

**SOUTH SOUTH MIGRATION  
AND TRADE: CHINESE  
TRADERS IN SENEGAL AND  
AFRICAN TRADERS IN CHINA**

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**SOUTH SOUTH TRADE AND MIGRATION IN SINO-  
AFRICAN RELATIONS**

With the growing South-South cooperation framework in the world political economy in general and the cooperation between Africa and emerging powers in particular, global trade patterns are increasingly changing and economic interests regarding trade and investments between Asian, African and Latin American countries follow this scope

These shifts alongside macro-economic factors have implications on global migration patterns. New destinations with great economic interests related to fast economic growth, modernisation and industrialisation have emerged and attracted international migrants mostly from and to south-south regions seeking for work or business related opportunities across their respective country's frontiers

## Trade patterns

After its 'open door' policy in the late 1970s, China has shown growing interests to cooperate with the rest of the world and attract foreign investments

In the late 1990s, through its 'go out' strategy, China has motivated its companies to venture overseas in order to contribute boosting China's foreign trade and investments

In December 2001, China's accession to the WTO had impacts on China's trade with the rest of world in general and Africa in particular

Sino-African trade volume: US\$ 5 billion in 1997, US\$ 11 billion in 2002, US\$ 107 billion in 2008 and US\$ 200 billion in 2012

China's economic growth mostly related to its foreign trade and investments is merely changing the nature of the relationship between Africa and its traditional partners (Europe, United States...)

## Migration patterns

Trade and investments across borders have implications on human capital movement, thus migration

For many Africans including traders, Europe and North America used to be their migration destinations

The tight migration policies in Europe since the expansion of the EU to many Eastern European developing countries, the more and more complicated requirements to obtain visas and the financial crisis in the traditional migration destinations have been push factors for many Africans to look for new destinations

Therefore South-South migration has become more evident for thousands of Africans and Asians and is the mainstream of international migration today

China's economic growth and development, its modernisation and industrialisation have attracted many foreigners including Africans in its Eastern and Southern cities mainly for work or business purpose

# **CHINESE MIGRATION TO AFRICA**

Changes related to migration policies in China (issuance of passport, openness of borders and freedom for Chinese to travel beyond China's borders) have enabled Chinese to travel to other regions of the world for various reasons: tourism, education, employment, trade, etc.

Entrepreneurial and industrial reforms occurred in China in the 1980s have made millions of Chinese to travel overseas (particularly in Southeast Asian countries: Malaysia, Singapore, Indonesia, etc).

While the number of Chinese migrants in Southeast Asia, Europe, North America and Australia remains very important, the growing Sino-African relation these past decades has contributed to the growing presence of Chinese in Africa

First the Chinese presence in Africa was seen through Chinese state owned companies which invest in Africa (in state projects) and bring Chinese workers to work in construction projects

Today the Chinese presence in Africa is also about important migration flows with private investors, traders and businessmen who have chosen to settle in Africa for business opportunities to avoid the fierce competition at home and the lack of financial support (access to loans and credit) from the government in order to help them develop their activities

# **AFRICAN MIGRATION TO CHINA**

## African traders in China

According to the World Bank (2011), China is one of the world's most important emigration sources with 33 million ethnic Chinese living outside China including Taiwan and Hong Kong

Today it has become an emerging destination for economic migration and has even considered issuing an immigration policy that contributes to attract people it needs to support its development

With the increasing economic cooperation between China and Africa, African traders have taken opportunity to migrate to China around the beginning of 2000

From North-South to South-South migration, African traders moved to Asian countries (first Dubai, Hong Kong, Thailand, India, Indonesia, Singapore and now China)

China's competitive advantage to manufacture and sell cheap consumer goods, its modernisation and affordable living expenses among other reasons compared to the traditional and other Asian destinations have attracted African traders

With its trade and business tradition in China, its proximity to Hong Kong and the establishment of the 'world's factories' in Dongguan and Foshan Guangzhou is the main destination for African traders

However, Yiwu which has developed in the recent years an important trade hub and which is the 'world's largest commodities centre' with its exports markets has become a new destination for African traders

# The city of Yiwu: introduction and drivers for trade and business

Yiwu is located in Zhejiang province, Eastern China close to Hangzhou (provincial capital) and Shanghai

Thanks to comprehensive economic reforms (trade liberalization, private entrepreneurship development and establishment of trade networks and so on) by Chinese officials, Yiwu has during recent years become an essential business crossroads for the world's traders and entrepreneurs

# The city of Yiwu: introduction and drivers for trade and business



The construction of specialised market districts with a diverse variety of products has been Yiwu's advantage to attract foreign traders

The establishment of an international logistics centre and the proximity to Ningbo which hosts the closest port facilitate the shipment of traders' merchandise to their respective countries

With the important trade flows going on in Yiwu's markets, China's State Council has favored the establishment of a customs office in Yiwu which opened in July 2009 in order to enable fast commodity clearance to the world's traders who do business in and with Yiwu



The growing business interests and the arrival of foreign traders have changed the business patterns in Yiwu and surrounding areas

During these past years Yiwu has economically grown. The Times of India (2012) has highlighted: “Yiwu, China's small commodity market in Zhejiang province, saw a strong growth in trade with India and fellow BRICS countries last year with the quantum touching US\$ 1.03 billion in value terms”.

