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China's roadmap to global trade and market share dominance – a reference to SSA

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Abstract

This paper re-construct the roadmap adopted by China to dominate global trade and market share space with reference to SSA. Specifically, this paper characterises the nature of China's practice of political economy where the country does business. Literature was reviewed to collect data used in the re-construction of the model. This paper found that indeed China has a clearly set roadmap (figure 1) for its global trade and market share space acquisition and dominance. China's dominance of the economic and market space in SSA has an assortment of intertwined complexities for the region. Sub-Saharan Africa needs to exercise caution on China because signs are there already that China would not be any different from the Western economies who had exploited the region for decades for their own gain, not the region's gain.

Key Words: Colonialism, Sub-Saharan Africa, State Owned Enterprises, Communist Party of China

JEL classification: R11, R12

Introduction

China's continuous fairytale economic and market space entrenchment in global economics has drawn increased empirical research and debate interest in every region of the world. China's persistent visibility and interest in Sub-Saharan Africa (SSA) makes this debate and empirical research even more exciting.

A study is crucially needed to investigate how China operates to win so much space in trade and market share in global economics – however limited to SSA for the case of this paper. A more holistic framework is crucially needed to look at the role-players, strategy, processes and systems involved in the Chinese onslaught of global trade and market share. This paper focuses on this dimension.

This paper answers the fundamental questions (1) “how does China operate its economic agenda to dominate trade and market share space in global economics – especially in Sub-Saharan Africa?” (2) “who are the main drivers of China's global trade and market share acquisition?” The first question has however

been raised before by researchers such as Brautigam and Xiaoyang (2011). In attempting to answer this crucial question, Brautigam and Xiaoyang (2011) investigated how China operated its trade and market share acquisition mission – especially in Sub-Saharan Africa. The limitation of the Brautigam and Xiaoyang (2011) attempt to deal with the question as mentioned earlier is that Brautigam and Xiaoyang (2011) does not attempt to investigate the role-players and systems involved in China's economic *modus operandi*. All Brautigam and Xiaoyang (2011) do is to identify that China has adopted a geo-strategic approach targeting certain regions around the world to implement its trade and market growth targets. However, the Brautigam and Xiaoyang (2011) findings are key to understanding what China does to grow its trade and market share factors which other emerging economies are not doing. Evidently, this paper is an elongation of the Brautigam and Xiaoyang (2011) postulations. Although this paper would not go any further to make postulations on what China's strategy means to global economics, readers of this paper might find this partially answered by Moyo (2012) who dealt with the implications of China's strategy – especially when it concerns smaller economies such as SSA. In other words, Moyo (2012) provides some of the stakeholder drivers of China's global – and SAA's trade and market share acquisition agenda.

This paper is structured as follows: First, the paper presents the introduction and background to the article including a brief but comprehensive literature review, the methodology and materials used to gather the data for this paper, and this was followed by a contextual analysis of the problem under discussion. Lastly, the paper concludes its discourse with conclusions and recommendations with regard areas of further research.

Literature Review

A plethora of modern economists concede that China's rapid economic growth, booming global trade, China's participation in the World Trade Organisation (WTO), shift of economic policy from a protectionist to an open economy, China's growing investments abroad, the size of the country and booming Foreign Direct Investments (FDIs) in and outside China, need for developmental assistance by poorer economic regions such as SSA were the most crucial factors which promoted China's dominance of global economy – and current expansionism (IBM, 2006; Haroz, 2011; Junbo, 2015). China's "Go Global/ Go out" policy (Alden & Davies, 2006; Sauvant and Chen, 2014) has taken the country to greater heights in global economics. China has grown to become the fourth largest global exporter worldwide with a value of approximately \$760 billion by 2005 (IBM, 2006). China's Foreign Direct Investment (FDIs) (\$84 billion) began to surge forward on global scale to a point of narrowing the gap with the United States (\$329 billion) and Japan (\$123 billion) as far back as 2012 (Sauvant and Chen, 2014). China's global trade and market space growth has been labelled as domineering and changing the politico-economic landscape and discourse of global trade and market share factors initially dominated by the United States, Euro Zone and Japan for instance. In fact, whether real or imagined, China has been tipped to surpass the US economy by 2035 (IBM, 2006).

