draws on a database (spanning 1983 to 2010) of approvals by the Ministry of Commerce of the People’s Republic of China (MOFCOM) for Chinese companies to engage in overseas investments. Records in the database indicate the companies’ intent to invest overseas, but do not record actual investments that were completed. Additional sources are used to characterise trends in Chinese merger and acquisition activities in the sectors of concern in Africa.

The database contains 1346 records of approvals for Chinese companies to invest in Africa from 1988 to 2010, representing 8.47% of all approvals for overseas investment awarded to Chinese companies. Before 2002, fewer than 10 approvals were made per year. After 2002, approvals grew at an annual average rate of 250%, reaching 388 in 2010. Of these, 278 approvals were for the mining, forestry and agriculture sectors, of which 128 (44%) were in the 2 eco-regions of interest to the CIFOR project.

In the mining sector, there were 209 approvals, with 70% concentrated in 10 countries: Democratic Republic of Congo (DRC), Zambia, Nigeria, Algeria, South Africa, Sudan, Tanzania, Ethiopia, Ghana and Chad. More than half of the approvals were for mineral extraction and a third were for prospecting. Approvals for mining investment in the 2 eco-regions accounted for 45% of all mining records for Africa. The DRC, Zambia and Tanzania accounted for 90% of mining sector approvals, the vast majority (86%) of which were for mineral extraction and prospecting activities.

In the forestry sector, there were 34 investment approvals in 14 countries. The top intended investment destinations for Chinese forestry companies in Africa are Gabon, Zambia, Ghana, Nigeria and Republic of Congo. Overall, Gabon accounts for almost 23% of forestry sector approvals. Eighteen of the 34 approvals were in the 2 eco-regions, and over 40% of these were in Gabon. Timber extraction and sawnwood manufacturing together account for most (84%) of the approval records.

For crop-based agriculture, there were 35 records. Zambia, Tanzania, Sudan, Ghana and Ethiopia accounted for almost 60% of approval records. Most (74%) approvals were for crop production, with smaller numbers for wholesale and retail (20%) and manufacturing (5.7%) activities. Overall, 43% of agricultural approvals were in the 2 eco-regions, almost half of which were for investment in Zambia.

Globally, mergers and acquisitions (M&A) by Chinese companies have been increasing in recent years. Africa is the second most frequent destination for mining M&A events, and research shows increased interest in M&A activity in Africa. Most M&A activity is in the oil and mining sectors.

Further research is required to produce a comprehensive database of actual Chinese investment activities in Africa. M&A as a growing form of overseas investment by Chinese companies also merits investigation.
摘要

中国对非洲投资和贸易的影响已成为国际上备受瞩目的焦点。在此背景下，国际林业研究中心启动了“中国在非洲的贸易和投资”项目。该项目以可能对森林有直接影响的矿业、林业和农业3个部门为重点，旨在通过在非洲两个生态区，即刚果盆地和非洲南部森林地区开展研究以了解中国对与森林有关的全球贸易流和投资模式的作用和影响。

由于相关数据的缺乏，使得全面了解中国在非洲的投资，分析发展趋势和模式比较困难。因此，本文以中国商务部的企业海外投资审批记录（1983至2010年）为基础，建立了中国对非洲投资数据库。该数据库记录了计划从事海外投资活动的企业，但并不意味着投资活动已经实施。此外本文还使用了其他相关数据来源对中国在非洲上述领域的兼并和收购趋势进行了说明。

该数据库记录了1988年至2010年间所有被批准在非洲进行投资的中国企业，共计1346条，占所有中国海外投资记录的8.47%。在2002年之前，每年获得批准的企业不超过10个。而2002年以后，这一数字则以每年250%的速度递增。2010年，获得批准的投资企业达到了388个。在所有记录中，284个涉及矿业、林业和农业的投资，129个（约44%）位于本项目的研究区域。

同时，矿业共涉及209个投资记录，其中70%集中在刚果（金），赞比亚，尼日利亚，阿尔及利亚，南非，苏丹，坦桑尼亚，埃塞俄比亚，加纳和乍得10个国家，45%位于项目关注的两个生态地区。在所有矿业投资中，超过50%的为矿业开发，另有超过30%为矿业勘探。在涉及2个生态区的矿业投资记录中，刚果（金），赞比亚和坦桑尼亚是主要的投资地，占了90%，其中绝大多数（86%）为矿产开采和勘探。

林业部门共有34个投资记录，涉及14个国家，主要的投资目的地为加蓬，赞比亚，加纳，尼日利亚和刚果（布），其中加蓬占了近23%。两个生态地区涉及了18个投资记录，其中40%位于加蓬，而木材采伐和锯材制造业占大多数（84%）。

以作物种植为基础的农业共有35条审批记录。其中，赞比亚，坦桑尼亚，苏丹，加纳和埃塞俄比亚占了近60%。其中大多数（74%）为作物生产，小部分为批发及零售业（20%）和制造业（5.7%）的活动。总体而言，43%的农业批准记录位于2个生态区，其中近一半是在赞比亚。此外，在全球范围内，近年来由中国公司发起的兼并和收购活动也在逐渐增加。而非洲则是中国采掘业的第二大兼并和收购目的地。研究表名，中国在非洲进行并购活动的兴趣正在不断增加，并主要集中在石油和矿业部门。

今后的研究将集中在建立较为全面的中国对非洲投资数据库。同时作为一种的投资新形式，兼并和收购同样值得关注。
Résumé

Les conséquences des investissements et des échanges de la Chine avec l’Afrique font l’objet de nombreuses conjectures. Le projet du CIFOR intitulé « Chinese trade and investment in Africa » (Le commerce et les investissements chinois en Afrique) cherche à comprendre quel est le rôle de la Chine dans le fait que les flux d’échange mondiaux et les politiques d’investissement se déplacent vers les forêts dans deux régions écologiques de l’Afrique, à savoir le bassin du Congo et les forêts d’Afrique australe, en mettant l’accent sur les secteurs ayant un potentiel impact direct sur les forêts : l’exploitation minière, la foresterie et l’agriculture.

Dans la mesure où il n’existe pas de base de données complète sur les investissements chinois réalisés en Afrique, il est difficile de broser un tableau et d’analyser les tendances et les caractéristiques. Dans ce document de travail, l’analyse repose sur l’enregistrement, dans une base de données (1983-2010), des autorisations accordées par le Ministère du commerce de la République populaire de Chine (MOFCOM) aux sociétés chinoises pour qu’elles investissent à l’étranger. Cette base de données enregistre les intentions d’investir à l’étranger des sociétés, mais pas les investissements réellement réalisés. D’autres sources sont utilisées pour caractériser les tendances en matière de fusions-acquisitions chinoises dans les secteurs considérés en Afrique.

La base de données contient 1 346 enregistrements d’autorisations à investir en Afrique délivrées aux sociétés chinoises entre 1988 et 2010, ce qui représente 8,47 % de l’ensemble des autorisations d’investissement à l’étranger accordées aux entreprises chinoises. Avant 2002, moins de 10 autorisations étaient délivrées chaque année. À partir de 2002, ce nombre a augmenté d’en moyenne 250 % par an, pour atteindre 388 autorisations en 2010. Sur ce nombre, 278 ont concerné les secteurs minier, forestier et agricole, dont 128 (44 %) dans les deux régions d’intérêt écologique pour le projet du CIFOR.

Dans le secteur minier, 209 autorisations ont été accordées, 70 % d’entre elles étant concentrées dans 10 pays : la République démocratique du Congo (RDC), la Zambie, le Nigeria, l’Algérie, l’Afrique du Sud, le Soudan, la Tanzanie, l’Éthiopie, le Ghana et le Tchad. Plus de la moitié des autorisations ont concerné l’extraction minière, un tiers la prospection. Les autorisations d’investissement minier dans les deux régions écologiques ont représenté 45 % de tous les dossiers miniers pour l’Afrique. La RDC, la Zambie et la Tanzanie ont représenté 90 % des autorisations dans le secteur minier, dont une grande majorité (86 %) pour des activités d’extraction et de prospection.

Dans le secteur forestier, 34 autorisations d’investissement ont été accordées dans 14 pays. Les premières destinations d’investissement visées par les sociétés forestières chinoises en Afrique sont le Gabon, la Zambie, le Ghana, le Nigeria et la République du Congo. Dans l’ensemble, le Gabon représente presque 23 % des autorisations dans le secteur forestier. Dix-huit des 34 autorisations ont concerné les deux régions écologiques et plus de 40 % de celles-ci ont été attribuées au Gabon. L’extraction de bois et la fabrication de bois scié représentent à elles deux la majorité des autorisations enregistrées (84 %).

Dans le secteur de l’agriculture basée sur les cultures, on dénombre 35 enregistrements. La Zambie, la Tanzanie, le Soudan, le Ghana et l’Éthiopie ont représenté presque 60 % des autorisations enregistrées. La plupart d’entre elles (74 %) ont concerné la production de cultures, beaucoup moins les activités de gros et de détail (20 %) et les activités manufacturières (5,7 %). Au total, 43 % des autorisations agricoles ont été accordées dans les deux régions écologiques, dont presque la moitié pour des investissements en Zambie.

À l’échelle mondiale, le nombre de fusions-acquisitions (M&A) réalisées par des sociétés chinoises augmente ces dernières années. L’Afrique est la deuxième destination la plus fréquente en matière de fusions-acquisitions minières, et des études font état d’un intérêt accru dans l’activité de M&A en Afrique. La plus grande partie de celle-ci se produit dans les secteurs pétrolier et minier.

