



# The China Monitor

Issue 31

South Africa's Recent Court  
Ruling on Black Economic  
Empowerment

July 2008



CENTRE FOR  
CHINESE STUDIES



## Contents

<b>Editorial</b>	3
Dr Martyn J. Davies, Executive Director, Centre for Chinese Studies	
<b>Policy Watch</b>	4
<i>Facts, "distortions of the facts", and fiction: Brief comments on the CASA judgment and its implications</i> Yvonne Erasmus and Lee Stone	
<b>Commentary</b>	7
<i>The Race Game</i> Darryl Accone	
<b>Commentary</b>	9
<i>Reclaiming a Right to Belong</i> Anna Ying Chen	
<b>Interview</b>	12
<i>Classic FM China Update Interview – 3rd July 2008</i> Dr Martyn J. Davies, Executive Director, Centre for Chinese Studies	
<b>Business Briefs</b>	15
A round-up of China's business news from the past month	
<b>China &amp; Africa</b>	17
News briefs highlighting Chinese relations with Africa	
<b>The China Forum</b>	20
Recent events	
<b>Contact Us</b>	21

Front Cover: Taken in Chinatown, located in Cyrildene, Johannesburg, South Africa

**A Publication of:**  
The Centre for Chinese Studies  
Faculty of Arts, University of Stellenbosch

## Editorial



A recent High Court ruling in South Africa recognised ethnic Chinese South Africans as “coloured” by racial classification. Being categorised as a previously disadvantaged community, the ethnic Chinese community is now entitled to the benefits that may flow from preferential legislation such as the Employment Equity Act and the Broad-Based Black Economic Empowerment Act which seek to promote and uplift the economic status of people of colour in South Africa. Represented by world renowned human rights lawyer George Bizos, the court action by the Chinese Association of South Africa (CASA) was however never about economic fruits, but the recognition of a principle.

South Africans of ethnic Chinese descent were discriminated against, albeit to a lesser extent than other population groups, during the apartheid years. But what has been of great surprise has been the criticism of the ruling from organised black business groups such as NAFCOC.

The strong criticism from NAFCOC is both misguided and short-sighted. Its commentary made headline news in China and has caused much concern from Chinese businesses toward South Africa. Crime is already a major deterrent to (Chinese) investment to South Africa. Considering that China is amongst the largest foreign investors in South Africa following ICBC’s acquisition of 20 percent of Standard Bank, xenophobic comments toward the Chinese will only serve as an additional deterrent to attracting Chinese investment to our economy.



Dr Martyn J. Davies  
Executive Director, Centre for Chinese Studies

## Policy Watch

### Facts, “distortions of the facts”, and fiction: Brief comments on the CASA judgment and its implications

*By Yvonne Erasmus, Post-Doctoral Fellow,  
Center for Critical Research on Race and Identity and  
Lee Stone, Lecturer of Law, University of KwaZulu-Natal*

If the legislation is read carefully it is clear that CASA's case was neither about being Black or Coloured, nor about threatening people's very set ideas about what those identities mean.

This piece offers brief commentary on the recently decided case of the Chinese Association of South Africa and 2 Others v The Minister of Labour and 2 Others, heard on 18 June 2008 in the Pretoria High Court. As the case was unopposed by the respondents, the decision of the court takes the form of a court order stating that Chinese South Africans should fall within the ambit of the definition of “black people” in the Employment Equity Act (EEA) 55 of 1998 and the Broad-Based Black Economic Empowerment Act (BBBEEA) 53 of 2003. A number of misconceptions about the case and its consequences have been reported recently and we would like to counter some of these by presenting the facts.

#### Misconceptions about the origins and rationale for the case

A misconception captured in many newspaper headlines that has arisen from the terminology used in the EEA and BBBEEA is that the Chinese want to be Black. Section 1 of the EEA defines “black people” as being a generic term, meaning “Africans, Coloureds and Indians”. Although Chinese South Africans were classified as one of the seven subcategories of the Coloured group under the 1950 Population Registration Act, the EEA and BBBEEA were interpreted by some employers in a way that excluded the Chinese from the current generic definition of black and coloured. If the legislation is read carefully it is clear that CASA's case was neither about being Black or Coloured, nor about threatening people's very set ideas about what those identities mean. Instead, the rationale for CASA's case was to be recognised as parts of a generic definition that includes those groups who were previously discriminated against on the basis of race. When the Labour Minister therefore says in press statements that “coloureds don't speak Chinese”, he clearly misses what was at the heart of the case and causes further confusion.