The emergence of China as one of the global economic super powers in the class of the United States, the European Union and Japan has brought fundamental and immense academic interest and debate on the Chinese economy through growing body of empirical literature. Literature on China's quest for natural resources such as minerals and oil for example and the implications thereof (Haroz, 2011; Moyo, 2012), policy, strategy and roadmap employed towards achieving the country's dominance of global economic discourse has emerged in the broader research community. In fact, both electronic and print media houses, internet news houses would on day-to-day basis carry some commentaries on China's current trade and market information to inform and update the growing readership and interest of Chinese economic matters around the world. China has steadfastly entrenched itself as a global economic story of success in modern economics, albeit some criticisms on how China conducts her business who heavily criticise China of being opportunistic, imperialistic, exploitative and propagandistic of their successes – especially in relation to smaller poorer regions such as SSA for example (Haroz, 2011; Umejei, 2015). On China's successes, Moyo (2012) opined thus "in just over a decade China has risen from relative insignificance to pole position"

From this postulation emanates a crucial question “how did China manage to place herself in pole position in global economics – especially in SSA?” or simply put “how does China manage to enter and subsequently dominate global trade and market share space just as they continue to do?” This question is crucial because while literature on trade and market share volume of China is considerably growing in various fields, literature on the roadmap explaining the details of how China grew to this stature and the model used by China to gain prominence and dominance in global economics the way matters are currently is conspicuously scarce and rare. Where existing literature on this crucial question is available, such literature is piecemeal and somewhat disjointed. For example, Sauvant and Chen (2014) only focused on the regulatory framework employed by the Chinese government to assist Chinese companies to internationalise and exploit existing global trade and market opportunities. The focus of the Sauvant and Chen study particularises policies, laws and regulations governing Chinese dispense of FDIs through Chinese firms where-ever they do cross-border trade and investments. A more holistic framework is crucially needed to look at the role-players, strategy, processes and systems involved in the Chinese onslaught of global trade and market share. Smaller and developing economies such as SSA might learn valuable lessons and draw experience from the Chinese strategy and economic protocol as raised in this paper. This assertion However considers other contrasting views which argue that China's postulation of an economic success story through its widely acclaimed model remains propagandistic for China could on the one hand be regarded opportunistic – especially in the SSA economy (Umejei, 2015).

Research and Methodology

The main objective of this paper is to therefore (re)construct through literature review the model/roadmap employed by China to gain prominence and dominance in global trade and market share – with reference to SSA given the logistical limitations of this paper. This paper focuses on:

- i. the role of the Communist Party of China on the facilitation of China's economic policy,*
- ii. the role of the government in policy implementation and facilitation of international protocol,*
- iii. the role of the Chinese society in China's international economic vision, and*
- iv. the role of Chinese business – including State-owned enterprises (SOEs); Public Private Partnerships; Private (SMMEs) entrepreneurs.*

This paper reports on desk-top data collected from various literature sources.