D’autres études sont nécessaires pour établir une base de données complète sur les investissements chinois réellement réalisés en Afrique. Les fusions-acquisitions, en tant que moyen de plus en plus utilisé par les sociétés chinoises pour investir à l’étranger, méritent également d’être étudiées.
1. Introduction

The 'Chinese trade and investment in Africa: Assessing and governing trade-offs to national economies, local livelihoods and forest ecosystems' project, launched in March 2010, aims to advance understanding of the social, economic and environmental impacts of Chinese investment in commodities or sectors affecting forests and livelihoods in Africa (e.g. timber, mining, agriculture), and to strengthen the capacity of decision-makers in government, civil society and the private sector to enact reforms to maximise social and economic benefits while minimising adverse effects.

This project seeks to understand China’s role in shifting global trade flows and investment patterns; to understand what is unique about Africa’s trade with China (relative to other development partners) in the forestry sector; and to identify how trends in forest-related trade and investment are playing out in the Congo Basin and the southern African woodlands. These regions were selected because of the importance of their forests. The countries of concern in these eco-regions are Republic of Congo, Cameroon, Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Mozambique, Tanzania, Zambia and Zimbabwe. Together these countries have a total area of 6.3 million km², spanning more than a fifth of the total African land mass. The project is identifying the economic, social and environmental trade-offs (positive and negative impacts) for a selection of Chinese investments that have an impact on forests on the continent (e.g. timber, agricultural cash crops, biofuels, mining).

In recent years, in line with China’s ‘Going Out’ strategy announced in 2000 (MOFCOM 2001), many Chinese companies have begun exploring and making investments in Africa. The impacts of this trend – both positive and negative – have generated a great deal of speculation worldwide. A growing number of reports from academics and civil society organisations document some of these activities and, in some cases, the specific impacts on the local ecology, livelihoods and economy. However, nowhere have specific investment events been systematically collated, making it difficult to build a picture and analyse trends and patterns from the available scattered documentation. One part of this project is to develop systematic documentation of investment events in the Congo Basin and southern African woodlands.

In the absence of a complete database, the analysis in this working paper draws on a database of applications by Chinese companies for permission to invest overseas. The database is the China Companies Overseas Investment Database of the Ministry of Commerce of the People’s Republic of China (MOFCOM). The MOFCOM database contains a list of Chinese companies that received approval to make overseas green land investments during the period 1983–2010. The database was built to comply with Chinese government regulations, first issued in 1983 and subsequently updated several times, that require Chinese companies intending to make non-trade investments overseas to apply to MOFCOM for approval to invest (State Council 1983, MOFTEC 1984, 1985, 1992, 1999, NPC 1991, MOFCOM, 2003, 2007, 2009). Listing in the database can only be taken as an indication of a company’s intent to invest overseas. Listing does not imply that all these companies eventually made the actual investments either in Africa or in the sectors under which they applied. There are 2 other caveats to note. First, the database does not include merger and acquisition (M&A) or other minority equity investments. Since the database does not include companies solely involved in M&A investment, this working paper describes some trends in Chinese M&A (see Section 5). Second, the database does not record the value of intended investments. The relevant Chinese government agencies record outward foreign direct investment (OFDI) value data separately and report them using other systems.

Drawing primarily on the MOFCOM database, this working paper examines trends in intended investment and the major intended investment destinations of Chinese companies in 3 important land use sectors that may have direct environmental and social impacts: forestry, mining and agriculture. The analysis focuses on data for companies intending to invest in these sectors in countries of the Congo Basin and southern African woodlands (Congo, Cameroon, DRC, Equatorial Guinea, Gabon, Mozambique, Tanzania, Zambia and Zimbabwe). Section 5 analyses available data on M&A investments in these sectors drawing on other data sources. The final section elaborates on some questions for further research raised by the analysis.
2. Approvals for investment by Chinese companies in Africa

2.1 Trends in investment approvals

Examination of the MOFCOM database identified 1346 records of Chinese companies declaring their intention to invest in Africa, covering the period from 1988 to 2010. This accounts for 8.47% of the total number (15 895) of records in the MOFCOM database. Although the first record in the database dates back to 1983, the first investment record in Africa is in 1988, when Jiangxi International Economy and Technology Cooperation Corporation, a state-owned company, applied to set up a representative office in Zambia.

To help understand trends in investment approvals, the period 1988–2010 can be divided into 2 phases. The first phase is from 1988 to 2001, during which time fewer than 10 companies obtained approval from MOFCOM each year. The second phase is from 2002 to 2010, during which time the record of investment applications grew dramatically, with an average annual growth rate of 250%. In 2010, there were 388 records of approvals, which is nearly 40 times as many as in 2002.

2.2 Investment destinations of approvals for Africa

The 1346 investment records found referred to 45 African countries, or around 85% of the continent. The top 10 intended investment destinations for Chinese companies are Nigeria, South Africa, Zambia, Egypt, Ethiopia, Angola, Tanzania, DRC, Algeria and Ghana. Records

![Figure 1: Number of companies receiving approval to invest in Africa (1988–2010)](source: MOFCOM China Overseas Investment Database. Compiled by the authors)

![Figure 2: Top 10 Chinese intended investment destinations in Africa](source: MOFCOM China Overseas Investment Database, compiled by the authors)
referring to these 10 countries account for 61.8% of the total number of companies approved to invest in Africa.

2.3 Intended investments by type and sector

To analyse the intended investments by sector, we adopted the classification in the Chinese National Economy Industry Classification and Code (GB/T 4754–2002), a national standard applied in China. Application of this classification method reveals that Chinese companies mainly intend to invest in 8 economic sectors: manufacturing; leasing and business services; wholesale and retail; construction; mining; research, technical services and geological prospecting; farming, forestry, animal husbandry and fisheries; and real estate (Figure 3).

Amongst these sectors, manufacturing is the most frequent investment target, accounting for around 27.6% of all approvals. This industry category covers manufacturing across all industries, including textiles, chemicals, mining, wood processing and food processing. The leasing and business services sector is the second largest intended investment sector for Chinese companies, accounting for more than 21% of the total number of records. This sector includes a large number of representative offices intending to make investments or to expand marketing of their products, many of which have the purpose of searching for potential business opportunities and clients in Africa. Companies engaging in international trade are categorised as being in the wholesale and retail industry, which accounts for almost 14% of all investment records. The construction industry, which includes construction activities such as housing, roads, railways and bridges, accounts for just over 12% of records. The mining sector is also an important investment field for Chinese companies, accounting for over 9% of records. It should be noted, however, that in this method of classification, mining only includes mineral extraction activities, such as extraction of oil, natural gas, metal and non-metal ores. Other mining-related activities are classified into other sectors, such as research, technical services and geological prospecting. The classification that includes agriculture, animal husbandry, fisheries and forestry in one category can be considered ‘agriculture’ in its broadest sense. This sector accounts for just over 4% of the total number of records.

3. Approvals for Chinese companies investing in Africa’s mining, forestry and agriculture sectors

3.1 Overview

As mentioned above, many mining, forestry and agriculture companies’ approvals to invest in Africa are classified under other economic sectors, such as manufacturing, wholesale and retail, and geological prospecting. In this section, we separate mining, forestry and agriculture out of the general ‘agriculture’ category, and include records relating to these 3 sectors that are allocated to other sectors using the standard classification presented above. In the mining sector, records referring to metal and non-metal ores (e.g. quarries) are sometimes difficult to distinguish, and some non-metal mining

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1 The China National Economy Industry Classification and Code (GB/T 4754–2002) is a 3-tier hierarchical list, with more detailed items under each main level.
Geological prospecting is also an important intended activity, accounting for around 31% of records. Some of these records refer to companies that provide mineral prospecting services to other enterprises, while others are for companies intending ultimately to extract the ores discovered through prospecting. Manufacturing and leasing and business services each account for around 6% of total mining records, and the wholesale and retail industry accounts for just under 2% of records (Figure 5).

The mining industry also includes 14 oil companies, of which 12 obtained approvals to engage in oil extraction and 2 in manufacturing (Table 1).

3.3 Forestry investment approvals in Africa

Thirty-four forestry investment records distributed across 14 African countries cover forest management, logging, wood processing, paper and furniture and wooden floor materials manufacturing.

Country distribution

The top investment destinations for Chinese forestry companies in Africa are Gabon, Zambia, Ghana, Nigeria and Republic of Congo, among which Gabon is the most important, accounting for almost 40% of the total records. Gabon is an important African timber provider to China; it’s rich forest resources and a comparatively stable political environment, have attracted Chinese investment approvals may be included in the mining sector.

This re-categorisation results in 278 records relating to the mining, forestry and agriculture sectors, accounting for more than one-fifth of the total investment application records. There are 209, 34 and 35 records in the mining, forestry and agriculture sectors, respectively, or around 15%, 2.6% and 2.6% of all investment application records.

3.2 Mining investment approvals in Africa

Country distribution

The re-categorised database shows a total of 209 records in the mining sector, distributed across 33 African countries. The top 10 intended investment destinations of these companies are DR Congo, Zambia, Nigeria, Algeria, South Africa, Sudan, Tanzania, Ethiopia, Ghana and Chad. Records referring to these 10 countries account for just under 70% of all mining sector records.

