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## What China's Infrastructure Development Abroad Reveals About its International Goals

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Honors Project  
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## What China's Infrastructure Development Abroad Reveals About its International Goals

### Introduction

China-Africa relations have gone through a number of periods of change over the years, but some form of a relationship has gone on for centuries.<sup>1</sup> In the early years of the People's Republic of China founding starting in 1949, Africa was still largely controlled by colonial powers. Stages of isolationism and opening-up in China's domestic politics changed the relationship over time, but diplomatic relationships between China and African countries were still underway. In more recent years, China's focus on economic projects and investment in Africa has been welcomed by many countries on the continent, particularly since the announcement of the Belt and Road Initiative.

China's Belt and Road Initiative has resulted in a variety of investment and infrastructure projects around the world, especially in developing countries. This initiative is unique in its implementation strategy, particularly the hands-on approach China takes to each infrastructure development project. Projects are typically financed by Chinese national banks and built by Chinese corporations utilizing majority-Chinese labor. Another unique characteristic of the BRI is the ambiguity of its scope. At the moment, around 140 countries have joined the initiative, but information around exactly which investments or projects constitute specific Belt and Road Initiative endeavors is not often disclosed.<sup>2</sup> Moreover, country involvement is not one-size-fits-all. Countries like the one discussed in this essay have extensive economic relations with China and have been direct beneficiaries of Chinese investment, while others have simply signed Memorandums of Understanding to improve communication or cooperation.<sup>3</sup>

BRI projects are seen by many countries as mutually beneficial; China is able to provide gainful employment and business to its national corporations in exchange for lucrative infrastructure for the host countries in the form of advanced roads, rails, ports, etc. Other countries, especially in the West, argue that these infrastructure plans are a new form of "colonialism" stemming from

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<sup>1</sup> Shinn, David H. "China-Africa Ties in Historical Context." *China-Africa and an Economic Transformation*. 2019. <https://oxford.universitypressscholarship.com/view/10.1093/oso/9780198830504.001.0001/oso-9780198830504-chapter-4>

<sup>2</sup> Sacks, David. "Countries in China's Belt and Road Initiative: Who's in and Who's Out." Council on Foreign Relations. Council on Foreign Relations, March 24, 2021. <https://www.cfr.org/blog/countries-chinas-belt-and-road-initiative-whos-and-whos-out>.

<sup>3</sup> Ibid.

the leveraging of extensive debt to gain full or leased ownership of vital land in strategic locations, like in the Indian Ocean.

This essay seeks to examine the Chinese infrastructure-development experiences in Tanzania, Sri Lanka, and Equatorial Guinea. These three countries represent different uses of investment to reach China's goals, such as increasing access to natural resources, long-term ownership of trade and transportation hubs in the Indian Ocean, and the potential for future military expansion. Examining each case study lends itself to different conclusions as to the motivations behind China's extensive investment and what it could mean for the future of global geopolitics.

## **Tanzania**

The first country of focus is Tanzania, a coastal nation in East Africa established in 1964.<sup>4</sup> Regions of Tanzania, home to a wide variety of ethnic and linguistic diversity as well as some of the oldest human fossils ever unearthed<sup>5</sup>, were initially colonized by Germany as part of German East Africa in the 1880s before coming under British control following WWI.<sup>6</sup> These regions, Tanganyika (the mainland) and Zanzibar (coastal islands), gained independence from the British in December 1961 and January 1964 respectively, going on to combine as one Tanzania in April of 1964.<sup>7</sup> Tanzania is a single-party democracy currently led by President Samia Suluhu Hassan, who was the country's Vice President until March of 2021 when former president John Magufuli died in the first year of his second term.<sup>8</sup>

Tanzania's domestic economy is primarily agricultural, though as the fourth largest gold producer in Africa, the mineral industry is much higher grossing in terms of export value.<sup>9</sup> In fact, despite over 80% of the labor market being employed in agriculture, 46% of Tanzania's exports are categorized as precious stones and metals as of 2021.<sup>10</sup> In terms of trade with China, the two countries have a strong but unbalanced relationship, with China as the destination for

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<sup>4</sup> "Tanzania: Brief History." Embassy of the United Republic of Tanzania, Berlin Germany. Accessed April 10, 2022. <https://www.de.tzembassy.go.tz/tanzania/brief-history>.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> "Tanzania's President John Magufuli Dead at 61." Reuters. Thomson Reuters, March 17, 2021. <https://www.reuters.com/article/us-tanzania-president/tanzanias-president-john-magufuli-dead-at-61-idUSKBN2B92R0>.