Results and Discussion

This section discusses the roadmap employed by China in attaining trade and market space dominance against other competitors such as the European Union and the United States in Sub-Saharan Africa. China is pushing towards overtaking the United States in global trade and exploitation of market opportunities (IBM, 2035; Sparks, 2011). Some literature (Ombaba et al., 2012) however dismiss the notion that China is growing its presence in emerging economies such as Sub-Saharan Africa to compete the United States (US) and the European Union for example. Sparks (2011) further revealed that China's trade with Sub-Saharan Africa has almost doubled from a mere investment of approximately \$5.6 billion in 1996 to approximately \$10 billion by the year 2000. Since 2000 the Chinese investment in the Sub-Saharan Africa economy had sky-rocketed to approximately \$114 billion. Encouragingly, China has allowed the Sub-Saharan Africa region to grow its export base to China to reach approximately \$52 billion whereas on the one hand China's exports to the region comes to approximately \$62 billion. Evidently, China has an Outward and In-ward trade and market opportunity to grow its global influence (IBM, 2006). Economic superpowers and emerging influential investors such as India, Brazil and Malaysia for instance have practical road-maps and models they follow to achieve their objectives. These models are largely determined by the cultural, political and economic systems, the particular economy adopts (Kshetri, 2013). For instance, India portrays itself as a generous donor to Sub-Saharan Africa while China positions itself as a cooperative dealer with focus on promotion of African development – especially on infrastructure development (Junbo, 2015; Haroz, 2011). However, others such as Umejei (2015) would also contend that

in all reality, all China is doing in SSA in particular is to target extraction of the rich natural resources of the region to feed its booming highly industrialising economy and booming private sector enterprise which needs high volumes of energy, domestic economic growth and development programme (Haroz, 2011).

The Chinese trade and market share acquisition and dominance roadmap, and the implications

Figure 1 describes the roadmap adopted and followed by China to execute its well-thought of agenda of dominating trade and market space of emerging economies such as Sub-Saharan Africa for instance.

Figure 1: Chinese trade and economic roadmap

Source: Author's own reconstruction

This roadmap began evolving post-Mao Zedong who died in 1976. After the death of Mao Zedong, China changed its international political and economic agenda to target global expansionism (Haroz, 2011). Figure 1 simplifies the analysis of the systematic roadmap adopted and used by China post-Mao Zedong in their acquisition of global trade and market opportunities in emerging economies to their advantage. The roadmap (figure 1), demonstrates that the main driver of the Chinese global economic onslaught is the Chinese Communist Party which drives China's (international) political economic agenda (Sparks, 2011) in an interactive collaboration with the government of the People's Republic of China (Ombaba et al., 2012).

Both the Communist Party of China and the government of the People's Republic of China assist in removing political; legal barriers and cultural conflicts which might affect Chinese advances in international economic space (Zheng & Sheng, 2015). From the authoritarian philosophy of the Communist Party (Kshetri, 2013), China targets similar regimes elsewhere to acquire trade and market space. However,

China's approach is that of working with every region willing to cooperate with their philosophy. In other words, China is pre-occupied with forging trade and investment relations with emerging economies willing to embrace China. Despite this postulation, there is a view that China prefers to engage authoritarian regimes more than those perceived as democracies. This view is corroborated by Kshetri (2013) who asserted therefore that "evidence of Chinese influence is thus more readily apparent in authoritarian regimes" What the proponents of China's preference of authoritarian regimes postulate is that China's economic model works well in economies such as Gabon's Omar Bongo, Zimbabwe of Robert Mugabe, Angola of Jose Eduardo do Santos amongst others because these are political authoritarians just mimicking popular democracies. In fact, Kshetri (2013) summarised this assertion thus "China has experienced relative difficulty in dealing with democratic countries in the continent" However, these sentiments remain assertions of those sceptical of the Chinese whereas evidence exists opining that China looked for trade and market opportunities than political systems. For example, contrary to the sceptics of China's targets for investments, China has huge investments in regimes characteristic of democracies such as Ghana, Namibia, South Africa and Zambia if these were to be compared to Angola, Gabon and Zimbabwe on the other hand for example as stated earlier.