Sector distribution

Mining-related records are mainly distributed across five sectors of the standard classification: mineral extraction, geological prospecting, manufacturing, leasing and business services and wholesale and retail. Mineral extraction is the most common of these, accounting for 55% of all mining-related records.
Table 1. Sectoral distribution of Chinese mining investment approvals

| Sector                              | Investment records | No. of which are oil investment records |
|-------------------------------------|--------------------|----------------------------------------|
| Mineral extraction                  | 115                | 12                                     |
| Research, technical services and geological prospecting | 64                | 0                                      |
| Leasing and business services       | 13                 | 0                                      |
| Manufacturing                       | 12                 | 2                                      |
| Wholesale and retail                | 4                  | 0                                      |
| Other                               | 1                  | 0                                      |
| Total                               | 209                | 14                                     |

Source: MOFCOM China Overseas Investment Database, compiled by the authors

forestry companies (Forest Trends 2007). Exports of roundwood from Gabon to China have accounted for around 40% of African roundwood exports to China in recent years.

Sectoral distribution

Within the forestry sector, about 45.7% of investment approvals were for forest resources extraction (forest management and logging). Other activities included processing of wood products (wood-based panelling, etc.), paper and paper products and furniture manufacturing, which account for around 22.9%, 20.0% and 11.4%, respectively (Figure 7).

When logging and sawnwood processing are categorised as ‘primary processing’ and other activities as ‘secondary processing’, 18 records (52.9%) fall into the primary processing sector and 16 (47.1%) into the secondary processing sector.

3.4 Agricultural investment approvals in Africa

In this section, we consider agriculture only narrowly defined as cropping, i.e. excluding forestry, animal husbandry and fisheries. Applying this narrow definition, 35 records are found in this sector.

Country distribution

The 35 investment records are distributed across 17 African countries. Zambia, Sudan, Tanzania, Ethiopia and Ghana are the major investment destinations, accounting for almost 60% of the total
investment approval records. Amongst these five countries, Zambia is the most frequently represented, accounting for almost 20% of the total number of records.

**Sectoral distribution**
Most approvals in the agriculture sector are in crop production. The other sectors recorded are wholesale and retail and manufacturing, accounting for 20.0% and 5.7%, respectively (Figure 9).

### 4. Chinese mining, forestry and agriculture investment approvals in the eco-regions

#### 4.1 Overview
This research project focuses on the Congo Basin and southern African woodlands because of the importance of their remaining forests. The countries of concern in these two eco-regions are Cameroon, DR Congo, Equatorial Guinea, Gabon, Mozambique, Republic of Congo, Tanzania, Zambia and Zimbabwe. Together, these countries cover 6.3 million km², more than one-fifth of the total African land area.

The MOFCOM database includes 293 investment records in these countries, which, at less than 22%, is not a very large share of the total records for Africa. However, of these, 44% (128 records) relate to mining, forestry and agriculture. This indicates that these sectors in these investment destinations are relatively significant for Chinese companies.

#### 4.2 Mining investment approvals in the eco-regions

**Country distribution**
A total of 95 records for the mining sector in these countries account for over 45% of the total mining records for the African continent. The major destinations for mining investment are DR Congo, Zambia and Tanzania. These three countries combined account for over 90% of mining investment records in the eco-regions (Figure 10).

**Sectoral distribution**
When records are analysed by economic sector, mineral extraction is seen to account for a large share (64%). Extraction and geological prospecting together account for 86% of the total mining sector investment records. No oil-related records were found in the target eco-regions.

#### 4.3 Forestry investment approvals in the eco-regions

**Country distribution**
There are a total of 18 investment approval records for the forestry sector in the Congo Basin and southern woodlands eco-regions, accounting for almost 53% of the total forestry records in Africa. Gabon is the most frequent intended investment destination, accounting for more than 40% of the total investment records in the eco-regions.
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Figure 10. Major Chinese mining investment destinations in the eco-regions
Source: MOFCOM China Overseas Investment Database, compiled by the authors

Figure 11. Sectoral distribution of Chinese mining investment approvals in the eco-region
Source: MOFCOM China Overseas Investment Database, compiled by the authors

Figure 12. Major Chinese forestry investment destinations in the eco-regions
Source: MOFCOM China Overseas Investment Database, compiled by the authors

Figure 13. Sectoral distribution of Chinese forestry investment in the eco-regions
Source: MOFCOM China Overseas Investment Database, compiled by the authors

**Sectoral distribution**
When we look at the sectoral distribution of Chinese forestry investment in the study countries, we find that primary processing (i.e. timber extraction and sawnwood manufacturing) accounts for most (84%) of the records (Figure 13).

**4.4 Agricultural investment approvals in the eco-regions**
For agriculture, the MOFCOM database includes 15 records in the eco-regions, accounting for over 42% of the total agricultural records for Africa. This indicates that these regions are important Chinese agricultural investment destinations.

Amongst the countries in the two eco-regions, Zambia is the most frequent intended investment destination, accounting for nearly half of all records. The potential for investment in Zambia makes southern Africa an important agricultural investment destination; together with Tanzania this sub-region accounted for over 73% of all investments in the two eco-regions.
Of these, 13 records (87%) are for intended investment in crop production, and two records are for manufacturing.

5. Chinese companies’ merger and acquisition activities in Africa

In addition to the green land investments recorded in the MOFCOM database, Chinese companies have been engaged in a large number of overseas M&A activities in recent years, many of which are in Africa. M&A approvals are not included in the MOFCOM database. For insights into trends in this area, we rely on two reports compiled by Deloitte (2010a, 2010b). Deloitte’s reports include only completed M&A activity, and do not account for the likely large number of M&A initiatives that are not followed through to completion.

From 2003 to mid-2010, Chinese overseas M&A activity increased greatly in terms of both value and number (Figure 15).

Amongst these mergers and acquisitions, a large number (in terms of both quantity and value) were in the oil and mining sectors. These M&A activities account for 39% of the total records Deloitte collated.

Amongst Chinese mining companies’ M&A target markets, Australasia is the most important destination, accounting for a quarter of total M&A events. Africa is the second most important continent, accounting for 15% of the total records. It should be noted that some Australasian and other companies may have been taken over or purchased by Chinese companies that are also operating in Africa.

Deloitte (2010b) presents an analysis of possible future trends in Chinese outward M&A activity in the mining sector. Using data from interviews with 26 Chinese mining companies with prior involvement in outward M&A, Deloitte identified
33 Chinese outward M&A events in the mining sector in 2009, representing US$9.2 billion of investment. Most of the M&A events involved the purchase of majority or minority stakes in the overseas company. Most interviewed respondents revealed that they expected Chinese outward M&A activity to increase in 2010–2011. The most commonly cited driver of this anticipated trend was the goal of securing resources supply. Increasing market share, achieving economies of scale and price bargaining power were also frequently mentioned drivers. Environmental protection concerns were the third most commonly mentioned obstacle to M&A deals, after currency regulations and financial market instability. Africa was by far the most frequently cited potential future destination for outward M&A. Reasons given for this include the complementarity between Africa’s abundant resources and Chinese companies’ ability to invest, low labour costs and the then (pre-July 2010) threatened imposition of a super-profits tax in Australia that made acquisitions in other countries relatively more attractive. Drivers explaining Chinese companies’ need to secure raw materials supply in the mining sector are reviewed in Zhang (2011).

6. Discussion

The analysis of records of Chinese government approvals for participation in overseas investment by Chinese companies shows 1346 investment records of intent to invest in Africa. This is equivalent to less than 8.5% of the total number of approvals for Chinese companies to invest overseas. Amongst the specific sectors of concern to this research project, mining investment in Africa is an important field for Chinese companies investing in Africa, accounting for 15% of the total number of investment records. DR Congo, Zambia, Nigeria, Algeria and South Africa are important mining investment destinations, accounting for nearly half of all investment approval records. The shares of forestry and agriculture are much smaller (about 2.6% each). The central and southern African eco-region countries are important mining, forestry and agriculture investment destinations for Chinese companies – a large part of all investment records for these three sectors across the African continent are concentrated in countries in these two eco-regions. Africa also accounts for a reasonable share of overseas M&A activities by Chinese companies, being the second most frequent investment destination. By sector, energy, oil and mining are important target industries for Chinese companies’ M&A activities.

The analysis in this working paper draws mostly on a database recording approvals by MOFCOM for Chinese companies to invest overseas. The database does not record which of these companies subsequently went on to make the actual investments. Furthermore, since the database records only companies’ intentions to invest overseas, it is possible that some companies with approval to invest overseas subsequently changed the country or sector of investment based on their original scoping and planning activities. The database cannot therefore be taken to indicate actual investments by Chinese companies. This can be illustrated with reference to the forestry sector. The MOFCOM database records 18 companies intending to invest in the forestry sector in the central and southern African eco-regions. Using the list of companies obtained from the MOFCOM database and cross-referencing against the list of companies recorded by China Customs as importing roundwood from Africa to China in 2008 and 2009 to search for online and media reports of investment events, 10 companies
reported or claimed in their own media products to have made investments in forest management, and four companies reported that they made investments in wood product processing in Africa (Huang et al. 2011). However, in-country investigations (e.g. Putzel and Kabuyaya 2011) sometimes find that some claimed investments are in fact not operational, as occurs when concessions are subsequently withdrawn or when other factors impede investment activities. Further research would be required to identify which companies have gone on to undertake actual investments. Investigation of the reasons for success or failure in following through with investment intentions would increase understanding of the factors affecting investment decisions by Chinese firms.

