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New Avenues for Sino-African Partnership & Cooperation
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Editorial

Africa’s regional organisations have undergone a number of changes over the past decade. On a continental level, the adoption of the New Partnership for Africa’s Development in 2001 and the concomitant transformation of the Organisation for African Unity into the African Union (AU) reflected renewed efforts by the continent’s leaders to institutionalise Pan-African cooperation in key areas of diplomacy, development, peace and security.

Sub-regionally, too, there have been attempts to deepen collaboration across a number of strategic activities. There have been notable moves to advance economic integration, alongside functional integration, in many of the continent’s regional organisations. Protocols of various sorts signal attempts to strengthen cooperation in organisations as varied in size as the Economic Community of West African States, the 15-member Southern African Development Community and the East African Community (comprising Kenya, Tanzania and Uganda), and to develop them into fully fledged economic and/or security communities.

Despite the increased diplomatic involvement between China and the African continent – with much of this driven through multilateral platforms such as the Forum on China-Africa Cooperation – it is striking that to date China has developed little formal engagement with the continent’s regional organisations.

It is true that in the recent past China stepped up its support for key elements of the African Union’s institutional architecture (the PRC’s funding of the AU offices in Addis Ababa is a conspicuous example) and that the Asian power has sought to give momentum to the peace and security efforts by the AU. But in the main this form of engagement has not been replicated at the subregional level.

This edition of The China Monitor discusses China’s role in Africa’s regional organisations, assessing the ways in which substantive partnerships could be developed in areas such as transport, peace and security. Many of the continent’s organisations continue to be marred by institutional and other deficiencies, which pose significant obstacles to the objective of deepened intra-continental cooperation. Strategically focused support by Africa’s major external partners is important for the strengthening of the continent’s regional organisations. China could play a significant role in this regard.

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

China: Transport Network Partner for African Regional Integration?

By Professor Garth Shelton,

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Infrastructure and Economic Growth

Since World War II, trade has been the key driver of economic growth in the Asian Tigers (Japan, South Korea, Taiwan, Hong Kong and Singapore) and more recently in the Asian Dragon (China). The Asian Tigers have transformed their economies by exporting consumer products to the developed world. Economies have moved up the value chain from reliance on agriculture to the export of manufactured products. An urbanisation process relocated populations from rural areas to the cities, transforming society and eradicating poverty. However, Africa has not followed the Asian model of development and the continent’s overall share of world trade has contracted. Most African countries have been unable to move up the value chain and continue to rely on the export of agricultural output, or unprocessed raw materials. Increased trade is hampered by barriers imposed by the developed world as well major infrastructural problems in Africa.¹

The Commission for Africa’s report, “Our Common Interest,” identified problems with roads, rail, ports, air transport, energy, telecommunications and other infrastructure as major impediments to regional integration and economic growth in Africa.² The lack of irrigation, energy, water supply and sanitation were singled out as key factors undermining the fight against poverty across the continent. It was estimated that Africa needs approximately US$20 billion a year on infrastructure investments and maintenance for the next ten years to sustain a growth rate of seven percent. Without a fully functioning transport and communications system, Africa cannot hope to achieve high levels of economic growth.³ Presently, the costs of moving goods in Africa are often higher than in developed countries, thus undermining Africa’s competitiveness in global markets. The handling of containers in African ports is generally time consuming, complex and expensive. The overall impact is arrested development, continued high levels of poverty with little prospect of Africa taking advantage of regional integration initiatives and globalization.
After almost four decades of Western aid programmes, an “infrastructure gap” continues to plague Africa’s development efforts. Aid fatigue and the aftermath of the global financial crisis stand in the way of Western assistance to address this issue. However, China is rapidly emerging as Africa’s key development partner, willing to take on new construction projects as well as rehabilitation efforts across the continent. Over the last decade, China has provided extensive infrastructure assistance in many African countries: dams (Morocco, Ghana, Congo, Sudan, Nigeria and Mozambique); power stations (Sudan, Angola, Kenya and Ghana); roads and railways (Zambia, Tanzania, Angola, Burundi, Equatorial Guinea, Namibia and Botswana). Other projects have included government buildings, water management, telecommunications networks and factories. Extensive experience on the African continent along with availability of labour and financing gives China a strong competitive advantage in addressing the infrastructure gap.

**African Regional Economic Integration**

Given the success of economic integration in the European Union (EU) and elsewhere, African countries have begun to build regional economic groupings with a view to taking advantage of economies of scale as well as collective bargaining power. Four key integration processes are presently underway in Africa: the Southern African Development Community (SADC); Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC) and the Economic Community of Central African States (ECCAS). However, the lack of road and rail linkages is hampering intra-regional trade and undermining the prospects of regional economic community (REC) building in Africa. Presently, only approximately twelve percent of African exports go to other African countries. It is widely acknowledged that regional organisations need to improve intra-regional transport networks as a foundation for increased trade with each other and with the world. Customs procedures and excessive bureaucracy also need attention to clear the way for regional economic progress.

