China-Africa Economic and Trade Cooperation in the Context of the Digital Silk Road

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Abstract: *Economic globalization and information technology have led a new round of technological revolution, promoted the changes in the new economic era, and gradually shifted from traditional trade in goods to the globalization of trade and e-commerce based on information and data. The "Digital Silk Road" is a new globalization plan to promote the common development of mankind in the digital economy, and has become an important part of jointly building the "Belt and Road Initiative"(BRI). After China proposed the new concept of the "Digital Silk Road", China-Africa cooperation in the economic and trade fields is also advancing rapidly. Africa has great potential for the development of the digital economy, especially under the prevalence of the COVID-19, and China-Africa economic and trade cooperation in the context of the "Digital Silk Road" has good expectations for sustainable development. In the face of opportunities and challenges, China needs to keep pace with The Times and adjust its thinking on economic and trade cooperation with Africa, so that China-Africa economic and trade cooperation can play a more important role in the process of Building a New Development Pattern in China.*
Key words: *China-Africa trade; Digital economy; BRI*

The realities of Africa's development of the digital economy

As one of the world's largest and most promising regions, Africa has a large development potential in the level of information technology and regional economic integration, and its consumer market potential has a lot of room for development, so it has laid a certain external environment foundation for the promotion of a new trade development model with digital trade technology as the core, that is, the promotion of the digital economy.

The great consumer markets

Consumption is a prerequisite for trade. According to McCarthy Data statistics, the African consumer market has great potential. Consumer and business spending in Africa reached $4 trillion in 2016 and is rising, and according to this growth trajectory, it is estimated that this expenditure will reach $5.6 trillion by 2025. The economic growth prospects for the sub-Saharan region, including sub-Saharan Africa, are also very optimistic, with economic growth in the region growing at about 3.4 percent in 2019. While 2022 will inevitably be severely affected by low oil prices and the COVID-19 pandemic, the trend towards faster growth in the long run will not change as the consumption potential of African economies will be unleashed.

Economic growth is also driving the rise of residents' incomes, and the two together help consumption growth.

Africa's population is also the driving force behind Africa's consumer markets. By 2020, Africa's middle-class population has reached about 380 million, accounting for about 34.3 percent of the total population. As the growing middle-class consumer group pays more and more attention to improving the quality of life, they have moved away from the mode of survival and have a strong interest in emerging market models, which will undoubtedly become an emerging force in Africa's consumer market.

Overall, Africa's rapid economic growth, huge demographic dividends, and bold propensity to consume continue to expand its consumer market for Africa, making it possible for Africa to become a fertile ground for digital trade development.

The level of information technology has improved rapidly

The information technology revolution has greatly promoted the economic development and social productivity of all countries in the world. At present, Africa's information technology has achieved nearly 20 years of exponential growth. Mobile device access is the best way for Africa to quickly enter the Internet age. Sub-Saharan Africa already has 477 million mobile subscribers in 2020. At the same time, e-commerce platforms in Africa are on the rise, such as Takealot, The South African e-commerce platform, Jumia and Kaymu in Nigeria, and Mall for Africa in Ghana, Kenya and Nigeria. The establishment and development of these e-commerce platforms provide the basic conditions for the development of digital trade in Africa. According to McKinsey's forecast, the size of the African e-commerce market will exceed $300 billion in 2025, accounting for 10 percent of total retail sales in major markets. Mobile payments have also risen rapidly with the construction of e-commerce platforms, and the Harvard Business Review has even included Kenya, Nigeria and South Africa in the list of the world's fastest digital economies for mobile payments.

Regional economic integration is steadily advancing

As one of the most concentrated areas of developing countries in the world, Africa's economic development potential cannot be ignored. On 7 July 2019, the African Union Extraordinary Summit was held in Niamey, the capital of Niger, at which the African Continental Free Trade Area (AfCFTA) was officially established. According to Articles 3, 4 and 5 of the Agreement on the Free Trade Area of the African Continent, the FTA will step up cooperation in investment, intellectual property rights and competition policy in the future, and gradually eliminate tariff and non-tariff barriers, expand intraregional trade markets, and enhance intraregional trade in services through the formulation and implementation of a series of trade facilitation measures. If bilateral tariffs between African countries were eliminated, the share of intra-continent trade would increase by 52 percent. With the development of regional economic integration in Africa, the market environment in Africa has been continuously improved, the construction of Internet infrastructure has been continuously improved, the scale of the economy has been continuously expanded, and the barriers caused by the system have been greatly weakened, which is undoubtedly conducive to the development of Africa's digital economy.