From this it should be clear that the CASA case was not a sudden opportunistic attempt to acquire BEE benefits, but the outcome of a long process of failed consultation.



### Misconceptions about procedural aspects

Some black business and professional organizations, such as Nafcoc, have commented in media reports that they reject the substance and the process that was followed leading to this judgement and that they would appeal against the ruling if the government did not.

The CASA court action was the outcome, and final recourse, after unsuccessfully seeking clarification from the government on the position of the Chinese in black economic empowerment legislation. As early as May 2000, five months after the EEA entered into force, CASA engaged with the Minister of Home Affairs requesting clarity on the classification of Chinese people. On 11 May 2004, the Chairperson of the Labour Portfolio Committee addressed a letter to the Director-General of the Department of Labour stating that “an amendment should be drafted into the EEA that would ensure the recognition of the Chinese of South Africa as being historically disadvantaged or the Department should issue a directive on how this matter should be dealt with”. Neither the desired recognition, nor the directive, were forthcoming.

In terms of section 38 of the Constitution and after attempting to exhaust all other available remedies first, CASA launched an application in the Pretoria High Court on 20 December 2007. Initially, that is, on 10 January 2008, the Respondents (the Ministers of Labour, Trade and Industry, and Justice and Constitutional Development) opposed the application. Eleven days later, the Ministry of Justice indicated that it no longer opposed the application. Thereafter, on 7 April 2008, the Respondents consented to the order which CASA had requested, being a declaration that Chinese South Africans should fall within the ambit of the definition of “black people” in the EEA and BBBEEA.

From this it should be clear that the CASA case was not a sudden opportunistic attempt to acquire BEE benefits, but the outcome of a long process of failed consultation. The government also cannot appeal the decision as it did not oppose the application. It is therefore ironic that the Labour Minister’s statements about the case come after the Ministry had the chance to oppose the case in court but elected not to. It is also not possible for black business and professional organizations to appeal the case as they were not party to the case.

### Misconceptions about the implications of the outcome of the case

A misconception about the implications of the outcome of the case was hinted at by the Labour Minister when he stated in his media briefing of 24 June that he

The court has exercised its authority in the best interests of transformation and social justice.

*Yvonne Erasmus is a Post-Doctoral Fellow at the Center for Critical Research on Race and Identity. She is also a Lecturer for the Global Studies Programme (GSP) at the University of KwaZulu-Natal.*

*Lee Stone is a Lecturer of Law at the University of KwaZulu-Natal.*

“heard people saying that we are going to be flooded by everything from China”, also implying that Chinese who are not South African will benefit from the court decision. This statement is unfounded on account of the fact that the provisions of the EEA and the BBBEEA make it explicit that persons who qualify for employment-related benefits are exclusively those who had acquired South African citizenship prior to 27 April 1994 and who had suffered discrimination under the apartheid regime. Furthermore, considering that the Chinese South African population is estimated at around 10,000 it is very unlikely that the CASA judgment will substantially reduce the BEE benefits open to other groups. It should also be kept in mind that in the employment context Chinese South Africans may still find themselves at the bottom of the rung of the “hierarchy” which has developed regarding preference for employment.

In conclusion, the most appropriate resolution to the anomalous situation in which the Chinese South Africans found themselves has been achieved, namely that Chinese South Africans fall within the remit of the benefits accorded by the EEA and BBBEEA. Section 165(1) of the Constitution declares that judicial authority vests in the courts. The court has exercised its authority in the best interests of transformation and social justice. It is hoped and expected that Chinese South Africans will reap the benefits of this protracted battle.

## Commentary

### The Race Game

*By Darryl Accone*

*Research Fellow at the Chinese in Africa/Africans in  
China Project at the Centre for Sociological Research,  
University of Johannesburg*



Blackness is nothing new to me. I grew up in a black spot. Had it not been for the National Party, my parents and I would have remained there, fulfilled and happy. Marabastad was a place of defiance, the Sophiatown of the north.

Nestled not far from Oom Paul Kruger's house and Church Square, Marabastad was a multiracial, multilingual and multicultural enclave that affronted the apartheid government. It was so representative of the foulest and blackest of the so-called black spots that Prime Minister John Vorster and his cabinet cronies wanted to wipe it from the face of the earth.

To live, work and play in Marabastad was to oppose segregation, separate development and Afrikaner nationalism every minute of every day. We were in the section called the Asiatic Bazaar, where Indian and Chinese families predominated. Over the road from our house, 151A Third Street, stood the Putco bus rank. Sundowns football club had its origins in the home, hearts and minds of the Moosa family on that side of the street.