<sup>9</sup> "Tanzania - Country Commercial Guide." International Trade Administration | Trade.gov. Accessed April 10, 2022. <https://www.trade.gov/country-commercial-guides/tanzania-mining>.

<sup>10</sup> "Tanzania Exports By Category." Trading Economics. Accessed April 10, 2022. <https://tradingeconomics.com/tanzania/exports-by-category>.

4.3% of Tanzania's exports (at a value of \$273.09M in 2021)<sup>11</sup> while serving as the source of 25% of Tanzania's imports (at a value of \$2.7B in 2021).<sup>12</sup>

China's investment involvement in Tanzania comes in the form of a number of infrastructure projects, including endeavors in roads, rails, and port development. While there are obvious benefits to gaining access to Tanzanian mineral and agricultural resources, there is another motivation behind developing Tanzania's trade capabilities and infrastructure: namely, Tanzania's ability to serve as the gateway to East Africa. Not only does Tanzania share borders with coastal countries of Kenya in the North and Mozambique in the South, it is neighbor to landlocked and resource-rich nations like Uganda, Rwanda, Burundi, the Democratic Republic of the Congo, Zambia, and Malawi. Beyond direct borders, Tanzania's railroad system connects even further inland to countries like Botswana, Zimbabwe, Zambia, and South Africa.<sup>13</sup> Due to a combination of strategic positioning on Africa's east coast, access to landlocked nations through roads and rails, and historically positive relations with China, Tanzania is a perfect candidate for BRI investment to improve trade and access to resources in Africa.

Specific Chinese infrastructure projects targeted in Tanzania began long before the Belt and Road Initiative was officially established. TAZARA (Tanzania-Zambia Railway) is one such project. This railway was built between 1968 and 1976 using funding and financial aid from China totalling more than \$400 million.<sup>14</sup> When the idea first arose to construct a railroad connecting Zambia to the sea, western countries and international financial institutions like the World Bank were uninterested in taking part, citing lack of economic viability as the reasoning behind their decision. With this rejection, landlocked Zambia was at the whims of the government of Rhodesia (which would later go on to become Zimbabwe), who were willing to cut off Zambia's rail access to ports in South Africa as a political move against Zambia's liberation movement. China, despite at the time being rather isolationist and in the onset of the Cultural Revolution, decided to provide not only resources and technical support, but also a thirty-year interest free loan to Tanzania and Zambia to fund and execute the rail line.<sup>15</sup> Despite a slight decline in importance in modern times,<sup>16</sup> TAZARA is still noted as the first major international development-style project China engaged in and also serves as a symbol of African resistance to western colonial power.

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<sup>11</sup> "Tanzania Exports by Country." Trading Economics. Accessed April 10, 2022. <https://tradingeconomics.com/tanzania/exports-by-country>.

<sup>12</sup> "Tanzania Imports by Country." Trading Economics. Accessed April 10, 2022. <https://tradingeconomics.com/tanzania/imports-by-country>.

<sup>13</sup> "TAZARA Freight Services." TAZARA Site. Tanzania-Zambia Railway Authority. Accessed April 10, 2022. <http://tazarasite.com/freight-services>.

<sup>14</sup> "The TAZARA Railway." Chinese posters.net. Accessed April 10, 2022. <https://chinese posters.net/themes/tazara-railway#:~:text=The%20TAZARA%20railway%20>.

<sup>15</sup> "TAZARA: Our History." TAZARA Site. Tanzania-Zambia Railway Authority. Accessed April 10, 2022. <https://www.tazarasite.com/our-history>.

<sup>16</sup> Arenas, Leandro. "21st Century TAZARA." ArcGIS StoryMaps, December 17, 2020. <https://storymaps.arcgis.com/stories/c1994c733c364182bd4179271613a094>.

