

Nigerian Universities: Chinese in higher demand than French

Infrastructure Projects in Africa: Chinese Financing

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The demand for studies of Chinese language is much higher than that of French language as the cut-off marks for admission to University of Lagos shows. The cut off marks are 69.625 and 75.875 for French and Chinese languages respectively.

Reference: <https://www.legit.ng/education/1512591-20222023-admission-full-list-unilags-cut-marks-courses/>

High profile infrastructure projects, made by China in Africa, have led to a positive image of China. Moreover, the large volume of products of daily use, available in African markets, are today imported from China. These two have created a larger-than-life image of China in the public mind. The demand for studying the Chinese language is a result of the perception that China is going to be the super-power of tomorrow.

Though even today, the totality of funds being made available by the west through aid and investments are much more than that by China, the public perception is otherwise.

In Nigeria, President Buhari began many infrastructural projects, because he wanted to leave a legacy of a changed landscape, with projects, completed through loans from the west if possible or by loans from China.

Some of the analysts say that Chinese Banks do not do due diligence on the viability of projects and they cite the example of Sri Lanka's Hambantota port. When Sri Lanka ran into losses in running the port, China took it over on a 99-year lease. Presumably the lease amount will repay the \$8 billion loan that Sri Lanka owes to China.

A normal business practice of Banks is that if a Bank gives a loan for a project, which is not considered to be fully viable, the rate of interest is much higher. For the loans for infrastructure projects in Africa, the Chinese Banks insist that this information must be kept confidential. Hence, whether the high interest rates, make the projects unviable cannot be said with certainty.

In Kenya, during Presidential elections of August 2022, William Ruto, a candidate for Presidency, had promised that, if elected, he would disclose the terms of the loan from China for the Railway project for building a passenger and freight service from the ports in the coastal region of Kenya right up to Kampala, the capital of Uganda.

The agreement was signed in 2014. The work started in 2016. By 2021, the railway line had reached into the middle of Nairobi National Park. It was found that the project costs had over-run the budget and the project had to be stopped at that point.

After getting elected, President Ruto published some of the terms of the Chinese contract on 6th November 2022. For the \$4.7 billion rail project, known as the Standard Gauge Railway, the financier is the Exim Bank of China. The secret clauses reveal conditionalities, loaded in favor of the Bank, with hardly any thing to protect the interests of Kenya.

References:1. <https://www.cnn.com/2022/08/15/africa/ruto-wins-kenya-presidency-intl/index.html>

2. <https://www.nytimes.com/2022/11/08/world/africa/kenya-china-railway-contract.html#:~:text=Kenya%20Discloses%20Part%20of%20Secret%20Railway%20Contract%20With,Railway%20inside%20the%20Nairobi%20National%20Park%20in%202021.>

DiGiNews360's view is that it is the job of the government, which takes the loans for a project, to do due diligence to study the viability of the investment. If it suits the leaders of these governments, to have these projects for political objectives, the nation should be prepared to suffer financial losses.