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Financing Railway Construction to Corridor Development amid Geopolitical Rivalry: Study Two Cases in Africa

Jing Zhang¹ and Lingfei Weng²

Abstract: Corridors are increasingly shaping the spatial landscape across the African continent. While some remain conceptual, others have materialised as active zones of infrastructure development and accelerated investments. In Africa, many natural resource deposits are far from the coasts in remote rural areas and will require railway or highway links. Without these transportation links, vast areas of land remain underused and will not make a significant contribution to structural transformation. Among others, two corridor developments have emerged as the most visibly strategic initiatives in the context of growing geopolitical competition: the Lobito Corridor, backed by the G7-led Partnership for Global Infrastructure and Investment (PGII), and the TAZARA Corridor, supported by China's Belt and Road Initiative (BRI). Both corridors aim to connect Central Africa's copper belt region to key export hubs—Lobito in Angola and Dar es Salaam in Tanzania, respectively. Drawing on the conceptual framework of corridor development, this paper compares the trajectory of these two corridors, especially on their motivations, evolutions, and financing mechanisms of anchor projects. It argues that, despite persistent debt-trap narratives and geopolitical framing, China remains a pivotal financier—now operating through a more diverse set of actors and financial instruments—albeit at a slower pace due to its domestic economic slowdown. This may pose challenges for African countries. Nevertheless, major power rivalry also presented an opportunity for the continent to leverage the potential of critical minerals for economic diversification. It is important for African decision-makers to navigate the commercial viability of key extractive investments and infrastructure projects to negotiate their policy space and design their development strategies.

Keywords: Corridor development, Lobito Corridor, Tazara Corridor, Geopolitical rivalry, Africa

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I. Introduction

“Corridor” as a concept of spatial and urban planning has a long history, dating at least as far back as the 1880s. As a popular development term, corridors, a core component of the BRI, have been largely reported on in social media both in domestic China and the international community (Gutman and Chattopadhyay, 2015). China has explicitly framed its global BRI vision as a project of “corridorization”, defined as “six corridors of integration”, largely at the regional level and cross-national borders (National Development and Reform Commission, 2015). In BRI’s corridorization, priority has been given to boosting connectivity and promoting market integration and industrial cooperation through new and improved large-scale transport infrastructure projects, for example, railways, highways and coastal ports (Athukorala and Narayanan, 2020).

In Africa, the annual infrastructure financing gap is estimated to be around \$100 billion. The expansion of infrastructure for extracting minerals is a primary driver of corridor development in resource-rich countries (Scott, 2009). Many natural resource deposits are far from coasts in remote rural areas and will require railway or highway links. Without these transportation links, vast areas of land will remain underused and will not contribute to economic growth (Collier, 2011). China is now the single largest financier of African infrastructure, financing one in five projects and constructing one in three. ‘Package-financing’ and the ‘Angola Model’, both reflect ‘resources-for-infrastructure’ approaches, applied in Chinese resource investment in Africa (Foster, 2009; Robbins and Perkins, 2012). Western politicians and public intellectuals claim that China prioritizes speed over quality and often funds ‘white elephant’ projects. Other criticisms include corruption and associated issues, such as poor investment decisions, low quality, time and expense overruns, and inadequate attention to maintenance, all of which hinder the delivery of benefits (Wells, 2015).

To counter China’s BRI, the Partnership for Global Infrastructure and Investment (PGII), launched by the G-7, aims to provide much-needed infrastructure investment, regaining some of the influence that advanced democracies have yielded to China over a decade of its infrastructure investment through the Belt and Road Initiative (BRI). In 2023, the construction of the Lobito Corridor, led by the US PGII, and the Tazara Corridor, led by China’s BRI, aimed to connect Zambia’s copper belt region via the port of Lobito in Angola and the Tanzanian port of Dar es Salaam. This study draws on the conceptual framework of corridor development —comparing the financing history of the two railway constructions, through analysis of motivations behind the two corridor development; and examining geopolitical rivalry between the US and China in their competition for critical minerals such as copper and cobalt — it sheds light on the evolution of Africa’s infrastructure financing mechanisms and the opportunities for African countries to leverage their bargaining power and resource potential for development.

In this paper, section 2 provides an overview of the literature on corridor development as a concept and its evolution in Africa. Section 3 focuses on understanding China’s BRI, examining how China’s financing footprint has fostered infrastructure construction and development corridors in Africa. Section 4 analyzes

the revitalization of the Benguala Railway and TAZARA railway in a historical perspective. By examining the financing mechanisms of two railway projects led by Western and Chinese entities, respectively, we aim to reveal motivations from multiple angles—politically, economically, and ideologically, beyond the narratives of geopolitical framing for critical minerals competition. The paper concludes by discussing its key arguments and findings, offering insights into how Africa navigates both Western- and China-led development corridors, and how it leverages critical minerals to address financing and geopolitical challenges in pursuit of greater benefits.

2. Contextualizing African Corridor: Spatial Dynamics and Regional Ambitions

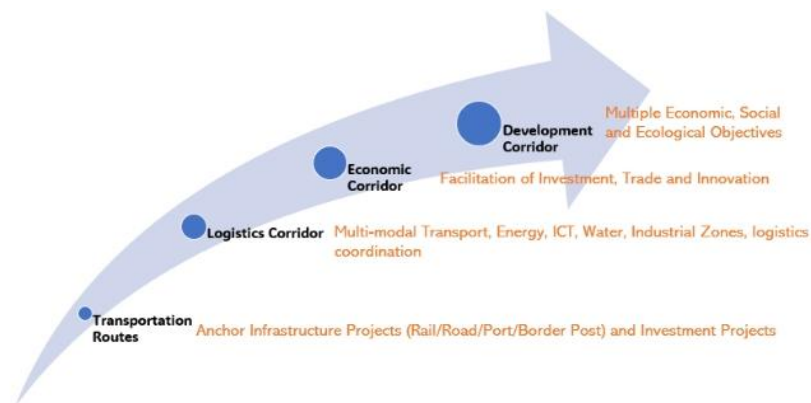
2.1 Corridor Development as a Spatial-industrial Integration Tool

Development corridors are increasingly shaping the spatial landscape across the African continent. While some remain conceptual, others have materialised as active zones of investment and accelerated growth. Regardless of their stage of implementation, these corridors represent powerful instruments of spatial planning, with the potential to generate significant social, economic, and environmental impacts (Enns, 2018).

As illustrated in Figure 1, the development of a corridor often follows a linear progression. It typically begins as a transport route, initially characterised by the construction of ‘hard’ infrastructure supporting one or more transport modes. With the subsequent integration of multimodal infrastructure—such as electricity, water supply, and telecommunications—as well as “soft infrastructure” including transport services and logistics systems, the corridor may evolve into a logistics corridor that facilitates the movement of goods and people, or to support trade and investment, and develop a particular sector of the economy (e.g. an agricultural corridor).

To become a fully-fledged development corridor, broader investments are required—investments that foster not only economic growth but also social development and environmental sustainability within a subnational or cross-border region. Planning, financing and implementing such corridors has become increasingly complex, requiring coordinated efforts to ensure that the intended benefits are realised. Nonetheless, even corridors that do not reach full maturity—such as trade, logistics, or sectoral corridors—can still significantly enhance regional economic activity (Dannenberg et al., 2018).

Figure 1: The Evolution of Corridor Development



Source: Authors' construct

Typically, transport corridors begin with the development of major hard infrastructure anchor projects. These projects require substantial capital investment to meet the standards necessary for delivering efficient and cost-effective transport services, which in turn lay the foundation for unlocking economic opportunities along the corridor and at its termini. Large-scale anchor projects—often tied to extractive or productive industries—can generate a level of economic activity sufficient to justify and sustain the broader corridor initiative. However, the emphasis on such large projects can sometimes overshadow smaller, community-based or small enterprise-driven initiatives clustered along the corridor.

Historically, anchor projects on the continent have been financed by national governments or with support from development partners. In recent years, efforts to expand the capital base and enhance the commercial viability of corridor development have increasingly focused on attracting private sector participation. A notable example in the African continent is the Maputo Development Corridor (MDC), where the highway connecting South Africa and southern Mozambique was transformed into a modern toll road at a cost of \$250 million. This was complemented by the rehabilitation of Maputo Port and the upgrading of telecommunications, electricity infrastructure, and rail links between Maputo and South Africa. Among others, the transformation of the MDC into a more viable and sustainable economic corridor was underpinned by approximately \$50 billion in private sector investment. The successful involvement of Public-private partnerships (PPPs) in both the N4 Toll Road and the Maputo Port concessions in the early 2000s has been instrumental in laying the foundation for the hard infrastructure needed to unlock the region's economic opportunities. Additionally, major investment projects, such as the MOZAL aluminium smelter and the development of the Pande and Temane gas fields in Mozambique, have also anchored industrial development and commercial viability for the corridor. In other words, the level of engagement and responsiveness of private investors are closely linked to the success and long-term evolution of corridor initiatives (SSATP, 2014; Hope and Cox, 2015; Hobbs and Bignoli, 2022).

2.2 Corridor Development in Africa: From Resource Extraction to Regional Integration

The origins of large-scale corridor development in Africa can be traced back to the colonial era, when infrastructure systems were primarily established to facilitate the extraction and export of resources from inland production zones to coastal ports. Railways and ports played a central role in this structure, with road networks functioning mainly as feeder routes, shaping the continent's infrastructure and development patterns. Since the 1960s, however, rail transport in Africa has steadily declined in favour of road transport. In response to growing connectivity needs, the United Nations Economic Commission for Africa (UNECA) in the early 1970s proposed the Trans-African Highway (TAH) network—comprising nine principal road corridors with a combined length of 59,100 kilometres—to link major African capitals. While some of these routes, such as the Trans-Saharan Highway, were originally conceptualised by colonial powers, the redefined objective of the TAH is to primarily reduce transport costs, improve inter-country connectivity, and promote intra-African trade and regional integration (Oliete Josa and Magrinyà Torner, 2022).

Although the implementation of the Trans-African Highway (TAH) network has progressed slowly, the concept has remained a widely accepted reference point for African governments and international donors. For instance, since the establishment of the TAH, project appraisal documents produced by many development agencies have justified the choice of a specific road on the basis that it constitutes a section of a trans-African highway. Indeed, the importance of regional integration for supporting Africa's economic development through infrastructure development has gained growing momentum in recent decades.

The early 1990s marked a turning point with the establishment of the African Economic Community (AEC), envisioned as a framework to transform Africa into a more interconnected continent, with Regional Economic Communities (RECs) serving as foundational pillars. This agenda was further reinforced by the launch of the New Partnership for Africa's Development (NEPAD) in the early 2000s and the Programme for Infrastructure Development in Africa (PIDA) in 2012. Notably, PIDA introduced the African Regional Transport Infrastructure Network (ARTIN), which comprises TAH axes and 40 priority corridors that have been established by the RECs over the past few years to link landlocked countries and enhance regional connectivity³.