More recently in Tanzania, the talks around infrastructure are focusing on port development. Currently, 90% of Tanzanian trade is routed through the Dar es Salaam port, which serves not only Tanzanian imports and exports, but also the aforementioned landlocked nations of East Sub-Saharan Africa.<sup>17</sup> While the Dar es Salaam port is crucial to Tanzanian trade, it has been plagued by inefficiency for many years, with inability to meet demand leading to long delays. In 2017 the \$421 million World Bank-funded Dar es Salaam Maritime Gateway Project began construction.<sup>18</sup> This plan has combined a number of strategies to increase capacity and cut down on delays, including the deepening of multiple berths to handle large vessels and the construction of a new roll-on, roll-off (RoRo) ramp and terminal, which vastly shortens the time needed to offload cargo.<sup>19</sup>

Despite the port development ongoing in Dar es Salaam, China Merchant Holdings International has been in talks with the Tanzanian government about establishing another deep-water port in Tanzania.<sup>20</sup> This port would be located in Bagamoyo, a coastal region less than fifty kilometers north of Dar es Salaam.<sup>21</sup> The plan to create a port at Bagamoyo was originally drafted in 2013, when China's President Xi Jinping made a state visit to Tanzania, only the second country he traveled to after taking office. Following the visit, details arose of the \$10 billion plan for not only the port at Bagamoyo, but also the creation of a special economic zone (SEZ).<sup>22</sup> SEZs entice foreign direct investment by implementing economic incentives like tax breaks, and were crucial to China's own development during its period of economic reformation starting in the late 1970s.

The Bagamoyo port plan has encountered a few roadblocks along the way. The original vision for Bagamoyo was to create a new preeminent port in Eastern Africa, expanding on the previously flawed and over-congested Dar es Salaam port and creating a SEZ to attract FDI and encourage technological development. However, the original terms of the investment plan were deemed to be unreasonable by former President John Magafuli, who took over in 2015 and halted negotiations started by his predecessor, President Jakaya Kikwete.<sup>23</sup> Based on the original plan, China Merchants Holdings International would provide 80% of the \$10 billion investment

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<sup>17</sup> "Opening the Gates: How the Port of Dar Es Salaam Can Transform Tanzania." World Bank. World Bank Group, May 21, 2013. <https://www.worldbank.org/en/country/tanzania/publication/opening-the-gates-how-the-port-of-dar-es-salaam-can-transform-tanzania-backup>.

<sup>18</sup> "Striving to Become the Regional Port of Choice." World Bank. World Bank Group, January 26, 2022. <https://www.worldbank.org/en/news/feature/2022/01/25/striving-to-become-the-regional-port-of-choice>.

<sup>19</sup> Ibid.

<sup>20</sup> Hursh, John. "Tanzania Pushes Back on Chinese Port Project." The Maritime Executive. The Maritime Executive, December 2, 2019. <https://www.maritime-executive.com/editorials/tanzania-pushes-back-on-chinese-port-project>.

<sup>21</sup> Ibid.

<sup>22</sup> Nyabiage, Jevans. "Multibillion-Dollar China, Tanzania Projects May Be Back on Cards." South China Morning Post, June 28, 2021. <https://www.scmp.com/news/china/diplomacy/article/3139083/multibillion-dollar-china-tanzania-projects-could-be-back>.

<sup>23</sup> Hursh, John.

and Oman's State General Reserve Fund would supply the other 20%. As the largest investor, CMHI originally requested a tax-free status and decreased pay rates for resources like water and electricity, on top of a commitment of a ninety-nine year lease of the port to CMHI upon completion of the project.<sup>24</sup> Magafuli rejected the first two criteria outright and was only willing to agree to a maximum of a thirty-three year lease, so negotiations fizzled out. Since Magafuli's death and the inauguration of President Hassan in 2021, it has been announced that negotiations are once again resuming on the topic of developing a port and special economic zone in Bagamoyo.<sup>25</sup>

In the conversation of China's strategic Belt and Road Initiative goals, ongoing projects Tanzania illustrate a desire to increase resource acquisition. The symbolism not only of TAZARA, built many years before the BRI was ever conceived, but also of marketing a Bagamoyo port as the future maritime hub of East African trade, investment, and innovation, is notable in and of itself. Tanzania was the second nation visited on a state visit by President Xi Jinping, demonstrating China's pivot to resource acquisition and improving accessibility of importing and exporting with Africa as a major goal for present times. China originally became known as the "world's factory" because of the movement of the manufacturing arms of outside companies into China, but China and its own native companies have expanded massively since then, and securing trade and positive relations with countries like Tanzania is a way that China is actively ensuring that economic growth through production has the means to continue in the future.