Industry actors forecast that Chinese M&A activities in Africa will increase in the short term. Another issue arising from the increased M&A activity is whether international but Chinese-owned or partly owned companies are also active in the target sectors in Africa.

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Annex 1. List of Chinese companies approved to invest in African mining, forestry and agriculture

Note: Transliteration and translation of company names was done by the authors.
Source: MOFCOM Overseas Investment Database

Table 1. Chinese companies approved to invest in African mining

| Country/region | Parent company (China) | Company name | Business | Approval date |
|----------------|------------------------|--------------|----------|---------------|
| Tanzania       | Anhui Geoscientific Investment Co. Ltd | Fucheng Mining Co. Ltd | Mining exploration, production and processing | 10 December 2010 |
| Algeria        | Anhui Shuangcheng Electric Wire and Electric Cable Co. Ltd | Uncertain | Mining exploration and trade | 7 September 2009 |
| South Africa   | Baosteel Resources Co. Ltd | Baosteel Resources South Africa Co. Ltd | Mining exploration and trade | 26 March 2010 |
| Zambia         | Beijing Huayihuisheng Trade Co. Ltd | Huayi Zambia Co. Ltd | Mining exploration and extraction | 22 June 2007 |
| DR Congo       | Beijing Huayihuisheng Trade Co. Ltd | Uncertain | Mining exploration, production and processing | 25 December 2009 |
| Zambia         | Beijing Yongtongchang Mining Co. Ltd | Zambia Yongtongchang Mining Co. Ltd | Mining exploration and extraction | 28 September 2009 |
| Sudan          | Beijing Yongxinghongsheng Co. Ltd | Huatuo Mining Co. Ltd | Mining exploration and extraction | 29 July 2009 |
| Nigeria        | Beijing Yuhongxing Co. Ltd | Zhongni Gold Stat Mining Co. Ltd | Mining exploration and extraction | 5 December 2008 |
| Nigeria        | Changzhou Pangu Economy and Technology Development Co. Ltd | Changzhou Pangu Nigeria Co. Ltd | Mining exploration and trade | 28 February 2006 |
| DR Congo       | Chenzhou Jinshan Metallurgy Chemical Co. Ltd | Jinshan Africa Mining Co. Ltd | Mining exploration | 3 June 2010 |
| Tanzania       | Diying Tian Mining Development Co. Ltd | Diying Mining Co. Ltd | Mining exploration, production and processing | 23 November 2010 |
| Nigeria        | Dongguan Zhongzhan Mining Co. Ltd | Kenyang Industry | Mining exploration, production and processing | 17 November 2009 |
| Madagascar     | Foshan Ruima Mining Investment | Hi Dam Resources | Mining investment | 12 June 2010 |
| DR Congo       | Fujian Benyuan Metal Material Co. Ltd | Benyuan DRC Co. Ltd | Mining exploration and trade | 27 January 2008 |
| Botswana       | Fujian Zhongyu Investment Development Co. Ltd | Botswana Zhongyu Mining Development Co. Ltd | Mining exploration and trade | 15 December 2009 |
| DR Congo       | Fuyang Shenneng | Uncertain | Mining exploration, production and processing | 27 June 2008 |

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| Country/region | Parent company (China)                          | Company name                                | Business                                      | Approval date  |
|---------------|-----------------------------------------------|---------------------------------------------|-----------------------------------------------|----------------|
| Zambia        | Guangdong Chemical Industry Geology Exploration Institute | Yuedi Zambia Mining Co. Ltd | Mining exploration                   | 11 February 2010 |
| DR Congo      | Guangzhou Longyuan Metal Co. Ltd            | JMT Mining Co. Ltd                      | Mining exploration and trade                | 17 December 2007 |
| Tanzania      | Guizhou Geo-mineral Resource Development Co. Ltd | Guishan Tanzania Mining Co. Ltd | Mining exploration and trade                | 1 September 2010 |
| Cameroon      | Harbin Long Engineer Co. Ltd                | C&K                                        | Mining exploration, production and processing | 27 March 2007  |
| DR Congo      | Han International Resources Group           | Kingrui Mining Investment Co. Ltd         | Mining exploration, production and processing | 29 June 2010   |
| Madagascar    | Hainan Non-ferrous Mining Development Co. Ltd | Hainan Mining Madagascar Co. Ltd          | Mining exploration                          | 11 June 2010   |
| DR Congo      | Haining Droin Imp & Exp. Co. Ltd            | DRC Chenfei Mining Co. Ltd                | Processing                                   | 23 June 2008   |
| Nigeria       | Wuhan Industrial Co. Ltd                    | Wuhan Global Mining Nigeria Company       | Mining exploration, production and processing | 6 September 2010 |
| Zambia        | Hebei Jidong Construction                    | Uncertain                                  | Mining exploration and trade                | 21 June 2010   |
| DR Congo      | Henan Qianli Machinery Co. Ltd              | Jinjucheng Mining Co. Ltd                 | Mining exploration and trade                | 24 January 2008 |
| DR Congo      | Henan Rebecca Holding Co. Ltd               | Uncertain                                  | Mining exploration, production and processing | 8 January 2008  |
| DR Congo      | Henan Rebecca Holding Co. Ltd               | Rebecca DRC Mining Co. Ltd                | Mining exploration                          | 15 October 2008 |
| Tanzania      | Henan Geology and Mapping General Institute | Henan International Mining Co. Ltd        | Mining exploration                          | 2 August 2010   |
| Namibia       | Henan Bureau of Geo-exploration and Mineral Development | Henan Asia–Africa Geology Engineer Namibia Co. Ltd | Mining exploration | 27 October 2006 |
| Tanzania      | Henan Bureau of Geo-exploration and Mineral Development | Henan Asia–Africa Geology Engineer Tanzania Co. Ltd | Mining exploration | 9 August 2007   |
| Tanzania      | Henan Coal Field Geology Institute          | Sushan Geological Engineer Tanzania Co. Ltd | Mining exploration                          | 9 December 2010 |
| Nigeria       | Henan Coal Field Geology Institute          | Sushan Geological Engineer Co. Ltd        | Mining exploration                          | 17 August 2007  |
| Algeria       | Henan Hydrogeology Geology Exploration Institute | Uncertain                              | Mining exploration, production and processing | 15 January 2009 |
| Sudan         | Henan Hydrogeology Geology Exploration Institute | Uncertain                              | Mining exploration                          | 27 September 2008 |
| Algeria       | Henan Bureau of Geo-exploration and Mineral Development | Sarl Shaolin Mines                      | Mining exploration and trade                | 10 May 2010     |

