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Front Cover Image: Entrance of Chambishi Copper Smelter, Zambia.
Picture Courtesy of: Dan Haglund.

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Editorial

Zambia’s economy has seen some significant structural transformation in recent years, driven in large measure by a commodity boom, but also fed by developments in the country’s other strategic sectors such as agriculture. As the winds of the global economic recession swept across the African continent over the past months, Zambia’s economy was concomitantly affected. For the country matters were made worse by the sharp drop in international copper prices, and the fact that the Zambian government made little of the commodity boom to save for a rainy day.

China’s presence in Zambia’s mining sector has grown in recent years, although the Asian power has also become involved in other sectors, including agriculture and the construction industry. In this edition of China Monitor the focus falls on the numerous forms of Chinese involvement in Zambia and the longer term implications for the African country.

Over the years there has not been a significant trickle down of Zambia’s commodity boom to stymie domestic poverty. The country also still has high levels of public debt. Sino-Zambian relations have expanded in extent and diversity and while economic ties are important, so too are political ties between the two countries. Facing a downturn after its years of economic growth, this is important for Zambia.

Professor Scarlett Cornelissen
Interim Director, Centre for Chinese Studies
Policy Watch

Chinese Activities in Zambia: More than Just Mining

By Yan Hairong & Barry Sautman

Associate Professor and Assistant Professor, Hong Kong University of Science and Technology and Hong Kong Polytechnic University

In Western media depictions, a large influx of Chinese into Zambia has produced little more than exploitation of copper resources and mine labour. Based on a hundred-plus interviews with Zambians and Chinese in Zambia, we have found that while mining involves several hundred Chinese, the latter are also active in agriculture, construction, manufacturing, and telecommunications.

The Chinese presence in Zambia is, in the first place, exaggerated. Western media figures derive from imaginings of the main political opposition, the Patriotic Front, which asserts there are 80,000 Chinese in Zambia. Our interviews with Chinese most knowledgeable about the community indicate 4,000-6,000 in a country of 12 million. Chinese in Zambia are thus a “phantom population,” claimed, for political reasons, to be of menacing proportions. This tactic exists in many African states, where opposition parties respond to discontent over neoliberal depredations by tying “the Chinese” to ruling elites, in much the same way anti-Jewish sentiment was mobilized in pre-Holocaust Europe.

Most of what has been heard through Western media about Chinese activities in Zambia concerns one enterprise, the Chambishi mine, re-developed by a Chinese state-owned enterprise (SOE), Non-Ferrous Metals Co. Africa (NFCA). What usually goes unmentioned about Chambishi is that it is the smallest among Zambia’s major copper mines, all of which have been foreign-owned since an International Monetary Fund-enforced rapid privatization a decade ago. Chambishi was abandoned for 13 years, required a US$ 160 million investment to restart, and began production only in 2003. It is also a “tail mine,” where the copper content is so low that larger mining companies spurned it.

NFCA’s management, like those of the British/Indian, Canadian, South African, Swiss and other mines, did fight unionization, but contrary to outdated assertions, its managers now accept unions, to which 80% of the workers belong. Consequent pay rises for Chambishi’s miners average more than 20% a year, while the industry average is 15%. At all mines, however, wages remain below the level miners need...
In agriculture, Chinese own a half-dozen commercial farms (most owned by two SOEs), and about 20 private small farms. All of these are produced for the local market.

In the ongoing economic crisis, after copper prices fell from about US$ 8000 a ton to US$ 3000, NFCA, for political reasons, did not lay off any of its 2000 Zambian workers. Several foreign owners did otherwise. The British/Indian owners of the Konkola Copper Mine, which produces 70% of Zambia’s copper, dismissed several thousand miners from its workforce of 20,000. The Swiss owners of the Luanshya mine, where 1700 Zambians laboured, pulled up stakes. NFCA has acquired it and pledged to invest US$ 400 million, re-hire laid-off miners, increase the workforce to 3000 and produce refined copper that may allow Zambia to make copper products for the first time.

None of these developments in Chinese participation in Zambian copper mining have been widely reported by Western media, which continue to dwell on a 2005 industrial accident at a Chambishi explosives factory that killed 46 workers and on a 2006 strike. Yet our investigations show that all copper mines have serious accidents and strikes and miners perceive their position as far worse than when the mines were state-owned.