The Chinese Policy is disseminated to government which drives it to the international platform by creating conducive political environment for investments and business opportunities through government-to-government bilaterals and at times regional co-operations. China has a clear set of strategies to achieve this objective. What is evident from the Chinese strategic model however is that China somersaults from a socialist-communistic orientation at mass and government level to a sustainable capitalistic regime at strategic level in order to reach out to target markets. The Forum for China-Africa Cooperation (FOCAC) coordinates China's foreign policy objectives – especially towards Africa (Muller, 2008). Through government, for instance, President Xi Jinping promised that China would invest approximately USD20 billion to infrastructure, farming and business – especially in the energy sector (Gulberti et al., 2014). Looking at the model, it is evident that China operates from a collaborative system comprising the Chinese Communist Party as the custodian of policy debates and formulation, the Chinese government as the facilitator of the protocol with respective targeted economies to dispense the policy. The Chinese Communist Party, in addition, assists in the mobilisation of the Chinese public to steer the national cause within the parameters set out by the Communist Party Congress (Moyo, 2012). This way, China is trying to address the needs of its vast population which is approximately 1.6 billion people.

From the overall Chinese population, the Chinese Communist Party has approximately 80 million courted registered members – and these members have to cooperate with the targets of the party in terms of its national and international vision. On the one hand, the Chinese government has a clear mandate from the Chinese Communist Party to cultivate good international relations with targeted regions and countries. China must keep to consistency with its international relations rhetoric. They advocate the same philosophy based on respect for sovereignty of the host, solidarity, good relations and co-operation, trust, and continuous engagement through the FOCAC throughout (Ebrahim, 2015). In fact, it is the belief of the Chinese Communist Party never for China to intrude in the internal political affairs of the targeted host regions (Ombaba et al., 2012) but to cooperate from a mutual respect perspective (Haroz, 2011; Muller, 2008). China desists from behaving as "the big brother politics" of the West and the United States by assuming a status of an equal with host nations. For instance, President Xi Jinping would place China on par with South Africa going to an extent of referring to the relationship between China and the lesser developed South Africa as a partnership of "two developing countries" (Ebrahim, 2015:1).

It is evident that the Chinese are smart diplomats. The Western powers on the other hand are obsessed with political jargon. China portrays itself as a model of modernisation for emerging economies posing as being "more responsive to African needs and wants than the Western economies" (Kshetri, 2013). China has a clear focus of what the country wants where it makes its investments and trade commitments. Unlike the approach of the Western countries which sought to dispense neo-liberal economic and political models camouflaged as democracy, claims of promotion of good governance and improvement of the lives of the poor public, China's approach is that of winning political confidence of the partner by focusing instead on mutual respect, multi-lateralism, consensus and peaceful coexistence (Adisu et al., 2010; Haroz, 2011;

Kshetri, 2013; Muller, 2008). China achieves this objective by promoting diplomatic unity with targeted economies to gain trade and investment space in those economies (Ombaba et al., 2012).

To start with, China won the confidence of most of the countries in Sub-Saharan Africa by supporting the political cause of many countries in their liberation struggles against colonialism and imperialism – and amongst others, collaborating with the region by sending the country's technicians and other forms of skilled or otherwise labour into developing and improving amongst others agriculture, technology and infrastructure to assist with development targets attainment of targeted economies (Park, 2009). A region such as Sub-Saharan Africa, which is highly characterised by undemocratic systems of sophisticated political autocracies and authoritarianisms, trade partners such as China who abstain from political influence, interference and interest would be highly desirable amongst political leaderships. China has therefore been gaining immense trade and market space and opportunities in SSA mainly because China chooses to turn a blind eye on the politics of the region even where there are gross violations of human rights for instance. China has been widely criticised by superpowers such as the United States on its poor record on human rights abuse and repressive political systems.

There is a growing antagonism and criticism of China amongst human rights and democracy advocates that China in fact would not be concerned of issues of human rights violations in Sub-Saharan Africa in particular because of China's own lack of democracy to begin with. On the one hand, trade and market influence of Western economies in Sub-Saharan Africa has been diminishing over the years as a result of the West's supposed imperialistic dominance of international political discourse – especially with regard political practice in the region, during colonialism and post-colonialism. Apart from the Western countries being haunted by their colonial past in Sub-Saharan Africa (Haroz, 2011), to a certain extent, the Western countries are, in addition known to still be belittling and undermining of Sub-Saharan Africa countries to a point where Sub-Saharan Africa still looks a colony of the Euro Zone. The relations between Western countries and Sub-Saharan Africa has been eroded to that of Master and servant with the West targeting Africa's rich natural resources without the region gaining much inroads into their economies. Sparks (2011) is of the opinion that Sub-Saharan Africa is not benefiting from the trade relations with Europe except that Sub-Saharan African economies are feeding the resource demand of the Europeans. China invests massively in infrastructure, cash, education through the so-called Sino-African co-operation, health, technological transfer and so forth to build capacity in the region on the one hand (Haroz, 2011; Junbo, 2015).