**CHINESE TRADERS IN SENEGAL: ORIGIN,  
COMPOSITION AND PROFILE**

More than 50 % of the Chinese traders in Senegal are from Kaifeng in Henan province (central China). This is somehow linked to the presence of Henan Construction company in construction projects in Senegal. The former Chinese workers at Henan construction company remain in Dakar after their 2-3 year contract and exploit the opportunities that the Senegalese market offers.

Very few come from Sichuan, Shanghai or other Chinese cities.

They are mainly men (between 16-45 years old) at times followed by their wife and children or girlfriend (if married or in relationship)

The majority of the Chinese traders in Senegal were factory workers, construction workers, peasants, fishermen, etc. Very few were traders or had a liberal profession before coming to Senegal. However among the young Chinese traders, some have left school (middle or high school) to join their parents, uncle, aunt or a relative already settled in Senegal

**AFRICAN TRADERS IN CHINA (YIWU): ORIGIN,  
COMPOSITION ET PROFILE**

The African traders in Yiwu come from various African countries. The majority of the traders are from North Africa (Egypt, Morocco, Tunisia, Algeria, Libya).

West Africa: Mauritania, Nigeria, Ghana, Senegal, Mali, Guinea Conakry

Central Africa: Cameroon, DRC, Congo

East Africa: Sudan, Somalia, Kenya, Ethiopia, Tanzania, Burundi

Southern Africa: Angola, Mozambique, Zambia

They are mainly men. But there are also women. Their age varies between 22-45 years old. Very few are married.

The large number have education background (middle, high school and even university studies) or were traders in their country.

# TYPE OF AFRICAN TRADERS IN YIWU

## Trade agents

Around 2000, Yiwu has welcomed African traders who opened trade agencies

The trade agencies play an important role in facilitating trade negotiations for African traders who regularly travel from Africa to Yiwu to buy commodities that they resell in their home countries

The trade agent job consists in welcoming African merchants in Yiwu, sometimes hosting them in their apartments with a cheap accommodation fees compared to the hotels rooms. The role of based African trade agents is also to guide their counterparts for their purchases and sometimes serve as interprets even though some of them have limited Mandarin and English skills. They provide warehouses and facilitate the forwarding of the commodities through Chinese logistics and International shipping companies and export services; i.e customs clearance. Therefore, the African traders based in Yiwu are present in all segments of the conventional international trade chain; from the order of the products via factories or Chinese wholesalers to the shipment and the payment.

## Entrepreneurs

With their long stay in Yiwu and the good relationship built with some Chinese wholesalers in Yiwu markets and factories, they take orders from traders located in their home countries in particular and other African countries in general where they have business ties

Their knowledge of China's markets and factories in general and Yiwu in particular, Mandarin and good contacts in various offices involved in customs, shipping, forwarding; etc enable them to process all the purchases needed by a merchant based in Africa

## Temporarily traveling traders

The establishment of direct flights between major African and Chinese cities these recent years has enabled African traders to easily travel to 'China's city markets'

While some of the African traders stay and live in Yiwu, the large number regularly travel to the 'world's commodities centre' for merchandise orders and shopping for cheap goods (clothing, footwear, stationery, electronics, garments; etc) to sell in African markets

**CHINESE TRADERS IN SENEGAL: BUSINESS  
ORGANISATION AND ROLE IN THE DISTRIBUTION  
OF CHINESE PRODUCTS**

The Chinese traders in Senegal have rented garages or houses in Centenaire or warehouses in Petersen to open up shops. They follow the customers' needs (fashion) to know which products sell well in the Senegalese market. With their networks in factories and wholesale markets in China, they send product samples to make orders. The family members in China are in charge of the orders, payment, shipment of products to Senegal. 95% of the products come from Yiwu and transit via the International Logistics Centre in Yiwu before going to the port of Ningbo to arrive in Dakar.

The products are composed of footwear, clothing, textile, decoration items, jewels, leather products, watches, sunglasses, travel accessories, toys, hair products, etc.

When the Chinese traders' containers arrive in Dakar, Senegalese forwarding agents deal with customs and administrative formalities to get them out of the port.