In the construction sector Chinese firms significantly entered the market in the late 1990s. There are now ten sizeable Chinese firms, half of them state-owned. There are also some 20-30 private Chinese firms. Even before the entry of Chinese firms, large foreign firms already dominated the Zambian construction market. Chinese companies now are awarded contracts for 70-75% of infrastructure projects and maintain they have lowered by 30% the cost of Zambian government-funded infrastructure. The savings derive from factors that make Chinese firms competitive. First, their profit margin is lower. In China, construction firm profits of 5-10% have shaped expectations of Chinese firms in Zambia as well, while other foreign firms generally require 25-30%. Second, Chinese firms charge lower overheads by not building-in developed country living standards for expatriate engineers and skilled workers. Third, although they must source fuel and construction materials in the region, their equipment is imported from China, creating substantial savings. Fourth, Chinese firms put in longer hours, shortening project duration and further saving on costs. The ratio of Chinese and Zambian in established firms is about 9:1. The more Chinese engineers and skilled workers become linguistically and socially adapted in Zambia, the less they need to employ Chinese.

In agriculture, Chinese own a half-dozen commercial farms (most owned by two SOEs), and about 20 private small farms. All of these produce for the local market and thus none are involved in the supposed feeding of China by Africa frequently invoked by Western media. Some commercial farms are Zambian National Farmers Union members. Each has just a few Chinese and hundreds of Zambian...
workers, paid the low wages typical of the sector, which is dominated by white farmers.

In manufacturing, there are half a dozen Chinese-owned metal re-cycling factories that mainly produce steel bars for construction and mill balls for mining, as well as an oxygen producer, a tire re-treader, and several small copper smelters. The two major Chinese telecommunications companies, Huawei (private) and ZTE (state-owned) employ many scores of Zambians, with more than half their engineers, accountants and clerks hired locally. The re-opening of the Chinese-built, jointly-partnered Zambia-China Mulungushi Textile is also currently being discussed.10

The Chinese in Zambia are thus involved in a range of activities that contribute to the country’s development, at least as commonly conceived. As with the economic activities of other foreigners and locals, Chinese businesses exploit Zambian labour, but there is nothing, apart from the bias of Western media, that makes these activities uniquely deleterious to Zambian interests.

End notes

1 The same phenomenon occurs in developed countries. For the United States, see John Judis, “Phantom Menace,” New Republic, February 13, 2008.


3 See, e.g., Alastair Fraser, “Boom and Bust in Zambian Copper Mining: Donors, Multinationals, China and the Populist Response,”.ppt of talk, University of Leeds, February 4, 2009 http://oxford.academia.edu/documents/0010/2592/Boom_and_Bust_in_the_Zambian_Copper_Mining_Sector.ppt#256,1.

4 “Countries Must Diversify; Focus Less on Mining,” InterPress Service, June 11, 2009.


10 “We have not Ignored Kabwe, Says Minister,” Times of Zambia, Sept. 5, 2009.
Commentary

Regulating diversity: China and the changing composition of Zambia’s mining sector

By Dan Haglund
PhD candidate, University of Bath

This article explores how changes in the composition of Zambia’s mining sector are shaping state-firm relations and the country’s ability to regulate mining practices. It first presents the background to Chinese investment in Zambia’s mining sector. It then discusses the impacts of the financial crisis and the counter-cyclical expansion of Chinese investment, highlighting differences in the articulation of state-firm relations. I argue that a greater share of Chinese and other emerging-market investors will introduce greater diversity and complexity into the sector. This will create challenges for the regulation of business, which in the mining sector is crucial to ensure that Zambia benefits from this investment.

Following privatisation of Zambia’s copper sector in 1997-2002, the boom in commodities prices led to rapid expansion of the sector. During this period, Chinese investment into Zambia’s copper mines was dominated by Non-Ferrous Metals Corporation Africa (NFC Africa), a subsidiary of the state-owned China Non-ferrous Metal and Mining Group (CNMC). NFC Africa plays a key role in managing the Zambia-China Trade and Economic Cooperation Zone (ZCCZ), the first of China’s special economic zones announced at the Forum of China-Africa Cooperation of November 2006. The zone – located between Kitwe and Chingola on the Zambian Copperbelt – corresponds to NFCA’s 42km² mining surface right and is managed by a ‘Zone Development Company’, headed by former NFCA CEO (and current CNMC Vice-President) Tao Xinghu. At the time of writing these investments employed an estimated 5,000 people and with the coming online of the Chambishi Copper Smelter constitute about a quarter of the copper production capacity in the country.