COVID-19 accelerates digital transformation in African countries

With the gradual advancement of the transformation of the digital economy in Africa, the countries concerned have reaped huge benefits from it. The COVID-19 pandemic, which has continued since 2022, has accelerated the pace of digital development in African countries, including virus testing and contact tracing in response to the outbreak. In addition, since the outbreak of COVID-19, the business volume of some e-commerce platforms in the African region has seen a triple-digit rapid growth. Due to the quarantine measures adopted by many African countries during the epidemic, some residents have had to turn to more convenient e-commerce platforms to purchase daily necessities online, which has also promoted the development of demand in Africa's electronic consumer market. As far as economic cooperation is concerned, how China and Africa can carry out mutually beneficial and win-win economic and trade cooperation under the African Continental Free Trade Area in the post-epidemic era is of great and far-reaching practical significance to China and Africa.

New opportunities in China-Africa economic and trade cooperation

As a new economic form leading the future, digital economy is accelerating the integration of all walks of life, enhancing the space for economic development, and becoming one of the most important areas for countries and regions around the world. With the improvement of information technology, Africa is actively integrating into the development tide of the global digital economy. At present, the "Digital Silk Road" jointly built by China and Africa not only provides new opportunities for African countries to integrate equally into the global industrial chain and value chain, but also creates convenient conditions for China to share the reform dividends of digital transformation. This is a win-win cooperation opportunity.

Support and practical experience of relevant laws and policies in China and Africa

African countries are important participants in the Belt and Road Initiative. So far, 46 African countries have signed Belt and Road Initiative cooperation documents with China, accounting for nearly one-third of the total number of countries that have signed Belt and Road Initiative cooperation documents with China. At the same time, the African union set the agenda 2063 is developed in Africa, about inclusive growth and sustainable development, the agenda defined the development of Africa information technology and digital economy, aims to make African countries into integrated digital economy, improve African governments, commercial economies, self-employed households can enjoy safe and reliable information and communication technology services. In December 2020, the government of the People's Republic of China and the African union on jointly promote the construction of "Belt and Road Initiative" cooperation plan formally signed, which also became the China and regional international organizations signed the first "Belt and Road Initiative" planning cooperation documents, to change Africa as a global "digital depression" to create conditions and provide experience.

The initial formation of the FTA on the African continent

The unified economic and trade legal system established by the FTA on the African continent has laid a

legal foundation for China-Africa economic and trade cooperation. African unified economic and trade rules system, is conducive to the foreign economic subject cooperation with African countries to build free trade area, can break the limits of different countries economic and trade rules, make the African continent with its own international legal identity and other international economies for free trade agreement negotiations, help to reduce the cost of other international economies and African countries for free trade agreement negotiations, improve the efficiency of negotiations.

Existing relevant legal cooperation mechanisms between China and Africa

The fourth Ministerial Meeting of the Forum on China-Africa Cooperation (FOCAC) in 2009 adopted the Forum-Sham Shel-Sheikh Action Plan (2010-2012). In order to implement the spirit of the document, the FOCAC--Legal Forum was also formally established in the same year. The" FOCAC--Legal Forum " is an important mechanism of legal cooperation between China and Africa, its founding is to solve bilateral economic and trade disputes to provide a new path, to solve economic disputes and realize economic problems legal solution, avoid economic problems, to promote China-Africa legal cooperation has played an important role. The Forum on China-Africa Cooperation and Legal Forum has gradually become the focus of research on free trade rules. Many issues concerning China-Africa law were discussed in the forum, creating intellectual results and promoting the development of China-Africa economic and trade and legal cooperation, thus providing quality legal research services for China-Africa cooperation in building a free trade zone.

