

Chinese creditors and traders: two logics

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The coexistence of Chinese state-owned banks and international traders among the resource-backed lenders in Africa calls for a comparison. The Chinese banks, which provide 53 per cent of the amounts lent to sub-Saharan Africa, finance infrastructure — roads, dams, railways, ports — built by Chinese companies and repaid in commodities, following a logic of foreign policy and access to resources.¹ The traders, for their part, provide liquidity to the national companies, repaid in cargoes, following a commercial logic of access to supply.

These two logics produce different effects for the borrowing countries. The Chinese loans leave behind infrastructure, whose usefulness and profitability vary. The traders' prefinancing leaves behind liquidity, often absorbed by current expenditure. Both create long-term commitments on production, whose transparency is often inadequate. Debt restructurings, such as that of Chad, bring these creditors together alongside the traditional official creditors, in negotiations of a new complexity.

For the Geneva financial centre, this comparison has strategic significance. Geneva traders compete with Chinese creditors for access to African resources. Their advantage lies in their flexibility, their knowledge of the markets and their financing capacity. Their vulnerability lies in the criticisms that their practices have attracted and in the requirements of transparency and accountability that Swiss law and the international institutions impose on them, and which their competitors do not always face. Turning these requirements into an argument — loans that are more transparent, more sustainable and better framed — offers the Geneva players a path to differentiation.

1 Notes

1. Natural Resource Governance Institute, “Les gouvernements africains doivent faire la lumière sur les prêts adossés aux ressources naturelles” (African governments must shed light on resource-backed loans), 2023.



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