The ARTIN corridors carry 40% of international trade by African countries (90% of trade for landlocked countries). They are typically structured around existing road networks and complementary or competing railway lines, terminating at or linking key port facilities. Their principal objective is to connect major African hubs of consumption and production—including large cities, mining centres, and agricultural production areas—to global markets through modern, efficient regional transport infrastructure and gateway systems⁴. Given Africa's projected economic trajectory over the coming

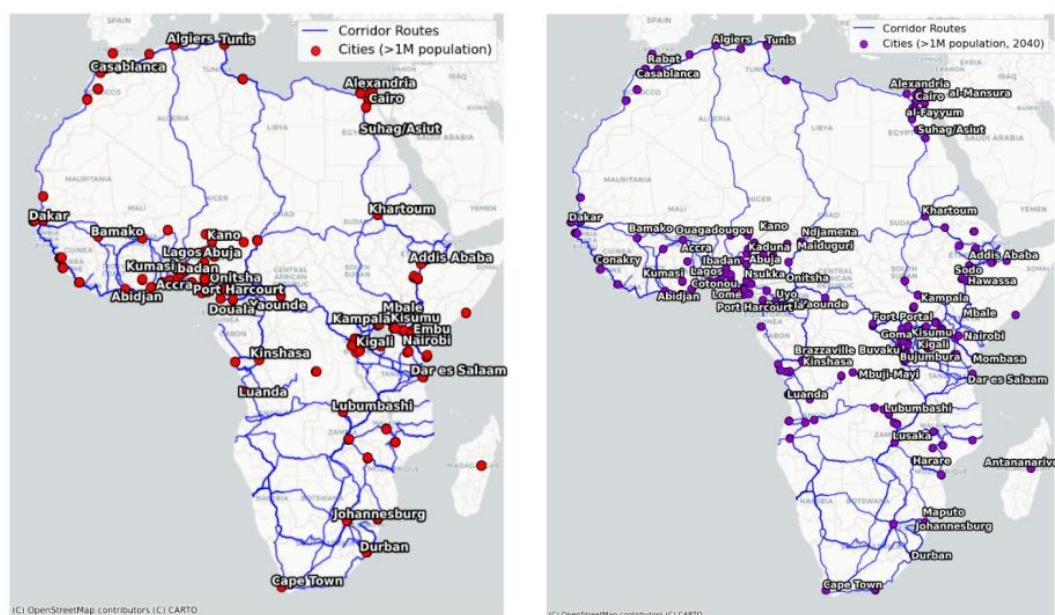
³ Infrastructure Outlook 2040, PIDA, <https://www.nepad.org/publication/africa-infrastructure-outlook-report-0>

⁴ Africa Transport Sector Outlook 2040, PIDA, <https://www.nepad.org/publication/africa-transport-sector-outlook-2040-0>

decades, trade and investment flows along these corridors are expected to expand significantly. This growth will be underpinned by the improved coordination of infrastructure development and broader economic planning initiatives, such as the establishment of special economic zones (SEZs) and other mega-urban/industrial projects.

In fact, corridor development represents a spatial development strategy aimed at addressing infrastructure ‘missing links’ across areas that meet minimum population density thresholds. To leverage agglomeration effects, interventions are prioritised in territories where population concentrations and urban systems are already developed to an extent. As such, the current and projected distribution of population plays a critical role in shaping the layout and relevance of development corridors across the continent. As Figure 2 below shows, most major development corridors—whether initiated by national governments or regional economic communities—have been designed to connect Africa’s densest nodes. These include the coastal area and Nile River region in North Africa, the Gulf of Guinea region in West Africa, the Great Lakes region in East Africa, as well as the Copperbelt and Gauteng region in Southern Africa.

Figure 2: Corridor Development in Africa: Urban Growth Poles and Spatial Agglomeration



Source: Authors' constructs based on Africapolis database (OECD/SWAC). Urban population 2020-left, urban population projection 2040-right/cities > 1 million are labelled with nodes and cities > 3 million are labelled with both nodes and names in the map; Corridor Routes: Thorn, Jessica P. R.; Bignoli, Diego Juffe; Mwangi, Ben; Marchant, Robert A. (2022), The African Development Corridors Database: a new tool to assess the impacts of infrastructure investments, Dryad, Dataset, <https://doi.org/10.5061/dryad.9kd51c5hw>

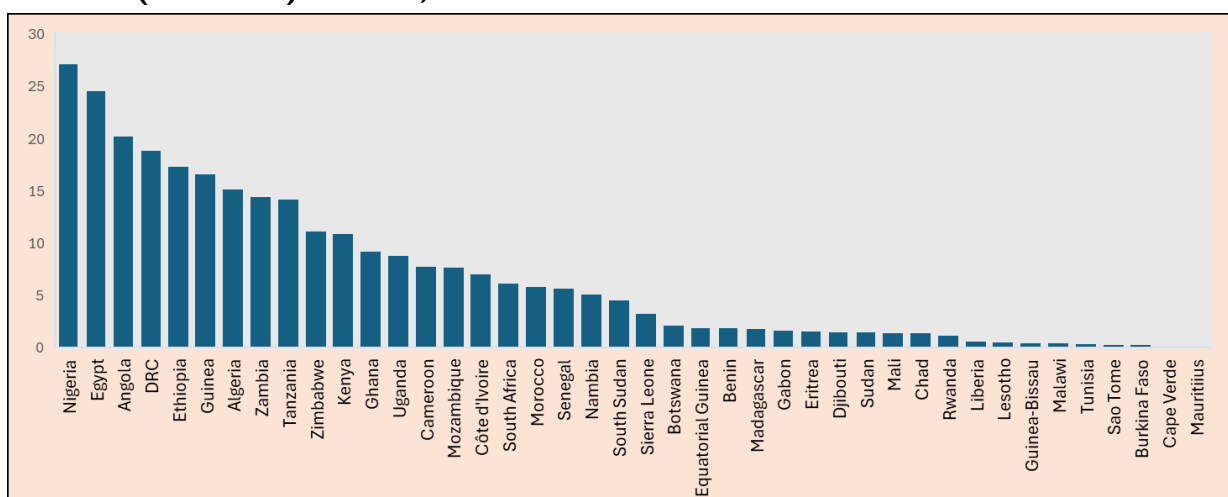
Despite intensifying efforts to enhance regional infrastructure connectivity since the early 2000s, the continent continues to face significant construction deficits and maintenance backlogs. At both national and regional levels, most African governments lack the financial resources and technical capacity to develop such expansive networks by their own. As a result, they rely heavily on external partners—both donors and foreign investors—for capital and expertise. These external actors, however, often pursue divergent interests that shape, and at times complicate, the developmental outcomes of Africa’s corridor initiatives.

3. China’s Evolving Financing Footprint in Africa’s Corridor Development

3.1 The Belt and Road Initiative (BRI)

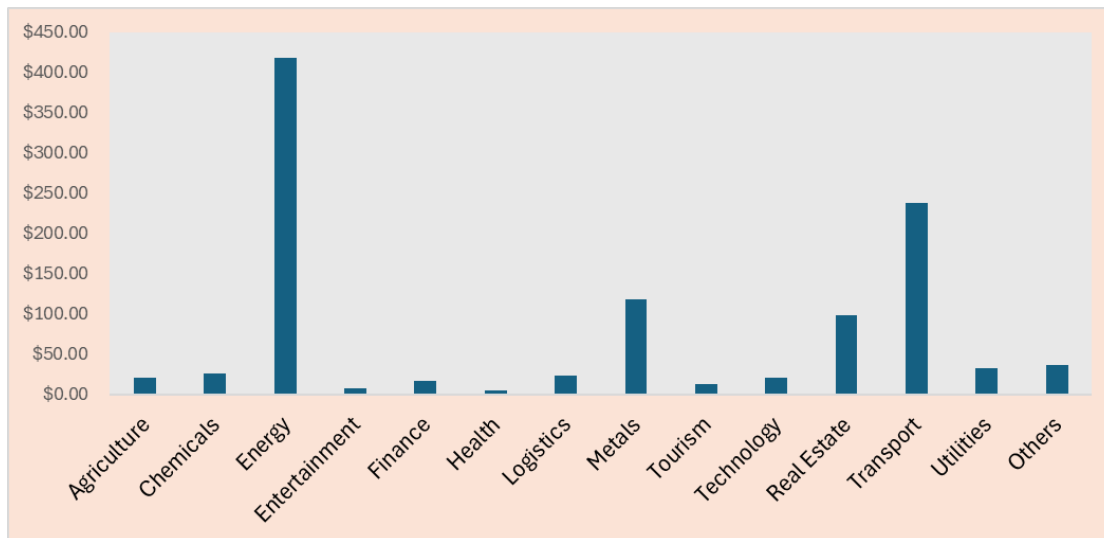
Among various external actors, China has emerged as a key force in shaping Africa’s infrastructure development, both as a major financier and contractor (Zhang, 2025). A significant milestone came in 2013, when the Chinese government launched the Belt and Road Initiative (BRI), aimed at enhancing global connectivity. Framed as a vehicle for fostering alternative development trajectories, the BRI focuses on five main areas of connectivity: infrastructure connectivity; policy coordination; unimpeded trade; financial integration; and people-to-people bonds. By 2025, the initiative had attracted investments exceeding USD 1.1 trillion, making it one of the most ambitious global development programmes. Africa has emerged as a major recipient of these investments, accounting for 25.4 percent of the total—primarily in Nigeria, Egypt, Angola, the Democratic Republic of Congo, and Ethiopia. In terms of sector, a substantial share of these investments has gone into conventional infrastructure sectors, particularly transport (such as roads and railways) and energy (Wang, 2023).

Figure 3: The Country Distribution of Chinese Investment & Construction Along BRI Initiative (2013-2025) in Africa, US Billion



Source: Authors’ constructs based on China Global Investment Tracker, American Enterprise Institute

Figure 4: The Sectoral Distribution of Chinese Investments & Construction Along BRI Initiative (2013-2025), US Billion



Source: Authors' constructs based on China Global Investment Tracker, American Enterprise Institute

Multiple factors have been discussed to explain the strategic motivations behind China's launch of the Belt and Road Initiative (BRI). Common explanations include the need to address domestic overcapacity in construction and industrial production, expand trade and investment opportunities, build new partnerships and extend geopolitical influence through global infrastructure development, secure alternative routes for natural resource transport outside the control of the United States and its allies, and promote reforms in the international economic system to support the internationalisation of the renminbi (RMB). While these motivations vary, the BRI in practice has capitalised on China's comparative advantages in industrial capacity and infrastructure delivery, closely intertwined with the promotion of overseas financing (Dollar, 2018; Damoah et al., 2019). Through an array of infrastructure projects, strategic partnerships, and policy dialogues, the Chinese state has actively facilitated the global expansion of Chinese firms, particularly across the Global South. By May 2025, 150 countries have signed memoranda of understanding under the BRI framework. In Africa, 51 countries are recorded as part of BRI⁵. As of 2020, China's foreign direct investment (FDI) stock in developing countries along the BRI exceeded USD 78 billion, while total debt owed to China by these countries reached USD 142.95 billion (Nadin et al., 2024).