It was, of course, too good to last. I came to Marabastad as an infant. I left nine years later, too young to fully understand the inhumane social engineering of the time. Apartheid robbed Chinese families of the equality and communal spirit of resistance that characterised Marabastad, by deciding what we were, where and with whom we could live, work, play and go to school. Apartheid declared the Chinese now this, then that: coloured under the Group Areas Act, Chinese under the "refinements" to the Population Registration Act in the 1960s. have said: "The only thing worse than being oppressed is being invisible."

Throughout their time in SA, Chinese have abided by Confucian edicts to be good citizens and not confront the state. Taking our own government to court is as adversarial as we will be, and it takes persistent denial of human rights, justice and natural justice for us to seek recourse in law.

The ANC has found no better mechanisms for addressing the distortions and injustices of the past than to segment, divide and rule

*Darryl Accone is a research fellow at the Chinese in Africa/Africans in China project at the Centre for Sociological Research, University of Johannesburg.*

The ruling handed down by Judge Cynthia Pretorius on June 18 apparently has to do with BBBEE and EE. Superficial reactions have focused solely on potential economic and employment opportunities for newly black Chinese. Yet those aspects are insignificant for Chinese South Africans. They sought historical redress and the only way to do so - given government intransigence - was to play it at its own game: post apartheid categorisations, classifications and divisions.

In many ways, apartheid is still winning because the ANC has found no better mechanisms for addressing the distortions and injustices of the past than to segment, divide and rule. It has proved adept at refining gradations of exclusion, and dabbling with dubious moral positions that seek to construct some sort of league table of oppression.

I am South African. I do not introduce myself as Chinese South African, or as the yellow in the romantic concept of the Rainbow Nation. I would prefer that all references to colour were abandoned because they retard our growth as a nation and as sentient human beings who should respect one another and be colour blind. But if the only way government will recognise the legal and quotidian discrimination directed against Chinese South Africans in the past is for me to be black, then it is a status I will embrace.

This article was first printed in Financial Mail Magazine, 4 July 2008.

## Commentary

### Reclaiming a Right to Belong

*By Anna Ying Chen*

*Research Associate, SAIIA,*

*Research Fellow for CSR, University of*

*Johannesburg*



As a recent Chinese immigrant to South Africa, I sincerely welcome the Pretoria High Court ruling to reclassify South Africa-born Chinese (pre-1994) as coloured, irrespective of the fact that I am not entitled to any benefits granted by the ruling.

To us, the many more new Chinese immigrants, who outnumber significantly the born-and-bred Chinese South Africans, it is however more of a symbolic victory for the whole Chinese community in South Africa. For a community who has always been marginalized; a community who has often been targeted by corrupt local officials and criminals, their voice has finally been heard; and an eight-year pursuit for justice has eventually endured its fruits.

It is a significant ruling for the community, who has the cultural heritage of keeping a low profile and enduring life's suffering, to utter its demand for justice. It is also a significant step for the South African society to truly embrace its own people of different origins, be it race or ethnicity, the people who have worked in this country for over 100 years and have contributed to its economic development.

The brief joy was however soon disturbed by the vehement fury expressed by the honorable Labour Minister Membathisi Mdladlana and many other black business and professional organisations. I hear on the radio and see on TV ordinary people on the street suggesting that Chinese people will take away their benefits, that the government should never have granted these benefits to the Chinese and that the Chinese are not Africans, and thus do not belong to this country.

The accusations can be summed up as follows: first, Chinese are not Africans, they did not suffer under apartheid or fight against the apartheid government and therefore they should not be granted the same benefits as the other previously disadvantaged groups. Second, Chinese people are opportunists who will grab the BEE and BBBEE benefits and thus deprive others of their rights. Third, there is a perception against the Chinese people as suggested by a comment from Minister Membathisi Mdladlana that 90% of Chinese factory

For a community who has always been marginalized; a community who has often been targeted by corrupt local officials and criminals, their voice has finally been heard

Chinese community fought along with Mahatma Gandhi in opposing the Asiatic Amendment Act. The same community also offered financial support to the ANC Youth League during apartheid.

owners mistreat their workers and pretend not to be able to speak a South African language.

Bearing my Chinese identity, I can never simply laugh off these accusations. To each of the above, I ask myself the same serious question: is it true? I then searched for answers to the questions posed.