China's experience of digital economy in its development can be used for African countries

China's Internet and telecom construction level in the global leading position, has accumulated some successful experience in science and technology business model innovation, also born the BAJT (Baidu, Ali, JD, Tencent) and other world competitive digital enterprises, can play the advantages of Chinese Internet, digital economy industry, promote China's intelligent products service African digital economy development demand, and most African countries is the "basin" of digital economy. China and Africa can further strengthen cooperation within the framework of the Belt and Road Initiative and FOCAC, align their development strategies and deepen exchanges and cooperation in the digital economy. Vera Songwe, Executive Secretary of the United Nations Economic Commission for Africa, said: " The digital economy is a highlight of future cooperation between Africa and China. We need to bridge this 'digital divide' and are eager to learn from China about this experience."

New challenges in China-Africa economic and trade cooperation

Although the construction of the "Digital Silk Road" will inject strong impetus into the all-round regional leap-forward development of the African continent and bring great opportunities for the social and economic transformation and development of African countries, it also faces many risks and challenges. The underdeveloped Internet credit security of African countries, a complete unified economic and trade legal system has not yet been formed, and the fragmentation of digital trade rules between China and Africa will become the major obstacles to the "Digital Silk Road" between China and Africa.

There are hidden dangers in information network security

The economic development of African countries is relatively backward, and the local people more or less questioned the website security, commodity security, logistics security, payment security and other issues. In South Africa, in 2014, up to 64 percent of consumers did not trust online transactions, 77 percent were worried about Internet financial fraud, and 45 percent terminated online transactions for security reasons. At the same time, relevant legislation and regulations are not perfect, and the crackdown on violations is not enough. The information network security problems caused by many factors make it difficult for Central African consumers and merchants to generate enough trust, which is extremely unfavorable to China-Africa digital trade. Therefore, how to ensure information network security, data storage and transportation in the process of "Digital Silk Road" between China and Africa, and how to improve the network security level in the region are all urgent problems that both sides need to solve together in the future.

Africa's complete and unified economic and trade legal system has not yet been formed

The formation of a complete unified economic and trade legal system on the African continent can effectively reduce the cost of FTA negotiations and be more conducive to the digital facilitation of trade and investment. It is the prerequisite for China's digital trade between the African and African Union. However, a complete unified economic and trade legal system in Africa has not yet been formed, which is mainly manifested in the slow construction of the relevant legal supporting mechanisms of the African continental free trade agreements and the intricate legal rule system of African regional economies.

In May 2019, the African Continental Free Trade Area Agreement came into force, marking the completion of the first phase of the construction of the African Continental Free Trade Area. However, due to the impact of the new crown epidemic, the African Continental Free Trade Area is still in the second stage, and the construction process of the legal supporting mechanism of the African Continental Free Trade Agreement is slow, which affects the economic integration of African regions, which is not conducive to the negotiation of the China-Africa FTA and is not conducive to the construction of the China-Africa Digital Silk Road.

African regional economies are an indispensable force in the process of African economic integration, promoting the development of Trade and Investment Liberalization and Facilitation in Africa and enhancing the level of opening and cooperation. However, the establishment of many regional economies within Africa has produced a large number of bilateral or multilateral treaties and agreements related to economic and trade. The lack of effective coordination and integration between these treaties and agreements has led to the intricacies and great negative impacts of regional economic and trade legal rules on the African continent, and if they cannot be better reconciled in the future, they will become legal obstacles to the development of digital trade between China and Africa.

China-Africa digital trade rules are fragmented

Under the wave of digital economy, the "Belt and Road Initiative" policy also provides an opportunity for

China-Africa digital trade cooperation, with the "Digital Silk Road" as the center and the African Continental Free Trade Area as the construction platform to jointly promote economic and trade cooperation under the digital economy. However, the economic and social level of African countries is different, and the level of trade negotiations between countries is uneven, resulting in fragmentation of digital trade rules between China and Africa, and there are problems of weak operability and weak binding force, and its relevant provisions are mostly initiative and general content. At present, there are still many problems in the rules and legal systems of digital trade in China, for example, the statistical system of digital trade data is not perfect, the legal system of data flow and data security is not perfect, and the supervision and governance mechanism of digital transactions is lacking, and the defects of these legal systems seriously restrict the healthy development of digital trade in China.