The recent global economic crisis and falls in international commodity markets had a significant impact on Zambia’s mining sector, which generates two-thirds of the country’s foreign exchange. Forecasts for the production of finished copper in 2009 halved, from 1,200 kilotonnes to 600 kilotonnes. Over 10,000 employees, representing about a third of those directly employed by the mines, were made redundant. The local economy has been widely affected as payments to suppliers came under pressure. However these global changes had an asymmetric impact on...
the mining sector. On the one hand, companies that rely on western capital markets faced growing credit constraints, and often failed to refinance projects whose financial viability has been undermined by low minerals prices. On the other hand, Chinese investment was expanding, with the bulk of US$ 2billion in new investment for 2009 being attributed to Chinese (and Indian) investment into the mining sector.5

To illustrate, when Munali Nickel Mine was put on ‘care and maintenance’ by its creditors (Barclays and the European Investment Bank), Jinchuan Group (China’s largest nickel producer) stepped in to recapitalise the firm by acquiring a controlling stake. Elsewhere Zhonghui Mining Group is reported to be planning a massive US$ 3.6 billion investment on the Copperbelt and in Northern Province, almost doubling the Zambia’s FDI stock in the mining sector.6 In May 2009 the government announced that NFCA had been chosen as preferred bidder for Luanshya Copper Mines (LCM), which was put under ‘care and maintenance’ by previous owners.7 Commentators noted that the choice of NFCA as buyer of LCM reflected a sense that NFCA would, unlike its fickle western counterparts, remain in Zambia for the long-term. Making any such assurances would, as a Professor at the Copperbelt University put it, “carry a lot of political mileage in the current crisis”.8

One reason why Chinese companies would – credibly – be able to make such promises relates to financing: Chinese banks were less exposed to the opaque mortgage-backed securities that when uncovered eroded away the capital reserves of many western banks. Moreover, as Deborah Brautigam pointed out in a recent China Monitor, Chinese banks are also able to tap into the country’s vast foreign exchange reserves.9 There is, however, a second and subtler explanation for why Chinese companies can promise long-term stability. Large-scale Chinese investment into extractive industries is typically conducted through state-owned enterprises. The interests of these firms in the Zambian mining sector are partly shaped by geopolitical considerations of resource security, thereby enabling closer links with the Zambian Presidency. This is reflected in evidence of how companies vary in their pursuit of a predictable and stable operating environment.

For instance, NFCA appears to seek stability by letting the GRZ ‘broker’ their social contract.10 On a visit to Zambia in February 2008, Chinese Deputy Minister of Commerce Gao Hucheng called on the Zambian government to ensure that meetings were held with stakeholders (including communities) to brief them on projects and their impacts.11 By contrast, a mining manager at Canadian company First Quantum explains that his firm pursues stability by cultivating relationships with local stakeholders: “if you talk to the Copperbelt Ministers, which company is doing most corporate social responsibility … First Quantum will always come up. And that does open doors. However it is one of economic benefits that you cannot quantify.”12
Simultaneous but different articulations of state-firm relations are made possible by Zambia’s political culture. Centralised decision-making with a large role played by the presidency means that companies have an option of whether to cultivate relationships with local or central state actors. However the task of regulating investors who differ in aims, expectations and ways of engaging with the state introduces challenges for capacity-constrained enforcement agencies. Regulation is costly and agencies tasked with monitoring environmental, health and safety practices are often underfunded. In this context the wide-ranging tax concessions to investors into multi-facility economic zones are significant.

To conclude, all large-scale investments into the mining sector indeed carry much potential for generating employment and acting as a catalyst for the manufacturing sector. However, given the history of environmental pollution and poor safety record in Zambia’s post-privatisation mining sector, non-economic regulatory issues need to remain on the agenda. With Chinese and other emerging-market investors consolidating their presence in African markets, the task of mining sector regulation is becoming increasingly complex. Zambian policy-makers need to be sensitive to the challenges as well as opportunities of investment into the country’s vast mineral resources.

End notes

1 This article draws on doctoral research carried out in Zambia in 2007.
2 CNMC was China’s 29th largest outward investor in 2006.
4 In late 2008 Indian-owned Konkola Copper Mines, one of the largest mines, changed its payment terms for suppliers from 30 to 90 days. As payments for goods and services come under pressure, so do salaries of upstream input providers. See The Post (15 April 2009), ‘Suppliers give KCM final demand for unpaid dues’. http://www.postzambia.com/content/view/8204/40/.
5 The Post (24 August 2009), ‘Economy still likely to grow by 5% - Mutati’. http://www.postzambia.com/content/view/12725/50/.
7 NFCA was chosen over two other front-runner bidders: Vedanta Resources and a consortium called Luanshya Mineral Resources. NFCA has agreed to invest US$ 400 million to restart production at Baluba mine and to develop production at Muliashi. Reuters (8 May 2009), ‘Zambia picks Chinese firm to run Luanshya Copper Mine’. http://www.reuters.com/article/rbssIndustryMaterialsUtilitiesNews/idUSWEB40020090508
8 Telephone interview with John Lungu, Professor at the Copperbelt University, 13 May 2009.
12 Interview with Manager at First Quantum Minerals, 11 Oct 2007, Ndola, Zambia.
14 Evolutionary economists point out that business practices will be relatively persistent when a company enters a new market, given the costs associated with changing organisational policies and routines. See Nelson, R. & S. Winter (1982), An evolutionary theory of economic change, Harvard University Press.
15 These concessions include zero per cent tax on corporate profits until five years after the investors has started to generate profits, as well as import duty exemptions on all imports. See MCTI (2009a).
Business Briefs