Beyond the economic goals, the China-Tanzania diplomatic relationship is a further representation of China's political goals. In characterizing the relationship between the two countries, the China embassy press release emphasizes that "Tanzania will continue to firmly adhere to the one-China principle, firmly support China's legitimate position, support China in safeguarding its core interests, and oppose external interference in China's internal affairs."<sup>26</sup> With wealthy countries like the US and many EU member states taking economic and rhetorical action against China over human rights abuses and aggression towards Taiwan and in the South China Sea, China has created a reciprocal "no questions asked" model with countries it works with or gives aid to, some of whom face their own pressures from the US and International Financial Institutions to reform institutions.

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<sup>24</sup> Ibid.

<sup>25</sup> "Tanzania Resumes Talks with China on Bagamoyo Mega Port Project." China Geological Society, July 2, 2021. <http://ggmeta.cgs.gov.cn/DepositsNewsCen.aspx?id=3242>.

<sup>26</sup> Wang Yi holds video talks with Tanzanian minister for foreign affairs Liberata Mulamula\_ embassy of the People's Republic of China in the United States of America. China News. Embassy of the People's Republic of China in the United States of America. March 20, 2022. [http://us.china-embassy.gov.cn/eng/zgyw/202203/t20220321\\_10653739.htm](http://us.china-embassy.gov.cn/eng/zgyw/202203/t20220321_10653739.htm).

## Sri Lanka

Sri Lanka, an island nation off the coast of India, has long been an important maritime stopover for trade in the Indian Ocean. Historical Sri Lanka was known by many monikers, but went by the name Ceylon at the time the island gained independence from British rule in 1948.<sup>27</sup> Unfortunately for the people of Ceylon, the legacy of colonial rule would not be so easily escaped. During the time the British controlled parts of the island, they transported Tamil workers from the southern region of India to cultivate tea, coffee, and coconut plantations that thrived in Ceylon's tropical climate.<sup>28</sup> Once the British were forced out, however, the minority Tamil population was left out of citizenship benefits and faced waves of violence and nationalism from the ruling Sinhalese majority.<sup>29</sup> As the years went on, the ethnic and religious conflict continued between the primarily buddhist Sinhalese and primarily muslim Tamils, culminating in 1972 when Ceylon officially became the Democratic Socialist Republic of Sri Lanka and declared Buddhism the national religion.<sup>30</sup> In response, the Liberation Tigers of Tamil Eelam, a militant separatist group, was formed a few years later.<sup>31</sup> The civil war and violence would continue until 2009 when an offensive by the Sri Lankan government, led by President Mahinda Rajapaksa, led to an "unparalleled victory" and eventual Tamil surrender.<sup>32</sup>

President Mahinda Rajapaksa and his family are widely known for seeing China as a close ally. Under Rajapaksa rule, China has been granted access to investment projects in Sri Lanka spanning roads, airports and ports among others. Before discussing the specifics of these projects, it is important to acknowledge that not all in Sri Lanka view China as a benevolent investor. In fact, President Mahinda Rajapaksa shockingly lost reelection in 2015 to a defector from his own party, Maithripala Sirisena, who had the support of the Tamil minority population and ran on a platform of opposing both Rajapaksa's friendliness with China and also his alleged corruption and war crimes committed against the Tamils during Sri Lanka's civil war.<sup>33</sup> As president, Sirisena not only did not moderate the country's relationship with China, he caused a wildly unexpected constitutional crisis in 2018 by illegally firing his appointed prime minister for being complicit in an alleged assassination plot against him.<sup>34</sup> After firing the old prime minister, Sirisena then chose to instate none other than Mahinda Rajapaksa in the position.<sup>35</sup> Rajapaksa would later be ousted by the courts, but as it stands today Mahinda Rajapaksa is again the prime minister, now with his own brother, Gotabaya Rajapaksa, in the seat of president.

<sup>27</sup> "Sri Lanka Profile - Timeline." BBC News. BBC, November 18, 2019. <https://www.bbc.com/news/world-south-asia-12004081>.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Haviland, Charles. "Sri Lanka's Rajapaksa Suffers Shock Election Defeat." BBC News. BBC, January 9, 2015. <https://www.bbc.com/news/world-asia-30738671>.

<sup>34</sup> Meixler, Eli. "Here's What to Know about Sri Lanka 'Constitutional Crisis'." Time. Time, October 29, 2018. <https://time.com/5437457/sri-lanka-mahinda-rajapaksa-president-crisis/>.

<sup>35</sup> Ibid.