As much as possible, the strategy adopted by China has to do with China's undivided focus on systematic acquisition of political, trade and market opportunities and profit making in Sub-Saharan Africa – with little interest, if any at all on political practice in the region (Park, 2009). However, the events of China's role in the September 2014 Dalai Lama-South Africa tensions through political interference as an invited guest of Archbishop Desmond Tutu during Tutu's birthday celebrations casts another sceptical view on China's impartiality on its (a)political practise and approach. In fact, many still opine that Pretoria was under much political pressure and bullying by Beijing not to allow the Tibetan spiritual leader; the Dalai Lama entry into South Africa. Because of the investor and trade power of China in South Africa, South Africa complied with the bullying tactics and directives of their emerging master although singing human rights promotion on the one hand; maybe for all others but the Dalai Lama. Evidently, China feeds the South African economy while the Dalai Lama would just be a mere story of moral solidarity on the one hand. Pretoria chose its bread, and not its integrity in the Dalai Lama-China confrontation. This seriously compromised South Africa's image of international portrayal of championing global democracy for oppressed peoples around the world. Together with the President Omar Al Bashir of Sudan's escape for arrest by the International Criminal Court of Justice in the Hague, Netherlands despite the issuing of his arrest warrants by South African courts while attending an African Union (AU) heads of state summit in South Africa in June 2015, South Africa's international image did receive immense criticism.

China's commitment to political practice at international relations with emphasis on the principle of the country as a model of peace loving nation is also compromised and therefore criticised by some as political grandstanding and a hollow public relationing exercise – especially looking at the fact that this principle excludes their treatment of both Tibet and Taiwan for example (Ombaba et al., 2012). In fact, Haroz (2011)

mentions that one of the conditions attached to receiving Chinese financial aid for development assistance is denouncement of any diplomatic and political recognition of Taiwan by the Chinese aid receiving nation. Failure to do so, China refuses aid. Burkina Faso, Gambia, Swaziland and Sao Tome and Principe are for example some of the countries denied Chinese aid for development because of their political and diplomatic recognition of Taiwan (Haroz, 2011). From how China practices its international relations, it is evident that they have a thorough programme of strategic diplomacy, ideological values while targeting commercial benefits in the host country (Haroz, 2011). With China being the focal point of mounting international criticism with regard democratisation and its intentions in the political economy of Sub-Saharan Africa in particular, China have a strong public relations exercise for damage control (Muller, 2008). Despite the obvious limitations and omissions of China's international political characterisation, regions of the world – especially those in smaller economies find themselves with no option to criticise China but to tow the line. Even those who under normal circumstances would raise a voice of criticism – especially on human rights abuse and democratisation - South Africa being at the fore front find themselves entangled and compromised within the cobweb of the Chinese political juggernaut. Potential critics of China have to beg and appease China to invest in their economies despite the heavy price they have to pay. They are compromised. In Tshivenda language of Limpopo Province South Africa, there is a proverb which says “*ana tshawe u nga thovhele, u nga gukwana lo fara ndodo, la takuwa ri a la vho*”, meaning “he who has resources is like king, for whatever he demands be done shall be done by those who are in need others in lack follow the one who has in order to get food”