The Business Briefs section summarises key events regarding China’s economy during the month of September

**BEA mulls China unit spinoff for Shanghai listing**

Bank of East Asia may be able to make its debut in the Shanghai stock market in the second half next year if it lists as a China unit spinoff, according to a senior executive. "It [the spinoff] could be regarded as a domestic unit listing and procedures would be much simpler," said BEA deputy chief executive Brian Li Man-bun.

**China still on a quest for more Aussie mines**

Commercial interests have triumphed over the diplomatic brawl between Beijing and Canberra, with China's biggest steelmaker choosing Australia for its first strategic overseas investment.

Barely three months after Rio Tinto triggered a corporate and political war with China by rejecting a US$ 19.5 billion alliance with the state-owned Chinalco, giant state-owned steelmaker Baosteel has put its foot on an Australian port and decades worth of resources.

China Continues To Move Closer To Renewable Energy Goals

China’s government announced the passing of an aggressive new climate change policy, which will see new laws formed to help combat global warming. The bid is part of overall preparations for the UN Climate Talks scheduled to take place in Copenhagen this December. It is reported that local environmentalists are happy to see China's National People's Congress taking more action towards global climate change and dangerous emissions entering the atmosphere.

**GM, China FAW Set Up Commercial-Vehicle Joint Venture**

General Motors Co., China’s largest overseas automaker, formed a 50-50 joint venture with China FAW Group Corp. to make light trucks and vans in the country as it aims to offset plunging US vehicle demand. The venture between Detroit-based GM and FAW has a total investment of US$ 293 million, GM said in a statement. The companies signed a memorandum of understanding in November 2007 and received Chinese government approval in July, GM said.

**China business software market to hit US$ 9.4 billion**

China's spending on enterprise software is projected to grow at a CAGR of 18% to hit US$ 9.4 billion by 2012 and become Asia Pacific's largest, said Springboard Research. According to the research house, system and infrastructure software represented nearly two-thirds of the market in 2008, with the remaining share taken by application software. Supply chain management (SCM) as well as content and collaboration are the fastest growing segments in the application software category, while middleware and security software lead the system and infrastructure category.

**CNPC subsidiaries took bribes from US firm**

China's largest oil and gas producer and supplier did take bribes from US-based Control Components Inc (CCI), but the amount was far less than previously alleged by US authorities, the supervisor of State-owned enterprises told the China Business. The Central Commission for Discipline Inspection of the Communist Party of China, the Party's anti-corruption arm, is paying great attention to this case, and is to set up a special team to investigate the issue, according to China Business.

**China Merchants Profit Falls for Third Quarter as Margins Slide**

China Merchants Bank Co., the nation’s fifth-biggest by market value, posted its third consecutive quarter of declining profits as loan margins contracted and it set aside additional funds for loan defaults. Net income fell 41% to US$ 600 million in the second quarter, from US$ 1.01 billion a year earlier, based on figures released by the Shenzhen-based company. That fell short of the US$ 750 million average estimate of six analysts in a Bloomberg survey.

**China to buy up to US$ 50 billion of first-ever IMF bonds**

The Chinese government has agreed to purchase up to US$ 50 billion worth of International Monetary Fund bonds, the first such notes in the fund's history, the IMF said recently. The IMF announced plans to issue bonds to member countries in June, as part of a plan to help bolster its resources. China expressed interest at that time in purchasing the notes.
Other countries reportedly interested in purchasing the IMF bonds include Russia and India.

China State to help build New Jersey casino Revel Entertainment Group has turned to the Chinese government for help finishing the casino it is building on Atlantic City’s Boardwalk. China State Construction Engineering Corp., the construction arm of the Chinese government, will team with Revel Entertainment and Tishman Construction Corp. to complete what is likely to be Atlantic City’s last new casino for a long while. The project is considered to be too far along to abandon, and many local officials feel it could be the most important factor in reversing a three-year economic slump in Atlantic City, the second-largest US gambling market after Las Vegas.