3.2 Diversifying Actors and Toolkit

In fact, the accumulation of China's global debt has gone hand in hand with the evolution of a financing toolkit for delivering overseas infrastructure projects. Over time, it has moved from mainly using grants and concessional loans to more complex and commercially oriented tools. Before the establishment of

⁵ The Green Finance and Development Center provides a comprehensive list of countries participating in the Belt and Road Initiative (see: <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/>). In Africa, Eswatini remains the only country that has not officially joined, primarily due to its diplomatic ties with Taiwan. The status of Niger and the Republic of the Congo is unclear based on the available records.

China's two key policy banks—the Export-Import Bank of China (China EXIM Bank) and the China Development Bank (CDB) in 1994—Chinese development assistance largely took the form of grants and interest-free loans, aligning with a traditional aid framework. A prominent example from this earlier period is the Tazara Railway, connecting Zambia's copper belt with the port of Dar es Salaam in Tanzania⁶. This landmark project was almost entirely funded and managed by the Chinese government, which also supplied the labour, technical expertise, training, and materials required. Completed in 1976 after a decade of construction, the 1,060-mile railway—costing USD 400 million—stood as China's most ambitious and comprehensive foreign aid undertaking at the time (Alden, 2019; Morgan and Zheng, 2019).

Since 1994, there has been a marked decline in the use of interest-free loans and grants in China's overseas development financing. In their place, an increasing number of infrastructure projects—particularly turnkey initiatives—have been financed through a mix of concessional and commercial loans provided by policy and commercial banks. These projects are frequently executed by China's profit-driven State-Owned Enterprises (SOEs), which act as primary contractors (Tan-Mullins et al., 2010). For instance, China Exim Bank stipulates that 70% of procurement—such as equipment and materials—must be sourced from Chinese suppliers, and it is estimated that 89% of Chinese-financed projects are carried out by Chinese firms (Hillman, 2018).

On the one hand, the landscape of Chinese lending to Africa has become increasingly diverse, with a broader range of actors entering the scene. While China's two main policy banks—the EXIM Bank and the CDB—have long dominated lending with policy-oriented mandates, more recent participants are state-owned yet commercially driven. These include state-owned commercial banks (SOCBs) such as the Industrial and Commercial Bank of China (ICBC) and the Bank of China (BoC), state-owned enterprises and construction firms like Sinohydro, and major private companies such as Huawei. Between 2015 and 2021, commercial lending by non-policy bank actors reached approximately USD 55 billion, accounting for over one-third of China's total lending to Africa during this period—and, notably, surpassing the lending volumes of policy banks after 2018, despite an overall decline in total lending (Acker and Brautigam, 2021; Wu and Chen, 2024).

⁶ While China initially financed the TAZARA Railway, its primary motivation lay in political alignment, not resource extraction (Zajontz, 2022). According to OEC and UN Comtrade data, China did not become a significant destination for Zambia's exports until the early 2000s.

Figure 5: Loan instruments provided by Different Creditors



Source: Authors' reconstruction based on Wu and Chen (2024).

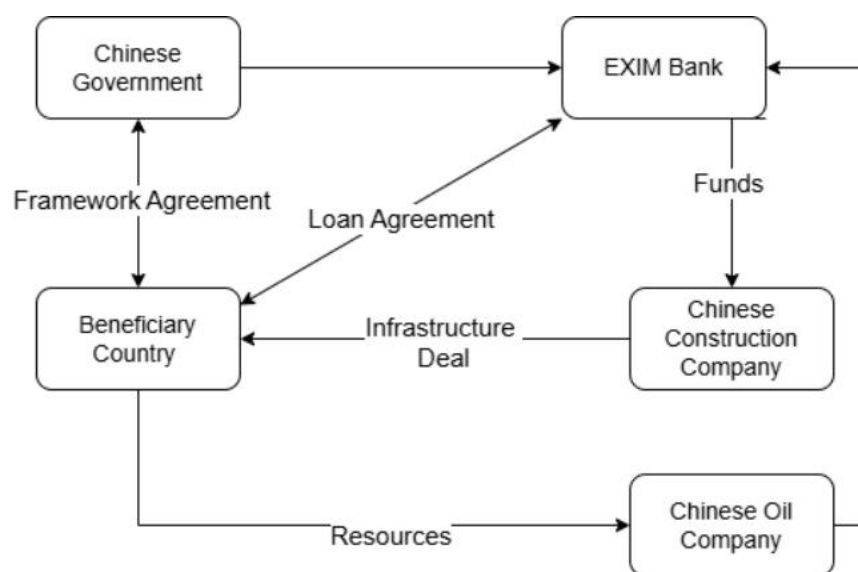
On the other hand, the past few decades have seen the emergence of a multitude of loan instruments within China's overseas financing framework. Among the most widely discussed are resource- or commodity-backed loans. These arrangements gained prominence because China's concessional loans typically require a sovereign guarantee—something that many developing countries struggle to provide due to low credit ratings. In response, China has often used proceeds from commodity exports—such as oil or minerals—as collateral in resource-rich countries. In most cases, the revenue used to repay the loan comes from the sale of these resources to a Chinese state-owned enterprise. While the use of resource-backed finance is not unique to China, what sets the Chinese approach apart is the scale of such lending. Some of the earliest recipients of China's infrastructure-for-resources financing were oil-producing countries such as Angola, Sudan, and Nigeria (Alves, 2013). Notably, the model for these deals is commonly linked to a 2004 concessional credit line offered by China Exim Bank to Angola, which led to the widespread use of the term “Angola model”⁷.

This type of loans is generally governed by two key legal instruments: a framework cooperation agreement between the two governments, which outlines the overall terms—including the loan amount, intended purpose, interest rate, and maturity—and a loan agreement signed between the China Exim Bank and the borrowing entity. The repayment period tends to be relatively long, typically ranging from

⁷ Based on the review of 20 years of data on China's Africa lending (Acker and Brautigam, 2021), the volume and modalities of Chinese lending to Angola differ from China's lending to other African countries in some important ways. Only eight percent of Chinese lending in Africa between 2000 and 2019 was secured by future flows of natural resources. However, when including Angola, the number climbed to 26 percent. In general, Angola accounts for approximately 30 percent of all Chinese loan commitments to the region over the past decades.

15 to 20 years, with a grace period of 5 to 7 years. Structured primarily as export credit facilities, these loans are usually tied to the procurement of Chinese goods, services, and often labour — mandating that at least 50% of the project inputs come from China. As a result, opportunities for local content in the recipient country are generally limited. Notably, the loan capital does not physically leave China; rather, it is disbursed on a project-by-project basis through the borrower’s account with the China Exim Bank, with payments made directly to Chinese contractors upon completion milestones (Durovic, 2016).

Figure 6: China’s Infrastructure for Resources Model



Source: Authors’ reconstruction based on Durovic (2016).

3.3 Debt Constraints and the Pivot toward PPPs

The rapid expansion of Chinese loan financing over the past two decades has positioned China as the world’s largest bilateral lender, accounting for 57% of the bilateral debt owed by low-income countries in 2020. This surge in borrowing, particularly from Chinese policy banks, has raised growing concerns about debt sustainability in several African countries, including Djibouti, Ethiopia, Kenya, and Zambia—each of which undertook large-scale infrastructure projects funded by Chinese and other international lenders (Carmody et al., 2022). Amid escalating criticism—both within Africa and globally—of what has been termed China’s “debt-trap diplomacy” (Zajontz, 2022), the issue of debt sustainability has also come to the forefront of Chinese policy discourse. In response, Beijing has taken steps to tighten its lending practices by curbing the volume of loans issued by policy banks. At the same time, it has progressively turned to syndicated loan arrangements involving both Chinese and international financial institutions as a way to de-risk its overseas financial engagements.

Rising financial and political risks associated with overseas lending have also prompted the Chinese government to increasingly promote public–private partnerships (PPPs) as an alternative project financing model. This strategic shift marks a transformation in the role of Chinese state-owned construction enterprises (SOEs)—from traditional contractors operating under Engineering, Procurement, and Construction (EPC) contracts to investors and operators engaged in Build–Operate–Transfer (BOT) and Build–Own–Operate–Transfer (BOOT) schemes. The growing emphasis on PPPs across Africa and other regions signals a broader recalibration of China’s infrastructure financing strategy aimed at mitigating risks of loan defaults, addressing mounting public criticism, and managing reputational concerns amid intensifying geopolitical scrutiny.

For instance, in Nigeria, the development of Lekki Deep Water Port was arranged as a 45-year concession on a Build, Own, Operate and Transfer (BOOT) basis. A special-purpose vehicle—Lekki Port LFTZ Enterprise Limited (LPLEL)—was formed to implement the project, with equity stakes held by China Harbour Engineering Company Ltd (52.5%), Tolaram (22.5%), the Lagos State Government (20%), and the Nigerian Ports Authority (5%), reflecting the increasingly complex multi-stakeholder structure of China's PPP engagements. In addition, whilst the project has been structured as a long-term PPP framework, the initial phase of construction also incorporated significant debt financing. In 2019, one of the major Chinese policy banks, China Development Bank, extended a US\$629 million commercial loan to LPLEL. Additional debt funding reportedly came from institutions including Agence Française de Développement (AFD), the European Investment Bank, Dutch Entrepreneurial Development Bank (FMO), the International Finance Corporation (IFC), the African Finance Corporation, German Investment and Development Company (DEG), Rand Merchant Bank, Standard Chartered, and Stanbic Bank. This reflects the increasingly complex multi-stakeholder structure of China's PPP engagements⁸.

Another notable case is Zambia’s long-delayed Lusaka–Ndola dual carriageway project, which links Lusaka to Ndola in the Copperbelt, a key route for mineral exports via the southern corridor to Tanzania. Initially structured as an EPC+loan agreement with a Chinese construction firm, the project was cancelled in 2022 due to controversy over its high cost of US\$1.25 billion⁹. Under the new PPP arrangement, awarded in early 2023 to a new Chinese consortium comprising AVIC International, Zhenjiang Communications Construction Group, and China Railway Seventh Group, the project is now valued at US\$650 million. The contract includes a 25-year concession—three years for construction and 22 years for operation and maintenance. This model is intended to ease Zambia’s debt burden amid

⁸ Based on project database from AIDDATA, <https://china.aiddata.org/projects/85628/>

⁹ In 2017, China Jiangxi Corporation for International Economic and Technical Cooperation (CJIC) signed an EPC+F contract with the Road Development Agency of Zambia, valued at approximately US\$1.25 billion. To finance the project, CJIC reportedly secured loans in 2018 from Jiangxi Bank Co., Ltd. and the Jiangxi Branch of the Export-Import Bank of China. The Government of Zambia is said to have issued a sovereign guarantee to support these loans. In a subsequent statement to Parliament, Zambia’s Minister of Infrastructure and Housing disclosed that the contract value had escalated from an initial estimate of K930 million to K11.1 billion (approximately US\$1.25 billion), turning the project into a major source of financial controversy and political scandal. See project database from AIDDATA, <https://china.aiddata.org/projects/53037/>.

ongoing loan defaults and debt restructuring negotiations. As of May 2025, approximately 25% of the 327-kilometre highway has been completed¹⁰¹.