The significance of this proverb in relation to the China-South Africa issues with regard the Dalai Lama is that although South Africa might have different political interest and views on the Dalai Lama, China, because of its investor and trader resources with South Africa had to make a call on the Dalai Lama's intended visit to South Africa, and South Africa just had to follow the master's call. Evidently, South Africa would not have done anything less than their denying the Dalai Lama the Visa because the country had to avoid annoying and defying their trade and investor master regardless of their views to the contrary. After all, why should a mere birthday celebration of one man in Desmond Tutu cost the country so much political and economic prejudice and risk of withdrawal of crucial resources from China despite Bishop Tutu's anti-apartheid credentials? A decision in the interest of the country had to be made, and such decision was made despite Bishop Tutu's tantrums and the media making great weather out of it. The damage done by the issue on the international image of South Africa with regard promotion of human rights was then dealt with at government level, and the matter naturally collapsed from international visibility and debate. Matters finally die with time regardless of how big they might be at inception. The Dalai Lama issue between China and South Africa demonstrated in fact that resources dispense huge political power – especially from the point of the haves and the have nots.

Furthermore, issues of China's dictatorial political practice are evident in how China is dealing with the China-Tibet political confrontations. The world – especially the smaller economies depending on the trade and investor power of China would not be able to remind China of the human rights which should allow the people of Tibet deserved sovereignty and right to rule themselves because of China's huge economic and political power in the regions which might support the Tibetan people's independence. One way or the other, it is there for the world to see that dominance of economic and market space comes with leverage of imperialism which has been characteristic of Western economies in Sub-Saharan Africa for decades which China is also emulating after-all. Having these facts on the table, it is only sincere to ask if China is not evolving into yet another imperialist-in-chief of SSA? The Chinese discourse in SSA might suggest that the region might as well have to battle with these tendencies for many more years to come. The West effectively used colonialism and imperialism in SSA for decades, only for extracting the regions' natural resources to benefit their region. The Chinese discourse might re-colonise SSA as the signs are already there. When SSA begins to think that the region has conquered Western colonialism, imperialism, neo-liberalism, there seems to emerge another potential imposter wanting to take the region to its colonial era however posturing friendship, sincerity, equality, common development and mutual support to the region (Haroz, 2011; Sparks, 2011). This is albeit the obvious that China too are no different from the Western colonisers of SSA. In fact, most post-independence political leaders in SSA knowingly engage with China fully aware of this characterisation (Haroz, 2011) – these leaders just do not have option for on the one

hand they also bear in mind that the West who still do business with them are actually worse than the emerging East. In fact, most African leaders never have trust with either China and the West. This doubt on China's genuineness on African relations has been mixed as reported by Umejei (2015) who argued that China has labelled "opportunistic" and/or "opportunity" amongst certain sections of society in some regions of Sub-Saharan Africa – citing Nigeria as example.

China has a huge appetite for Africa's natural resources (Sparks, 2011) in order to quickly siphon the resources back home to grow their economy and meet the socio-economic needs of their booming population. Whether SSSA sees this exploitation or not is not appropriate synopsis, at least for now because the region is far behind in terms of providing resources to achieve its own development. The region could not use its vast mineral resources for example to develop its growth programmes to an extent that some commentators have termed this "the African curse" (Sparks, 2011). In support of the assertion that Africa has been cursed from its resources, former President of Zambia had this to say "we are in part to blame, but it is the curse of being born with a copper spoon in our mouths" (Sparks (2011). Zambia was during Kaunda's tenure as President the world's highest copper producer. The Zambian copper mines were never really owned by Zambians since independence in October 1964. Zambia's copper was under Western business during Kaunda, but there has been a take-over by China of late. Even the former President, the late Michael "King Cobra" Sata who campaigned for his presidency against President Rupia Banda on the anti-Chinese sentiments in Zambian economy could manage to change the dynamics. China is a must-have partner for African development to be realised. First, China has interest in the region. Secondly, China has the money to assist the region (Haroz, 2011). In fact, according to Okonyo-Iweala (2015), the Sustainable Development Goals (SDGs) as set out by the United Nations (UN), Africa's Agenda 2063 as spelled out in the so-called "for the Africa we want in the next fifty years" rhetoric and the region's African Development Goals (ADGs) as designed by the African Union would need immense resources to be achieved, which unfortunately the region does not have. In other words, the Sub-Saharan Africa region would have to pursue and persuade investors and donors such as China for the resources as a "home-grown" solution is nowhere near possible (Okonyo-Iweala, 2015).