Beijing marks first with US$ 680 million bond sale in Hong Kong China’s Ministry of Finance said it will sell US$ 878.5 million worth of bonds denominated in the Chinese currency in Hong Kong this month, marking what analysts said could be a milestone step to internationalize its currency. The bonds, which are due to be sold on Sept. 28 to institutions and individuals, will boost Hong Kong aspirations to become a hub for fixed-income trading and foster a greater acceptance of the yuan in international trade.

China’s banks hit new heights: Top 50 Chinese Banks Supported by a series of government measures, China’s banks recorded a surge in growth in 2008 despite the global credit crisis. The Banker’s Top 50 Chinese banks ranking this year shows that the growth of China’s financial sector may have been quickened by the credit crisis. Backed by interest rate cuts, lower reserve requirements and a US$ 585 billion government infrastructure-focused stimulus package, the average bank listed increased its total assets by 37% last year, compared with average growth of 33.5% in 2007.

China fund assets to exceed US$ 1 trillion China’s US$ 337 billion fund industry may triple in size in the next five years as new products attract money away from banks in the world’s fastest-growing major economy. China’s 18-year-old fund industry is stepping up innovations under Beijing’s financial reforms, preparing for products such as global exchange-traded funds (ETFs), overseas index-tracking products and real estate investment trusts (REITs).

China August Car Sales Jump 90% on Stimulus Measures China’s passenger-car sales surged a record 90% last month, as tax cuts and government subsidies spurred demand, bringing the nation closer to overtaking the US as the world’s largest auto market. This year, a US$ 586 billion stimulus plan has shielded China from the global recession, helping car sales jump at least 45% for four months in a row. Full-year sales of cars, trucks and buses may hit 12 million, the government said recently.

India attempts to match Chinese influence in Nepal In a bid to support Nepal’s beleaguered peace process and check China’s growing influence, India has decided to inject rupees into the neighbouring nation’s infrastructure. Sources pointed out that India’s interest lies only in a stable Nepal. Recently, Prime Minister Manmohan Singh held talks with Mr Nepal and discussed the entire gamut of bilateral ties from economic cooperation to the status of the peace process.

Myanmar Army ROUTS Ethnic Chinese Rebels in the North The Myanmar military has overwhelmed rebels from an ethnic Chinese minority in the northern reaches of the country, the junta’s second victory over armed opponents in three months. The routing over the weekend of the forces of the small Chinese-speaking Kokang ethnic group gives Myanmar’s governing generals momentum in their campaign to quell armed opposition before elections and the adoption of a new Constitution next year. The fighting appears to have strained Myanmar’s relations with China, especially since the Kokang are ethnically Chinese. The Chinese Foreign Ministry warned Myanmar to “properly handle domestic problems and maintain stability in the China-Myanmar border region.”

Chinese aviation is booming This year, as many airlines around the world are struggling to figure out how to be profitable with fewer passengers, Chinese air traffic is up 16.4% in the first half of 2009, according to the Civil Aviation Administration of China (CAAC). The world’s third largest economy is moving fast in terms of capacity for air transportation, new airports, air navigation services, and air traffic management infrastructure.
First Solar to Build Solar Power Plant in China

First Solar Inc., the world’s largest manufacturer of thin-film solar modules, said it will build a 2-gigawatt solar power plant in Ordos City, Inner Mongolia, China. The project will be built in four phases, the first beginning by June 1, 2010, and the final phase to be completed by 2019. Tempe, Arizona-based First Solar said in a statement.

China raises questions over US embassy expansion plans again

China has once again expressed its concerns over the massive expansion work of the US embassy in Islamabad. Chinese Ambassador to Pakistan Luo Zhaohui met President Asif Ali Zardari here and told him about Beijing’s apprehensions regarding the reported expansion of the US embassy. This is the second time in a week that Beijing has questioned the US expansion plans. Zhaohui had said that the expansion of the American embassy should be in accordance with the rules and regulations of Pakistan and Washington should respect Islamabad’s sovereignty.

China’s CNPC gets US$ 30 billion loan for overseas buys

China National Petroleum Corp (CNPC), parent of Asia’s largest oil and gas producer PetroChina, said it secured a US$ 30 billion state loan to fund overseas expansion, as Beijing seeks to secure resources for the world’s fastest-growing major economy. The Chinese government, sitting on more than US$ 2 trillion in foreign exchange reserves, has this year stepped up its backing of state companies scouring the globe for assets and raw material supplies from Australia to Africa and South America to Russia.