3.4 Extractive Activities as Anchor Investment Projects

Many development corridor initiatives leverage large-scale extractive projects as anchor investments to stimulate economic growth and promote diversification within specific geographic regions. These initiatives aim to establish linkages with other sectors such as agriculture and commerce (Atta-Mensah et al., 2021; Azubuike et al., 2023). In essence, corridor development strategies are designed to capitalise on existing resource-based investments as a foundation for broader structural transformation. According to the African Development Corridors Database (2022), 41 out of 71 corridors launched since 2000 are directly linked to extractive activities. These include corridors with key stakeholders from the mining or hydrocarbon sectors, as well as those planned or underway for the trade and transport of crude petroleum and various minerals—or both. The core infrastructure investments supporting these corridors typically include railways, ports, and roads, many of which are either operational or in various stages of planning and construction.

On the one side, there has been a renewed focus on railway construction and rehabilitation, which re-emerged as a key element in development strategies at the continental, regional, and national levels across Africa. During the colonial era, rail transport—often developed in conjunction with ports—was preferred over roads due to its ability to move large volumes of heavy, bulky, and low value-added goods such as agricultural produce and minerals over long distances. However, from the 1960s and 1970s onwards, road transport increasingly replaced railways, particularly for passenger services and time-sensitive cargo. Despite this shift, rail transport is once again gaining attention as a more sustainable and long-term pillar to road transport, especially in advancing regional integration and economic diversification. A critical priority now would be integrating railway networks with feeder roads and ports, as well as other infrastructure systems. Significantly, China has become the largest source of official financing for railway infrastructure across Africa. Between 2000 and 2014, Chinese commitments to the sector exceeded those of the World Bank by more than tenfold. Landmark projects include the Addis Ababa–Djibouti Railway and Kenya’s Standard Gauge Railway (Marson et al., 2021; Zajontz et al., 2023).

On the other, within the broader context of the green transition, Beijing also emerged as a key financier of global projects involving critical minerals—such as copper, cobalt, nickel, lithium, and rare earth elements (REEs)—that are essential to the clean energy transition. Through the Belt and Road Initiative (BRI), China has extended nearly \$57 billion in aid and subsidised credit to support transition mineral projects in a core group of 19 BRI countries, with a strong emphasis on upstream extraction rather

¹⁰ Mushinge, G., 2023. Controversy surrounds Zambia's divided highway project. <https://www.dw.com/en/controversy-surrounds-zambias-divided-highway-project/a-65224867>;

¹¹ Nyabiage, J., 2025. China turns to PPPs as a 'yellow brick road' solution to fund big projects in Africa. South China Morning Post. <https://www.scmp.com/news/china/diplomacy/article/3310631/china-turns-ppps-yellow-brick-road-solution-fund-big-projects-africa>

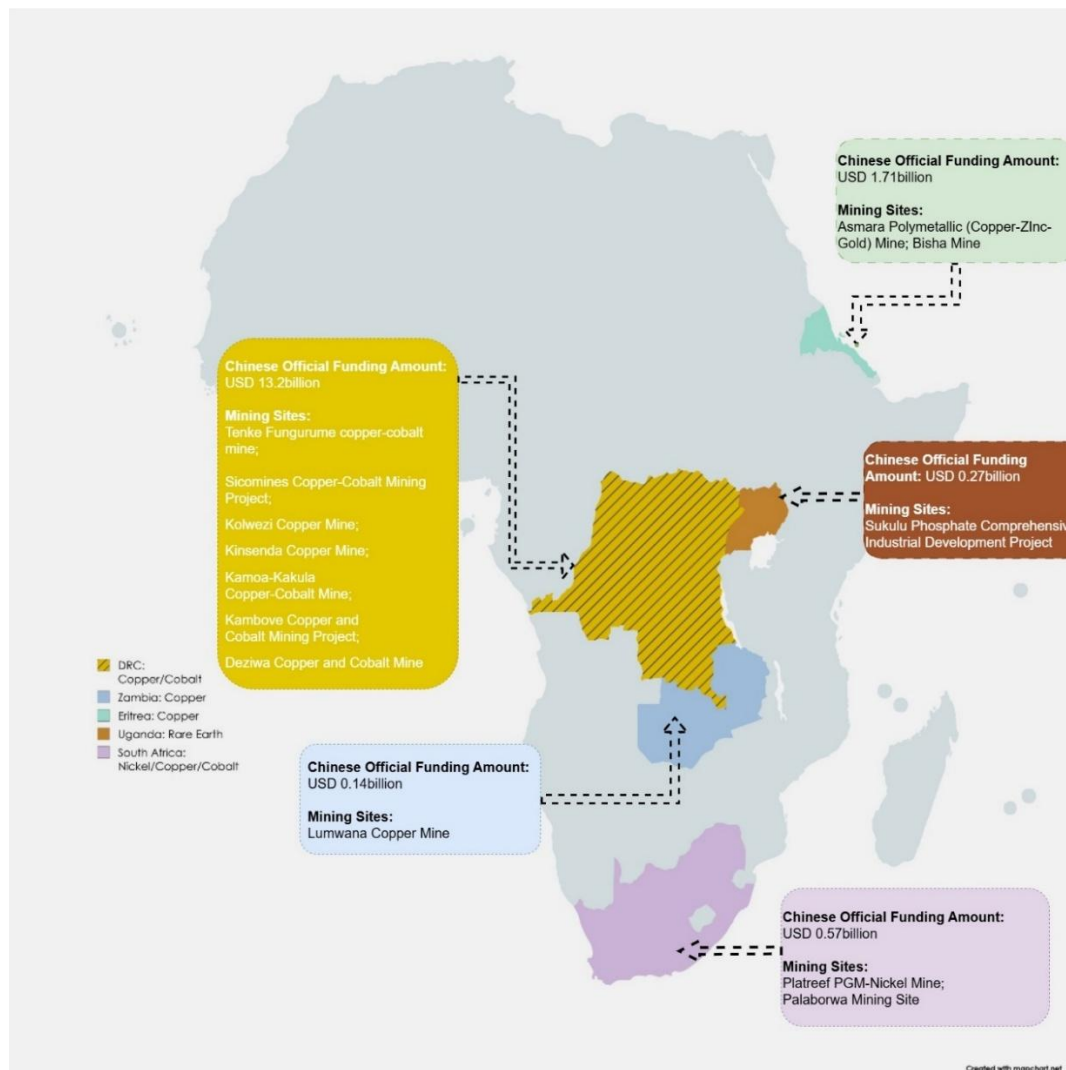
than midstream processing. Copper, in particular, has received significant attention, accounting for 83% of China's official financing commitments in this domain, primarily through the acquisitions of mines and those that support capital investments in mining extraction (Escobar et al., 2025).

In Africa, China has committed approximately 15.8 billion, roughly 30% of its global financing on transition minerals during the time, according to AidData¹². Similarly, the strategic interests on the continent are especially concentrated in copper. Of the 30 transition mineral-related loans recorded between 2006 and 2021, 29 involved copper — either exclusively or in combination with other minerals such as nickel or cobalt. These projects span across countries, including Eritrea, the Democratic Republic of the Congo, Zambia, and South Africa¹³. Nonetheless, the Democratic Republic of the Congo (DRC) has received the majority of the loans, accounting for 83 percent of China's official commitments in Africa. Most of them are located in the Central African Copperbelt area, which is emerging as a key flashpoint in geopolitical competition between the West and China during the era of energy transition.

Indeed, in the last few years, an increasingly fractious geopolitical landscape has become one of the most significant global contexts that is shaping the external dynamics of corridor development on the continent. Alongside China's expanding footprint, both the US and the EU have also stepped up efforts to deepen trade and economic ties with developing countries, including those in Africa. From the EU's Global Gateway to the G7's PGII, these grand infrastructure initiatives are often narrated as strategic alternatives or rivals to China's BRI, aimed at fostering partnerships with third countries. Among others, the Lobito Corridor—stretching from the Central African Copperbelt region to the Angolan port of Lobito—has emerged as the most prominent example of EU-US collaboration in this context. Such symbolic and strategic weight has even grown in light of China's unsuccessful bid for the Benguela Railway concession and renewed interest in revitalising the parallel TAZARA Railway, which links the same mineral-rich hinterland to the Tanzanian port of Dar es Salaam (Karkare and Byiers, 2025). The following section will focus on the examination of these two corridors, especially in terms of their motivations and evolution from the anchor projects.

¹² This dataset tracks \$56.9 billion in Chinese official sector financial commitments for transition mineral (copper, cobalt, nickel, lithium, and rare earth element) extraction and processing operations in developing countries from 2000 to 2021.

Figure 7: China's Financing for Transitional Minerals in Africa



Source: Authors' construction based on AidData (2025)

4. Financing Africa's Infrastructures: from Railways to the Corridor Development

4.1 History of Financing the Benguela Railway

The Benguela Railway is the underlying rail infrastructure throughout most of the Lobito Corridor. Construction of the railway began in 1902 and concluded in 1931, a period longer than expected due to the challenging geographical terrain and the distractions of the First World War. The railway connects extensive mining and property interests in the DRC and Zambia to the Atlantic Ocean, facilitating exports to Europe and the US (Brautigam, 2009). Furthermore, it serves as a crucial means of transit for the agriculturally productive areas of Angola's Lobito Corridor, which include the provinces of Benguela, Huambo, Bie', and Moxico.