At a November 2009 meeting with Chinese Foreign Minister Yang Jiechi in Egypt, South Africa’s Foreign Minister Maite Nkoana-Mashabane urged China to become more involved in cross-regional infrastructure interconnections in Africa. By expanding regional transport networks (road, rail and ports) China could provide the foundation for accelerated regional integration in Africa’s RECs. Interviews with EAC and SADC officials have confirmed both are seeking increased investment in infrastructure development programmes. The EAC is particularly interested in upgrading the Kampala - Mombasa rail line, which would open landlocked Uganda to accelerated exports to the world. The clear economic potential for both Tanzania and Kenya would be enhanced by an improved transport network in the region.
Successful economic integration in SADC requires a pooling of sovereignty through a regional customs union as outlined in the Regional Indicative Strategic Development Plan (RISDP). Progress in this direction has been intermittent, uncertain and poorly defined. A lack of capacity has undermined the development of SADC’s vision and short-term objectives. Nevertheless, SADC has prepared a number of project proposals designed to strengthen regional infrastructure and advance economic development. Some of the projects focus on the region’s road and rails system which needs both upgrading, maintenance and expansion. While much needs to be done across SADC to help member states achieve the Millennium Development Goals (MDGs), SADC planning offers opportunity for external actors to successfully engage with the region.

China - Africa’s Integration Partner?

While China’s interaction with Africa is essentially bilateral in form and content, increasingly a regional dimension is under consideration. Interviews with key think-tanks and officials in China have confirmed that China is investigating possible engagement with regional groupings, where they are able to manage inter-state projects and guarantee a positive outcome. China presently lacks confidence in the EAC and SADC’s ability to ensure project management and completion. At the same time, China is well positioned to engage Africa’s RECs and thereby boost integration and economic growth. China’s African agenda includes US$10 billion in development aid and preferential loans, along with building programmes for schools, hospitals, agricultural training facilities and malaria control centres. Most importantly, Chinese companies are already active in road and rail construction across the continent, building the expertise and project management ability to add significant value to REC integration programmes and processes. Encouraging China to take on specific projects which would unlock the economic potential of both the EAC and SADC is the challenge for regional leaders. In the long-term, successful regional integration will benefit both regional member states and trade partners, China included, as REC economies grow offering more export and import opportunity.

Clearly, both the EAC and SADC face numerous challenges and difficulties to advance economic development and require many constructive partnerships with external actors to achieve stated objectives. In the context of transport infrastructure, China would be the ideal partner, given China’s experience and proven capacity. To advance regional integration, new transport linkages should be identified and developed, along with the maintenance and upgrading of existing
Chinese road and rail projects presently underway in the SADC region include:

- Angola - US$3.2 billion road, rail, power, water and telecommunications upgrading;
- Angola - Zambia Lobito corridor rehabilitation: 1 400km Benguela railway;
- DRC - Kinsangani-Lumbashi 3 500 km highway; DRC - Copperbelt to Matadi on the Atlantic Ocean - 3 200 km rail line;

These projects are expected to contribute significantly to strengthening the overall economic potential of both Angola and the DRC. Expanding the transport network to include connections with other SADC countries could contribute significantly to accelerated regional integration.6

In the East African Community, suggested projects include:

Road maintenance and repair:
- Addis Ababa - Nairobi - Mombasa link
- Kigali - Bujumbura - Dar es Salaam

New road construction:
- Uganda - Tanzania link
- Tanzania - Kenya highway

EAC rail links:
- Repair - Kampala-Nairobi-Mombasa
- New link - DRC to Mtwara, or Pemba

EAC port upgrading:
- Mombasa
- Dar es Salaam

Discussions with EAC officials confirm that China’s involvement in some of these projects would go a long way to boosting regional co-operation and opening new possibilities for trade.7 It was emphasised that agricultural produce available in Kampala could not easily be transported to harbours in East Africa for export to the world.

Within the SADC region, China is already active in both Angola and the DRC, while infrastructure projects have been completed in Zambia and Tanzania. An expansion
of China’s road and rail building activities in SADC could have a significantly positive impact on regional integration and intra-regional trade.  

Suggested new SADC new road construction would include:
- (Angola - presently the Huambo-Ondjiva link is under construction) A additional link from xOndjiva to Zambia, Namibia, Botswana and South Africa would be a positive development;
- Angola - Luanda - Malanje roadway under construction - Linking to Malanje with Lucapa and then the DRC would be a positive development;
- A road linking Botswana to Zambia and Mozambique would help stimulate growth across the region.

SADC – suggested new rail links include:
- Namibia to Angola
- Zambia to Mozambique (link to existing Nacala, or Beira line)

SADC - Port upgrading options:
- Mozambique - Mtwara, Pemba, Nacala, Quelimane and Beira
- Angola - Luanda, Lobito, Namibe
- Namibia - Luderitz
- DRC - Matadi and Pointe Noire

**RECs - Engaging China**

Both the EAC and SADC should establish stronger communication links with China through which regional infrastructure projects could be discussed and evaluated. Chinese officials have stressed that cross-border road and rail projects in Africa are of interest, but projects need to be well planned, carefully documented and convincing. Moreover, China needs to be reassured that both the EAC and SADC can effectively manage and implement cross-border transport projects. A lack of funding and capacity, along with sovereignty disputes in African RECs, brings into question cross-border projects which require a strong consensus for completion. China is clearly well positioned to provide the transport networks for both the EAC and SADC and thereby establish the foundation for regional communication, increased trade and economic growth. The EAC and SADC should consider an expanded, institutionalised process to facilitate effective communication and engagement with China. The elements of such a process could include:

- Increased diplomatic representation - China should be encouraged to appoint a diplomatic representative to the EAC and SADC;
• Expanded interaction between EAC and SADC Secretariats and Chinese think-tanks and institutes to provide the intellectual framework for expanded interaction;
• Enhanced information exchange by the EAC and SADC to promote increased Chinese engagement in regional initiatives;
• Both the EAC and SADC should appoint a permanent representative to Beijing where regional projects can be explained and promoted.

