

China, Africa and Switzerland: why African projects need a neutral Swiss layer

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Trade between China and Africa reached about USD 348 billion in 2025 and about USD 204 billion in the first half of 2026. At the same time, Chinese state lending to Africa has fallen to its lowest level in two decades, and large projects are now financed through prepayments, offtake agreements, export credit cover and private credit. These forms of financing need a contracting vehicle that banks, insurers and counterparties on all sides accept, and a Swiss company is frequently the vehicle that meets this test.

1 The trade axis

Bilateral trade in goods between China and Africa rose from USD 295.6 billion in 2024 to about USD 348 billion in 2025, and grew by 24 per cent in the first half of 2026. About three quarters of Chinese exports to Africa are capital and intermediate goods: machinery, electrical equipment, vehicles and ships. Africa supplies crude oil, copper, cobalt, iron ore and bauxite.

Since 1 May 2026 all 53 African states with which China maintains diplomatic relations enjoy duty-free access to the Chinese market. Chinese imports from Africa rose by 23.5 per cent in May and June 2026. For the twenty states that are not classed as least developed countries, the preference is initially granted for a limited period, so multi-year supply contracts with buyers in those states need a price adjustment clause for the case that it lapses.

2 The financing has shifted

In 2024 the Export-Import Bank of China and China Development Bank together lent only USD 2.1 billion to African borrowers, the lowest figure

since 2005. In the same period the construction contracts of Chinese companies in Africa under the Belt and Road Initiative kept growing and reached USD 61.2 billion in 2025, led by Nigeria with USD 24.6 billion and the Republic of the Congo with USD 23.1 billion.

The gap between shrinking state loans and a growing project volume is filled by prepayment agreements, offtake contracts, export credit cover and private lenders. Each of these instruments requires a counterparty whose law, courts and ownership the financiers can assess, and this is where a Swiss vehicle comes in.

3 The project pipeline

The following projects illustrate the scale of what is under way.

- **Mining and processing:** the Simandou iron ore project in Guinea started operations in November 2025, and the first shipment to China followed in January 2026. The Republic of Guinea holds 15 per cent of each mining block, and the railway and port infrastructure is held by the joint Compagnie du TransGuinéen, in which SimFer and the Winning Consortium Simandou each hold 42.5 per cent and Guinea 15 per cent. KoBold Metals is developing the Mingomba copper project in Zambia for about USD 2.3 billion, and Chalco is building an alumina refinery in Guinea for about USD 1 billion. Guinea aims to have six refineries by 2030 and to end the export of raw bauxite.
- **Energy:** Mozambique LNG fully resumed work on 29 January 2026, with progress at about 40 per cent and first LNG expected in 2029. Dangote is expanding its Nigerian refinery for USD 14.3 billion to 1.4 million barrels a day. The Julius Nyerere hydropower plant in Tanzania, with 2,115 MW, was inaugurated in August 2026. About 17 GW of new solar capacity is expected in Africa in 2026, and South Africa is heading towards 4,123 MW from independent power producers.
- **Corridors:** the Lobito Corridor received a package of USD 753 million at the end of 2025, including a USD 553 million loan from the US International Development Finance Corporation, followed in 2026 by about USD 1.3 billion from the Africa Finance Corporation and the African Development Bank. CCECC is investing USD 1.4 billion in the rehabilitation of the TAZARA railway under a thirty-year concession, and DP World has announced port investments in Africa of USD 3 billion up to 2029.

4 Why a Swiss layer

A purely Chinese or Hong Kong vehicle increasingly meets resistance from European banks, export credit agencies, reinsurers and public clients in Africa. The US Affiliates Rule, which applies again from 10 November 2026, adds to this pressure, because it extends export restrictions to companies owned 50 per cent or more by listed entities. A Swiss intermediate company addresses these concerns without changing the Chinese group structure above it: Swiss law is familiar to financiers, Swiss courts and arbitral tribunals are accepted by both sides, and Switzerland offers a network of tax and investment protection treaties with African states.

The details are set out in the articles on [the Swiss vehicles behind an African project](#), [the choice between Zug and Geneva, Switzerland's treaties with African states](#) and [US sanctions and the Affiliates Rule](#).

5 What each sector requires legally

Plant construction and infrastructure require consortium agreements, EPC contracts, variation and claims management, a structure of bonds and guarantees, and a clear separation between the supply of equipment and the construction works. Placing supply and works in two separate contracting vehicles decides whether export credit agencies can cover the supply and how it is treated under export control law.

Energy projects additionally require offtake agreements for power or gas, concession and permit law of the host state, and stabilisation clauses. Commodity business requires offtake and prepayment agreements, security over goods afloat and in storage, reservations for export quotas and price adjustment mechanisms. The article on [contracting with African states](#) explains the clauses that current African legislation makes necessary.

6 How Ressos Legal helps

I advise Chinese, Asian and African groups on placing a Swiss company in their African projects: the choice of structure and canton, the formation of the vehicles, the supply, consortium, licence and prepayment agreements, and the sanctions and export control review. I practised in Hong Kong and Singapore for more than 15 years and work together with your lawyers at home. [Contact me](#) for a first conversation.

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