

03/24/2023 00:01:00 [BN] Bloomberg News

### US Fights for Influence in Africa Where China, Russia Loom Large

- Harris visit next week follows trips by Yellen and Blinken
- Biden team aims to make up for ground lost under Donald Trump

By Akayla Gardner

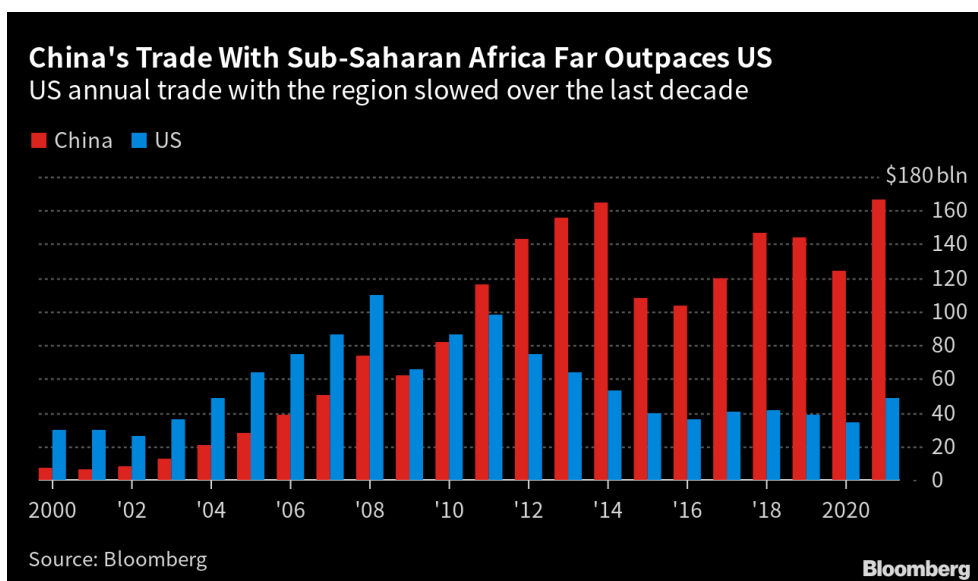
(Bloomberg) -- President Joe Biden's administration is stepping up a campaign to build American influence in Africa, where the US has lost ground to its main rivals in what's starting to look like a new Cold War.

Vice President Kamala Harris next week becomes the latest top official to visit, with stops scheduled in Ghana, Tanzania and Zambia. She's following Treasury Secretary Janet Yellen and Secretary of State Antony Blinken, who've both been in the region recently. At a December summit with the continent's leaders, Biden pledged a \$55 billion support package for Africa.



Kamala Harris at the U.S.- Africa Leaders Summit in Washington, DC, in Dec. 2022

The push to engage with the mineral-rich continent comes as Russia's war in Ukraine - and the escalating standoff between the US and China - shake up global diplomacy. Both sides are seeking to win over non-aligned countries in places like Africa.



American officials have raised the Ukraine war with African leaders, and encouraged them to support Kyiv – though many African governments have opted to stay neutral, and some have longstanding ties with Russia that include arms purchases.

Likely of greater concern for Harris and her administration colleagues is the economic contest with China, by far Africa's biggest partner, with trade set to exceed \$260 billion this year.

The US-China rivalry includes a race to secure minerals that are critical to green energy – Africa has some of the world's biggest supplies – and a dispute over debt relief, as burdens for poor countries rise along with interest rates. Chinese lending to Africa helped countries develop and build infrastructure. US leaders are calling attention to the steep price for borrowers, and the difficulty they face in paying Beijing back.