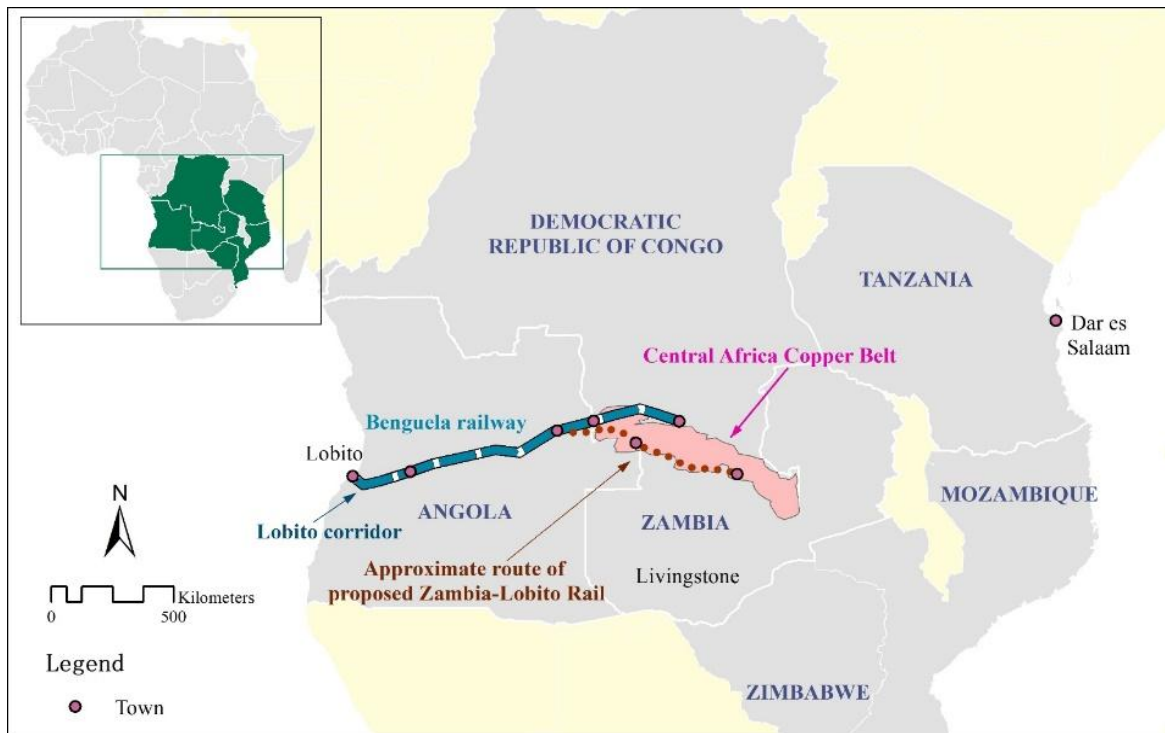
Despite these obstacles and delays, upon its completion in 1931, the Benguela Railway established itself as the most efficient means of exporting goods and minerals from the DRC and Zambia to Europe and the Americas. It reached peak operational efficiency in 1937 when it transported 3.3 million tons of cargo and generated US\$30 million in freight revenues (Chabala, 2024). Before the civil war in Angola, the Railway was undergoing modernization and handled 60 percent of DRC diesel exports and 45 percent of Zambia copper exports. However, Angola's 27-year civil war, which began in 1975, disrupted the rail system and slowed progress on the corridor's development. As a result, Zambian copper exports were initially diverted across the Victoria Falls Bridge to Beira, Mozambique, for shipment to South Africa for processing and sale abroad.

By the time the Civil War ended in 2002, only 34 kilometers, less than 3 percent of the rail along Angola's coast, remained functional. The Chinese renovated the railway line through a US\$2 billion rail-for-oil program between 2004 and 2014. In 2004, China EximBank provided the first US\$2 billion financing package for Angola's public investments (Wei, 2013). The second financing package agreement valued at US\$2.5 billion was signed in 2007 (Brautigam, 2009). The renovation included upgrading and redesigning the railway to accommodate 67 stations and trains traveling at speeds of up to 90 km/h. The stated goal was for the rail to be able to carry 20 million tons of cargo and four million passengers per year. However, this goal has yet to be achieved, and in 2011, the railway carried only 5,640 tons of goods and 129,430 passengers. Since then the Angola Model as it has been labelled by the World Bank has become a standard mechanism for Chinese engagement with Africa (Foster and Briceño-Garmendia, 2010).

4.2 Developing the Benguela Railway to the Lobito Corridor

In 2023, co-led by the EU and the US, along with Angola, the DRC, Zambia, the AfDB and the AFC - they signed a joint Memorandum of Understanding to develop the Lobito Corridor. Through the Benguela Railway, the Lobito Corridor will connect the southern regions of the Democratic Republic of the Congo (DRC) and northwestern Zambia to regional and global trade markets via the port of Lobito in Angola (United States Institute of Peace, 2024). The Agreement aims to provide an effective and efficient route that facilitates the transportation of goods through the three Corridor Member States (The DRC, Angola and Zambia). It will be supported by the harmonization of policies, laws, and regulations, as well as coordinated joint corridor development strategies and the implementation of trade facilitation instruments (African Union, 2009).

Figure 8. Development of the Lobito Corridor



Source: Authors' construct

The development of the Lobito Corridor as a major trade and development route has gained prominence in recent years. In 2023, the Lobito Atlantic Railway Company, a joint venture involving Trafigura, Moto-Engil, and Vecturis South Africa, secured a 30-year concession to provide railway services, subject to an investment of US\$455 million in Angola and US\$100 million in the DRC (Lobito Corridor Investment Promotion Authority, 2023). It obtained a concession extendable to an additional 20 to 50 years on condition that the consortium builds a branch line connecting Luacano and Jimbe with a total length of 259 kilometers, which would cost an estimated US\$1 billion. A series of agreements tether the financiers, including the US Development Finance Corporation (DFC), Afreximbank, the Africa Finance Corporation (AFC), the African Development Bank (AfDB), the Development Bank of Southern Africa (DBSA), the US Trade and Development Agency (USTDA), USAID and the World Bank (Chabala and Hofmeyr, 2025).

Table 1. Signed agreements in support of Lobito Corridor Development

Nature of Agreement	Aim/Objective of Agreement	Parties	Date signed	Type
Cooperation Agreement	EV battery value chain	DRC, Zambia	29 Apr 2022	State-level
Trilateral MoU	Support development of EV battery sector value chain	DRC, US, Zambia	13 Dec 2022	
PGII support for Lobito Corridor	To support the development of the Lobito Corridor and other infrastructure in SSA-To invest \$500m	EU,US,G7	9 Sep 2023	
Bilateral MoU	Critical Minerals and Value Chain Development	DRC,EU	26 Oct 2023	
Bilateral MoU	Partnership on Sustainable raw materials value chain	EU,Zambia	26 Oct 2023	
Facilitation Agreement	LC Transit Transport Facilitation Agency (LCTTFA)	Angola, DRC, Zambia	27 Jan 2023	Multiparty
Establishment of SEZs	Establishment of SEZs dedicated to the Production of Battery Precursors,Batteries and Electric Vehicles	DRC,Zambia, UNECA, Afreximbank	27 Mar 2023	
Framework Agreement	Establishment of Special Economic Zones (SEZs) for production of battery EVs in DRC and Zambia	Afreximbank, UNECA, DRC, Zambia	11 Apr 2023	
Seven party MoU	Support Development of Lobito Corridor	EU,US,Angola, DRC,Zambia, AfDB,AFC	26 Oct 2023	
Undertaking to do ESIA	Undertaking to carry out environmental and social impact studies for extension of LC into Zambia	USTDA,AFC	24 Sep 2024	
Concession Agreement	Operation and management of Lobito Corridor	Angola,Mota-Engil, Trafigura, Vecturis	4 Jul 2023 (transferred)	Concessions
Concession Agreement	Financing,construction,ownership, and operation of extension of Lobito Corridor into Zambia	AFC,Angola, Zambia	25 Sep 2024	
Sandstone Concession	Road linking Kolwezi to Lumwana	Zambia, Sandstone		
Barotse Highway Limited (BHL)	Road Linking NVorthwestern Zambia to Walvis Bay	Zambia,BHL		
MoU	Trial tonnage shipment of 10,000 tonnes on Lobito Rail	Lobito Atlantic International (Consortium) and Kamoia Copper	18 Aug 2023	Commercial
Reserve capacity agreement	Transportation of mineral products on Lobito Atlantic Railway-blister anode or concentrate	Kamoia-Kakula (Ivanhoe), Trafigura	07 Feb 2024	

Source:The White House Statements and Releases, 2024; Chabala and Hofmeyr, 2025

Mining companies with operations near or along the Corridor are also crucial to its success (Chabala and Hofmeyr, 2025). Even if they are not directly invested in its development, they should be counted among its key players. In late 2023, Ivanhoe of the Kamoia-Kakula Copper Complex in the DRC transported 1,100 tons of a total of 10,000 tons of copper ore from Kolwezi to the Lobito Port. Kamoia-Kakula copper mine, a joint venture between Ivanhoe Mines, Zijin Mining Group, and the Government of the DRC, has signed a reserve capacity agreement with Trafigura to allocate 120,000 to 240,000 tons of copper per year for transportation via the Lobito Corridor starting in 2025. By 2030, the Lobito Corridor is expected to increase its export capacity to one million tons per year (Chabala, 2024).

Table 2. US-supported Lobito Corridor Projects

Financiers	Objectives	Description & Intended Outcomes	Impact Area	Amount	Date
US DFC	Lobito Atlantic Railway	Upgrade and operate 1,300 km rail line from Lobito to Luau, strengthening the Lobito Corridor as a key freight transport route and improving logistics efficiency.	Rail Infrastructure	\$553M	2023
USAID	Angola Ministry Of Transportation	Support new personnel and IT equipment to enhance the Ministry's ability to attract private investment for infrastructure projects along the Lobito Corridor.	Institutional Capacity	\$1M	2024
AFC	Zambia-Lobito Rail Project	Anchor and mobilize funding for the Zambia-Lobito rail expansion, ensuring financial close and advancing regional trade connectivity.	Rail Infrastructure	\$500M	2023
USTDA	AFC	Fund an environmental and social impact assessment to support the development and financial viability of the Zambia-Lobito rail project.	Sustainability & Compliance	Unknown	2024
KoBold Metals & AFC	Zambia-Lobito Rail Project	Commit to shipping 300,000 tons of copper annually via the Lobito Corridor, reinforcing its role in critical mineral transport.	Mineral Logistics	n/a	2024
AFC	Zambian Mines	Secure minimum freight volumes (170,000 tons) from mining companies, strengthening the commercial case for the Zambia-Lobito rail project.	Mineral Logistics	n/a	2024
US Gov	Angola	Fund humanitarian demining to enable safe rail and infrastructure construction along the Lobito Corridor, supporting regional development.	Land Clearance & Infrastructure	\$164M	Since 1995
US DoS	Angola	Provide demining assistance to clear land for rail expansion, economic projects, and agricultural use along the corridor.	Land Clearance & Infrastructure	\$9M	2024-2026
MCC	Tanzania	Develop a program to reduce trade barriers and improve transport infrastructure, facilitating trade between Tanzania and the Lobito Corridor region.	Regional trade	Unknown	2023
Amer-Con Corporation	ARCCLA	Build and operate silo terminals and logistics platforms along the Lobito Corridor to boost staple crop storage and reduce post-harvest losses.	Agriculture & Food Security	Unknown	2024
US Gov	Angola	Support Angola's goal of generating 73% of its energy from clean sources by providing expertise and capacity-building for energy planning.	Energy Infrastructure	Unknown	2027
EXIM	Sun Africa	Fund large-scale clean electricity and water projects along the corridor, connecting 1M Angolans to reliable energy sources.	Energy Infrastructure	\$2.4B	2024
USAID	Farming Communities	Provide solar-powered irrigation and refrigeration to improve agricultural productivity along the corridor.	Agriculture & Food Security	\$1.5M	2024
DFC	Africa GreenCo	Support renewable energy liquidity to enable cross-border electricity trading along the Lobito Corridor.	Energy Infrastructure	\$40M	2024
US Treasury	AGIA via AfDB	Contribute to an infrastructure development fund that aims to mobilize \$100M in private capital for corridor-related projects.	Investment Facilitation	\$4.2M	2024
DFC	Kabanga Nickel Limited	Assess political risk insurance for a nickel processing facility in Tanzania, enhancing value addition for minerals transported via the corridor.	Mineral Processing	Unknown	2024
DFC	Pensana PLC	Fund feasibility studies to expand rare earth mining and establish refining capacity along the corridor.	Mineral Processing	\$3.4M	2024
DFC	Chillerton	Support the development of a green copper mining project in Zambia, contributing to sustainable mineral extraction along the corridor.	Sustainable Mining	\$3.2M	2024
USAID & USGS	Angola	Provide technical assistance to enhance Angola's mining sector transparency, attracting responsible investments along the corridor.	Mining Governance	\$2M	2023
DFC	African Rivers Fund IV	Support small and medium-sized enterprises in Angola, the DRC, and Zambia to stimulate economic activity in corridor-adjacent markets.	SME Development	\$13M	2024
Prosper Africa	Various Firms	Provide transaction advisory services to firms investing in the Lobito Corridor, facilitating private sector growth.	Investment Facilitation	\$600K	2024
USAID	Corridor Workforce Development	Develop workforce training and industrialization initiatives to strengthen the corridor's long-term economic potential.	Human Capital Development	\$4.5M	2024