African RECs have an opportunity to mobilise Chinese support and active engagement in regional integration and economic development. Given China’s expertise and willingness to build road and rail links in Africa, regional integration process have much to benefit from mobilising China as a development partner. An extended road and rail link, along with upgraded harbour facilities would create a new economic geography for both the EAC and SADC, stimulating regional integration and economic growth with longer term positive implications for China’s engagement with Africa.

Endnotes:
6 Discussions with SADC officials, Gaborone, 7 October 2009.
7 Discussions with EAC officials, Kampala, 22 October 2009.
8 Discussions with Tanzanian officials, Dar es Salaam, 29 October 2009.
9 Discussions with Chinese officials, Beijing, 10 August 2009.
Commentary

China’s Support to Africa’s Regional Security Architecture: Helping Africa to Settle Conflicts and Keep the Peace?

By Sara Van Hoeymissen

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Analyses of evolving ties between China and the African continent often focus on the Forum on China-Africa Cooperation (FOCAC) and on bilateral relations between China and individual African countries as the main frameworks for exchange and cooperation. A locus for China-Africa cooperation that has received markedly less attention are African regional and sub-regional organizations, with which China has also significantly stepped up its cooperation in recent years. China’s offer under the FOCAC framework to design, construct and finance a 99.9 meters high office building and conference centre for the African Union (AU) in Addis Ababa was one of the more prominent and symbolic manifestations of China’s increased attention to African regional bodies. It was, however, part of a broader Chinese effort to deepen exchange and cooperation with these organizations, as witnessed by an increase in institutional ties over the past few years.

For example, in 2005 China appointed Representatives to the African Union (AU) and the Southern African Development Community (SADC) after having earlier appointed representatives to the Economic Community of West African States (ECOWAS) and Common Market for Eastern and Southern Africa (COMESA). Channels for high-profile bilateral exchange and consultation have also been expanded. For example, in 2008 China launched an economic and trade forum with ECOWAS as well as an annual strategic dialogue with the AU.

One of the areas that stand out as a focal point for China’s political cooperation with regional African organizations is peace and security. In its 2006 African policy paper, China expresses support for the “positive efforts” of the AU and other regional organizations to settle regional conflicts and promises to provide assistance “within its own capacity” to these efforts. African regional organizations such as the AU, ECOWAS, SADC and IGAD form the backbone of the regional security architecture that has been evolving in Africa since the 1990s. The UN’s failures in Rwanda and...
Somalia in the mid-1990s and a general lack of interest in African issues on the part of the international community convinced Africa’s elites that the continent had to develop its own strategies and institutions to prevent, manage and resolve conflicts. Although constantly grappling with capacity constraints, regional African organizations have increasingly been mandated to deal with peace and security issues in their region and have intervened in various conflicts through mediation and peacekeeping. A closer look at China’s policies reveals that China has provided both diplomatic support and financial aid to African regional organizations’ efforts in the field of peace and security. The following sections make an assessment of each type of assistance and ask how and to what extent China is helping Africa to develop its own security culture and architecture.

**Diplomatic assistance**

The security crises that Africa is faced often take the shape of complex domestic conflicts. China is reluctant to allow international intervention in such crises without the consent of the host government. Moreover, China is fearful that such crises might be used by powerful countries to intervene in the affairs of the weak under the pretext of conflict resolution. China considers African regional organizations which have been given a mandate by their members to engage in conflict mediation and resolution, well placed to make certain judgments on issues that impact on the sovereignty and internal affairs of their members. The views of African regional bodies are therefore an important factor for China in determining its position on African issues. China also often offers diplomatic support to them in international settings, most notably the UN Security Council, where China’s permanent seat provides a particularly powerful tool for China to extend its support to African causes.

For example, in July 2008 China used its veto against a proposed Security Council resolution that sought to impose sanctions on the government of Zimbabwe. China expressed support for the positions of both SADC and the AU that punitive measures against the Zimbabwean government would have a negative impact on the climate for SADC-led mediation and therefore would be counterproductive. Also voting against the resolution was SADC-appointed facilitator and regional key player South Africa, which was a non-permanent member of the SC at the time. During the course of 2008 and 2009 China also repeatedly called on the members of the UN Security Council to respect the AU’s opposition to the proceedings at the International Criminal Court against Sudan’s President Omar al-Bashir. China repeatedly expressed support for the AU and Arabic League view that no solution can be found to Sudan’s Darfur crisis in the absence of Mr. Bashir and that execution of the arrest warrant issued in 2009 therefore threatens the peace process and regional stability.
On paper, China adheres to a more conservative interpretation of the right of multilateral regimes to get involved in a country's domestic affairs than that embedded in peace and security arrangements under the AU, ECOWAS or SADC. In practice, however, China often finds its stance in agreement with the outcomes of diplomatic processes within African regional bodies. Individual African governments continue to hold diverging values and views on issues of sovereignty and intervention. Many still attach great value to the principle of non-interference and tend to act in solidarity with counterparts faced with outside pressure or internal adversaries. As a result, the compromise that emerges on specific issues from African regional arrangements is often a "lowest common denominator" in terms of its impact on the internal affairs of the target state and therefore bears many resemblances to the position advocated by China.