The role of Chinese firms in acquiring major cross-border business deals, and the implications

As indicated in figure 1, China employs government services, State Owned Enterprises (SOEs), Public Private Enterprises (PPP), Private Individual Entrepreneurs (PIEs), Small-scale Entrepreneurs (SEs) and other Benevolent Services (BVSs) to dispense the country's global trade and market exploitation agenda. IBM (2006) published a list of companies trading in and outside China including those companies wholly owned by foreign enterprises, joint ventures and Hong Kong based companies investing in Mainland China. The IBM report revealed that there were several Chinese companies with less than US\$1 billion asset value but with increased growth and global expansion ambitions. Amongst other strategies, China employs vigorous cross-border acquisition and mergers of business entities through which Chinese businesses acquire massive stakes in major cross-border businesses. China has acquired large stakes in global brands through joint ventures, strategic partnerships, mergers and acquisitions to accelerate the country's global trade and market share targets (IBM, 2006). The IBM (2006) report revealed that amongst others, Lenovo acquired business partnership with IBM's Personal Computer (PC) Division, SAIC bought influential stake (50.6%) in Korea's Ssangyong and China National Petroleum Corporation buying a stake worth 4.2 billion in PetroKazakhstan. The acquisition of Volvo by Geely also shows the obvious intentions of China in dominating global economics. Geely acquired a controlling stakes (100%) in Volvo (Zheng & Sheng, 2015). Zheng & Sheng (2015) reports that the acquisition of Volvo by Geely spread Chinese influence and stake in global automobile industry to approximately 2 500 Volvo dealership points in approximately 100 economies where Volvo was trading firmly increasing the Geely stake in European and North American automobile market.

On the one hand, Harvey (2014) details the acquisition strategy employed by Hebei Iron and Steel Group when buying off (74.5%; ZAR5.3 billion/\$ 515 million) of assets of the South African Palabora Mining

Company (PMC) through a consortium involving another South African state-owned company Industrial Development Corporation (IDC) in December 2012. South African companies Rio Tinto (57.7%) and Anglo American (17%) initially owned the PMC's 74.5% stake (Harvey, 2014). According to Harvey (2014) the company shares were disposed off to the majority shareholding of the Chinese Hebei Iron and Steel Group (34%), 'Privately-owned' Chinese company General Nice Hong Kong Group (25%) and Chinese government firm Tewoo Group (20%), IDC (20%) and the remaining 25.5% share remaining public shares in the new company. Immediately after the PMC acquisition, China made a move to acquire significant shares in Wesizwe Platinum in January 2013 worth \$650 million (45%) through Chinese mining group Jinchuan. The acquisition was attained and financed through a loan granted from the China Development Bank for Wesizwe's Bakubung mining project (Harvey, 2014). Prior to these mining deals, in 2008, Harvey (2014) reports that the Industrial and Commercial Bank of China had purchased a 20% shareholding stake in South Africa's Standard Bank. Evidently, China has a strategic roadmap to acquire major and controlling cross-border stakes in international economies. If the Chinese roadmap is closely analysed, inference could be made that there develops what could be termed an international/cross-border trade and market share risk continuum between China and its trading and market share partners.

While China could be a risk to the economies where it has its huge FDIs, the investment points of China could also pose a risk to China's investments on the one hand. For example, after the December 2015 presidential bungle by President Jacob Zuma in South Africa when he fired an established minister of Finance, Mr Nhlahla Nene for a novice Des Van Rooyen, the confusion which resulted heavily impacted on the economy. The South African Rand (ZAR) nose-dived plunging the markets into heavy losses approximated at ZAR16 billion in only four days. Obviously, the Chinese were affected through their investment entities operating in South Africa. However, it was never expected that China would make much noise of this bungle on the economy mainly because of their commitment to keeping outstanding diplomatic relations with their hosts. This might demonstrate China's commitment to taking issues of African politics and the resultant consequences diplomatically.