Source: United States Institute of Peace, 2024; Chabala and Hofmeyr, 2025

4.3 History of financing the Tanzania – Zambia (TAZARA) Railway

Foreign aid, combined with economic cooperation, is another form of package financing that China engages in with Africa (Putzel and Kabuyaya, 2011). In 1995, the Chinese government-initiated reforms of its foreign aid, which was closely tied to economic investment and cooperation with Africa (Weng et al., 2021). China provides aid for a wide range of activities in Africa, which mainly fall into three categories: grants, interest-free loans, and concessional loans (The Central People's Government of the People's Republic of China, 2014). There are differences in emphasis across various African nations, but most funding is allocated to the construction of government buildings, railways, dams, and other

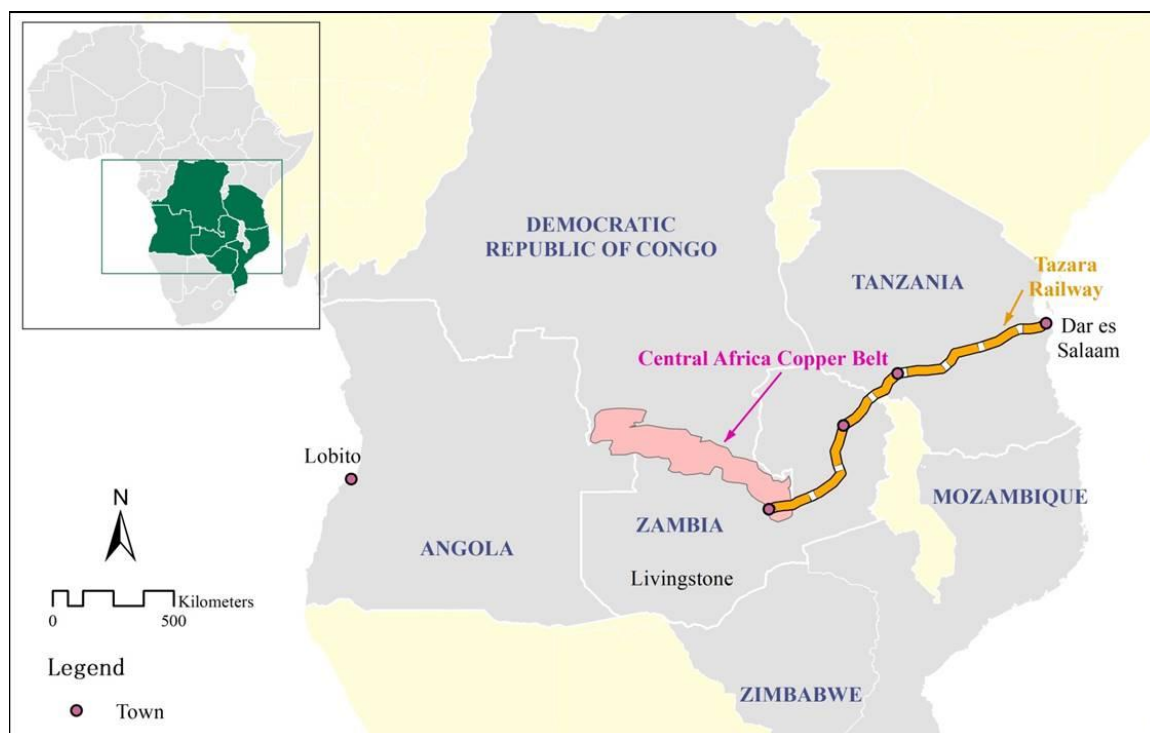
infrastructure (Foster and Briceno, 2010).

The TAZARA Railway (the acronym stands for the Tanzania Zambia Railway Authority, the binational administrative body that has overseen the railway since 1976) was constructed between 1970 and 1975 to link the landlocked Zambian copper belt with the Indian Ocean port city of Dar es Salaam in Tanzania (Aurélien et al., 2022). In 1967, following several requests for assistance from the Tanzanian government, which Western donors and the Soviet Union had rejected, China agreed to finance and support the railway project. The 1,060-mile-long project was constructed with financing and technical support from China, totaling over US \$400 million in the form of a long-term, interest-free loan (Monson, 2006). TAZARA is a classic model of a state-driven, large-scale infrastructure project. As large-scale infrastructure investments, railways were both material and symbolic expressions of state power, holding the potential to control the movements of people and goods, the locations of production and consumption, and the extraction of resources and labor (Monson, 2009).

4.4 Developing the TAZARA Railway to the TAZARA Corridor

The TAZARA Railway was built during the Cold War, which was dismissed as an ideological project, driven more by third-world solidarities and pan-African aspirations than by economic common sense (Monson, 2006). Nowadays, this is no longer the case of representing ideological symbols, especially since the Tanzanian and Zambian governments have agreed to leverage their endowment of natural resources for economic development. In 2024, at the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), the Chinese President and the Tanzanian President signed the Memorandum of Understanding (MOU) on the Tanzanian-Zambian Railway Activation Project. China will spend US\$1.4 billion to revamp the Tanzania-Zambia railway operations under a 30-year concession (Tanzania-Zambia Railway Authority, 2023). The investment is expected to strengthen trade, improve logistics for the mining sector, and reduce transportation costs. It will address TAZARA's challenges in modernizing the TAZARA Rail line, connecting Zambia's copper mines to Dar es Salaam Port, the largest port in Tanzania. With new investments, TAZARA estimates that rail efficiency will increase annual cargo capacity from 500,000 metric tons to 2 million metric tons (Tanzania-Zambia Railway Authority, 2023).

Figure 9. Development of the TAZARA Corridor



Source: Authors' construct.

The Chinese state-owned construction enterprise, the China Civil Engineering Construction Corporation (CCECC), which originally constructed TAZARA in 1967, is set to receive a 30-year concession. In terms of a 30-year concession period, the first three years will be dedicated to construction and rehabilitation, and the remaining 27 years to full operational management, ensuring long-term sustainability. Under the proposed agreement, CCECC will undertake (1) US\$1.0 billion for the rehabilitation of TAZARA's railway track infrastructure, enhancing safety, efficiency, and capacity. (2) US\$0.4 billion for the procurement of 32 brand-new locomotives and 762 new wagons, significantly increasing freight and passenger transport capacity. (3) Periodic major overhauls, alongside continuous maintenance, will be conducted throughout the concession period to ensure long-term continuity and sustainability (Tanzania-Zambia Railway Authority, 2023).

A public-private partnership approach has been proposed for the TAZARA revitalization, focusing on developing and operating the concession on a commercial basis. Such an approach will involve a diversity of bureaucratic, corporate, and individual actors from China and abroad. Since 2015, the Chinese government's policy has signaled a shift from China's policy banks-led approach to a more market-oriented approach in overseas financing. The 'market-oriented' approach involves greater private sector participation for infrastructure finance in Africa (Bo et al., 2024). Meanwhile, it reflects a more cautious approach from China toward foreign infrastructure projects, following some significant loans made under its ambitious 'Belt and Road Initiative,' which has been accused of being a 'debt trap diplomacy' for developing countries, as mentioned in 3.3. TAZARA Railway connects Zambia, where Africa's largest

copper belt is located, with strong transport demand for the copper export. The transportation of critical minerals, such as copper and cobalt in Zambia will draw huge interest from the private sector and commercial creditors for financing. Compared to policy banks, these alternative financing sources, especially the private sectors, focus primarily on revenue-generating investments, such as construction, mining, and financial services, rather than riskier infrastructure investments, including transport (Humphrey and Chen, 2021). Co-financing with diversified domestic or international financiers can be a way to make projects bankable and de-risk (Rudyak and Chen, 2021).

The most recent updates regarding the Concession Agreement between TAZARA and China's CCECC have not yet been officially signed. Negotiations are still ongoing, and an official statement will be issued to the public once the discussions are concluded (Xinhua, 2024). Before the concession agreement is signed, the Government of the United Republic of Tanzania will provide financial support to sustain the concession of the railway. A total of TZS 27.3 billion was allocated for key development projects under TAZARA. Of this amount, TZS 14.98 billion will go towards the salaries of TAZARA employees; TZS 12.32 billion is earmarked for critical infrastructure rehabilitation and operational upgrades. As the Minister of Transport presented in Parliament, once the concession agreement is finalised, it will take up to three years to rehabilitate the line and mobilize the necessary rolling stock and equipment (Tanzania-Zambia Railway Authority, 2023). Only after this preparatory phase will the concessionaire be in a position to commence operations and start generating revenue for TAZARA.

5. Motivations behind the Revitalization of the Benguela Railway and the TAZARA Railway

5.1 Economics, Politics and Ideologies

The new developments of the Lobito Corridor cannot be explored in isolation from the Corridor's 'spinal cord', the Benguela Railway. A state-owned Chinese company was contracted to rehabilitate the line through an oil-for-infrastructure deal valued at USD 1.83 billion. Oil rent in the recipient country is found to be a significant driver of China's allocation of official funds. The 'Angola model' has already raised concerns about the long-term dependency of low-income countries on China and has been criticized for the primary motivation behind Chinese assistance is to secure natural resources for its growing population and economy (Kaplinsky et al., 2007).