Nonetheless, there have also been instances when African organizations and China were not in agreement on the road ahead to address a crisis, especially on issues such as the need for greater UN involvement in a domestic crisis or the imposition of enforcement measures under Chapter VII of the UN Charter. On such instances African countries’ unified stance has often swayed China into accepting certain UN actions it initially did not support. For example, China agreed to the imposition of an arms embargo on Cote d’Ivoire in 2004 because of clear support for the measures from the AU. In 2009 the AU requested the UN to impose sanctions on its member state Eritrea for allegedly supporting Islamist insurgents in Somalia.

China expressed objections to sanctions but eventually agreed to abstain on a resolution that imposed an arms embargo and other measures on Eritrea in December 2009. In 2006 clear AU support for the handover of its peacekeeping mission in Darfur to the UN contributed to persuading China to endorse greater UN involvement in the Darfur crisis. Similarly, China has in recent years rendered quite vocal support to calls by the AU for the UN to take over its overwhelmed and understaffed force in Somalia. For China to be actively advocating UN intervention in a country is quite remarkable, especially given the fact that key members of the UNSC are highly reluctant to approve UN deployment in Somalia.

Financial assistance

China provides financial assistance to African regional organizations in the form of grants to institution- and capacity-building and to specific mediation or peacekeeping initiatives. China’s assistance is not channeled through a fund or programme such as the African Peace Facility of the European Union (EU) or the US’ Global Peace Operations Initiative but is given on an ad hoc basis. It also remains fairly limited.
China made its largest donations to regional peacekeeping to date to the AU’s peacekeeping mission in Darfur (AMIS). By the time the AU-UN hybrid force took over in Darfur at the beginning of 2008, China had reportedly donated US$1.8 million to AMIS.\(^1\) However, this amounted to only a fraction of AMIS’ total annual budget which was estimated at US$466 million in 2006, the bulk of which was paid by the US and the EU.\(^1\) In 2009 China contributed a total of about US$700,000 to the AU Mission in Somalia (AMISOM). China’s financial support again lagged far behind actual needs (AMISOM’s operating costs were estimated at US$2 million per day\(^1\)) and also behind the support given to AMISOM by Africa’s traditional western donors. The EU, for example, has provided 35.5 million euro from its African Peace Facility to AMISOM since March 2008.\(^1\)

**Conclusion**

China often provides diplomatic support in international forums to the positions taken by key African regional organizations on African crisis situations. The outcomes of diplomatic processes within African regional organizations are frequently in line with China’s own views on appropriate ways to resolve complex domestic crises. If this is not the case, however, China is cautious not to go against what it perceives as the African consensus and can in effect be persuaded to go along with an African proposal.

China’s main contributions to peacekeeping in Africa are not channeled through African regional bodies but rather through the UN, where China is an important contributor of peacekeeping troops. Here there is a remarkable contrast with Western powers, which have generally withdrawn from active participation in UN peacekeeping in Africa and often see their task confined to providing logistical and financial support to Africa’s emerging peace and security architecture.\(^1\)

**Endnotes:**

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China’s growing interaction with African REC’s presents opportunities for the continent. Photo: mod.gov.cn


10 He, Wenping, China’s Unceasing Efforts to Resolve Darfur Issue, China Daily, 3 January 2008.


Business Briefs

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

**China explores rail routes to Europe**
As part of an ambitious expansion of its high-speed rail network, China is exploring the possibility of extending its network as far as Europe, potentially cutting rail travel time between London and Beijing to as little as two days. Officials hope to see the project completed over the next ten years, enabling passengers to travel the roughly 8,000 kilometre journey at speeds of up to 320 kilometres per hour.

**Asian economies lead the way**
While the US and European economies have experienced negative growth in 2009 and are said to grow by 3% this year - the Chinese economy boasted 8.7% growth in 2009 and is forecasted to grow 10% this year. Mallory Factor, a Merchant banker, has stated that the difference between the Chinese economy and their US and European counterparts lies within the way they tackled the recession. The Chinese focused on building infrastructure and cutting taxes while the US opted for economic subsidies and tighter government control.

**BG Group agrees record US$40 billion deal to export coal-seam gas to China**
BG Group, an oil and gas producer, has signed a deal worth US$40 billion – a record deal for the group. In return BG will supply China with liquefied coal seam gas for 20 years. Coal seam is seen as an important form of energy given that gas is a cleaner form of energy than solid coal.

**China FM: China doing all it can in global affairs**
Foreign Minister Yang Jiechi told reporters that China’s development poses no threat to anyone; instead, it offers more opportunities for all. China’s stand on Iran’s nuclear weapons, its efforts to reopen stalled Six-Party Talks on resolving the Korean nuclear issue, and how it handles challenges such as climate change are just some of the contentious issues that will be discussed at the annual session of the National People’s Congress.

**Hong Kong’s economy overtaken by Shanghai in 2009**
Shanghai’s gross domestic product grew 8.2% to the equivalent of US$218.3 billion in 2009 compared with a 2.7% contraction to US$210.7 billion for Hong Kong. The figures highlight 30 years of free-market policies that have spurred China to become the world’s third-largest economy and its No. 1 exporter. Shanghai’s rise may cause concern in Hong Kong that the mainland city will regain its position as China’s dominant financial centre, after surpassing Hong Kong as the nation’s biggest port and stock-market operator. Hong Kong’s role as the bridge linking China and the West is diminishing as China continues to open up politically and economically.

