



Africa's Silk Road

China and India's New Economic Frontier

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China and India's "new-found" interest in trade and investment with Africa—home to 300 million of the globe's poorest people and the world's most formidable development challenge—*can* present a significant opportunity for growth and integration of the Sub-Saharan continent into the global economy. Broadman

finds that China and India's South-South commerce with Africa is about far more than natural resources, opening the potential for Africa to become a processor of commodities and a competitive supplier of goods and services to these countries—a major departure from its long-established relations with the North.

There are significant imbalances, however, in these emerging commercial relationships. Broadman argues these can be addressed through a series of reforms:

- "At-the-border" reforms, such as elimination of China and India's escalating tariffs on Africa's exports, and consolidation of Africa's overlapping regional trade agreements
- "Behind-the-border" reforms especially within Africa to improve governance, foster domestic competition and strengthen basic market institutions
- "Between-the-border" improvements in trade facilitation mechanisms to decrease transactions costs both across the African continent and between Africa and Asia
- Reforms that leverage linkages between investment and trade by Asian firms operating in Africa so that African businesses can better participate in modern global production networks

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