In 2024, President Biden visited Angola before stepping down. The gap between the last presidential visit made by Obama in July 2015 and Biden's trip to Angola effectively undermined US official pronouncements that Africa mattered, following his commitment at the 2022 US-Africa Leaders Summit. For Africans, the dissonance between discourse and actions reinforced the sense that Africa was not a priority for the United States, which has caused it to lag behind China in the sub-Saharan region as a whole. To counter China's increasing influence in Africa, the US has begun to make strenuous efforts to catch up with its rivals. Thus, the implementation of the Lobito Corridor, as a novel development initiative, becomes a possible solution.

As the Biden administration claimed, the financing of the Lobito Corridor offers a mixed financing structure that will be conducive to minimizing financial risk to participating African nations, with a combination of public-private partnerships, grants, and concessional loans (U.S. Department of State, 2024). The Public-Private Partnerships are designed to leverage the strengths of both the public and private sectors to maximize the impact of that investment, while ensuring that they are directly aligned with the benefits for the local populations in the long run (Torres and Ignacio, 2024). In the meantime, the Lobito Corridor offers a more cost-effective and expedited route for transporting critical minerals from the Copperbelt of the Democratic Republic of the Congo (DRC) and Zambia to the Port of Lobito for onward export. The savings in logistics and transportation costs are of such magnitude that they could unlock the economic potential of previously unfeasible ore bodies, such as REEs, cobalt, and nickel (Chabala and Hofmeyr, 2025).

At the same time, the Lobito Corridor was claimed as a shift in its engagement with Africa from exploitative models to collaborative and equitable partnerships, which will stimulate local value addition in source countries. With the highest level of political commitment between the DRC and Zambia, supported by the US government, a trilateral memorandum of understanding (MOU) was signed in 2022, to develop a complete value chain around EV batteries in the DRC and Zambia - from the extraction of minerals to the assembly line (Soulé, 2023). Apart from that, EU interests are also reflected in a range of agreements, focusing on critical minerals and infrastructure investments. In addition to the US-DRC-Zambia partnership, the EU has signed strategic partnerships on critical minerals value chains with the DRC and Zambia respectively (Karkare and Byiers, 2025). However, current studies indicate that no concrete progress has yet been made, and the project framework offers little to enhance prospects for the value addition of critical minerals. The political interests of the involved countries are focused on national gains rather than collective, coordinated regional development (Chabala, 2024).

Unlike the Lobito Corridor, which adopted a pragmatic approach both commercially and politically, the TAZARA Railway was burdened with even more layers of ideological meaning and symbolism in the earlier period. The Chinese-sponsored TAZARA was known as the 'Freedom Railway', linking landlocked Zambia to the sea, which Zambia desperately needed to break free from its dependency on Rhodesian, Angolan, and South African rails and ports (Monson, 2009). The railway was part of China's effort to combat what it termed the hegemonism and neo-imperialism of the two superpowers, the United States and the Soviet Union. In other ways, the story of the TAZARA railway sheds light on dimensions of the Cold War era in Africa that extend beyond the competition between socialist and capitalist ideologies (Monson, 2006).

The narratives have been rewritten since the Memorandum of Understanding (MOU) on the Tanzanian-Zambian Railway Activation Project was signed at the FOCAC in 2024 in Beijing; both Tanzania and Zambia have ostensibly remained committed to the railway's revitalization as a key driver of their

economic transformation (Tanzania-Zambia Railway Authority, 2023). Tanzania is rich in various critical minerals for renewable energy, including nickel, cobalt, platinum group minerals, graphite, rare earth elements, copper, aluminum, lithium, and vanadium. The wealth of critical minerals presents opportunities to drive their socioeconomic development (Olan'g S et al., 2024). For Zambia, the Tazara railway will be instrumental in transporting minerals, particularly copper and cobalt, leveraging the potential of critical minerals for industrialization and economic diversification. However, some view the Lobito Corridor as merely a risk-mitigating measure for the export and import of goods should other routes be disrupted, as has been the case in the past (Chabala, 2024).

5.2 China-Western Competition for Critical Minerals Scramble in the African Heartland

Geopolitical motivation is not unique in driving competition in infrastructure projects (Boafo et al., 2024). The US-backed Lobito Corridor and the China-built TAZARA corridor are a dynamic race for the routes and critical minerals that underscores a growing recognition of Africa's pivotal role in the global energy transition (Karkare and Byiers, 2025; Andreoni and Avenyo 2023). The Lobito Corridor project marks a notable shift in the United States' engagement with the continent. The United States and its African partners are betting that the corridor will attract sufficient users to be economically viable and that it will spur additional economic growth and investment, including robust development of minerals and agriculture (Centre for Strategic and International Studies, 2024). According to IHS Markit's global mining market analysis, 80 percent of the minerals extracted from the DRC and Zambia are expected to be transported via the Lobito Corridor by 2030, as it provides the shortest route between the Katanga mining region in the DRC, the Copperbelt in Zambia, and a deep-water seaport. In fact, the first customer of Lobito Atlantic Railway, was a joint venture between Chinese Zijin Mining and Ivanhoe Mines¹⁴. In that case, unless the TAZARA corridor offers significantly lower logistics costs and higher efficiency, it seems that the TAZARA corridor will struggle to compete with the US-backed Lobito Corridor (Way, 2024).

China's strategy of investing in interior-to-coast transportation corridors is viewed as designed to secure energy and natural resources needed for China's domestic economy, exposing it to broad criticism of 'debt-trap diplomacy' (Weng et al., 2021). In the case of TAZARA railway, financing through the PPP model will reduce reliance on China's lending and also diversify the contributions of China and Chinese companies to this project. If, under a PPP, the private sector meets any initial capital costs and the host government, such as Tanzania and Zambia government, is primarily responsible for ongoing service payments, China can choose to provide either commercial debt or equity directly to the project,

¹⁴ Zijin Mining is the largest equity interest holder in the Kamoa-Kakula Copper Mine, owning approximately a 45% interest in the project. In May 2015, Zijin Mining acquired a 49.5% interest in Kamoa Holding Limited from Ivanhoe Mines, thereby indirectly holding a 39.6% interest in Kamoa-Kakula. Zijin Mining also holds a 13.59% interest in Ivanhoe Mines, making it the second-largest shareholder of the Canadian mining company.

Source: <https://www.zijinmining.com/global/program-detail-71734.htm>

provide credit enhancement or structuring support to limit itself to procuring roles on the project for Chinese contractors (Marson et al., 2021). In this manner, the PPP model can generate trade and capital investment while opening up pathways for Chinese productive capacity and expanding the capital budget under the 'Belt and Road Initiative' by leveraging it to access private sector capital and long-term revenue streams from host governments.

The US funding suspension across Africa, following Donald Trump's executive order, brings uncertainties to the direction of the Lobito Corridor projects. Finance commitments by the US are alleged to be in the region of USD 4 billion. However, uncertainty looms over the future of US involvement amidst the Trump administration's capricious approach to trade and investment. For example, some US funding has been frozen, which impacts financing for feasibility studies, technical services, and crucial early-stage payments, casting doubt on the project's trajectory (OECD, 2025). Meanwhile, the recently appointed chair of the Senate Foreign Relations Subcommittee on Africa emphasized that China and energy security will be key foreign policy concerns. This suggests that US engagement with Africa will likely pivot from a development-oriented approach to one primarily serving US strategic interests (Müller, 2023). This raises a critical question: will the Lobito Corridor transform the economies of recipient African countries by leveraging the potential of critical minerals, or will it be business as usual (Chabala and Hofmeyr, 2025; Way, 2024)?

6. Africa's New Corridor Ambitions: Debt Trap 2.0 or Strategic Leverage?

6.1 Debunking the Myth of Debt Trap

The narratives of 'debt-trap diplomacy' resonate more in Western countries, especially the US, and are rooted in anxiety about China's rise as a global power rather than in the reality of Africa (Bo et al., 2024; Marson et al., 2024). In Washington, the BRI is portrayed as not driven by commercial interests, but rather as a means for China to exert its strategic dominance. Specifically, it is alleged that China seeks to utilize the BRI as a tool to leverage its political power, even going so far as to claim that China aims to rule the world by rewriting the global order established by the West (Brautigam, 2020). In Africa, after a long history of the West dismissing African infrastructure plans as 'uneconomical and unnecessary', China stepped in, adopting a different financing model, such as the 'Angola model' (Were, 2018). The World Bank demonstrated that the growth of Chinese finance in Africa represents an encouraging trend that can potentially make a material contribution to closing the infrastructural deficit in sub-Saharan Africa (Foster, 2009). However, drawing on past experiences, the interactions between Africa and China are not well-integrated into a sustainable development strategy for the long-term benefit of poor Africans (Collier and Venables, 2007). The expansion of Chinese investment in industrial mineral extraction in Africa, in fact, only benefits in-country elites and also leads to the 'extractive enclave' scenario (Foster, 2009).

Chinese loans to the region rose rapidly in the 2000s, with the country's share of total sub-Saharan

African external public debt jumping from less than 2 percent before 2005 to 17 percent by 2021 (IMF, 2023). This makes China the largest bilateral official lender to countries in the region. However, the share of debt owed to China remains relatively small, at just under 6 percent of the region's overall public debt, and is primarily owed by five countries: Angola, Cameroon, Kenya, Nigeria, and Zambia (IMF, 2023). This situation changed due to China's slowing economy, which led to a decline in sovereign lending to sub-Saharan Africa, falling below \$1 billion in 2022, the lowest level in nearly two decades (Moore, 2022). A combination of domestic and international pressures, both economic and political, has led to the BRI lending already shrinking, with a dramatic decrease since 2015. As China's trade war with the United States escalates, the country will need to manage its massive domestic debt, which will likely remain a prominent policy focus for the Chinese government in the long term (Moore, 2018). Apart from that, China is also facing pressure to conform to international lending standards, as it is constantly accused of lacking transparency, operating outside international regulations, and other similar allegations (Marson et al., 2021).

Reduced Chinese lending need not necessarily be a bad thing for Africa. Coming out of FOCAC, Chinese officials commented that 'China's lending to Africa will be more cautious to ensure projects are sustainable' (Walsh, 2024). A set of stricter project eligibility criteria could lead to more competent project preparation and implementation. It could also decrease the incidence of projects selected for funding based on electioneering and politics rather than on social and economic policy outcomes (Moore, 2022). This might even prompt African countries to implement projects that enhance regional integration, trade, and commerce. For example, the entire engineering process of the Benguela Railway was conducted to Chinese standards. All building materials, including steel rails, concrete, and large-scale mechanical equipment for construction, were purchased and shipped from China during the railway reconstruction (Xinhua, 2019). However, the vehicle configuration was primarily based on the demand for passenger and cargo transportation at that time. The Lobito corridor will increase the demand for more powerful internal combustion locomotives, as well as a wider variety of freight wagons. This will present opportunities for the upstream and downstream supply chain of the construction industry for Chinese companies and beyond. For instance, the Lobito Atlantic Railway has taken delivery of the first of 275 container wagons ordered from Galison Manufacturing in South Africa (Railway Gazette International, 2024).