**China moves to become major Arctic player**
A “groundbreaking” study by the Stockholm International Peace Research Institute, partly funded by the Norwegian government has revealed that Canada has already engaged in bilateral meetings with China to confront potential environmental issues arising from the recent record-setting retreat of Arctic sea ice, which has also raised the prospect of increased shipping and oil development in the region. The report quotes one of China’s top Arctic experts as saying: “Circumpolar nations have to understand that Arctic affairs are not only regional issues but also international ones.”

**Bank of America looking to expand business in China**
Bank of America Corp, the largest U.S. bank, plans to seek approval to expand its operations in China, the Wall Street Journal reported, citing people familiar with the situation. According to the Journal, the bank is considering incorporating locally in China, which would mean it would have to inject new capital into its Chinese unit. Bank of America is more likely to bulk up its commercial business in China, instead of its retail banking business.

**China could miss energy goals**
China’s environment is still deteriorating and is lagging behind meeting its energy goals. Following 30 years of explosive growth, China’s is on track to overtake Japan as the world’s second largest economy, but success has pushed its carbon emissions to exorbitant levels. Coal burning is a major culprit, providing the nation with up to 70% of its energy needs, but city waste and run-off
China expects first trade deficit in 6 years  It is expected that China will experience its first trade deficit since April 2004 this year. Premier Wen Jiabao is ebullient about this turn of events given that Chinese trade policy has drawn international criticism of late. It is widely believed that the large Chinese trade surplus demonstrates their currency is undervalued and therefore gives Chinese exporters an unfair competitive advantage. Within the first two months of 2010, China’s U.S. imports were up by 37%, its European imports by 35% and imports from Japan by 48%.

South Korea to enhance aviation safety with China  South Korea has reached an agreement with China to enhance bilateral cooperation as far as aviation safety and flight control efficiency measures are concerned. Under the agreement, the two nations will have annual working-level talks aimed at, amongst others, improving air traffic control and opening new flight routes, the South Korean Ministry of Land, Transport and Maritime Affairs said in a statement.

Venezuela gushes about China Oil-for-Credit deal  Venezuelan President Chávez, who has been cultivating strong ties with China, remarked recently that Venezuela has already spent most of the US$8 billion Beijing loaned the Latin American nation, and is considering asking for an extension of the loan. The credit-for-oil arrangement benefits Venezuela, which redirects the money into a fund used mostly for job-creating infrastructure projects as its oil-dependent economy reels from the impact of lower crude prices.

China boosts international rescue squad to match its growing world role  The move follows 2008’s devastating earthquake in Sichuan province, south-west China, which left an estimated 90,000 dead or missing. Huang Jianfa, a division director at the Chinese Earthquake Administration, said today: “We will be able to send more teams to operations overseas and that’s one of the reasons we are expanding.” The rescue squad, founded in 2001, sent 60 members to Haiti last month.

China tells US to do more on climate change  China recently called for the U.S. to make stronger commitments on climate change and provide environmental expertise and financing to developing nations. China also noted that its own effort to reduce energy intensity have been hampered by its economic recovery. China’s top climate change negotiator, Xie Zhenhua, acknowledged the current U.S. administration’s greater stress on greenhouse gas reductions, but said its pledges thus far fall short of expectations.

China to build new international airport in Sri Lanka  China is to lend Sri Lanka US$200 million to build a second international airport in the south of the island. The airport will be near a vast sea port which is largely being funded with Chinese capital. Both India and China are competing to fund such projects in Sri Lanka.

China willing to support tougher sanctions on Iran  China has indicated it might vote for tougher sanctions aimed at blocking Iran’s development of nuclear weapons. The U.S. delivered a proposal to China, Britain, France, Russia and Germany regarding tightening restrictions on dealings with Iran. Chinese Deputy Ambassador Liu Zhenmin expressed support for the so-called dual-track strategy on Iran in the Security Council, meaning attempts at a negotiated settlement coupled with additional punitive measures if necessary.

China trade blamed for 2.4 million US job loss  A report by the US-based Economic Policy Institute states that the unfair trade practices has lead to the loss of more than 2.4 million American jobs in the period 2001 until 2008. The report cites practices such as currency manipulation (that eventually constitutes a subsidy on Chinese export goods) labour and copyright practices as the reason for the loss in jobs. The timing of this report is especially salient seeing that was published two weeks before the semi-annual
China’s US$1 billion outsourcing strategy

In an aggressive bid to become the world’s number one labour outsourcing country, the Chinese government have invested US$ 1 billion in planning training and incentives. Although Indian outsourcing companies have the advantage of offering more English speakers and better protection of intellectual property in its workforce, the Chinese are said to ask 30% less for its labour in terms of cost. Better infrastructure is also one way in which China can outperform India in this market. In 2009 the Chinese labour outsourcing market grew by 25% to reach US$ 25 billion in revenue.

China wants high-speed rail link to India

China wants to build a high-speed rail line connecting its south-western city of Kunming to New Delhi and Lahore, which will form part of a 17 country transcontinental rail project. After years of planning and little progress, China has finally reached agreements with several Central Asian countries and given the go ahead to its ambitious pan-Asian high-speed rail link, which envisages connecting cities in China to Central Asia, Iran, Europe, Russia and Singapore.