China Calls for WTO to Settle Trade Dispute

China’s Ministry of Commerce on September has called for the World Trade Organization to help settle a tariff dispute with the United States over Chinese-made tires. The Chinese are objecting to the imposition of a 35% US tariff on tires imported from China, an Obama administration response to a United Steelworkers union complaint that its members have lost 5,000 of their jobs since 2004 because of the amount of cheap Chinese imports flooding the U.S. market.

China, UK enter low carbon deal

China and the UK have entered a series of trade and investment deals worth US$ 500 million, which will boost environmentally-friendly industries in both countries. Included in the new deals is a contract between Pilkington Group, the UK branch of Japan’s Nippon Sheet Glass Co, and Chinese glassmaker Shanghai Yaohua Pilkington Glass to build a new factory for energy-efficient glass.

Sinopec, China Firms Seek Canadian Financing, Resources

China Petroleum & Chemical Corp.’s finance subsidiary said it held talks with Macquarie Group Ltd.’s Canadian unit as part of efforts to raise funds for the refiner’s operations. Executives at Beijing-based China Petroleum, known as Sinopec, were in Canada’s largest city with officials from more than 100 Chinese companies looking for financing channels as well as suppliers of natural resources, agricultural products and other raw materials at the 3rd Canada China Business Forum. Canada, the second-biggest exporter to the US after China, wants to strengthen trade ties with the Asian country to reduce its dependence on the slumping US economy. China’s energy companies have agreed to buy at least US$ 13 billion in overseas assets since December, looking to take advantage of lower valuations amid the global recession.

China valued in UN peacekeeping missions

A senior United Nations official has rated China’s role in UN peacekeeping missions as “positive and constructive contributions.” Chinese police have played a fundamental role in the UN’s Stabilization Mission in Haiti,” the UN assistant secretary general for peacekeeping, Edmond Mulet, said in an interview with Xinhua. Mulet said that Chinese police in Haiti had been contributing to the UN’s implementation of a new peace consolidation strategy that sought to keep the democratic process on track in the island nation. The UN assistant secretary general also spoke highly of the Chinese peacekeepers based in the Western Sahara and in the Darfur region of Sudan.

China: a new model in overseas oil strategy

China has seized the global recession as an opportunity to secure long-term deals that will make inroads into previously closed markets and enhance its energy security. The costly and often unsuccessful strategy of capturing equity barrels through direct investment is being complemented by a new model: loan-for-oil deals with governments in search of financial assistance. China has begun to lock in future supplies while establishing a large foothold in key producing states like Brazil, Kazakhstan and Russia – deepening its trade partnerships and opening new opportunities for its National Oil Companies (NOCs) and domestic service companies.

China and Africa

The latest updates on China’s involvement on the African continent.

China Puts US$ 768 million in Zambian Mines

Chinese mining firms have invested about US $ 768 million in Zambian mines, which has given the country’s mining industry a new lease on life. Tao also promised that despite the global economic crisis and the sharp fall in copper prices on the international market, CNFC will not reduce any investment in Zambia and that the company will not cut on its investment, production and employment levels.

China invests US$ 500 million in Africa in six months

In the first half of the year, Chinese enterprises signed US$ 22.45 billion of new labour service contracts in Africa, up 25% year on year, and completed US$ 11.53 billion of business volume, up 61.1 % year on year. About a thousand Chinese enterprises have been approved or registered to do business in Africa. They are in trade, manufacturing, resources development, transportation, agriculture and agricultural products processing.

Chinese hungry for Africa projects

The China-Africa Development Fund, a government initiative to support business partnerships between Chinese and African entrepreneurs, is battling to find suitable infrastructure development projects and business in Africa. The fund is finding it increasingly challenging to fund infrastructure programs in most African states because of the lack of essential facilities, including sound telecommunications systems, says Wang. The fund is investing in agriculture and manufacturing industries as well as in the natural resources industries including oil, gas and mineral resources, and aims to establish representative offices throughout Africa.

Chinese company to expand operations in Liberia

Chinese company, China Henan International Cooperation Group of Companies Limited (CHICO), operating in Liberia has unveiled its plans for the West African nation, promising to expand its operations in the mining, agriculture, and electricity sectors. Since its arrival in Liberia in 2007, after it won a bid to reconstruct roads in Liberia, CHICO has built most of the roads in Monrovia city and its environs.

Climate Change: A New Chapter in Global Diplomacy?