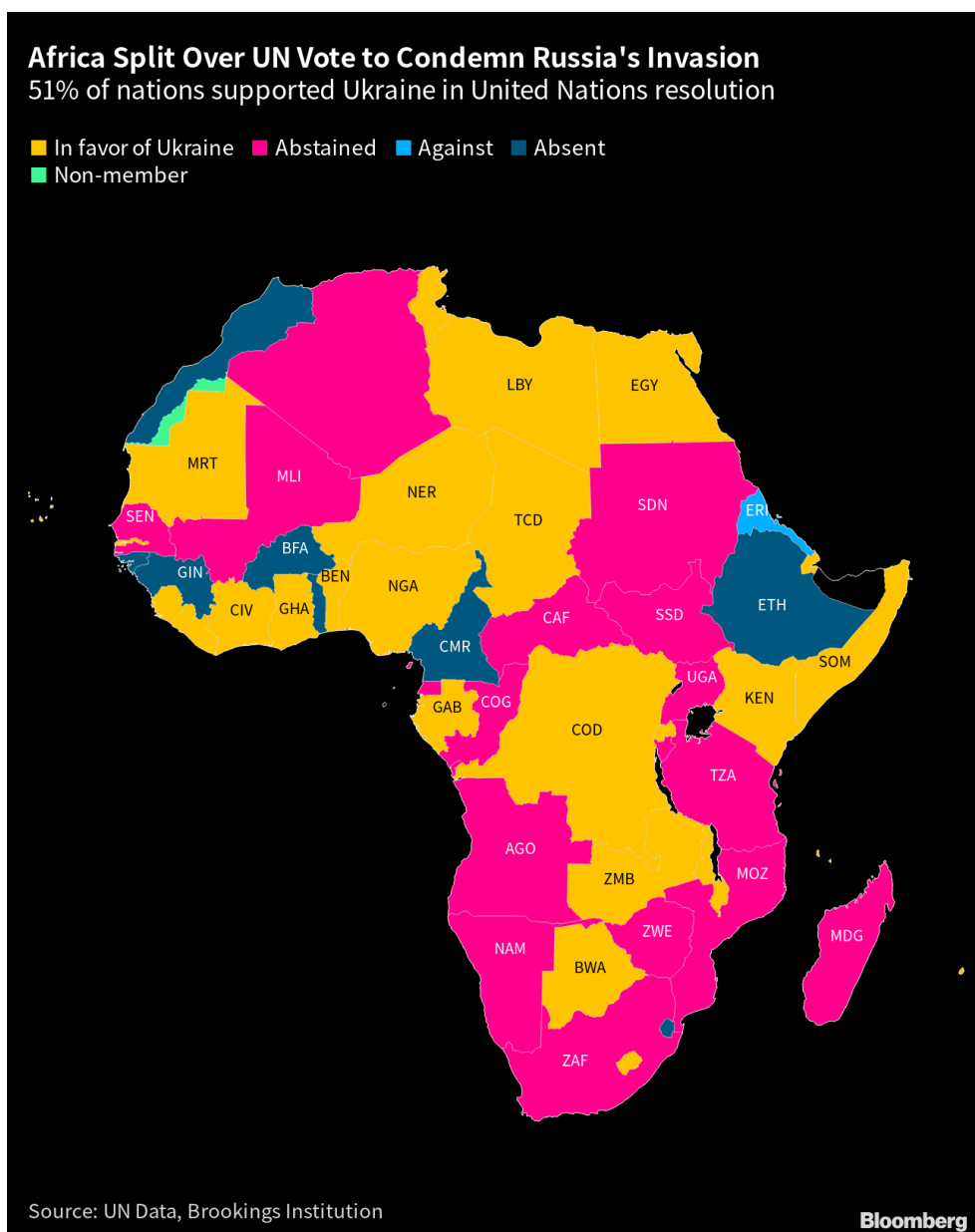
## 'Bad Things'

US officials "won't say that they are in competition with either China or Russia in Africa," said Cameron Hudson, a senior associate at the Center for Strategic and International Studies' Africa program. Still, he said, "it's clear that they are using these visits to draw a vivid distinction between Washington's approach" and that of its rivals.

One example is the US focus on democracy promotion – it recently promised \$165 million to support fair elections in Africa – combined with warnings about the destabilizing role of Russia's Wagner Group, which is active in countries including Mali and the Central African Republic.

"Bad things inevitably follow" when the mercenary outfit gets involved, Blinken said this month in Niger.

The US campaign is pushing up against deep-rooted ties. Countries like Egypt and Morocco have close trade relations with Russia. South Africa has permitted Russian and Chinese warships to carry out exercises in its waters.



Another case in point is the debt diplomacy. Harris's itinerary includes Zambia and Ghana, which have both defaulted since the pandemic hit and are seeking to restructure debt.

For months, the US and allies have voiced frustration over Beijing's stance on debt-relief agreements for some of the world's poorest countries. China, the largest creditor to developing countries worldwide, has held up the process in several countries, fearing it would set a precedent by taking direct haircuts on its loans.



A Bank of China billboard, left, outside the Kenneth Kaunda International Airport in Lusaka, Zambia in 2018.

Zambia, which has debt exceeding \$17 billion – more than one-third owed to Chinese lenders – is a crucial test case for what's known as the Common Framework, a program designed by the Group of 20 major economies to bring Western and Chinese creditors around the same negotiating table. The concern is that a prolonged standoff in Zambia will discourage other nations from applying for relief under the program.

Still, US officials have often shied away from publicly drawing direct contrasts with China.

That's probably because African countries, like many other emerging nations in the Middle East, Asia or Latin America, aren't receptive to a "with-us-or-against-us" approach. Having to pick sides could set back efforts to develop their economies, and they prefer to do business with both great-power camps.