In terms of investment, a couple of the well-known and often controversial Chinese infrastructure projects in Sri Lanka include the Mattala Rajapaksa International Airport, the Hambantota Port, and Colombo Port City. The Mattala Rajapaksa International Airport is the result of a 2009 deal between Sri Lanka and China Eximbank, with the China Harbor Engineering Company responsible for project construction and implementation.<sup>36</sup> This project, completed on schedule but over budget in 2013 for \$243.7 million, is considered a commercial failure, and was referred to for a stretch of time as the “world’s emptiest international airport.”<sup>37</sup> The blame for this project’s failure is on Sri Lanka’s government, particularly former President Mahinda Rajapaksa. There was a need for another airport in Sri Lanka, but Rajapaksa chose to erect the project, one of many to bear his name, in his home region of Matalla. While Matalla may be less than twenty miles from Hambantota Port, the region is made up of a collection of underdeveloped fishing villages, meaning that there is little to no regular demand for an airport in the region.<sup>38</sup> Instead of attaching the airport to an existing hub or large city, it now remains unused in Matalla.

Speaking of Hambantota, the Hambantota Port has been the object of international attention in recent years in relation to concerns about China using “debt-trap diplomacy.” This name is given to situations wherein investment projects that are predicted to not be economically viable or include terms that the host country will not be able to maintain financially are still put in progress, to the detriment of the host country. As a result, the lending country assumes control over whatever asset the host country cannot afford loans payments on. In Hambantota, Sri Lanka’s massive debts led to a deal resulting in China Merchants Port Holdings Company Limited (CM Port) leasing a 70% stake in the port for a total of 99 years.<sup>39</sup> The US government fears that China’s long term control of ports abroad like Hambantota in Sri Lanka is a sign of military expansion. Currently, China has one military base overseas in Djibouti, although this is not a unique addition considering Djibouti hosts military installations belonging to eight other countries including the US.<sup>40</sup> A new Chinese military base in Sri Lanka is not only worrying to

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<sup>36</sup> “China Eximbank Provides RMB 1.3 Billion Government Concessional Loan for the Mattala Rajapaksa International Airport Project.” China AIDDATA. AIDDATA. Accessed April 10, 2022. <https://china.aiddata.org/projects/33369/>.

<sup>37</sup> Ibid.

<sup>38</sup> Shepard, Wade. “The Story behind the World’s Emptiest International Airport.” Forbes Asia. Forbes Magazine, May 28, 2021. <https://www.forbes.com/sites/wadeshepard/2016/05/28/the-story-behind-the-worlds-emptiest-international-airport-sri-lankas-mattala-rajapaksa/?sh=5966f3ce7cea>.

<sup>39</sup> Muramudali, Umesh. “The Hambantota Port Deal: Myths and Realities.” The Diplomat, January 1, 2020. <https://thediplomat.com/2020/01/the-hambantota-port-deal-myths-and-realities/>.

<sup>40</sup> Tanchum, Michaël. “China’s New Military Base in Africa: What It Means for Europe and America.” European Council on Foreign Relations, December 14, 2021. <https://ecfr.eu/article/chinas-new-military-base-in-africa-what-it-means-for-europe-and-america/>.

the United States government, but also to the government of India, who relies on Sri Lankan ports for trade and has extensive economic stake and investment in the country.<sup>41</sup>

Whether or not the Hambantota port agreement even qualifies as debt trap diplomacy is debated on the international scene, with leaders in the US arguing that it does while many experts on the topic disagree.<sup>42</sup> In this particular instance, the earnings for the lease with CM Port were used for financial purposes other than the repayment of loans at Hambantota, meaning that no debt was actually canceled in exchange for concession of the port's ownership.<sup>43</sup> Additionally, the debts owed by Sri Lanka to China may be vast, but they still only comprise a small portion of Sri Lanka's total debt. The majority of Sri Lanka's debt, 36.4% to be exact, is owned by International Sovereign Bonds.<sup>44</sup> China's portion of debt is split between state owned banks like the China Eximbank and totals 10.8% of Sri Lanka's \$35 billion total debt, about the same amount as is owed to Japan.<sup>45</sup> While Sri Lanka's debts are causing massive unrest and a domestic economic crisis, it is difficult to argue that Chinese investment is the sole cause.