India, China and 53 African countries -- together home to more than half of the world's population -- have opened what may turn out to be a new chapter in the history of international climate diplomacy as the clock ticks down to Copenhagen. While India and China comprising about 37% of the global population have decided to join forces to push for an agreement at the landmark UN conference on global warming coming December, Africa will be represented in Copenhagen by one cohesive delegation spearheaded by the Conference of African Heads of State and Government on Climate Change (CAHOSCC).

Mozambique: China Invests in Agricultural Research in Country

China is building an agricultural research centre near Maputo in Mozambique, reports Macauhub. The Agricultural Technology Research and Transfer Centre is being built near the Umbeluzi Agricultural Station, and should be completed by the first quarter of 2010. It is the result of an agreement between the Mozambican and Chinese governments’ Science and Technology and Agricultural ministries.

Angola Airline to increase flights to China

Angola’s State-run Airline (TAAG) intends to increase from two to three its weekly flights to China, in order to meet the demands, Angop learned from a source. The rise in demand for TAAG services on the part of Angolans and foreigners is making the two flights a week insufficient. The demand is owed to the fact that the flights fares have been levelled to market costs, coupled with improved services, both in the transportation of passengers and cargo.
China pledges more backing to Kenya  China will support Kenya to overcome challenges posed by the current global economic crisis, incoming Chinese Ambassador to Kenya Deng Hongbo has said. The Ambassador said it is only through bilateral and multi-lateral relations that nations can overcome the crisis. “China intends to foster closer economic and socio-cultural ties with Kenya in areas of trade, tourism, education, agriculture and global governance among others,” he said.

China pledges to enhance friendly cooperation with African Union  Chinese State Councillor Dai Bingguo met with visiting African Union (AU) Commission Chairman Jean Ping at the Diaoyutai State Guest House. Dai welcomed Jean Ping's attendance of the China-AU strategic dialogue, saying it was an important part of Chinese diplomacy to enhance friendly and cooperative relations with Africa. "No matter the past, the present or the future, Africa is always our good friend, good brother and good partner," Dai said, "No matter to what extent China's economy develops, We will always work with the African countries based on mutual respect and equality."

China seeks stable tax policies in Zambia  Chinese investors want Zambia to provide stable tax policies to draw foreign investors to industrial parks in which China has invested more than US$ 500 million to make copper products. China, Zambia's largest single investor, is developing a US$ 900 million industrial park in Chambishi, 260 miles north of Lusaka, and is contemplating a similar zone near the capital's airport. A delegation of Chinese investors who visited Zambia recently said a stable tax regime would help attract multinational companies to the zones.

China’s top political advisor calls for enhanced cooperation with Central Africa  China’s top political advisor Jia Qinglin met Central African President Francois Bozize, calling on joint efforts to expand bilateral substantial cooperation in various areas. Bozize voiced appreciation for China's aid to his country and spoke highly of China's contribution to boosting South-South cooperation. Stressing the significance of bilateral ties, he said Central Africa is ready to enhance political and economic ties with China and welcomes more Chinese companies to invest in his country.

China sets US$ 100 billion trade goal with EAC  China is looking for ways increase trade with the East African Community (EAC) states. According to the country's envoy to Tanzania, Mr Liu Xinsheng, the Asian country has set a trade volume target of US$ 100 billion with EAC states by 2010. In 2006, the trade volume was estimated to be US$ 55.5 billion.

China-Tanzania cooperation fruitful in various fields  "The 'All-weather' friendship between China and Tanzania has withstood the tests of both international and domestic situation changes. Both sides have achieved long-term mutual understanding, mutual trust and mutual support with fruitful cooperations in various fields of economic, cultural, education, health and military," said a top Chinese diplomat. In an exclusive interview with Xinhua, Chinese Ambassador to Tanzania Liu Xinsheng termed the bilateral relations between China and Tanzania as an "example" of sincere cooperation and unity between China and Africa, even among the developing countries.

China's economy develops, We will always work with the African countries based on mutual respect and equality.   "No matter to what extent China's economy develops, We will always work with the African countries based on mutual respect and equality."

China donor:  A primary school donated to the Darfur region by the Chinese embassy in Sudan was completed and put to use recently. Located in Nyala, capital of South Darfur state, the school has 32 classrooms, six teachers' offices, 600 sets of chairs and desks, and a small football pitch. Chinese Ambassador to Sudan Li Chengwen, Deputy Governor of South Darfur state Abdel Aziz Adam al-Hilu and hundreds of children studying in the school attended the opening ceremony held in the school's playground. Al-Hilu called the school the best gift the local people have ever received and praised the Chinese people as the true friends of the Sudanese people.