6.2 Reasserting African Agency amid Global Power Rivalries

The competition between the two corridors initiative, involving Western countries, especially the US and China, not only exemplifies geopolitical rivalry but also enables Africa to leverage its bargaining power (Karkare and Byiers, 2025). US initiatives have gone beyond the Lobito Corridor, extending the proposal to the so-called 'Trans-African Corridor', which would include Tanzania in its communication efforts all the way to the Indian Ocean (Soulé, 2023). Extending infrastructure connectivity from Angola to Tanzania underscored Washington's strategic interest in countering China's influence across Africa. In the meantime, a window of opportunity has presented itself for coordinating existing infrastructures.

During Biden's administration, the acting Special Coordinator for the Partnership for Global Infrastructure and Investment has expressed that the US looked to Tanzania for the eastward expansion of the Lobito rail project. They emphasized the importance of leveraging existing infrastructure, particularly to find a way to create some compatibility and open access connectivity between the Lobito Corridor and other existing rail lines (U.S. Department of State, 2024). The US is also consulting with the various Tanzanian line ministries and with the president's office of planning to expand the extension of the Trans-Africa Corridor (Torres and Ignacio, 2024). For the Tanzanian government, as the revitalization of the TAZARA railway is still under negotiation, the choice of partner for the railway project will affect how to maximize the benefits that can be derived from it. This will depend on how the Tanzanian government navigates the interests of both China and the West in infrastructure connectivity and critical minerals extraction.

The Angolan government is confronting a similar situation. The Lobito Corridor aligns with the 'Angola 2025 Vision', a broader economic diversification strategy for Angola, which aims to reduce its dependence on oil revenues (OECD, 2025). By capitalizing on its strategic location and fostering strong public-private partnerships, the Lobito Corridor could transform Angola into a regional logistics and trade hub. In Zambia, Trump's withdrawal of US development assistance may prompt the Zambian government to pursue more trade and investment partnerships with non-Western countries. Despite being blamed for creating Zambia's looming debt crisis, the country has sought to strengthen relations with China, focusing on economic growth. These overlapping interests and debt trap concerns also show the complexity of Zambia's role in linking both the Lobito and TAZARA Corridors (Karkare and Byiers, 2025).

Moreover, the Chinese perceive that Westerners have tried to imitate their 'Belt and Road Initiative' in the region, making unprofitable investments in infrastructure but compensating with other economic activities (Torres and Ignacio, 2024). However, China does not appear to be willing to abandon this strategic region in Western hands. The joint venture company, Lobito Atlantic Railway, is owned 49.5% by Trafigura and 49.5% by Mota-Engil, with the remaining 1% held by Vecturis (The Economist, 2024). In 2020, Mota-Engil, a Portuguese construction company, was acquired by China Communications Construction (CCCC), a state-owned construction company, with a shareholding of 169 million euros and participation in the share issuance. CCCC now holds 32.4% of Mota-Engil's shareholding, which is the second-largest stake in the company (Guofu Consultancy, 2024). In this manner, like passengers riding in the same boat, Western and Chinese companies both have a shared stake in each other's interests. This intertwining of commercial interests makes it difficult to distinct Western and China's influence in the region, despite geopolitical rhetoric (Karkare and Byiers, 2025). China's dominance in infrastructure construction in Africa, leveraging partnerships with established Chinese players, will diversify financing sources to yield the most competitive outcomes for the development of the Lobito Corridor.

6.3 Highlighting Commercial Viability in the Era of Green and Digital Transitions

Past experiences demonstrate that the transition from a simple transportation route to a fully-fledged development corridor relies heavily on the active involvement of the private sector in anchor infrastructure and investment projects. While the geopolitical narrative has largely shaped the discourse around the development of these two corridors, closer examination on the ground reveals a more complex reality involving a diverse set of actors and dynamics on both the Chinese and Western sides. Specifically, Chinese private actors from the mining and infrastructure sectors have also played a significant role in the development of the Lobito Corridor, working alongside Western partners both as operators and as investors to use the railway for mineral exports, as outlined in earlier sections.

Taking a broader view, China has been the dominant export destination for copper from the Central African Copperbelt, including both Zambia and the DRC. According to the OEC data, in 2023, China was the leading importer of copper ore from both countries, as well as the primary destination for the DRC's raw and refined copper exports (see Table 3). This underscores strong Chinese interest in using the Benguela Railway—and potentially the TAZARA Railway, if upgraded—for copper exports. However, the preference of mining companies, including Chinese firms, will ultimately depend on the comparative time and cost of different sea routes, as well as the efficiency of coordination between ports, railways, and feeder roads from mining sites. For instance, while the Lobito route may shorten transport time from certain mining areas to the coast, port capacity remains a critical constraint. At present, Lobito is a secondary port with limited vessel traffic and few direct shipping lines, often requiring transshipment to larger ports, which adds time and cost (Karkare and Byiers, 2025). World Bank data similarly shows that port traffic in Lobito was significantly lower, representing only about 15% of the volume handled by the Port of Dar es Salaam in 2020¹⁵, whilst the latter is also undergoing upgrade projects, supported by various external financiers.

¹⁵ Port flow data sources from World Bank's LPI logistics, based on the sum of Quarterly deployed capacity (TEU) during Q1 of 2020.

Table 3. Top Export Destinations (Export Value) of the Central African Copperbelt, 2023

	Copper ore	Raw copper	Refined copper
DRC	Total- \$2.32B	Total- \$1.41B	Total- \$ 11.8B
	China- \$2.08B	China-\$1.41B	China- \$7.41B
	Zambia- \$85.3m		UAE- \$1.1B
	Spain- \$80.2m		Spain- \$578M
Zambia	Total- \$73.4M	Total- \$6.95B	Total- \$2.53B
	China- \$51.1M	Switzerland- \$3.13B	Switzerland- \$1.02B
	Singapore- \$9.92M	India-\$1.73B	China- \$533M
	Switzerland- \$5.42M	China-\$1.6B	Singapore- \$322M

Source: Authors' compilation based on OEC data

At the same time, the stakes of European and American companies are also high in gauging current and future demands. Notably, trade data¹⁶ shows that Switzerland has been Zambia's top copper export destination over the past decade, accounting for roughly half of Zambia's copper exports—primarily through Swiss commodity trading firms (Dobler and Kesselring, 2019)¹⁷. In addition, KoBold Metals—a Silicon Valley-based mining start-up backed by major U.S. tech firms—signed a Memorandum of Understanding to support the commercial viability of the Lobito Corridor, including the Zambia–Lobito greenfield railway, by committing over 300,000 tons of copper annually from its Mingomba mine¹⁸. Copper demand is projected to grow by 70% between 2021 and 2050 (BHP, 2024)¹⁹, driven not only by the clean energy transition but also by the expansion of AI technologies and data centre construction. This suggests a likely surge in U.S. interest in securing copper and other critical minerals in the region. However, translating such commitments into production takes time, and financing and building a greenfield railway remains a major challenge compared to using existing export routes.

Beyond the investments in critical minerals, a long-term success of the development corridor requires broader investment—investment that not only supports the extractive activities and mining sector but

¹⁶ Based on UN COMTRADE data and OEC data.

¹⁷ Nevertheless, Zambian copper purchased by Swiss trading firms is rarely physically shipped to Switzerland. Instead, much of it is sold while in transit, often from bonded warehouses. Statistically, these transactions are recorded as exports to Switzerland. The actual transport routes are between Zambia and the third countries.

¹⁸ See Factsheet: Partnership for Global Infrastructure and Investment in the Lobito Trans-Africa Corridor by By [U.S. Embassy Dar es Salaam, https://tz.usembassy.gov/fact-sheet-partnership-for-global-infrastructure-and-investment-in-the-lobito-trans-africa-corridor/](https://tz.usembassy.gov/fact-sheet-partnership-for-global-infrastructure-and-investment-in-the-lobito-trans-africa-corridor/). In fact, KoBold Metals' expansion in the region reflects more than its use of artificial intelligence to develop a new critical minerals site in Zambia; it has also swiftly extended its footprint into the DRC by acquiring stakes in existing mines, see <https://www.metaltechnews.com/story/2025/07/23/tech-metals/kobold-signs-drc-lithium-deal-for-manono/2383.html>

¹⁹ See BHP Insights: how copper will shape our future <https://www.bhp.com/news/bhp-insights/2024/09/how-copper-will-shape-our-future>

also more value-added activities and diversified growth. The Lobito Atlantic Railway (LAR) consortium, which currently operates the brownfield railway, is primarily led by mining companies and focuses on mineral transport. Although there is political intent from the EU and US to expand the corridor's use beyond mining—into agriculture, energy, and other sectors—concrete investment commitments remain uncertain (Karkare and Byiers, 2025). In comparison, the upgrade and operation of the TAZARA Railway will be led by CCECC, a Chinese state-owned infrastructure enterprise. It remains unclear whether CCECC has already started negotiating with other investors at this stage to boost the railway's commerciality. However, beyond the mining, China leads the foreign investments in both Zambia and Tanzania in the areas of agriculture, construction, and manufacturing, presenting unique opportunities for greater coordination among Chinese actors along the TAZARA Corridor (Shi and Seim, 2021; Benua and Magige, 2025).

7. Conclusion

Africa faces an ongoing annual infrastructure financing gap in the upcoming decades. On the one side, African countries are likely to keep depending on Chinese financing as a central tool for closing the infrastructure gap and advancing development corridor initiatives. On the other hand, the new reality appears to be one in which the Chinese spigot, while not completely turned off, has slowed as China adjusts to pressures at home and abroad. In this regard, African countries will need to adapt to China's growth slowdown and declining economic engagements by strengthening internal resilience within the continent (e.g., increasing intra-African trade) and diversifying economic partnerships, with both established and emerging powers from the Global North and South.

A significant opportunity lies in the rising global demand for critical minerals driven by both energy and digital transition, which will be the next wave of resource extraction in Africa. In fact, competition for economic primacy and global influence is already evident in some mineral-rich regions, where two competing corridor initiatives are underway. Specifically, China's BRI has engaged most African countries through investments in infrastructure and the mining industry. The renovation of the railway TAZARA is just one snapshot in the picture of China's interaction with African countries. In response to China's BRI, the US has prioritized the development of the Lobito Corridor under the G7 Partnership for Global Infrastructure and Investment (PGII). Suppose the primary interest of external partners, such as those from the West and China, remains the sourcing of critical minerals from Africa. For both the Lobito Corridor and TAZARA Corridor to succeed from their anchor projects, it will require alignment of interests between the corridor countries. In other words, corridor countries must find ways to cooperate to negotiate the best possible deal from the international partners.

From a business perspective, there are likely to be winners and losers with the development of both corridors. Without complementary investments in domestic mineral processing and economic diversification, as well as broader investments in the area of environmental and social sustainability, the

surge in global demand for critical minerals is unlikely to yield a mutually beneficial outcome for African mineral-rich countries. The continent will need policy spaces and strategies to leverage the region's mineral wealth, thereby transforming its economic structures, diversifying exports, and promoting job creation and environmental sustainability.

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