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| Country/region | Parent company (China) | Company name | Business | Approval date |
|---------------|------------------------|--------------|----------|---------------|
| Ethiopia      | Henan Zhengzhou Geology & Mineral Exploration Institute | Henan Zhengzhou Geology & Mineral Exploration Institute Ethiopia Office | Extraction | 2 August 2010 |
| Ghana         | Henan Geologi av Asia-afrikanske teknisk samarbeid med International Ltd | Henan Geologi av Asia-afrikanske teknisk samarbeid med International Ltd | Mining exploration | 11 June 2008 |
| Botswana      | Henan Zhonglian Mining Co. Ltd | Zhonglian Mining Co. Ltd | Mining exploration | 23 January 2009 |
| Nigeria       | Hegang City DiMei Co. Ltd | Uncertain | Mining exploration and trade | 19 December 2008 |
| Zambia        | Longjiang Non-ferrous Zambia Mining Co. Ltd | Mining exploration | 10 May 2010 |
| Ethiopia      | Hubei Geo-mineral Exploration Co. Ltd | Zhonge Mining Investment Co. Ltd | Mining exploration | 22 February 2008 |
| DR Congo      | Hunan Jiahe Mining Investment Co. Ltd | Uncertain | Processing | 23 August 2010 |
| DR Congo      | Hunan Jiahe Mining Investment Co. Ltd | Ruixiang DRC Co. Ltd | Mining exploration and trade | 23 August 2010 |
| Ghana         | JUSSK | Ghana JUSSK Geo-mineral Resource Co. Ltd | Mining exploration and processing | 9 February 2010 |
| DR Congo      | Hunan Kaitong Metal Co. Ltd | DRC Kaixin Smelt Co. Ltd | Mining exploration and trade | 15 September 2009 |
| South Africa  | Hunan Ruixiang New Material Co. Ltd | Ruixiang Mining Resources South Africa Co. Ltd | Processing | 23 December 2009 |
| DR Congo      | Hunan Shanshan New Material Co. Ltd | Shanshan Congo Co. Ltd | Mining exploration and trade | 17 September 2010 |
| Zambia        | Hunan Geological & Mining Organization for Non-Ferrous Metals | Zhong Xiang Zambia Mining Co. Ltd | Mining exploration, production and processing | 7 June 2010 |
| DR Congo      | Liaoning Nonferrous Geological Exploration Institute | Xinxiang Ruixiang Congo Mining Co. Ltd | Mining exploration | 3 June 2010 |
| Zambia        | Hunan Tianxiong Industry | Tianxiong Mining Investment Co. Ltd | Mining exploration, production and processing | 9 August 2010 |
| South Africa  | Hunan Zexin Imp & Exp Co. Ltd | ZERO-BITS CC | Processing | 4 December 2008 |
| Zambia        | Jilin Nonferrous Metal Geological Exploration Bureau | Jilin Nonferrous Zambia Mining Co. Ltd | Mining exploration | 22 February 2010 |
| Nigeria       | Jiangsu Pan Pacific Development Co. Ltd | KEPXING NIG LTD | Mining exploration and trade | 24 September 2009 |
| Namibia       | East China Mineral Exploration and Development Bureau | Namibia China East China Mineral Exploration Co. Ltd | Mining exploration, production, processing and trade | 19 August 2009 |
| Namibia       | East China Mineral Exploration and Development Bureau | Namibia China East China Mineral Exploration Investment Co. Ltd | Mining exploration and trade | 25 August 2009 |
| Country/region | Parent company (China) | Company name | Business | Approval date |
|---------------|------------------------|--------------|----------|---------------|
| DR Congo      | Jiangxi Gold Fuda Mining Co. Ltd | Hai Lun Mining Co. Ltd | Mining exploration and trade | 21 May 2010 |
| Morocco       | Jiangxi Baofeng Mining Industry Co. Ltd | Kingan Morocco Mining Co. Ltd | Mining exploration | 16 September 2009 |
| Nigeria       | Jiangxi Geo-engineering (Group) Corporation | Jiangdi Africa | Mining exploration and trade | 10 August 2009 |
| Namibia       | Jiangxi Geo-mineral Development General Corporation | Uncertain | Mining exploration and trade | 7 December 2009 |
| Tanzania      | Jiangxi Western Africa Mining Development Co. Ltd | JNMC DRC Office | Mining exploration and trade | 17 April 2006 |
| South Africa  | Jiangxi Mining Construction Group | JNMC Office | Mining exploration and trade | 20 December 2007 |
| Zambia        | Jinzhou Xintai trading Co. Ltd | JinYu International Investment and Trade Co. Ltd | Mining exploration and processing | 29 September 2007 |
| South Africa  | Jiuquan Iron & Steel (Group) Co. Ltd | Uncertain | Mining exploration and trade | 1 January 2010 |
| Zambia        | Liaoning Huazan Foreign Trade Co. Ltd | CHIMAN Manufacture Co. Ltd | Mining exploration, production and processing | 22 December 2010 |
| Zambia        | Liaoning Jinding Magnesite Group | Runding Industrial Congo Co. Ltd | Mining exploration, production and processing | 31 December 2010 |
| Zambia        | Liaoning Nonferrous Geological Exploration Institute | Zambian Mineral Exploration Institute | Mining exploration and processing | 27 November 2008 |
| South Africa  | Liaoning Nonferrous Zhongrui Mining Co. Ltd | Shengbao Mining Co. Ltd | Mining exploration and extraction | 5 November 2007 |
| Zambia        | Liaoning Nonferrous Jinchang Mining Co. Ltd | Zhongrui Mining Investment Co. Ltd | Mining exploration and extraction | 14 July 2009 |
| South Africa  | Liaoning Western Africa Mining Development Co. Ltd | Bowang Mining Investment Co. Ltd | Mining exploration and trade | 10 August 2009 |
| Zambia        | Liaoning Sanhe Mining Investment Co. Ltd | Uncertain | Mining exploration and trade | 1 January 2010 |
| Zambia        | Liaoning Nonferrous Zhongrui Mining Co. Ltd | Shengbao Mining Co. Ltd | Mining exploration and extraction | 27 November 2008 |
| South Africa  | Liaoning Western Africa Mining Development Co. Ltd | Bowang Mining Investment Co. Ltd | Mining exploration and trade | 10 August 2009 |
| Zambia        | Liaoning Sanhe Mining Investment Co. Ltd | Uncertain | Mining exploration and trade | 1 January 2010 |
| Country/region | Parent company (China) | Company name | Business | Approval date |
|---------------|------------------------|--------------|----------|---------------|
| DR Congo      | Naijing Hairui Cobalt  | Congo Shengbao Mining Co. Ltd | Mining exploration and trade | 23 November 2006 |
| DR Congo      | Nantong Xiongfeng Metal Material Co. Ltd | ZHX International Metal Co. Ltd. | Mining exploration, production and processing | 28 June 2006 |
| Gabon         | Hwazhou Group          | Hwazhou Mining Gabon Co. Ltd | Mining exploration, production and processing | 28 April 2006 |
| Gabon         | Hwazhou Group          | Hwazhou Mining Gabon Trading Co. Ltd | Mining exploration, production and processing | 8 November 2005 |
| Gabon         | Ningbo Mining Investment Co. Ltd | Zhoonghui Mining Investment Development Co. Ltd | Mining exploration and trade | 20 March 2009 |
| Gabon         | Ningbo Mining Investment Co. Ltd | Zhoonghui Mining Industry and Trade Co. Ltd | Mining exploration and trade | 22 December 2008 |
| Congo         | Ningbo Xinglong Vehicle Industry Co. Ltd | Ningbo Xinglong Vehicle Industry Co. Ltd Congo Company | Mining exploration and trade | 29 November 2004 |
| DR Congo      | Ningbo Xinglong Investment Co. Ltd | Xinglong Africa Mining Co. Ltd | Mining exploration and trade | 11 December 2007 |
| Tanzania      | Rizhao Jialin Trading Co. Ltd | Jialin Group Tanzania Co. Ltd | Mining exploration and trade | 26 October 2009 |
| Congo         | Shandong Luyuan Investment Co. Ltd | Congo Luyuan Mining Co. Ltd | Mining exploration | 26 October 2009 |
| Tanzania      | Shandong Sheng Stem Heavy Mining Equipment Ltd | Sheng Stem Investment Tanzania Co. Ltd | Mining exploration and trade | 25 November 2010 |
| Ethiopia      | Shandong Geo-mineral Corporation | Joint Mining Industry Co. Ltd | Mining exploration | 8 May 2009 |
| Congo         | Shandong Geo-mineral Institute | Congo Huadi Mining Co. Ltd | Mining exploration | 2 June 2009 |
| Namibia       | Shandong Deep Base Construction Engineering Corporation | Namibia Huadi Mining Investment Co. Ltd | Mining exploration | 20 July 2010 |
| Eritrea       | Shandong No. 4 Institute of Geological Mineral Survey | Eritrea Shandong Mining Co. Ltd | Mining exploration | 12 November 2010 |
| Zambia        | Shandong Zheng Yuan Geology Resources Exploration Co. Ltd | Zambia Zheng Yuan Co. Ltd | Mining production and trade | 24 June 2009 |
| Algeria       | Shaanxi Geological Engineering Corporation | Shaanxi Geological Engineering Corporation Overseas Company | Mining exploration and trade | 4 March 2008 |
| Ghana         | Shaanxi Mining Development Co. Ltd | Shanxi Mining (Ghana) Co. Ltd | Mining exploration and trade | 6 November 2009 |
| DR Congo      | Shanghai Overseas Company | | Mining exploration and trade | 7 April 2006 |
| DR Congo      | Shanghai Hongbang Development Co. Ltd | Hongbang Mining (DRC) Co. Ltd | Mining exploration | 4 January 2006 |

Table 1. continued
| Country/region | Parent company (China) | Company name | Business | Approval date |
|----------------|------------------------|--------------|----------|---------------|
| DR Congo       | Shanghai Huangpu Cereals, Oils and Foodstuffs Development Co. Ltd | Maofa Mining Co. Ltd | Mining exploration and trade | 17 December 2007 |
| DR Congo       | Shanghai Jiachuang Group | Jia Cuang Mining Investment Co. Ltd | Mining exploration, production and processing | 17 March 2008 |
| DR Congo       | Shanghai Kuntai Group | Kuntai Congo Mining Co. Ltd | Mining exploration and trade | 5 November 2008 |
| DR Congo       | Shanghai Kuntai Group | Congo Union Mining Co. Ltd | Mining exploration and processing | 27 October 2010 |
| DR Congo       | Shanghai Kuntai Group | China–Africa International Mining Co. Ltd | Processing | 11 May 2010 |
| Zambia         | Shanghai Tongyi Steel Material Co. Ltd | Tongyi Lead–Zinc Mining Zambia Co. Ltd | Processing | 24 May 2010 |
| Tanzania       | Sichuan Hongda Group | Hongda International Mining Resources Co. Ltd | Mining exploration, production and processing | 14-Aug-07 |
| Zambia         | Sichuan Hua Suo Automation Information Engineering Co. Ltd | Sichuan Hua Suo (Zambia) Mining Co. Ltd | Mining exploration and trade | 22 October 2007 |
| South Africa   | Suzhou Kaiyuan Group | South Africa De Feng Mining Co. Ltd | Mining exploration, production and processing | 20 September 2010 |
| Algeria        | Tianjin Hua Kan | Hua Kan Mining Algeria Co. Ltd | Mining exploration | 2 December 2009 |
| Rwanda         | Xiamen Tungsten Co. Ltd (XTC) | Lu Xiang Mining Co. Ltd | Mining exploration and trade | 4 March 2009 |
| Zambia         | Xiangtan Hong Xin Investment Co. Ltd | Zambia Fu Xin Investment Co. Ltd | Mining exploration and processing | 8 July 2008 |
| Zambia         | Xiangtan Liquefied Petroleum Gas (LPG) Co. Ltd | Xing Xiang Co. Ltd | Mining exploration and trade | 31 December 2008 |
| Zambia         | Xinxinx Ductile Iron Pipes Co Ltd | Zambia Maosheng Mining Co. Ltd | Mining exploration and trade | 26 November 2010 |
| Zambia         | Xinxinx Ductile Iron Pipes Co Ltd | Xinxinx Mining Zambia Co. Ltd | Trade | 26 November 2009 |
| DR Congo       | Yixing Mingyue Ceramics Co. Ltd | Ming Yue DRC Mining Co. Ltd | Mining exploration and extraction | 16 May 2009 |
| Zambia         | Yinkou BL Mining Co. Ltd | Jia Xing Mining (Zambia) Co. Ltd | Processing | 6 May 2009 |
| DR Congo       | Yinkou BL Mining Co. Ltd | Jia Xing Mining (Congo) Co. Ltd | Mining exploration, production and processing | 6 March 2009 |
| South Africa   | Zhejiang Huayou Cobalt | Dong Fang International Mining Spr | Trade | 19 August 2009 |
| DR Congo       | Zhejiang Huayou Cobalt | Congo Dong Fang International Mining Spr | Mining exploration, production and processing | 5 May 2009 |
| DR Congo       | Zhejiang Jiu Lun Garment Co. Ltd. | Congo Jiu Lun Mining Co. Ltd | Mining exploration and trade | 16 January 2007 |
| Algeria        | Zhejiang Qianjiang Group | Algeria Shao Lin Mining Co. Ltd | Mining exploration and trade | 10-Feb-09 |