The final project of interest in Sri Lanka is the Colombo Port City, the most recent major undertaking by a Chinese company in Sri Lanka. Colombo Port City is a similar model to the project undergoing negotiations in Bagamoyo, Tanzania, with the establishment of both a large deep water port and an accompanying special economic zone in the works.<sup>46</sup> The idea behind this project is not new, and was originally proposed in 2014 after a state visit by Xi Jinping.<sup>47</sup> Talks eventually fizzled out under President Sirisena's mission to undermine China's hold on Sri Lankan development, and India and Japan were in negotiations to jointly fund the project alongside Sri Lanka in the meantime. Last year, however, the partnership with Japan and India was dropped and China Harbor Engineering was brought on to take over the deal.<sup>48</sup> The tensions around the Colombo Port City deal echo those of Hambantota Port, particularly that Sri Lanka will once again be forced to use a major port as collateral for unpaid debts, and China will gain control over Sri Lanka's busiest port. In this scenario, the Colombo Port is not only vital for Sri Lanka, but also for maritime trade to India, meaning that a Chinese takeover could have serious implications for India's economy. Even as the project is underway, Sri Lanka is facing the worst

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<sup>41</sup> Buddhavarapu, Ravi. "India Tries to Pry Sri Lanka Loose from China's Embrace." CNBC. CNBC, March 31, 2022. <https://www.cnbc.com/2022/04/01/india-tries-to-pry-sri-lanka-loose-from-chinas-embrace.html>.

<sup>42</sup> Brautigam, Deborah and Rithmire, Meg. "The Chinese 'Debt Trap' is a Myth." *The Atlantic*. <https://www.theatlantic.com/international/archive/2021/02/china-debt-trap-diplomacy/617953/>.

<sup>43</sup> Ibid.

<sup>44</sup> Jayasinghe, Uditha. "Explainer: Sri Lanka on the Edge as Debt Burden Mounts." Reuters, January 17, 2022. <https://www.reuters.com/markets/rates-bonds/sri-lanka-edge-debt-burden-mounts-2022-01-17/>.

<sup>45</sup> Ibid.

<sup>46</sup> Ethirajan, Anbarasan. "Colombo Port City: A New Dubai or a Chinese Enclave?" BBC News. BBC, January 17, 2022. <https://www.bbc.com/news/world-asia-59993386>.

<sup>47</sup> Ibid.

<sup>48</sup> Hanada, Ryosuke. "Sri Lanka Awards Port Project to China after Dropping Japan, India." Nikkei Asia. Nikkei Asia, November 25, 2021. <https://asia.nikkei.com/Politics/International-relations/Sri-Lanka-awards-port-project-to-China-after-dropping-Japan-India>.

economic crisis in its history of its time as an independent nation, exacerbating the already painful debt burden.

While the debate over whether China's investment in Sri Lanka is an example of debt-trap diplomacy is ongoing, there are some takeaways from the bilateral relationship that are more concrete, one of which being China's long term goals. In western countries like the US, priorities and policies seemingly shift with every election cycle. In China, President Xi Jinping has held the highest office since 2013 and is poised to be in power for years to come. In terms of pursuing goals, China's government is capable of planning with certainty much further ahead. Aside from time, because the highest seats of government are not reliant on popular support to maintain power, there is less need to be forthcoming with plans and strategies. This detail is poignant in terms of foreign policy and military goals. Whether or not Hambantota is destined to host forces from the People's Liberation Army and Navy, as the US is predicting, remains to be seen. What is clear is that Sri Lanka, a strategically positioned island facing economic crisis and looking for foreign investment without strings attached, continues to be a perfect candidate for China to expand its Maritime Silk Road portion of the BRI.

## **Equatorial Guinea**

The third and final case study to be examined is Equatorial Guinea. Equatorial Guinea is a small country on the west coast of Sub-Saharan Africa. Equatorial Guinea's shares borders with Cameroon and Gabon by land, and the Gulf of Guinea off of the coast. Gaining independence from Spain in 1968, Equatorial Guinea is the seat of power for the longest-serving president in the world, President Teodoro Nguema Obiang Mangue, who has served for forty-one years since ousting and executing his uncle in a 1979 military coup.<sup>49</sup> Obiang and members of his party have been "reelected" regularly since the takeover in elections that are not considered by observers to be free or fair.<sup>50</sup>

After oil was struck in the 1990s, Equatorial Guinea became Africa's wealthiest nation in terms of GDP per capita.<sup>51</sup> Despite being among the smallest countries in Africa, it is also the third largest exporter of oil in Africa and an official member of OPEC.<sup>52</sup> Yet, with one of the widest human development-wealth gaps in the world, the majority of the population lives in extreme poverty.<sup>53</sup> Meanwhile, President Obiang and his family live lavishly as millionaires, even coming under legal fire in countries like the US, France, and the UK for purchasing assets with funds

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<sup>49</sup> "Equatorial Guinea Country Profile." BBC News. BBC, March 10, 2021. <https://www.bbc.com/news/world-africa-13317174>.