Firstly, when did the forefathers of those born-and-bred Chinese South Africans arrive in South Africa? What did they do during their settlement here? What was their status during apartheid and did they participate in the liberation struggle? The readings point to the fact that the first group of Chinese came to South Africa in the early 20<sup>th</sup> century as mine workers, but they were paid less than the local workers. While most were repatriated, those who stayed struggled with racism and were segregated during apartheid. Moreover, the Chinese community fought along with Mahatma Gandhi in opposing the Asiatic Amendment Act. The same community also offered financial support to the ANC Youth League during apartheid.

Secondly, will Chinese people take the opportunity to cash in the granted benefits and thus shrink the BEE pie for other previously disadvantaged groups? Whereas the BEE or BBBEE offers a broad economic potential, not just a fixed pie of material wealth to be shared by the number of beneficiaries, the 10,000 newly added Chinese South Africans can never threaten the potential benefits to other people who are qualified. The opportunist accusation is not valid as those Chinese South Africans who should benefit earned it through their own suffering in the past, whereas the new Chinese immigrants post-1994 do not qualify as we were never part of the apartheid struggle.

Last but not least, there is no causal relationship between the labour practice of some Chinese factory owners and the court's reclassification ruling of Chinese South Africans. They are indeed not related. Laws should be binding at all times, thus if their labour practice is unlawful based on South African law, they should be accused by the local authorities. However, we also need to separate fact from speculation. Based on my interviews with many Chinese business owners, they have all expressed the willingness to conform to South African laws and regulations. However, language is indeed a barrier to their understanding of those local laws. Here the language problem comes to the fore as the majority of Chinese business owners are new Chinese immigrants who came to work or invest in the country after 1994. Many of them battle to communicate in English though some try hard to learn the language. Again, the benefit ruling of a group of Chinese does not directly

Ignorance leads to xenophobia and xenophobia reinforces ignorance. They are deeply embedded in each other.

enhance the language proficiency of those who do not speak the language. How can we expect all Chinese living in South Africa to be able to communicate in English because of this court ruling?

Nonetheless, all discussions ultimately come down to one question: is it xenophobia or is it simply ignorance? To me, ignorance leads to xenophobia and xenophobia reinforces ignorance. They are deeply embedded in each other.

However, putting blame on other people's ignorance is not helpful as it is mainly our own responsibility to tell the broader public the facts, the history and the stories of our community.

Thus, I call upon researchers in the field, historians, community activists and ordinary Chinese to stand up, come forward and explain the history and facts of Chinese South Africans, the suffering under apartheid, the fight against racism, our good faith and loyalty to the country – South Africa and its people.

*Anna Ying Chen is a research associate for South African Institute of International Affairs (SAIIA) and a research fellow for CSR of University of Johannesburg. She is active in researching Chinese investment and Chinese community in Africa.*

## Classic FM China Update Interview – 3rd July 2008

### With Dr. Martyn Davies, Executive Director, Centre for Chinese Studies

These are not Chinese, these are South Africans- they were born in South Africa, they don't speak Chinese, they are fourth or fifth generation South African Chinese after the arrival of original migrants possibly a century ago

**JOHN FRASER:** We've seen some interesting reporting on a small community within South Africa, but nonetheless a community which is as entitled to dignity and human rights and recognition as any other – the Chinese community. First, a court found that indeed Chinese South Africans had been mistreated during the era of apartheid and were qualified to be counted as previously disadvantaged. Now, a government minister and black business have stood up and said no, in what seems to be verging on racism- I'm sure that isn't the intention of these organizations. But one man who knows both South Africa and China, and indeed Chinese South Africans very well, is Martyn Davies from the Centre for Chinese Studies at Stellenbosch University. He wears other hats as well.

What are the Chinese feeling in South Africa – confused, bafflement, annoyance?

**MARTYN DAVIES:** Very much so. You used a key phrase; you said “a right to dignity”. I think this was the intention of the court action taken by the local Chinese community. These are not Chinese, these are South Africans- they were born in South Africa, they don't speak Chinese, they are fourth or fifth generation South African Chinese after the arrival of original migrants possibly a century ago – the community is very small in number, maybe 8,000 – 10,000 people. They pursued this court action as a right to dignity. Exactly that, but I think it's been exaggerated dramatically by saying that somehow all Chinese, whether South African born, Taiwanese migrants who have been here over the last two decades or so, and more recently the PRC nationals, who have come here over the last maybe 10 years, are all suddenly entitled to the fruits, if one could say that, of BEE. That argument is entirely flawed.

**JOHN FRASER:** What do you make of the backlash, the way in which one of our ministers has almost ridiculed this decision, the way in which black business has said it's going to challenge it?