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Table 1. continued

| Country/region | Parent company (China) | Company name | Business | Approval date |
|----------------|------------------------|--------------|----------|---------------|
| Zambia         | Zhejiang Zi Hua Mining Co. Ltd | China–Africa Mining Co. Ltd | Mining exploration and trade | 23 September 2009 |
| Eritrea        | Zhong Lu Resources Investment Co. Ltd | Zhong Lu Mining Development Co. Ltd | Mining exploration | 21 October 2010 |
| Zambia         | CGCOC Hansom (Beijing) Trading Co. Ltd | TPI Industrial Co. Ltd | Mining exploration, production and processing | 21 May 2008 |
| Guinea         | China Power Investment Corporation (CPI) International Mining Investment Co. Ltd | CPI International Mining Investment Co. Ltd Guinea Company | Market research | 29 July 2010 |
| Eritrea        | China–Africa North China Geological Exploitation Investment Co. Ltd | China–Africa North China Geological Exploitation Investment Co. Ltd | Mining exploration, production and processing | 8 February 2010 |
| Sudan          | China–Africa North China Geological Exploitation Investment Co. Ltd | HAMADI Resource Co. Ltd | Mining exploration and trade | 23 September 2009 |
| Sudan          | China–Africa North China Geological Exploitation Investment Co. Ltd | Uncertain | Mining exploration | 5 March 2010 |
| Sudan          | China–Africa Investment Development Co. Ltd | Uncertain | Mining exploration | 14 September 2010 |
| Zambia         | China Geo-Engineering Corporation (CGC) | CGC Southern Africa Co. Ltd | Resource extraction | 10 June 2009 |
| Cote d’Ivoire  | China National geological & Mining Corp.(CGM) | Bin Hai Mining Co. Ltd | Mining exploration and trade | 23 March 2010 |
| Namibia        | China National Nuclear Corporation (CNNC) | CNNC Resource Extraction Co. Ltd | Mining exploration and trade | 18 June 2009 |
| DR Congo       | China Overseas Engineering Group Co. Ltd | DRC Luishia Mining Co. Ltd | Mineral extraction and processing | 25 June 2007 |
| Namibia        | China Henan International Cooperation Group Co. Ltd (CHICO) | China Henan International Cooperation Group Co. Ltd (CHICO) Namibia Company | Mining exploration and trade | 6 March 2009 |
| Sierra Leone   | China Qing Hua Group | Sierra Leone Qing Hua Investment Co. Ltd | Mining exploration | 26-Aug-10 |
| DR Congo       | Sinohydro | Sicominers Sarl | Mineral extraction | 16 March 2009 |
| Botswana       | Central South China Bureau of Metallurgical Geology | Botswana Central-south Resource Co. Ltd | Mining exploration, production and processing | 29 December 2009 |
| Zambia         | China Nonferrous Metal Mining (Group) Co. Ltd (CNMC) | Sino-Metals Leach (Zambia) Limited | Processing | 12 December 2005 |
| Zambia         | China Nonferrous Metal Mining (Group) Co. Ltd (CNMC) | Uncertain | Processing | 12 December 2005 |
| Zambia         | China Nonferrous Metal Mining (Group) Co. Ltd (CNMC) | Luanshaya Copper Mines | Mining exploration, production and processing | 7 September 2009 |

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Table 1. continued

| Country/region | Parent company (China) | Company name | Business | Approval date |
|----------------|------------------------|--------------|----------|---------------|
| Zambia         | China Nonferrous Metal Mining (Group) Co. Ltd (CNMC) | Nonferrous Metal Mining (Group) Co. Ltd | Mining exploration and trade | 20 April 2006 |
| South Africa   | Sinosteel Corporation  | Tubatse Chrome Minerals Pty. Ltd | Mineral extraction and trade | 31 March 2008 |
| Cameroon       | Sinosteel Corporation  | Sinosteel Corporation Cameroon Co. Ltd | Mining exploration and processing | 17 July 2008 |
| Zambia         | Hunan Geological Prospecting Institute of China Chemical Geology and Mine Bureau | China Chemical Geology and Mine Bureau (Zambia) Co. Ltd | Mining exploration | 14 May 2010 |
| Namibia        | Shandong Geological Prospecting Institute of China Chemical Geology and Mine Bureau | China Chemical Geology and Mine Bureau (Namibia) Co. Ltd | Mining exploration | 27 May 2010 |
| Zambia         | Sinomine Resource Exploration Co. Ltd (Beijing Sinomine Construction Engineering Co. Ltd) | Zambia Sinomine Mining Resource Co. Ltd | Mining exploration, production and processing | 7 October 2008 |
| Zambia         | Sinomine Resource Exploration Co. Ltd (Beijing Sinomine Construction Engineering Co. Ltd) | Zambia Sinomine Construction Engineering Co. Ltd | Mining exploration, production and processing | 30 October 2007 |
| Zambia         | Zhongrunhualong Group  | Zambia Kun Iun Gu Ming Co. Ltd | Mining exploration and trade | 14 July 2010 |
| Zambia         | CNMC International Trade Co. Ltd | CNMIC Africa Logistic and Trade Co. Ltd | Mining exploration and trade | 17 September 2009 |
| Angola         | Beijing Donia Resources Co. Ltd | Angola Duo Li Mining Co. Ltd | Mining exploration | 25 December 2008 |
| Eritrea        | Beijing Donia Resources Co. Ltd | Beijing Southeast Asia Resource and Technology Co. Ltd | Mining exploration, production and processing | 22 May 2009 |
| Ethiopia       | Beijing Donia Resources Co. Ltd | Rui Feng Mining Co. Ltd | Mining exploration, production and processing | 25 December 2008 |
| Ethiopia       | Beijing Donia Resources Co. Ltd | Ethiopia Southeast Mining Co. Ltd | Mining exploration, production and processing | 27 July 2007 |
| Zambia         | Chongqing Bureau of Geology and Mineral Exploitation | Yu Zambia Mining Co. Ltd | Mining exploration | 13 June 2010 |
| Country/region | Parent company (China) | Company name | Business | Approval date |
|---------------|------------------------|--------------|----------|---------------|
| Angola        | Jiangsu Kaitong Plastics Industry | Xun Tong International Industrial Co. Ltd | Timber processing | 13 August 2009 |
| Benin         | Nanjing Mai Jie Kai Fei Trading Co. Ltd | Shunfeng Wood. Co. Ltd | Forest resource extraction | 22 November 2010 |
| Benin         | Sehnzhen Yilin Wood Co. Ltd | Benin Yilin Wood Co. Ltd | Wood floor manufacture | 20 November 2009 |
| Cameroon      | Hangzhou Sfeicom Imp & Export Co. Ltd | Cameroon Sfeicom Stock Co. Ltd | Forest project investment | 17 September 2010 |
| Congo         | Zhejiang Jiashan Xianghua Wood Work Co. Ltd | Uncertain | Plywood | 18 April 2008 |
| Congo         | Dejia Wood Co. Ltd | Congo Dejia Wood Co. Ltd | Timber logging and processing | 22 January 2008 |
| Congo         | Bengbu Fuda Material Co. Ltd | Fareast Wood Congo Co. Ltd | Rare wood trade | 22 May 2006 |
| Equatorial Guinea | Jiangsu Shenyang Industry | Equator Sijifu Co. Ltd | Roundwood logging, plywood processing | 9 August 2004 |
| Ethiopia      | Yongxing Cooperation Ltd | Yun Long Paper Mill | All kinds of paper | 25 February 2009 |
| Gabon         | Jiangsu Shenyang Industry | Gabon Shenyang International Forestry Industry Co. Ltd | Forest management and plywood production | 14 July 2010 |
| Gabon         | Shandong Longsheng Import & Export Co. Ltd | International Timber Transportation and Trade Corporation | Forest logging and timber processing | 22 December 2009 |
| Gabon         | Xianju Jiade Arts & Crafts Co. Ltd | Gabon Jia De Timber Co. Ltd | Timber processing | 10 December 2009 |
| Gabon         | Wenzhou Timber Group Co. | Gabon Forest Development Co. Ltd | Forest management | 22 September 2008 |
| Gabon         | Guangzhou Dingtian Wood Co. Ltd | Uncertain | Forest management | 9 May 2008 |
| Gabon         | Zhangjiagang Free Trade Zone Ganglin International Trade Co. Ltd | Gabon Loulin Co. Ltd | Forest logging and timber processing | 4 January 2008 |
| Gabon         | Ahlers (Zhangjiagang Free Trade Zone) International Trading Co. Ltd | Merry Gabon Co. Ltd | Forest logging and timber processing | 17 December 2007 |
| Gabon         | Shaoxing Wandi Wood Co. Ltd | Shaoxing Wandi Co. Ltd | Sales service | 29 November 2006 |
| Gabon         | Shen Zhen Qiyang Industrial Development Co. Ltd | Hua Peng Wood. Co. Ltd | Timber production and trade | 7 May 2003 |
| Ghana         | Xiangtan High-Tech Zone Zhi Yao Metallurgical Materials Co. Ltd | Hua Wei Furniture Co. Ltd | Furniture manufacture | 23 December 2009 |
| Ghana         | Huasheng Jiangquan Group | Uncertain | Paper manufacture | 19 August 2009 |
| Guinea        | Jiangsu Jiaya International Investment Group Co. Ltd | Jiangsu Jiaya International Investment Group Co. Ltd Guinea Company | Timber and timber products extraction | 22 July 2008 |
| Liberia       | Ningbo Jujin Investment Co. Ltd | Yu Shi International Stock Co. Ltd | Timber logging and trade | 19 January 2009 |
Table 2. continued