<sup>50</sup> "Equatorial Guinea: Freedom in the World 2020 Country Report." Freedom in the World 2020. Freedom House. Accessed April 10, 2022. <https://freedomhouse.org/country/equatorial-guinea/freedom-world/2020>.

<sup>51</sup> "Equatorial Guinea's Web of Wealth and Repression." ISS Africa. Institute for Security Studies. Accessed April 10, 2022. <https://issafrica.org/about-us/press-releases/equatorial-guineas-web-of-wealth-and-repression>.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

embezzled from government money.<sup>54</sup> On top of corruption, Obiang's administration is responsible for a laundry list of human rights abuses, including but not limited to unlawful or arbitrary killing, forced disappearances, arbitrary detention, and pretty much every other violation of political freedoms or civil rights you can imagine.<sup>55</sup>

Equatorial Guinea has strong political and economic ties to China. As the only country in this study with a positive trade relationship with China, 36% of Equatorial Guinea's exports went to China, while around 10% of its imports came from China as of 2020.<sup>56</sup> Among all of Equatorial Guinea's exports, 93% are crude petroleum and petroleum gas.<sup>57</sup> Within the nation itself, industries ranging from farming and agriculture to medicine and media are supported by Chinese investment.<sup>58</sup> Infrastructure projects like roads and rails receive Chinese funding, as well. But the project that has given China-Equatoguinean relations an international reputation is, unsurprisingly, the development of a port.

Formerly the country's capital, Bata is a coastal city in west Equatorial Guinea known for its ports. Back in 2006, the Equatoguinean government signed a \$2 billion credit facility agreement with China Eximbank for the development of Bata Port, which was then completed in 2014 by the China Communications Construction Company.<sup>59</sup> Since the port finished construction, relations have remained close between the two countries, with a record of collaboration between high level officials on either side, such as a meeting between Presidents Obiang and Xi in 2015, between the Vice Chairman of China's Central Military Commission and Equatorial Guinea's Vice President (and son of President Obiang) in 2017, between President Obiang and Defense Minister Chang Wenquan in 2018, and recently a phone call again between the two presidents in late 2021.<sup>60</sup> While each of these meetings was innocuously reported by Chinese records to be continuations of friendly relations and effective cooperation between the two countries, meetings between high level military officials on either side were suspicious enough for other countries to take another look at.

In late 2021, the US released an intelligence report that China and Equatorial Guinea were in talks to transform the deepwater Bata Port into a military base. Some believe that the intelligence

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<sup>54</sup> *Instagram Playboy Is Also the Vice-President of Equatorial Guinea*. Youtube. The Economist, 2017. [https://www.youtube.com/watch?v=nA\\_p4--ZF1o](https://www.youtube.com/watch?v=nA_p4--ZF1o).

<sup>55</sup> "2020 Country Reports on Human Rights Practices: Equatorial Guinea." U.S. Department of State. U.S. Department of State, March 30, 2021. <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/equatorial-guinea/>.

<sup>56</sup> "Equatorial Guinea (GNQ) Exports, Imports, and Trade Partners." The Observatory of Economic Complexity. Accessed April 10, 2022. <https://oec.world/en/profile/country/gnq/>.

<sup>57</sup> Ibid.

<sup>58</sup> "中华人民共和国驻赤道几内亚共和国大使馆经济商务处." 中国援赤几专家组名单. Accessed April 10, 2022. <http://gq.mofcom.gov.cn/article/catalog/201407/20140700674843.shtml>.

<sup>59</sup> Tanchum, Michaël.