### **'Maintain All Ties'**

"Our relationship with the US does not affect our relationship with China, and vice-versa," says Jito Kayumba, special assistant for finance and investment to Zambia's president. "We want to maintain all ties. It's a legacy that we're keeping since independence."





Harris, right, with Hakainde Hichilema, Zambia's president, in Washington, DC., in 2021.

African leaders are aware of the downside of borrowing from China and receptive to what the US has to offer, according to a Biden administration official who asked not to be identified discussing confidential diplomacy. The official said it's not just the US and China seeking to build influence in Africa – pointing to other powers such as India, Turkey and Saudi Arabia that want to step up engagement there.

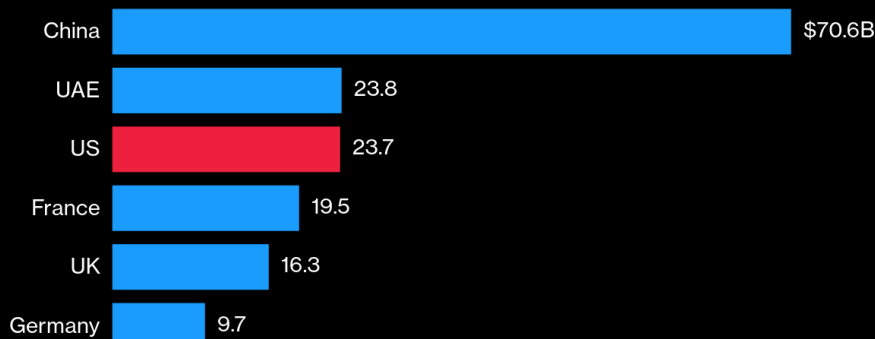
### **'Set Us Back'**

The US is backing more Western lending to Africa. The commitment of \$55 billion over three years that Biden made at the US–Africa Summit in December, the first such conference since 2014, included \$21 billion in lending to low and middle-income nations via the International Monetary Fund.

The administration has also flagged the importance of US business getting more involved, too. At the summit in Washington, Commerce Secretary Gina Raimondo said she's eager to see investment in Africa by the private sector.

## US Ranks Third in Foreign Direct Investment to Africa

United Arab Emirates, European nations also investing in the region



Source: EY's Africa Attractiveness Report 2021  
\*Total capital in USD between 2016-2020

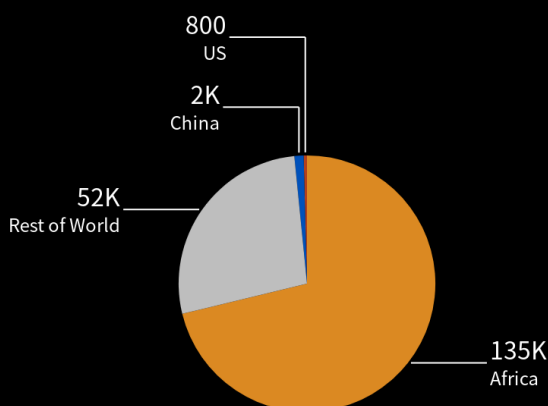
Bloomberg

The US is pushing for a transition to clean energy, and African countries hold some of the minerals that are vital to emerging technologies, like lithium and cobalt, which are used to make batteries for electric cars. Officials have suggested that the Wagner Group may play a role in channeling some of those key commodities to Russia.

China is well ahead of the rest of the world in securing a fully-vertical supply chain for electric vehicle production. But it's still hungry for metals like copper. Of particular interest for EVs is cobalt, of which China, the US and Europe produce very little, while Africa dominates.

## Metals Race

Cobalt annual production



Source: US Geological Survey  
Note: Figures are in metric tons

Bloomberg

Humanitarian aid to Africa has also increased since Biden took office, notably to countries battling food insecurity that got worse after the price of wheat and other exports from Ukraine and Russia skyrocketed during the war.

Behind the initiatives lies a sense that the US needs to repair damage to African ties inflicted under Biden's predecessor. While he was president, Donald Trump imposed a travel ban on a handful of majority-Muslim countries, some of them in Africa. He later referred to African nations as "s---hole countries" during a closed-door meeting with lawmakers.

"The Trump administration especially set us back," said Jendayi Frazer, former assistant secretary of state for African affairs during the George W. Bush administration.

---

--With assistance from Taonga Clifford Mitimangi, Christopher Condon, Samuel Gebre, Iain Marlow and Joe Deaux.

To contact the reporter on this story:

Akayla Gardner in Washington at [agardner81@bloomberg.net](mailto:agardner81@bloomberg.net)

To contact the editors responsible for this story:

Mario Parker at [mparker22@bloomberg.net](mailto:mparker22@bloomberg.net)

Ben Holland, Ramsey Al-Rikabi