We already have a very unfortunate situation of xenophobia in this country against Africans. Will we start seeing xenophobia against Asians tomorrow?

**MARTYN DAVIES:** I think it's ignorant, misinformed and actually dangerous. We already have a very unfortunate situation of xenophobia in this country against Africans. Will we start seeing xenophobia against Asians tomorrow? I think the comments which have come through are also not very encouraging for investment from Asia, particularly China into this country. Following the ICBC Standard Bank deal, China is currently the largest foreign investing nation in this country. However, when we see Cabinet Ministers and senior business people making such negative remarks against Chinese people generally, it will not do our country any good at all.

**JOHN FRASER:** Have the ripples spread to China? Is this something that the average citizen on the street in Beijing would be aware of? Do they even know where South Africa is? I'm not being patronising, but sometimes if you live in a country on that scale, you may be more inward looking than outward.

**MARTYN DAVIES:** Its early days however it certainly will get there. Every Chinese person in this country is currently talking about this. Even Taiwanese and mainland PRC nationals are talking about this, and obviously this information will get back to China, and it certainly won't be viewed very positively.

**JOHN FRASER:** What is the status, the scale, the impact economically and socially of the Chinese South African community?

**MARTYN DAVIES:** As mentioned, the numbers are very small and this knee-jerk emotional reaction is totally misplaced. One would assume then that reactions by the like of Nafcoc, Black Management Forum etc considers the economic pie in this country to be finite and relatively small. Thus the perception is that a mere 10,000 people, of whom maybe less than half are economically active, are somehow going to take a slice of this relatively small pie away. I think it's very confined thinking – rather, all of us, should take a view that if we enlarged the pie, there would be enough fruits and slices for everybody. Our current view is rather narrow-minded.

**JOHN FRASER:** You mentioned China is the biggest inward investor in South Africa. That's a staggering statistic. I wasn't aware of that. I thought it would be probably the Americans or the EU.



China is currently the largest foreign investing nation in this country.

**MARTYN DAVIES:** Following the US\$ 5.5 billion Standard Bank deal which came through the ICBC, the world's largest bank by market capitalisation, the Industrial Commercial Bank of China bought a 20% stake in Standard Bank. I do know for a fact that there's enormous amount of Chinese investment coming in through that pipeline using South Africa perhaps as a conduit for the region, and also directly into South Africa as well. We should be doing whatever we can to court Chinese Asian investment to this country, and not deter it by making emotional statements, ones which are misinformed and maybe tinged with xenophobia.

**JOHN FRASER:** It's always useful to speak to our favourite China watcher.

## Business Briefs

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



### China's GDP Grows 10.4 % in First Half, CPI Rises 7.9%

China's gross domestic product grew 10.4% to US\$ 1.9 trillion in the first half over the same

period last year, the National Bureau of Statistics reported. China's GDP grew 11.4% in 2007. The high growth rate and soaring inflation is raising concerns over the economy becoming overheated. China's consumer price index also rose in the first half of the year, gaining 7.9% over the same period last year.

### G8 making climate change sales pitch to China

G8 met with leaders of emerging countries- to discuss carbon emissions. Their participation is considered essential to a climate deal that would take effect when the first phase of the Kyoto Protocol expires in 2012. China and India are reported to be among the highest carbon polluters in the world.

### Bush and Fukuda to Attend Olympic Opening

President Bush has stated that not attending the Olympics would be an affront to the Chinese people. Bush and Japanese Prime Minister Yasuo Fukuda will attend despite protests from human rights activists to not support Beijing. Fukuda stated the Olympics is a sporting event that should not be linked to politics. Bush defends his decision by stating that not attending would make future diplomatic negotiations with Chinese leaders uneasy.

### China sees slower growth in its forex reserves

The current foreign currency reserve have increased by a modest US\$ 11.9 billion from May to June, this could be in response of the governments efforts slow down

capital inflows this would prevent large flows of speculative "hot" money from leaking into domestic inflation. The increase in reserves this year has become part of a broader debate in Beijing about whether to tighten monetary policy and accelerate currency appreciation in order to tackle inflation, or whether to begin to relax those policies to avoid damaging the real economy further.

### UNEP clean energy investment

**grows in China** Wind power plants are attracting increasing investment in China, according to statistics from the United Nations Environment Programme



(UNEP). The newly released UNEP report, Global Trends in Substantial Energy Investment 2008, shows that China's sustainable energy investment increased by 91% in 2007 to a record high US\$ 10.8 billion, most of which has flowed to wind power generating units. The heavy investment enabled China's wind capacity to double to 6 GW last year. Meanwhile, new investment in sustainable energy surpassed US\$ 148.4 billion on a global scale, up 60% year on year. Funds in the wind power sector became the biggest contributor to the surge.