<sup>60</sup> "习近平同赤道几内亚总统奥比昂通电话." East View Information Services. 解放军报, October 28, 2021. <https://dlib.eastview.com/browse/doc/43658342>.

reporting talks for a military port in Bata is based on circumstantial evidence rather than concrete proof, and was released publicly as a deterrence method from the US.<sup>61</sup> The claim was also categorically denied by both governments involved. Still, the implications of a military base in Equatorial Guinea are noteworthy. First of all, this hypothetical base would not be a stretch in terms of transforming today's Bata Port, since the port was originally built with the ability to dock and support both commercial and military vessels. Additionally, while China does have one military base abroad in Djibouti, there are a number of other countries that do as well. In Equatorial Guinea, however, China would be the first foreign base to set up operations. In terms of geopolitics, China has been expanding for years into the Indian Ocean to create a new sphere of influence in Asia, but an Atlantic-facing military base demonstrates motivations to move beyond a sphere that could be justified as insurance for self-defense, and as such would be quite worrying from the perspective of the United States.

## Conclusion

Comparing the BRI investment strategies and outcomes in Tanzania, Sri Lanka, and Equatorial Guinea produces a few notable conclusions regarding China's goals for the future. First of all, the results of each project are notable: In the cases of Tanzania, one of the world's poorest economies, and Sri Lanka, a country in the midst of an economic crisis, China has many advantages in dealmaking. Like with the proposed 99-year lease should the proposed project in Bagamoyo, Tanzania come to fruition and the ongoing 99-year lease of Hambantota Port in Sri Lanka, China is establishing ports to increase capabilities for trade, resource acquisition, and greater maritime influence. The prospects of a military port in Bata, Equatorial Guinea is perhaps a glimpse into the hypothetical future of China's naval expansion. In that case, unlike the other two, Equatorial Guinea's relative wealth means that it is coming to the negotiating table as a partner rather than the indebted party. The idea of a country like Equatorial Guinea, who has collaborated extensively with US oil corporations since the 1990s, choosing to ally militarily with China instead could have widespread implications about US influence abroad, particularly in Africa.

Honestly, it is no surprise that Africa is pivoting to collaboration with China over the United States. In the case of Equatorial Guinea and the autocratic leadership of President Obiang, a deal with China comes with fewer strings attached, allowing continued support of government pursuit of self-interest through corruption and embezzlement despite having among the worst rates of vaccination and education in the world and the majority of the nation's population living without

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<sup>61</sup> van Staden, Cobus. "Fears of a Chinese Naval Base in West Africa Are Overblown." *Foreign Policy*. *Foreign Policy*, March 3, 2022. <https://foreignpolicy.com/2022/03/03/china-pla-navy-base-west-africa-atlantic-equatorial-guinea/>.

close access to safe drinking water.<sup>62</sup> In terms of feeling valued as a partner, President Xi Jinping made more state visits to Africa in his first month as President than did Trump in four years or Biden since taking office more than a year ago, both of whom have yet to travel to any country on the continent on an official Presidential state visit.<sup>63</sup> No US president has ever visited Sri Lanka on a state visit. Beyond simple neglect by major US leadership, Tanzania was among the countries targeting by the so-called “Muslim Ban” during the presidency of Donald Trump, yet another reason why a pivot to partnership with China is not unlikely.<sup>64</sup>

The case studies of Chinese investment into infrastructure projects in Tanzania, Sri Lanka, and Equatorial Guinea serve as examples of China’s interest in increasing resource acquisition capabilities, long-term increases in maritime trade capabilities and influence, and the potential for China’s military expansion into and beyond the Indian Ocean. Whether the US will make it a priority to reevaluate relationships with countries like the three examined in this paper or if it will continue to focus on priorities elsewhere remains to be seen, but either way it is clear that China is becoming a preeminent source of funding and investment beyond its borders and into developing countries around the world.

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<sup>62</sup> “Equatorial Guinea: Oil Wealth Squandered and Stolen.” Human Rights Watch, June 15, 2017. <https://www.hrw.org/news/2017/06/15/equatorial-guinea-oil-wealth-squandered-and-stolen#>.

<sup>63</sup> “Xi Jinping Arrives in Dar Es Salaam, Kicking off His State Visit to Tanzania.” Tour China. 中华人民共和国驻丹麦王大使馆, March 25, 2013. <https://www.fmprc.gov.cn/ce/cedk/eng/TourChina/t1025248.htm>.

<sup>64</sup> “Trump's Expanded Travel Ban: Which Countries Are Affected?” Muslim Ban News. Al Jazeera, February 1, 2020. <https://www.aljazeera.com/news/2020/2/1/trumps-expanded-travel-ban-which-countries-are-affected>