Chinese gold production hits new record

Chinese gold production is said to have risen to 313.98 tons in 2009. This 11.34% increase is said to come from the encouragement of mergers and acquisitions activity within the sector. According to local media reports the amount of producers dropping from 1,200 in 2002 to 700 in 2009. China is naturally endowed with mineral reserves and is a leader in the production of copper, coal, aluminium and gold. In the current economy China’s cash reserves have made it possible for the country to buy foreign mining assets in countries like Australia.

Rio Tinto signs mining deal with China’s Chinalco

Chinese metal firm Chinalco is said to pay US$ 1.3 billion for a 47% share in the Simandou project in Guinea. This partnership with Rio Tinto coincides with tension between China and the metals company given four Rio Tinto workers were arrested for bribery and commercial spying charges during preparation for the yearly iron-ore price setting round. This situation will be treated on a separate basis and the Rio Tinto CEO, Tom Albanese, welcomed the partnership. The timing of the agreement should also be noted seeing that it has happened 2 weeks after the 27 June date was set for the election that are supposed to restore civilian rule to Guinea.

Google shuts China site in dispute over censorship

Google has closed its internet search service in China and now diverts users to an uncensored search engine in Hong Kong. Theattempted is seen as a way to skirt Chinese censorship without breaking any Chinese laws. This is said to have angered the Chinese authorities and the possibility exists that this might escalate the ongoing tensions between the Chinese and the Internet giant. Although google.cn is no longer operating China still hosts Google’s Chinese Research and Development team as well as the local sales force.

Chinese economists & business leaders urge Yuan to appreciate

Chinese economists and business leaders have begun to call openly for their government to allow the Yuan to appreciate against the US Dollar, in a sign that the issue is contentious in Beijing, and not just a problem between the United States and China. The People’s Bank of China and a slew of economists and business leaders urge the Chinese authorities to consider allowing the Yuan to appreciate. This is said to have angered the Chinese authorities and the possibility exists that this might escalate the ongoing tensions between the Chinese and the Internet giant. Although google.cn is no longer operating China still hosts Google’s Chinese Research and Development team as well as the local sales force.

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China and Africa
The latest updates on China's involvement on the African continent.

Angola wants to strengthen cooperation with China
Angola seeks to maintain an ongoing dialogue with China aimed at strengthening bilateral relations, the Angolan secretary of state for cooperation stated recently. Speaking at a meeting with a visiting Chinese delegation from the Advisory Committee on External Policy in the Ministry of Foreign Affairs, Exalginia Gamboa considered China as one of Angola’s major and best partners. In 2009, China imported 30 million tons of crude oil from Angola and Chinese investment in Angola is growing, according to the Chinese statistics.

South Africa’s Altech makes a play for China
Allied Technologies (Altech), a South African technology and telecommunications company, is planning on entering the Chinese market. Altech is busy with an aggressive expansion program that includes East Africa, Nigeria and China. Altech CEO, Craig Venter, said recently that the expansion will include the other BRIC countries but refused to comment further on the China deal until more progress had been made.

African textile industry overwhelmed by Chinese imports
Imported Chinese fabrics, that mimic the designs of Ghanaian cloth and sell for substantially less, are playing havoc with the African textile industry, according to media reports. Two well-known Ghanaian companies, Ghana Textile Print and Printex, have shut down spinning and weaving operations due to inability to compete with Chinese imports. Between 1996 and 2006, employment in the textile industry decreased from 250,000 to 30,000.

African nations at loggerheads over auction of ivory stockpiles
Tanzania and Zambia are seeking permission to sell 112 tons of ivory in a once-off sale to China and Japan. This request was made during the Convention of International trade in Endangered Species (CITES) and was met by resistance from other African countries. The trade in ivory has been illegal since 1989 but in 2008 South Africa, Namibia, Zimbabwe and Botswana sold 108 tons of ivory. According to the other African countries these auctions create a further demand for ivory that then leads to illegal poaching.

Africa expands oil production capacity, on strong China demand
African oil production capacity will continue to grow at a significant rate in the medium-term and production capacity is anticipated to reach 7.4-million barrels a day by 2014, International Energy Agency senior oil demand analyst Eduardo Lopez told delegates attending the Oil and Gas Africa conference in Cape Town that African production capacity was expected to rise by almost 70% from the 4.4-million barrels a day produced in 2000. African oil demand, which on a per capita basis is the lowest in the world, would not sustain the growing production rate, but it is believed that China’s demand for energy would encourage oil production growth in Africa.

Additional US$1 million needed to repair earthquake damaged road in Malawi
The Chinese government, which is financing the ongoing construction of the 106 km Karonga–Chitipa road in northern Malawi, says it will cost US$1 million to reconstruct a stretch of the road damaged by an earthquake which hit the district of Karonga last year. Chinese insurance company Pingan Insurance is expected to pick up the tab for the reconstruction of the damaged section. The Karonga–Chitipa road is being built by China Road & Bridge Construction.

