AN EXPLORATORY EVALUATION OF CHINA-ZIMBABWE INVESTMENTS AND TRADE RELATIONS

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ABSTRACT

This article aims at analysing the relationship between Zimbabwe and China on investments and trade. Investments have become increasingly essential for development of Less Developed Countries (LDCs). African governments must be astute when negotiating contracts with investors from developed countries. These investments must be related to production capacities. China has been Zimbabwe’s ally, notably since the liberation struggle for Zimbabwe. China’s economic growth is one major factor why Zimbabwe prefers Chinese investments and trade. China is now one of the largest trading countries in the world. This article shows that Zimbabwe prefers Chinese investments and trade for several reasons which include colonial legacy, social equity, structural adjustment and land reform issues. This article concludes that Zimbabwe’s Look East Policy is important in order to boost investments and trade. It creates employment and deals with supply side constraints facing home industries and other indigenous firms in Zimbabwe such as lack of capital and infrastructure dilapidation.

Keywords: China, Zimbabwe, Investments, Trade, FDI.
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