### Global Fortune 500 List Includes 35 Chinese Firms

This year's Global Fortune 500 list included 35 Chinese firms: 26 from the mainland, three from Hong Kong and six from Taiwan. It is the best showing of Chinese companies in the list thus far. The country's largest refiner Sinopec, led the Chinese group at 16th place, followed by State Grid, ranking at 24th place,

China National Petroleum at 25th and Hon Hai Precision Industry at 132nd place and ICBC at 133rd.

### Yuan Falls Most in Six Weeks; Pace May Ease on Slowing Growth

The yuan fell by the most in more than six weeks against the dollar on speculation China will slow currency gains to aid exporters as the economy slows. The currency, Asia's best performer this year, dropped after the central bank set a weaker daily reference rate for a third day. China's economic growth cooled in the second quarter, increasing pressure on authorities to switch from fighting inflation to bolster the nation's economy.

### China urged to spend FX on mines, resources



China should invest more of its US\$ 1.8 trillion of official reserves in natural resources abroad.

Buying tangible assets, from mines to farms, would not only help China's foreign exchange reserve management but also ease domestic inflation. Chinese companies have been busy buying into natural resource producers, notably in Australia and Africa, but the only reported investments bought with the central bank's reserves are small stakes in oil producers.

### China Counts the Cost of Hosting the Olympics

China's record spending on the Olympics, estimated to total US\$ 42 billion, is a big sum for a developing country to put into a two-week sports show. While much of the money is going into infrastructure projects with long-term value, at least some of the spending is drawing criticism for wastefulness. The tab for China's massive Olympic projects -- ranging from a US\$ 3 billion airport terminal to the US\$ 500 million "Bird's Nest" National Stadium -- dwarfs the Athens Olympics budget of US\$ 15 billion, which helped drive Greece into debt. London, host for 2012, is already embroiled in controversy over its Olympics tab.

### G-8 Leaders Voice Concern About China's Foreign Aid

G8 expressed concern about China's opaque ways of donating Aid during a session on African Development. Issues include the fact that China does not hold open, international bidding for projects that will be financed through its Aid, and that it brings its own labour, rather than making use of local African workers.

**China CNPC, Petronas replace Vitol in Dar Blend sale** State oil firms China National Petroleum Corp (CNPC) and Malaysia's



Petronas will replace European trader Vitol as the main marketers of Sudanese Dar Blend crude oil from September. CNPC, parent of listed PetroChina, and Petronas, are major equity producers of Dar Blend, and will take over Vitol's market share after the trading firm's contract to sell Sudan's heavy sweet and acidic crude ends next month.

### European chamber voices concern over tightened

**China business visas** The European Chamber of Business in Shanghai is concerned over the issued warning by the Shanghai Foreign Economic Relation and Trade that the granting of visas for business visits to Shanghai will be suspended until mid-September in order to 'ensure a stable and harmonious society during the period of the Olympics'. The chamber said it is seeking clarification from central and local Chinese authorities on these new restrictions, how they will work in practice and how long they can be expected to remain in force. China has been tightening its restrictions on visas for foreign visitors, including business travellers, as part of a security drive ahead of the Olympics.

*Sourced from: Xinhua, Camwest National Post, Nikkei, Reuters, ovum.com, Financial Times, Xinhua, China Daily, Bloombers, Reuters, Wall-Street Journal, AFP, and Washington Post. .*

## China and Africa

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

**Black business fights Chinese BEE ruling** Black business groups have vowed to fight the reclassification of South African Chinese as coloured, which allows them to benefit from economic-empowerment and employment-equity legislation.



### China's UN peacekeepers exceed 10,000 with latest Sudan deployment

With a third group of Chinese peacekeepers sent to Sudan to replace their predecessors, China has now sent more than 10,000 peacekeepers to participate in 18 UN peace-keeping missions.

### Sino-Ugandan Sh16 billion Joint Venture established

A Sh 16.4 billion Sino-Ugandan multi-purpose company has been established as a joint venture between Capt. Mike Mukula, Former Ugandan health state minister, Stanley Prerera of Well Gate Thailand and Frederic Ung of Well Gate China.