China's intentions

It is on record that China would want to see its investment and trade portfolio grow to approximately \$100 billion at least by 2020 in Sub-Saharan Africa in return for its energy needs and access to Sub-Saharan Africa's raw materials to feed on its growing economy (Muller, 2008). To meet these targets, China follows a systematic pattern (figure 1) to access and exploit global trade and market opportunities. To start with, China is quick in the implementation of its economic, trade and business ideas and targets. For instance, after targeting the Brazilian market, it took China only six months to become Brazil's main investor after being ranked 29th trading partner with Brazil in the second half of 2009. By the first half of 2010, China had surpassed larger investors such as the United States becoming Brazil's highest investor with an investment totalling approximately USD20 billion. In Sub-Saharan Africa, China's investment had grown to approximately USD100 billion by the second half of 2010 with increased market and trade shares in oil, infrastructure development, energy generation and telecommunication (Adisu et al., 2010). If Adisu et al. (2010) numbers on the Chinese investment in Sub-Saharan Africa were to be correct, this means that China has long met its investment projection in Sub-Saharan Africa of USD100 billion by 2020 (Muller, 2008) - a decade in advance.

Haroz (2011) shows that China has huge investments target in Sub-Saharan Africa's cultural exchanges, mining, business services, finance, transport, technological transfers, telecommunications, wholesale and retail, manufacturing and agriculture amongst others. The strategies, as indicated in figure 1, employed by China includes amongst others befriending targeted countries, having solid international relations policy which respects sovereignty of partnering countries, extension of loans to countries, increasing export and import volumes with partner nations, deployment of less skilled human resources in small-scale retail and wholesale business in partnering countries to create jobs for the unemployables, buying off local businesses in partnering countries, buying of shares or promoting mergers in companies. Moyo (2012:80) summarised China's strategy as being dispensed through intense and vigorous trade, aid and investment drive. Evidently, China's strategy in the invasion of international trade and markets is two pronged; complementary and/or competitive. This assertion has been materialistically demonstrated by the Chinese

trade and market access model as opined by Kaplinsky and Morris (2009). China promotes multi-polarity; that is, “construction of more or less flexible alliances to contain every form of hegemony and to build a new and just international order” (Tull, 2006).

From China's aggressive nature and speed with which the country is entrenching itself as a leader of global economy, it is evident to see that China would soon buy off everyone – including superpowers such as the United States and the Euro Zone. These regions are growing consumers of Chinese FDIs and goods. The fierce competition unleashed by China in modern global economy – especially through its buying of crucial sectors of the economies in crucial regions such as Sub-Saharan Africa as Ajakaiye and Kaplinsky (2009) postulated has left many a critic of China – especially those from the West “increasingly feeling the competitive pressure exerted by the Chinese economic and political actors in Africa” for example.

Conclusion

China runs a Communistic-authoritative domestic economic system with international capitalistic-mercantilistic approach with major focus on accumulation of needed resources for the country's increased industrialisation. China employs a well-calculated and thought of roadmap to achieve its objectives. The Chinese model is driven by a variety of systems made out of China's political ideology, philosophy and systems embodied in how China defines economic; cultural and historical contexts, processes and mechanisms. Through the Chinese Communist Party, the government of the Peoples Republic of China, State-owned Companies, Chinese public, China dispenses its targets in global economy including SSA. However, there is a need to define the impact of China's possible trade and market crises as had happened in other regions such as the United States in 2008-2009 with major effect on dependent economies. This future research assertion is necessitated by postulations and pessimistic views expressing instead that beyond China's successes there has been also expected impending economic shocks which would impact on economies dependent on China. The economies in SSA need to develop roadmaps similar to China to increase their prospects in global economic competences.

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