| Country/region | Parent company (China) | Company name | Business                          | Approval date    |
|----------------|------------------------|--------------|-----------------------------------|------------------|
| Liberia        | Ningbo Ningdian Imp & Export Co. Ltd | The Atlantic International Investment Co. Ltd. | Timber logging and trade | 2 December 2009  |
| Mauritius      | Shanxi Grain Trade Center | Uncertain | Paper manufacture                | 13 February 2004 |
| Nigeria        | Hongkong Longgang Furniture Ltd | Uncertain | Furniture manufacture            | 22 September 2009|
| Nigeria        | Zhengzhou Redsun Furniture Company Ltd | Uncertain | Furniture manufacture            | 16 June 2009    |
| Nigeria        | Linyi Jiuli Food Co. Ltd | Jiu Li Wood (Nigeria) Co. Ltd | Plywood processing      | 28 November 2008 |
| Nigeria        | Linyi Millioner Bio-Industry Co, Ltd | Wanguo Wood (Nigeria) Co. Ltd | Plywood processing      | 7 November 2007  |
| Nigeria        | Linyi Zhongba Food Co. Ltd | Zhongyang Industrial (Nigeria) Co. Ltd | Plywood processing   | 27 November 2006 |
| South Africa   | Huaqiao Fenghuang Group | Uncertain | Forestry and landscape           | 14 September 2010|
| Zambia         | Guangzhou Huiyu Trade Ltd | Zambia HuiYu Paper Mill | Paper manufacture       | 24 November 2010 |
| Zambia         | Suzhou Golden Ocean Co. Ltd | Afrizam Timber Limited | Furniture manufacture   | 30 November 2009 |
| Zambia         | Suzhou Golden Ocean Co. Ltd | Uncertain | Timber and timber product sales  | 21 May 2009     |
### Table 3. Chinese companies approved to invest in African agriculture

| Country/region | Parent company (China) | Company name | Business | Approving time |
|----------------|------------------------|--------------|----------|----------------|
| Angola         | Tanan Liren Imp & Export Co. Ltd | Angola Taishan Industrial Development Co. Ltd | Vegetable production and sale | 11 July 2007 |
| Cameroon       | Shijiazhuang Lion Feed Group | Cameroon Lion Animal Husbandry Co. Ltd | Chicken farm | 26 June 2002 |
| Cameroon       | Shanxi Construction Engineering Group (Co.) | Cameroon Huan Yu Animal Husbandry Company | Chicken farm | 22 June 2009 |
| Cameroon       | Shanxi Land Reclamation Co. Ltd | Sino-Cameroon Iko Agriculture Development Co. Ltd | Rice cultivation | 23 June 2010 |
| Equatorial Guinea | Tian Jin Hai Xin Da Commercial Co. Ltd | China–Equatorial Guinea Agriculture Development Co. Ltd | Vegetable and fruit production and sale | 31 August 2005 |
| Ethiopia       | Shenyang Jiang Hong Foreign Trade Corp. Ltd | North China Farm | Organic vegetable production | 29 January 2007 |
| Gabon          | Guangzhou Shi Mao Scientific Industrial and Trading Co Ltd | Akok Farm Development Co. Ltd | Crop cultivation, animal husbandry and related processing | 29 October 2007 |
| Ghana          | Yancheng County Si Kai Er Daily-Use Chemical Industry Co. Ltd | Ghana New Oriental High-Tech Agriculture Research and Development Center | Crop and plant cultivation | 29 July 2008 |
| Ghana          | Sichuan Sanherb Biotech Inc., | Ghana G.C. Bio-Tec Inc. | Medicine plant cultivation | 23 December 2009 |
| Kenya          | Linying Fangyuan Foreign Trade Co. Ltd | Kenya Shun Mao Co. Ltd | Native products’ production and sale | 12 January 2010 |
| Mauritius      | Shanxi Tian Li Enterprises Co. Ltd | Tianli Spinning (Mauritius) Ltd | Cotton production | 4 November 2005 |
| Mauritius      | Wuhan Xin Neng Group | Qianlima Investment Limited Company | Grape production | 2 September 2004 |
| Nigeria        | CGCOC Group Co. Ltd | Green Agricultural Development Nigeria Limited | Farm | 17 November 2009 |
| Nigeria        | CGCOC Group Co. Ltd | Green West Africa Limited | Farm | 16 February 2007 |
| Nigeria        | Zhengzhou Cangxi Industry and Commerce Development Co. Ltd | Abia Palm Nigeria Limited | Palm oil | 18 September 2008 |
| South Africa   | Jiangxi Yaxing Textile Industry Co. Ltd | Jiangxi Yaxing Textile Industry Co. Ltd (South Africa Subsidiary) | Cotton production | 23 November 2009 |
| South Africa   | Anhui Wanling Rare Animal Breed Limited Liability Company | Elaborates Shen Investment Company | Crop cultivation, animal husbandry | 27 November 2006 |
| Sudan          | Fujian Ude Electrical Machinery Co. Ltd | Sudan–China Joint Development Corporation | Agricultural products processing | 18 November 2009 |

*continued on next page*
| Country/region | Parent company (China) | Company name | Business | Approving time       |
|----------------|------------------------|--------------|----------|----------------------|
| Sudan          | Binzhou Feng Hui Trading Co. Ltd | Sudan Agricultural Development Co. Ltd | Vegetable and crop production | 12 December 2008 |
| Sudan          | Zhongneng Enterprise Development (Group) Co. Ltd | Sun Neng Co. Ltd | Agricultural products production | 19 March 2010 |
| Sudan          | Shandong Tianyuan Home Textile Co. Ltd | Zhong Tian International Industrial Corporation | Cotton production | 13 April 2010 |
| Tanzania       | Hainan Qi Lin Technology Co. Ltd | Qi Lin (Tanzania) Co. Ltd | Sisal hemp production | 28 December 2010 |
| Tanzania       | Shijiazhuang Hui Heng Fu De Run Imp & Exp Co. Ltd | Fa Da Agriculture Development Co. Ltd | Agricultural products production | 20 February 2008 |
| Tanzania       | China-Africa Agriculture Investment Co. Ltd | Tanzania China–Africa Agriculture Investment Co. Ltd | Sisal hemp production and processing | 9 August 2010 |
| Tanzania       | China-Africa Agriculture Investment Co. Ltd | China Agricultural Reclamation (Group) Tanzania Limited | | 20 December 2010 |
| Togo           | Hunan Zhulu Ramie Textile Co. Ltd | Togo 5 Star Textile Co. Ltd | Ramie yam products production | 20 December 2010 |
| Uganda         | Hebei Hanhe Investment Co. Ltd | Hanhe Uganda Hebei Farm | Crop cultivation, forestry and animal husbandry | 20 November 2008 |
| Zambia         | Qingdao Textiles Group | Chipata Cotton Co. Ltd | Cotton and its products production | 7 September 2009 |
| Zambia         | Qingdao Textiles Group | The Zambia China Mulungushi Textiles (ZCMT) | Cotton and edible oil production | 9 May 2006 |
| Zambia         | Kaifeng China–Zambia Agriculture & Forestry Development Co. Ltd | Kaifeng Agriculture Investment Co. Ltd | Chicken farm | 9 May 2006 |
| Zambia         | Huayong Overseas Agri-Scientific Technology (Beijing) Co. Ltd | Hua Feng Investment Co. Ltd | Crop and plant cultivation | 9 October 2006 |
| Zambia         | Hangzhou Changrun Plastic Products Co. Ltd | Feng Run Investment Zambia Co. Ltd | Agricultural products production | 7 December 2006 |
| Zambia         | Giant Hui Autonomous County Shuailin Comprehensive Farms | Hua Fei Livestock (Zambia) Co. Ltd | Animal husbandry and forage processing | 15 August 2008 |
| Zambia         | Kaifeng The Shelter-Forest Viresource Management Co. Ltd | Dalian Agriculture Investment Co. Ltd | Animal husbandry and crop cultivation | 20 August 2008 |
| Zambia         | Kaifeng Huazhong Wan Tou Cultivation Co. Ltd | Xinghua Agricultural Investment Company | Animal husbandry and crop cultivation | 12 September 2008 |
| Zambia         | Huasheng Jiangquan Group | Jiang Quan International Corporation | Crop cultivation and processing | 12 September 2008 |
| Zambia         | Zhongying Changjiang International Investment Guarantee Co. Ltd | Heidi Biomass Zambia Co. Ltd | Bio-energy production | 12 December 2008 |
### Table 1. Top 20 Chinese overseas merger and acquisition events (2003 to mid-2010)