Minister iterates Zambian concerns on Chinese mining investment
During a recent state visit to China, the Zambian Trade Minister, Felix Mutati commented on Chinese involvement in the Zambian mining sector and disputes that have emerged over safety concerns. The concerns emerge predominantly from the small scale mining sector where the China’s reputation has taken something of a knock. Two reasons for this exist. Firstly, the high amount of Chinese involvement in the small-scale mining sector and secondly, the cost cutting that takes place in these mines. Mutati was also quick to add that the big Chinese mining firms’ safety record is comparable to any other company and that physical investment in these firms has shown Zambian workers that the Chinese provide favourable working conditions.

Chinese consortium gets lion’s share of Morupule A
A Chinese consortium signed the Engineering-Procurement-Construction (EPC) turkey basis contract with the Botswana Power Corporation (BPC). In the
contract, China National Electric Equipment Corporation (CNEEC) will take full responsibility for constructing the Morupule B power station in Palapye. The Morupule project is the first of its kind the Chinese company has undertaken.

**Rio Tinto and Chinalco in talks to develop Guinean iron mine** Rio Tinto PLC and Aluminum Corp. of China Ltd. (ACH), or Chinalco, are in advanced talks to jointly develop the Simandou iron-ore project in the West African nation of Guinea. The talks are limited to areas such as utilizing China's political contacts, financing capabilities and experience developing infrastructure in Africa. Development costs for the project are expected to top US$12 billion.

**Chinese firm receive land deal in Sudan** The Chinese company ZTE received an allocation of approximately 10,000 hectares of land from the Sudanese Ministry of Agriculture. The deal aims at boosting production of wheat and maize, state media reported. ZTE is a technology company but it has invested in Sudan, Ethiopia and elsewhere in Africa. In June 2009 the company signed two memoranda of understanding with the Sudanese government.

**CNOOC in US$3 billion Bridas deal** China's state-owned energy company CNOOC is to take a 50% stake in Argentina's Bridas in a US$3.1 billion deal that marks the latest move by Beijing to secure energy resources to power its fast-growing economy. Yang Hua, CNOOC president, said recently that Bridas had world-class oil and gas assets and was a "good beachhead for us to enter Latin America". The deal will make CNOOC a partner of Britain's BP in Pan American Energy, a joint venture with coveted oil and gas exploration and production activities across Latin America and in which Bridas has a 40% stake.

**Chinese visit pays off for Zambia** Zambia has secured a concessory loan of US$1 billion from the government of China for developmental projects in hydro power, housing, road infrastructure among other sectors. Commerce, Trade and Industry Minister Felix Mutati said Zambia was able to secure the US$1 billion because it was the first African country with a high powered delegation to visit China after the Forum for Africa China Cooperation (FOCAC).

**Chinese investment in Nigeria tops US$7.24 billion** The commercial counselor from the Chinese Embassy in Nigeria, Mr Rong Yansong, has stated that the Chinese government invested US$7.24 billion in Nigeria in 2009. Most of the money was invested in a free trade zone, energy, agriculture, manufacturing, mining and infrastructure. In the speech, held during the 21st Enugu Trade Fair, Yansong also mentioned that China employs more than 30,000 Nigerians.

**Chinese envoy reiterates China's support to Darfur peace efforts** Chinese Special Envoy to Darfur, Liu Guijin, reiterated his country's support to the ongoing efforts to find a peaceful settlement to the Darfur crisis. Visiting Chinese Special Envoy to Darfur Liu Guijin spoke at a press conference after meeting with Sudanese President Omar al-Bashir in Khartoum, the capital of Sudan, early in March. "China believes in the importance of finding a comprehensive and lasting peace agreement on the Darfur issue, and encouraging the conflicting parties to achieve a comprehensive peace and resolve the root-causes of conflicts in the region," Liu told reporters after his meeting with Sudanese President Omar al-Bashir.

**China's top political advisor to visit Africa** China's top political advisor Jia Qinglin will pay official goodwill visits to Cameroon, Namibia and South Africa at the end of March, the National Committee of the Chinese People's Political Consultative Conference (CPPCC) announced. According to the announcement, Jia, chairman of the National Committee of the CPPCC, was invited by the National Assembly of Cameroon, the National Council of Namibia and the National Council of Provinces of South Africa respectively.

**China now South Africa's largest trade partner** The total trade value between China and South Africa was US$14.29 billion in 2009, down 1.19% year on year, according to statistics recently released by South Africa Customs. China became the largest trade partner of South Africa by surpassing Germany and the U.S. In 2009, trade value between South Africa and Germany fell 27.88% year on year.
memorandum of a sub-zone of the Zambia-China Economic and Trade Cooperation Zone in the Zambian capital of Lusaka.

Kenya lauds China's active participation in infrastructure development The Kenyan government recently lauded China for its role in infrastructure development, saying it will help transform the eastern African nation into a robust economy in the region. Kenyan Vice President Kalonzo Musyoka said active participation of Chinese companies in the development of infrastructure will help transform the country into middle-level economy as he held discussions in Nairobi with a visiting Chinese delegation.

China to cement African research plans China will flesh out the details of its joint research programme with Africa at an upcoming meeting in Beijing. The Forum on China-Africa Cooperation (FOCAC), which includes 49 African countries, plans to implement several large-scale science and technology projects across Africa in the next three years. These include the training of 2,000 Africans in agricultural technology; 100 clean-energy projects to tackle climate change and the funding of 100 African postdoctoral students to undertake research in China.