Once out of the port, the containers are transported to warehouses that the Chinese traders have rented around Centenaire and Petersen. From there, the products are transported to the shops and sold to Senegalese retail traders and customers.

**AFRICAN TRADERS IN CHINA: BUSINESS  
ORGANISATION AND ROLE IN THE DISTRIBUTION  
OF CHINESE PRODUCTS**

Alongside the Chinese traders, more and more African traders traveling to China or living and owning trade businesses in China's city-markets (Guangzhou and Yiwu) play a non-negligible role in making Chinese goods available in African markets

Mathews (2011) highlights the way African traders who travel to Hong Kong (Chungking Mansions) bring knockoff Chinese products back to their country in their travel bags and suitcases for resale

This is how trade works in China's exports markets between foreign traders and the rest world.

One of my interviewees at Yiwu international logistics centre has stated that Africans at Yiwu international trade city constitute 40% of the foreign traders (interview on June 21<sup>st</sup> 2012)

Whatever their exact number might be, their footprint in the Sino-African trade networks is visible. From the orders to the shipment of goods, they supply major African trade hubs such as Lagos, Dakar, Bamako, Johannesburg, Accra; etc

African traders choose a specific shipping company depending on the reliability of its services in their country of origin. Therefore, traders from West Africa often prefer MAERSK LINE which has regular services to West Africa, while those who are from North, East, Central and South Africa respectively choose MAERSK LINE and Compagnie Generale Maritime (CGM CMA), Pacific international Lines (PIL), Mediteranean Shipping Company (MSC), EVERGREEN

According to a Chinese logistics company manager, before the Arab spring, 30 to 40 containers (40 feet) a week were sent to Egypt, Tunisia Algeria and Morocco through its office

There is also air freight. But more involved in the bulk purchase (huge quantity and heavy weight) African traders usually don't target this mode of transport. The African traders' knowledge of the international logistics chain and its different segments while trading thus makes available a wide range of Chinese products in Africa

The products that African traders ship to Africa are the same that the Chinese traders sell in Senegal but there are also electronics, construction material, furniture; etc.

# CONCLUSION

**CHINESE TRADERS IN SENEGAL:CONTRIBUTION TO  
SOCIO-ECONOMIC DEVELOPMENT IN SENEGAL  
AND CHINA**

Economic migration contributes to socio-economic development in the host and home country of migrants.

In Senegal Chinese traders hire Senegalese as shopkeepers. They somehow contribute to employment. Their presence has enabled number of young Senegalese to have an economic activity. They buy Chinese products to resell.

By renting garages and houses for their business, they enable families to generate revenues.

They pay taxes related to their business activities

While during the cultural revolution, Chinese migrants were considered to be capitalists or enemies of the nation, today they contribute to China's economic integration and growth through the accumulation of capital to reinvest in the country.

Chinese migrants play an important role in the socio-economic transformation of China.

The connection between Chinese traders and their provinces or villages of origin have implications on their local economies.

By settling in Africa as traders, the majority of the Chinese traders ( then workers, peasants, fishermen, etc) have changed their social status. Their revenues help their family members in China to start or develop projects, contribute to their children education and support families.

**AFRICAN TRADERS:CONTRIBUTION TO SOCIO-  
ECONOMIC DEVELOPMENT IN CHINA AND  
AFRICA**

With their interests in setting up businesses in Yiwu, the growing presence of African traders has created new entrepreneurship among the Chinese population in the city and its surroundings. African traders' innovative business ideas to diversify their activities in different trade sectors keep on motivating Chinese entrepreneurs to start new specific businesses to develop with them and the rest of the world

African traders who opened up business in Yiwu hire Chinese for administrative purpose (such as tax payment, customs clearance or shipping) and interpretation services. Even though a number of the African traders can somewhat communicate in Mandarin, they prefer to have their Chinese employees to deal with such tasks with the Chinese administration

African traders in China (Yiwu and Guangzhou) contribute also to the formation of social capital in their home countries. The profits and revenues they make through their trade activities are reinvested in their countries to open up other businesses or develop already owned investments

The skills that African traders develop by doing business in China are somehow transmitted to family members and other traders in Africa who will probably be interested in operating with China

Immigrants contribute to their home countries in a variety of ways: besides raw labor, they bring new ideas and skills, increasing the diversity of productive inputs and becoming a potentially important vehicle for the international diffusion of knowledge (Ortega and Peri, 2012)

# Outlook

With the increase of labour and production costs in China which make Chinese and foreign companies delocalise their activities in other Asian countries, will China remain a flourishing destination for African traders in the long run?

With political reforms put in place in number of African countries in order to protect their local market, will there be more and more Chinese traders in Africa?

Thank you for your attention!

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