Examining Imports of Capital Goods from China as a Channel for Technology Transfer and Growth in Sub-Saharan Africa

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Abstract
This paper contributes to related literature by analyzing how economic growth in Sub-Saharan Africa is affected by the growing dependency on capital goods from China. The paper finds robust evidence in support of the hypothesis that capital goods from China are an important technology transfer channel that enhances economic growth in Africa. Therefore, trade liberalization policies aimed at attracting Chinese capital on a non-preferential basis are important. In addition, the results also suggest that growth strategies based on greater physical and human capital accumulation, increased trade openness, political stability, and less government consumption expenditure are important.

Key words: foreign capital goods, economic growth, Sub-Saharan Africa
JEL classification: F1, O1, O4

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