Scholar commends Rwanda-China relations A director at the Institute of West Asian & African Studies at Chinese Academy of Social Sciences, Dr. He Wenping, has hailed the prevailing good relations between Rwanda and China. Wenping, who is in charge of African Studies, made the observation while presenting a paper on China-Africa Relations in the Era of Globalization during a public lecture at Kigali Institute of Education (KIE). Addressing the lecture, organised by the Confucius Chinese language Institute, Dr. Wenping said that the future of Rwanda-China relations is bright.

East Africa oil boom centers on Uganda The scramble for East Africa's oil wealth is intensifying, with China's CNOOC outbidding India's Oil and Natural Gas Corp. for exploration rights in the Lake Albert Basin, the epicenter of the emerging new oil zone. However, a political storm is brewing in the Ugandan capital over alleged corruption in government of President Yoweri Museveni over the lucrative contracts and a swelling grassroots campaign for an equitable sharing of the wealth being generated by the oil boom in the western part of the former British colony.

Chinese & Ghanaian Defence Ministers hold meeting Chinese Defense Minister Liang Guanglie recently met with his Ghanaian counterpart Joseph Henry Smith, saying China will further military cooperation with the African nation. Liang said Ghana is China's important partner in Africa, and China appreciates staunch support given by Ghana on issues concerning China's core interests. "China cherishes traditional friendship between the two countries and is willing to lift the military cooperation to a new level," he said.

China opening bus assembly plant in Cameroon China is opening a factory in Cameroon to manufacture buses for West and Central Africa. China is Africa's third largest trading partner with a ten-fold jump in commercial transactions over the last decade. The US$500 million factory in Douala is expected to start producing buses by the end of the year.

Zambia reopens nickel mine with Chinese investment Zambian President Rupiah Banda recently reopened a dormant nickel mine where a Chinese firm has invested US$37 million to revive operations. Speaking at the opening ceremony, Banda said the mine would create about 370 jobs, rising to 450 when the mine becomes fully operational in 2012. Currently, the nickel mine produces 900,000 metric tons of nickel concentrates per year, but has set a target of 1.2 million tons per year by 2012.

Top Chinese political advisor visits South Africa China's top political advisor Jia Qinglin arrived in Cape Town recently for an official visit to South Africa. Jia, Chairman of the National Committee of the Chinese People's Political Consultative Conference, the country's top advisory body, was making the visit at the invitation of the National Council of Provinces of South Africa. South Africa was the last leg of Jia's ten-day African tour which took him to Cameroon and Namibia.

China plans to mine potash in Ethiopia China's US$300 billion sovereign wealth fund may finance China Mining United Fund's plan to develop a potash project in Ethiopia that is also being eyed by mining giant BHP Billiton Ltd., a senior official familiar with the situation told the press. According to China Mining's Web site, the potash project is one of the largest in the world, with projected output of about 200 million metric tons.
The China Forum - Recent Events

Visit by Chinese delegation to CCS - 5 March 2010
The Centre for Chinese Studies was visited by a 22-member delegation from the Ministry of Civil Affairs of the People's Republic of China. The delegation, hosted by UNICEF South Africa, was on a learning tour of Social Protection systems in South Africa. The head of the delegation expressed her appreciation for the work conducted by the Centre for Chinese Studies and the Centre's role in fostering greater understanding about Chinese political economy in Africa.

Visit to CCS by researcher from University of Leuven in Belgium – 6-31 March 2010
Ms Sara van Hoeymissen, a doctoral candidate at the University of Leuven was hosted by the Centre for Chinese Studies as a visiting scholar, 6-31 March 2010. During her stay Ms Hoeymissen conducted research on the relations between China and South Africa during the latter's tenure as non-permanent member of the United Nations Security Council.

Visit by Professor King and China Forum – 8-9 March 2010
Kenneth King, Emeritus Professor at Edinburgh University and former director of the Centre for African Studies at that institution, recently visited the Centre for Chinese Studies (CCS) as part of his study on cooperation between China and Africa in the field of education and human resource development. Prof King met with the Interim Director, Scarlett Cornelissen as well as CCS staff. The Professor also presented a seminar on his research to the academic community.

Visit by Xuehan Li to CCS – 22 March 2010
Chief news correspondent of the Science & Technology Daily (a Chinese daily newspaper) Xuehan Li, visited the Centre for Chinese Studies (CCS). He met with Professor Scarlett Cornelissen to discuss emerging relations between China and South Africa.

Stellenbosch Family Meeting and CCS Presentation – 22 March 2010
Research analyst at the Centre for Chinese Studies, Matthew McDonald, recently gave a presentation at the annual Stellenbosch Family Meeting held by the Postgraduate and International Office at Stellenbosch University where he discussed the activities of the CCS.
The China Forum - Recent Events

CCS participates in inaugural FOCAC research seminar hosted by PRC’s Ministry of Foreign Affairs 30-31 March 2010

Professor Scarlett Cornelissen represented the Centre for Chinese Studies at the launching ceremony of the China-Africa Joint Research Programme and the related conference on Peace and Development in Africa and China-Africa Cooperation, jointly hosted by the Chinese Ministry of Foreign Affairs and the Chinese Academy of Social Sciences in Beijing. The launching ceremony inaugurated the joint research programme between Chinese and African institutions initiated under the FOCAC framework in 2009. It was attended by diplomats, scholars and officials from Africa and China. Prof Cornelissen presented a paper entitled ‘Africa’s Evolving Security Architecture and Prospects for China-Africa cooperation.’