New ideas in China-Africa economic and trade cooperation

At present, China and Africa are still in the initial stage of jointly building the "Digital Silk Road", and the two sides are seeking breakthrough points and cooperation opportunities in building a digital China-Africa Free Trade Area, improving domestic digital trade legislation, and actively participating in the formulation of China-Africa digital trade rules, so as to take the wave of digital economy development as an opportunity to promote China-Africa cooperation to a new level.

Building a Digital China-Africa Free Trade Area

The official launch of the African Continental Free Trade Area has brought unprecedented opportunities for the construction of the China-Africa Free Trade Area. The construction of the China-Africa Free Trade Area adapts to the trend of digitization of international economic and trade rules, which is conducive to further standardizing China-Africa economic and trade cooperation and promoting the reform of China-Africa joint participation in international economic and trade rules.

The construction of the China-Africa Free Trade Area is not a negation of the existing international economic and trade governance rules, but on the basis of continuing and upgrading the existing international economic and trade rule system and cooperation mechanism, and seeking the integration of international trade and investment with the global market on a larger scale and at a higher level, which is an important way for the two sides to jointly participate in the formulation of international economic and trade rules. Among them, it attaches importance to the field of digital economy, reflects the wishes and interests of various countries, and realizes mutual benefit and common benefits for all parties under the promotion of the "Digital Silk Road".

Improve domestic digital trade legislation

In view of the overseas extension of digital trade rules and the unique development trend of the Internet economy, China needs to learn from the experience of laws and regulations in Europe and the United States and other countries to promote the innovation of China's digital trade regulatory system, to escort the development of China-Africa digital trade. It is necessary to strengthen legislation on digital transactions, especially to make specific provisions on the use and flow of data, the protection of personal privacy of data,

and the protection of property rights of digital products and services. China has officially implemented the E-commerce Law in 2019, which is the first step in the construction of digital trade laws and regulations. However, in the face of the current weak regulatory links in China, it is necessary to further accelerate the construction of relevant legal systems and create a good institutional environment for the development of digital trade between China and Africa.

Participate in the formulation of China-Africa digital trade rules

At present, digital trade has become an important part of world trade, and countries have launched fierce competition around the construction of global digital trade rules. After the impact of digital trade, traditional international trade rules have gradually shown "fatigue", and the emerging trade problems that are overwhelmed have made them feel overwhelmed, and gradually lag behind the speed of Internet globalization. If China and Africa want to develop in digital trade, they must actively participate in the reshuffle of international trade rules.

At present, China has accumulated rich experience in the fields of electronic payment, cross-border trade, and artificial intelligence, and is in the forefront of international digital trade powers, so it is bound to grasp the first-mover advantage in the digital field, attach great importance to and launch negotiations on China-Africa digital trade issues, and actively participate in the formulation of digital trade rules suitable for China-Africa economic and trade cooperation. As the world's largest developing country, China must proceed from the actual needs of China's digital trade development, actively participate in the negotiations on the construction of global digital trade rules and put forward policy proposals that meet the interests of many developing countries in developing digital trade, to promote the construction of digital trade rules between China and Africa.

Conclusion

The development of the digital economy has played a great role in enhancing Africa's economic strength and promoting Africa's poverty reduction work. In the face of world economic uncertainty, increased debt burden and the new crown pneumonia epidemic and other risks and challenges, China and Africa have jointly built the "Digital Silk Road", which has gradually become a new path for building a "community of destiny" for common development and prosperity and a "community of interests" for mutual benefit and win-win results in the era of digital economy. Deepening China-Africa economic and trade cooperation under the background of the "Digital Silk Road" is, on the one hand, conducive to building a new pattern of China's comprehensive opening up, and can use the global market to provide strategic support for promoting China's high-quality development, and further enhance China's status and international influence in the global value chain; on the other hand, it is conducive to building a more inclusive, balanced, inclusive and sustainable new economic globalization. Therefore, China and Africa jointly build the "Digital Silk Road" and actively face opportunities and challenges, injecting new momentum into China-Africa economic and trade cooperation.

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