### China supports African efforts to mediate Zimbabwe issue

China supports the mediation efforts taken by the African Union (AU) and the Southern African Development Community (SADC) in an effort to resolve the Zimbabwe issue, according to Chinese special envoy Liu Guijin.

### Chinese, South African presidents discuss bilateral ties, Zimbabwe

With bilateral trade growing between South Africa and China, the two presidents met to discuss strategic partnerships and the current Zimbabwe crisis. They encouraged Zimbabwe to resolve its differences through dialogue. Both presidents attended the Outreach Session of the G8 Summit.

**Angola: China expected to replace Portugal as biggest supplier to Angola in 2008** Chinese trade with Angola is the highest on the continent mainly due to oil exports by Angola. Official Chinese figures show that between January and April exports to Angola rose 138 % to US\$ 742.5 million.

### Niger signs power deal with China

China is hoping to boost electricity production in Niger by 30%. Under this agreement China will transfer



several electricity units to Niger; each unit is expected to provide 15-20 megawatts of power. Other plans include upgrading the power grid and purchasing new parts for infrastructure.

### AFC and China, partner on US\$1 billion Port Harcourt Ring Road

Officials of the Africa Finance Corporation, its partner ICMG securities, and China Harbour Engineering Company have signed a Memorandum of Understanding in Beijing, that will pave the way for the construction of a US\$ 1 billion, 125 km, six lane, ring road around the city of Port Harcourt, Rivers State.

### Russia, China veto UN Sanctions on Mugabe

China and Russia vetoed a United Nations Security Council resolution which would have imposed an arms embargo against Zimbabwe and financial and travel sanctions on President Robert Mugabe.



### Zambian ruling party's senior official meets CPC delegation

Kabinga Pande, national vice-chairman of Zambia's ruling party the Movement for Multi-party Democracy (MMD), met in

Zambia with a goodwill delegation of the Communist Party of China (CPC). During the meeting, the delegation's chief Li Jinjun spoke highly of the friendship between the two parties, which the CPC regards as a "solid" cornerstone for a warm China-Zambia relationship.

**China Grows Rice in Mozambique** In exchange for the construction of new dams and roads, Mozambique has granted China favourable land leases to run mega-farms and cattle ranches, the Macau Hub reports. China has been requesting large land leases to establish Chinese-run mega-farms and cattle ranches. In return, China will finance three more dams and build new roads.

**Rural school to be built in Togo with Chinese aid** Ground was broken for a rural primary school to be built near the capital city with Chinese aid -- another symbol of the long friendship between the two countries. The school, to be located about 100 km northwest of Lome, is being built under a pledge by the Chinese government at the Forum on China-Africa Cooperation held in November 2006. Construction will be completed late this year. At a ceremony attended by Togo's Primary and Secondary Education Minister Yves Nagou in Agou province on Friday, Chinese Ambassador Yang Min said "Togo needs more skilled personnel for its economic development and this school will allow more of the province's children access to knowledge."

**Chinese follow up engineering troop arrives in Darfur** A team of Chinese engineers arrived in west Sudan's Darfur region Thursday, completing the deployment of a Chinese engineering unit in the war-torn area. The 172-member team, including 27 officers and 145 soldiers, arrived in Nyala, capital of Sudan's South Darfur state. Their deployment brings the strength of the Chinese contingent in the region to 315. The Chinese contingent, which will join the joint United Nations-African Union peacekeeping mission (UNAMID), will be engaged in building infrastructural facilities in the region.

**China leads new financiers in Africa** China is ramping up financing for power and transport projects in Africa, with the majority in four countries



endowed with natural resources, according to a report by the World Bank on Thursday. The report, which looks at the growing role of the Chinese government as a financier of infrastructure projects in Africa, estimates China's funding for roads, railways and power projects peaked at US\$ 7 billion in 2006 from just US\$ 1 billion a year between 2001 and 2003. The bulk of those commitments were to Nigeria, Angola, Sudan and Ethiopia and is welcome in a region where only one in four Africans have electricity, and travel along major export routes takes two to three times longer than in Asia.

**CPC delegation leaves for visits to three African nations** A friendship delegation of the Communist Party of China (CPC) left Beijing Friday evening for visits to Malawi, Zambia and Tunisia. The delegation, led by Vice Minister of the International Department of the CPC Central Committee Li Jinjun, will pay friendly visits to Malawi and Zambia respectively at the invitation of the Democratic Progressive Party of Malawi and the Movement for Multi-Party Democracy of Zambia.