China's top political advisor calls for enhanced cooperation with Central Africa  China’s top political advisor Jia Qinglin met Central African President Francois Bozize, calling on joint efforts to expand bilateral substantial cooperation in various areas. Bozize voiced appreciation for China's aid to his country and spoke highly of China's contribution to boosting South-South cooperation. Stressing the significance of bilateral ties, he said Central Africa is ready to enhance political and economic ties with China and welcomes more Chinese companies to invest in his country.
Chinese President Hu Jintao put forward four proposals for improving ties with Central Africa

Chinese President Hu Jintao put forward four proposals for improving ties with Central Africa when meeting with his counterpart Francois Bozize Yangouvonda. Hu said, the two countries should cement the political foundation of bilateral ties, strengthen communication and coordination on major issues and important affairs and urged the two sides to expand economic and trade cooperation. Hu stressed personnel and cultural exchanges and cooperation and proposed the two countries strengthen coordination in multilateral affairs.

Copper prices bring good tidings for BCL, African Copper

Following a grim start to the year, the clouds have cleared over copper producers with international trends indicating the red metal is gaining value faster than other minerals on the global market. Driving the copper price is demand from China, higher uptake of houses in the US and stronger market confidence around the red metal's future value. China accounts for 23% of the world demand for copper, while the American construction industry is another major off-taker of the metal. China, in recent months, has aggressively been buying up stocks of copper, taking advantage of the lower prices, to support its massive infrastructural development projects, which in turn are financed by the state and private funding.

Sudan orders probe into oil revenue "discrepancies"

Sudan has ordered an investigation into a report of discrepancies in its oil revenue figures, the state finance minister said, adding he was worried oil groups might be short-changing the country. Activists said they had found revenue figures for some oil fields published by Sudan's Ministry of Finance were around 10% lower than figures for the same fields published in the annual reports of operator China National Petroleum Corporation (CNPC).

Guinea-Bissau's new president regards China as major partner

China has become an important partner for Guinea-Bissau and the country has made it a priority to enhance the friendly cooperative relations with China, Guinea-Bissau's new President Malam Bacai Sanha said. During an exclusive interview with Xinhua, Sanha said he told Chinese Ambassador Yan Banghua recently during a meeting that he would give priority to developing the friendly cooperative relations with China.

China partnering, not plundering, in Africa

Beijing is worried about culturally naive Chinese companies damaging its image in Africa, but thinks the perception that it is only after cheap oil and minerals is unfair, its ambassador to Pretoria said. Zhong Jianhua also said Africa was destined for an economic revolution similar to China's, and that Chinese investment and its experience of the last 30 years would help the poorest continent achieve that end.

China wants support on IMF voting at G20

China wants the G20 summit next week to throw its support behind an increased role for Beijing and other developing countries in the International Monetary Fund and the World Bank, two officials said. Zhu Guangyao, an assistant finance minister, said at the same briefing that China expects voting rights in both institutions eventually to be equally distributed between developed and developing countries. In the IMF, developed countries currently have 57% of voting rights, with developing nations taking the remainder; for the World Bank developed nations have 56% of voting rights, Zhu said.

China says no renewal of South Africa textile curbs

China does not plan to renew a voluntary two-year restriction on textile exports to South Africa imposed after unions complained that cheap imports were hurting local manufacturers, its ambassador said. Zhong Jianhua said the quotas that ended at the start of this year had failed to bring about any improvement in the competitiveness of the country's textile sector, and so it would be pointless to drag them out further.

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The China Forum - Recent Events

CCS attends China Week – 28th September-2nd October 2009

Ms Hayley Herman, CCS Research Manager, Ms Hannah Edinger, CCS Economist and Dr Ron Sandrey, CCS Research Associate attended a China Week hosted by the Rhodes University Confucius Institute from 28th September to 2nd October 2009. Presentations were delivered to post-graduate students and staff focusing on China’s manufacturing sector competition and industrialization efforts in Africa, China’s extractive industry and infrastructure rollouts in Africa and China’s development assistance to Africa.

CCS presentation at IWAAS – 8th September 2009

Dr. Martyn Davies, Former CCS Executive Director, delivered a presentation on the “State of Relations between China and South Africa” to a group of academics at the Institute of West Asian and African Studies (IWAAS), Chinese Academy of Social Sciences on 8th September 2009 in Beijing. The presentation was followed by a roundtable discussion.

CCS presentation at the Cape Town Club – 22nd September 2009

On 22nd September 2009 Dr. Martyn Davies, Former CCS Executive Director, delivered a presentation to members of the Cape Town Club titled “How China will impact our future.”