

# BUSINESS REPORT

## IS THIS THE HONEYMOON PERIOD FOR THE SA-CHINA PARTNERSHIP?

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OPINION/ ANALYSIS

By Thomas Orr

"Hu who?"

I am cruising through the traffic in a minibus taxi. No, the taxi driver hasn't heard that China's President Hu Jintao is currently on state visit to South Africa.

"But I'm telling you my china, these guys are going to take our jobs," he complains.

That may be, but if we play our cards right, then Hu's visit may present some important job creation opportunities as well.

In his first visit to Africa since the historic Forum on China Africa Co-operation (Focac) in November 2006, President Hu is visiting eight African countries. He is concluding deals and showing the world that China means to keep its Focac promises.

Three months ago, I was chatting to a taxi driver in Beijing. We were driving to the opening function of the Focac summit. Was he aware that 47 African leaders were visiting Beijing during the summit? "Yes, China-Africa meeting very important occasion in Chinese history."

Today is just another sunny Wednesday in Gauteng, but back in November Focac was billed as the greatest diplomatic event in Beijing since the Mao era. Eight hundred thousand of Beijing's 3 million cars were kept off the streets during Focac; the pavements were unusually clean (the municipal government went on an impressive campaign to give the city a face-lift); and the air was clear and the sky blue (the taxi driver had heard that the city's large, polluting factories had been ordered to stop for the duration of the summit).

In my two years living in Beijing I had never seen the city look so attractive - a very important occasion in Chinese history indeed! Have we given President Hu the same reception? If the rise of China presents an opportunity for South Africa, then we have to show that we are hungry for this engagement.

At the end of the Focac summit, Chinese and African leaders adopted the Beijing Action Plan (2007 to 2009) in order to "promote friendship, peace, co-operation and development".

Although this auspicious occasion was dominated by the usual focus on high-level face-giving, the Chinese did make a strong show of how seriously they take this new type of strategic partnership.

China promised to double development assistance to Africa between 2006 and 2009 to provide preferential credit to Africa worth \$5 billion by 2009, and to train 15 000 African professionals.

These are not empty promises. President Hu signed \$1.9 billion worth of investment during Focac. Three months later, he is in Africa sharing the spoils of his Focac promises. He has already visited Cameroon, Sudan, Namibia, Liberia and Zambia, and later this week he is off to Mozambique and the Seychelles.

A few sticky issues, including Chinese textile imports, the trade deficits and China's growing influence in Africa continue to overshadow the relationship. Certainly, President Thabo Mbeki and his New Partnership for Africa's Development (Nepad) brainchild were sidelined during Focac. President Hu's visit presents an opportunity to repair the relationship.

Chinese officials have hinted that President Hu may shower President Mbeki with gifts of assistance for the accelerated and shared growth initiative for SA (Asgisa). Chinese ambassador Liu Guijin said

that China is ready to assist in Asgisa's skills training, capacity building and agricultural development programmes, with a focus on job creation.

The Chinese have dictated the terms of the growing China-Africa friendship. But during Focac it also emerged that some African and Chinese leaders have differing views of expanding China's role in Africa. Chinese leaders spoke of building schools, hospitals and bridges, while African leaders spoke of investment in developing oilfields and copper deposits, and building airports and ports. Few Chinese speakers mentioned China's appetite for African oil.

Other pertinent questions were raised by members of the South African business delegation attending the summit: Is the newly formed China-Africa Joint Chamber of Commerce going to serve as an appropriate channel through which to promote China-Africa economic linkages?; Why didn't the Nepad secretariat play a more central role in representing a united African front at Focac in 2006?; Why were Chinese speeches translated into Spanish and not Swahili?; and why did African leaders see a billboard along the highway showing a Papua New Guinea man in traditional attire with the slogan "Africa - land of myth and mystique"?

Despite all the "equal partners" rhetoric from both sides during the summit, China's leaders spoke only of how China can help Africa's development, neglecting to mention how African leaders can help China with its development.

These subtle elements were not missed by the African participants and journalists.

Perhaps African leaders should shoulder some of the blame for not being proactive enough in asserting Africa's position at Focac 2006 and within the broader China-Africa relationship.

South Africans and Africans alike should be proud of President Mbeki. During his Focac address he underlined how South Africa was prepared to help China in its own development challenges by investing in and transferring technologies to China.

South African companies are playing important roles in developing China's mine safety framework, satellite television infrastructure; and coal-to-liquid capacity. They are also significant investors in China, having invested twice as much in China as Chinese companies have invested in South Africa.

Politically, Focac was a huge success. The Chinese turned on the charm to reinforce the friendship at a time when some African countries had started to question the "mutually beneficial" basis of the relationship.

And Hu's current tour shows that the Chinese put their money where their mouth is. Many African countries have benefited from substantial debt relief, credit facilities, and investment deals.

But is this just the honeymoon period? Is President Hu's visit the high point in the friendship?

Focac's success will depend on how well African governments and business leaders will leverage the political rhetoric. Focac 2006 would have been a success if it facilitated increased economic, social and cultural linkages over and above those which would otherwise have taken place, linkages that are directly beneficial to the impoverished peoples of both sides.

Otherwise, the Beijing taxi drivers will merely remember Focac 2006 as a week when the streets were empty and the sky was blue, and Beijing's citizens practised their routine for hosting a high-level international gathering before the next very important occasion in Chinese history in 2008.

And the Gauteng taxi driver will never appreciate that President Hu is not here to steal our jobs.

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