**Energy crisis Murtala Muhammed International Airport seeks N8bn to acquire generator** The gateway to Nigeria, the Murtala Muhammed International Airport, is currently shopping for N8bn to acquire a new generator following a serious energy crisis when power supply to the airport suddenly dropped from 15MW to 5MW on July 1, 2008. Already, the authorities are discussing with some firms in China on an independent power project as a long term measure to the energy demand of the airport.

**China's Sinoma wins US\$ 1.45 Billion Nigeria contracts** China's Sinoma International, a subsidiary of

China National Materials Co Ltd has won US\$ 1.45 billion in EPC contracts to build cement plants for Nigeria's Dangote group. Sinoma will build six cement production lines in Tanzania, Congo, Ethiopia, Zambia, and Equatorial Guinea, the statement said. Five production lines will have daily production capacity of approximately 6,000 tonnes each, and one production line will have a daily production capacity of 3,000 tonnes. The EPC contracts will be paid 88% in US dollars, and 12% in Euros, the statement said.

**UN body allows China to import ivory from Africa** A UN panel gave right to China on Tuesday to import African elephant ivory under strict conditions. The standing committee overseeing the UN Convention on International Trade in Endangered Species (CITES) made the decision at a meeting in Geneva. Members of the committee voted by a majority that China qualified for the import because it has dramatically improved its enforcement of ivory rules. Ivory trade was banned globally in 1989, but controlled trade was approved at a CITES meeting in 2002 and then modified to include new conditions at a meeting in 2007. At the 2007 meeting, CITES also authorized four southern African countries - Botswana, Namibia, South Africa and Zimbabwe -to make a one-off sale of 108 tons of registered ivory stocks.

*Sourced from: Business Times, Xinhua, All Africa, Xinhua, macquhub, BBC, Reuters, garoweonline, Sinolinx, Bizchina, Xinhua, AFP, Punch, Reuters, Xinhua.*



## The China Forum - Recent Events

### CCS at SEG GSSA 2008 Conference – 7th July 2008

On Monday, 7th July 2008 Hannah Edinger, Economist at the Centre for Chinese Studies attended the Joint Conference of the Society of Economic Geologists (SEG) and the Geological Society of South Africa (GSSA), at Misty Hills in Muldersdrift, South Africa. At the conference, Ms Edinger delivered the presentation entitled “An overview of Chinese Mining interests in Africa”.

### CCS at Brussels Development Briefing – 2nd July 2008

On Wednesday, 2nd July Hannah Edinger, Economist at the Centre for Chinese Studies, presented on “How China delivers rural development assistance to Africa” at the Brussels Development Briefing no. 6 entitled “New Drivers, New Players in ACP Rural Development”. The conference was hosted and organised by the Technical Centre for Agricultural and Rural Cooperation (ACP-EU).

### China’s Role in Financing Infrastructure- 1<sup>st</sup> July 2008

On Tuesday, 1<sup>st</sup> July 2008, Ms Lucy Corkin, Projects Director, CCS, delivered a presentation for Africa Development titled, “China’s Role in Financing Infrastructure.”

### CCS at China Inc Comes to South Africa Conference - 25th June 2008

On Wednesday, 25th June 2008, Ms Lucy Corkin, Projects Director, CCS, presented at the conference “China Inc Comes to South Africa”, hosted by the Gordon Institute of Business Science (GIBS), University of Pretoria. Ms Corkin presented on “China’s Strategic Infrastructural Investments in Africa”, on the panel entitled “Chinese Infrastructure Firms Enter Africa” chaired by Hannah Edinger, Economist at the Centre for Chinese Studies.



Photographer: Gerrohn Michalitsianos

Ms. Lucy Corkin, CCS,  
Ms. Zodwa Mbele, TCTA, Hannah Edinger, CCS



Photographer: Gerrohn Michalitsianos

Martyn Davis, Director at Centre for Chinese Studies  
Ling Guiru from the Chinese Embassy in SA.

## **Editorial Team**

Rachel Larabee  
Hayley Herman

## **Design & Layout**

Jacobie Muller

## **Contact Us**

### **Centre for Chinese Studies**

University of Stellenbosch  
T +27 21 808 2840  
F +27 21 808 2841  
E [ccsinfo@sun.ac.za](mailto:ccsinfo@sun.ac.za)  
W [www.ccs.org.za](http://www.ccs.org.za)

### **Centre for Chinese Studies**

Johannesburg Office  
T +27 11 728 1509  
F +27 11 728 0373  
E [ccsinfo@sun.ac.za](mailto:ccsinfo@sun.ac.za)  
W [www.ccs.org.za](http://www.ccs.org.za)