| Announcement date | Target company | Buyer | Vendor | Vendor country | Value (million USD) |
|-------------------|----------------|-------|--------|----------------|---------------------|
| 1 February 2008   | 12% stock right of Rio Tinto PLC RTP | Alcoa Inc & Aluminium Corporation of China | RTP | UK | 14 000 |
| 13 August 2009    | Phoenix Resources Co. Ltd | Yanzhou Coal Mining Company Limited | Australia | 2 568 |
| 3 July 2009       | 17.2% stock right of Tektronix Resources Co. Ltd | Fullbloom Investment | Canada | 1 508 |
| 14 April 2009     | OZ Mineral Co. Ltd (partly) | China Minmetals Non-ferrous Metals Co. Ltd | OZ Mineral Co. Ltd | Australia | 1 386 |
| 14 March 2008     | Midwest Corporation Ltd (80.31% stock right) | Sinosteel Group | Australia | 879 |
| 10 November 2006  | Anglo American Plc (1.01% stock right) | China Vision Resources | E Oppenheimer & Son | South Africa | 812 |
| 11 June 2007      | Peru Copper Inc. | Aluminium Corporation of China | | | 779 |
| 24 March 2006     | Ashapura Minechem Ltd (50% stock right in one Alumina plant) | China Power Investment Corporation Ningxia Qingtongxia Energy Aluminum Group Co. Ltd. | | China | 651 |
| 29 August 2007    | Bellavista Holding Group Ltd (60% stock right) | China Elegance Resources Ltd | Ceasers Development Ltd | Hong Kong | 600 |
| 28 December 2009  | Corriente Resources Inc. | China Railway Construction Corporation Limited | | | 549 |
| 6 December 2007   | Northern Peru Copper Company of Canada | China Minmetals Corp & Jiangxi Copper Corporation | | | 411 |
| 24 February 2009  | Ford Basescu Metals Group (9.07% stock right) | Hunan Valin Iron & Steel Group Co. Ltd. | Harbinger Capital Partners Special Situations Fund, L.P., Harbinger Capital Partners Master Fund I Ltd | USA | 408 |

continued on next page
| Announcement date       | Target company                        | Target company location | Buyer                                | Vendor                                | Vendor country | Value (million USD) |
|-------------------------|----------------------------------------|--------------------------|--------------------------------------|---------------------------------------|----------------|--------------------|
| 30 November 2009        | MMX Mineracao e Metalicos SA (21.52% equity) | Brazil                   | Wuhan Iron and Steel Co. Ltd.        |                                       |                | 400                |
| 18 April 2010           | Sul Americana de Metais S.A.           | Brazil                   | Hongqiao Group                       | Votorantim Novos Negocios Ltda, Lit Mining Cooperatief U.A. | Brazil         | 390                |
| 24 February 2009        | Ford Basescu Metals Group (42% stock right) | Australia                | Hunan Valin Iron & Steel Group Co. Ltd. |                                       |                | 363                |
| 27 October 2009         | Krom Maden (50% stock right), Kop Krom (50% stock right), Guney Krom (50% stock right) | Turkey                   | Taiyuan Iron and Steel Group Co. Ltd | CVK Group Corporation                  | Turkey         | 300                |
| 26 September 2007       | Zimasco (92% stock right)              | Zimbabwe                 | Steel Trading Company                |                                       |                | 292                |
| 14 November 2008        | Langfeld Enterprises Limited (90% stock right) | Cyprus                   | Grandvest International Ltd          | Cordia Global Limited                 | Cyprus         | 253                |
| 6 January 2010          | African Minerals Limited (12.5% stock right) | Channel Islands          | China Railway Materials Corporation   |                                       |                | 244                |
| 28 August 2009          | Aquila Resources Limited (15% stock right) | Australia                | Baosteel Group                       |                                       |                | 241                |

Source: Deloitte (2010a)
Table 2. Major mining sector outward M&A events

| Announcement date | Target company              | Target company location | Buyer                              | Vendor                               | Vendor country | Value (Million USD) |
|-------------------|-----------------------------|--------------------------|------------------------------------|--------------------------------------|----------------|--------------------|
| February 2008     | Rio Tinto (12% stake)       | UK                       | Alcoa Inc; Chinalco                |                                      |                | 14 000             |
| August 2009       | Felix Resources Ltd         | Australia                | Yangzhou Coal Mining Co Ltd       |                                      |                | 2 568              |
| July 2009         | Teck Resources Ltd (17.2%  | Canada                   | Fullbloom Investment Corp          |                                      |                | 1 508              |
| April 2009        | OZ Minerals (certain assets | Australia                | China Minmetals Non-Ferrous Metals Co Ltd | OZ Minerals Ltd | Australia | 1 386              |
| March 2008        | Midwest Corp Ltd (80.31%    | Australia                | Sinosteel Corp                     |                                      |                | 879                |
| November 2006     | Anglo American Plc (1.01%   | UK                       | China Vision Resources             | E Oppenheimer & Son                 | South Africa  | 812                |
| June 2007         | Peru Copper Inc.            | Canada                   | Chinalco                           |                                      |                | 779                |
| March 2006        | Ashapura Minechem Ltd (Alumina plant in Kutch, 50% stake) | India | Qingtongxia Aluminium Group Co Ltd | Sichuan Aostar Aluminum Co Ltd       | China          | 651                |
| August 2007       | Bellavista Holding Group Ltd (60% stake) | Chile | China Elegance Resources Ltd | Ceasers Development Ltd | Hong Kong | 600                |
| December 2009     | Corriente Resources Inc.    | Canada                   | CRCC-Tongguan Investment Co Ltd    |                                      |                | 549                |
| February 2009     | Fortescue Metals Group Ltd  | Australia                | Hunan Valin Iron & Steel Group Co Ltd | Harbinger Capital Partners Master Fund, HCP Special Situations Fund | USA | 363 or 408 |
| November 2009     | MMX Mineracao e Metalicos SA (21.52% stake) | Brazil | Wuhan Iron & Steel Co Ltd | Lit Mining Cooperatief UA; Votorantim Novos Negocios Ltd | Brazil | 400                |
| April 2010        | Sul Americana de Metais SA  | Brazil                   | Honbridge Holdings Ltd             | Truffle Rich Holdings Ltd           | Brazil         | 390                |
| March 2010        | Spring Vast Ltd             | Russia                   | FinTronics Holding Co Ltd          | Truffle Rich Holdings Ltd           | British Virgin Islands | 300                |

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| Announcement date | Target company | Target company location | Buyer | Vendor | Vendor country | Value (Million USD) |
|-------------------|----------------|-------------------------|-------|--------|----------------|-------------------|
| October 2009      | Guney Krom (50% stake) | Turkey | Taiyuan Iron & Steel Group Co Ltd | CVK group Corp | Turkey | 300 |
|                   | Kop Krom (50% stake)     |         |                                 |                 |       |     |
|                   | Krom Maden (50% stake)   |         |                                 |                 |       |     |
| December 2007     | Northern Peru Copper Corp | Canada | Northern Peru Acquisition Co |       |       | 411 |
| March 2009        | Consolidated Thompson Iron Mines Ltd (19.9% stake) | Canada | Wuhan Iron & Steel Co Ltd |       |       | 240 |
| November 2008     | Langfeld Enterprises Ltd (90% stake) | Cyprus | Grandvest International Ltd | Cordia Global Ltd | Cyprus | 253 |
| September 2007    | Zimasco Consolidated Enterprises Ltd (92% stake) | Zimbabwe | Sinosteel Trading Co |       |       | 292 |
| November 2006     | Samacor Chrome (chrome mine & metallurgical plant, 50% stake) | South Africa | Sinosteel Corp | Samacor Chrome Ltd | South Africa | 200 |

Note: Some announced deals may not yet have been completed.

Source: Deloitte (2010b)
The impacts of Chinese investment in and trade with Africa have become the subject of much speculation. CIFOR’s ‘Chinese trade and investment in Africa’ project seeks to understand the impacts of China’s role in shifting global trade flows and investment patterns on forests in two African ecological regions, the Congo Basin and the southern African woodlands, with a focus on sectors with potential direct impacts on forests: mining, forestry and agriculture.

Globally, mergers and acquisitions (M&A) by Chinese companies have been increasing in recent years. Africa is the second most frequent destination for mining M&A events, and research shows increased interest in M&A activity in Africa. Most M&A activity is in the oil and mining sectors.

Further research is required to produce a comprehensive database of actual Chinese investment activities in Africa. M&A as a growing form of overseas investment by Chinese companies also merits investigation.