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China and the Democratic
Republic of Congo:
Partners in Development?

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Contents

Editorial	3
Dr Martyn J. Davies, Executive Director, Centre for Chinese Studies	
Policy Watch	4
<i>China's 'Angola Model' comes to the DRC</i> Hannah Edinger and Johanna Jansson	
Commentary	7
<i>The Chinese Presence in Lubumbashi, DRC</i> Professor Gilbert Malemba N'Sakila	
Business Briefs	11
A round-up of China's business news from the past month	
China & Africa	13
News briefs highlighting Chinese relations with Africa	
The China Forum	16
Recent events at the Centre for Chinese Studies	
Contact Us	17

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Editorial

The Democratic Republic of the Congo (DRC) is largely recognized as a failed state. Its history has been fraught with internal civil war, regional conflict and human suffering. Its vast commodity wealth has been plundered by its leadership as well as by external actor's intent on extracting wealth whilst doing little to improve the livelihoods of the Congolese people.

The recent "package deal" investment concluded in April between the DRC Government, state-owned mining firm Gécamines and the Chinese government through the Export-Import Bank of China is the largest foreign investor engagement of the DRC economy ever. Valued at over US\$ 9 billion, the deal combines investment in infrastructure, an aid component, the recapitalization of Gécamines, and a long term off-take agreement for key commodities. The financing mimics the "Angola Model" that can be termed China Inc.'s "coalition engagement" of an African state.

Recent conflict that has broken out in the eastern part of the DRC is a looming tragedy for a country where stability is essential for development to take place.

China's "Angola Model" is being rolled out in numerous African countries. It is certainly an innovative approach for foreign actors to engage Africa – a combination of both aid and private sector commerce models. For it to succeed in the DRC, however, it will require stability and responsible leadership by the recipient government. China's substantial interest in the DRC's vast mineral wealth could be the last developmental chance that the government has.



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

Policy Watch

China's 'Angola Model' comes to the DRC

*By Hannah Edinger & Johanna Jansson,
Centre for Chinese Studies*

Post-conflict stability has returned to the Democratic Republic of the Congo's (DRC) mineral-rich southeastern Katanga province. Mining companies from all over the world are rushing into the province to explore and extract from one of the planet's last untouched mineral concessions. The DRC may still be plagued by disease and absolute poverty and in the Eastern parts ravaged by war, but its mining sector is booming. Undoubtedly, the most talked about deal of 2008 has been the US\$9 billion mining and infrastructure accord struck on April 22 between stakeholders from the DRC and a consortium of Chinese companies.

The deal is a barter trade agreement whereby large infrastructure investments will be provided by a Sino-Congolese joint venture, Sicominex, in exchange for access to concessions of copper and cobalt. By means of the contract, the DRC will be provided with much-needed infrastructure, valued at US\$ 6 billion, most notable of which would be 3 200km of railway tracks between the resource-rich south-eastern Katanga province and Matadi, the DRC's Atlantic port. The infrastructure package also includes the construction of 4 000km of roads as well as two hydroelectric dams, airports, schools and hospitals.

Such generous infrastructure roll-outs, of course, do not come without a price. In return, rights to extract 10.6 million tons of copper and 626,619 tons of cobalt have been ceded to the joint venture. Of these, 6.8 million tons of copper and 427,000 tons of cobalt are definite mineral deposits and 3.8 million tons of copper and 200,000 tons of cobalt are probable findings. Sicominex will also invest US\$ 3 billion in the mining infrastructure of the DRC, primarily in new mining areas. The concessions are due to come into production in 2013.

The agreement has received no lack of attention and has raised enormous interest and provoked endless discussion in the media, and among international and African stakeholders. On the one hand, traditional donors such as the World Bank and the UK have expressed support for China's engagement with the DRC. On the other hand, as the deal was announced in the DRC Parliament in early May, the 150 Parliamentarians representing the main opposition party, the Movement for the Liberation of the Congo, rose from their seats and walked out in protest against the profit of US\$ 80 billion that the Chinese State-owned partners allegedly are to pocket in exchange for a US\$ 9 billion investment. An important reason as to why the Sicominex deal has stirred so much attention is that it was

"The DRC may still be plagued by disease and absolute poverty and in the Eastern parts ravaged by war, but its mining sector is booming."



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announced during the ongoing process whereby the terms of 61 existing mining contracts are being renegotiated. The final result of this process is not yet known, and the targeted foreign investors have been highly anxious that the renegotiation process risks taking a nationalisation turn.

The deal has also proved a major stumbling block for the DRC's debt relief negotiations with the International Monetary Fund (IMF) through the Heavily Indebted Poor Countries (HIPC) Initiative. The IMF argues that the deal increases the Congolese state's debt burden whilst it should be displaying financial prudence in order to be granted debt relief. In response, the Congolese stakeholders have argued the guarantees extended by the Congolese state (as stated in the contract) merely are moral guarantees. Two-thirds of the concessions allocated to the joint venture by means of the agreement are confirmed reserves, and thus the Congolese argue that most of the repayment of the infrastructure investments is already secured. At the time of writing the negotiations between the DRC and the IMF are on hold until the feasibility study for Sicominex' allocated concessions in Dima, Dikuluwe and Mashamba is concluded and a more accurate approximation of the value of the concessions can be made.

Sicomines, the joint venture through which the reprehended extraction of copper and cobalt will take place, was originally set to comprise China Railway Group and Sinohydro Corporation, holding a 68% stake in the joint venture, the DRC's state-owned Gécamines holding 20%, and Congo Simco holding 12%. In early July, however, China Railway Group announced that it would cut its stake in the joint venture from US\$ 4.04 billion (43%), to US\$ 2.64 billion (28%), as the state-owned China Metallurgical Group, a company with significant resources development expertise, took a 20% stake in the project. Simultaneously, Sinohydro would reduce its stake from 25%, to 20%.

The stakes changed again in September when China Metallurgical shortly after joining pulled out of the JV. Instead, Zhejiang Huayou Cobalt Company, which also runs a smelting operation in DRC's southeastern Katanga province, took a 5% stake. Simultaneously, China Railway and Sinohydro raised their stakes from 28 to 33% and from 20 to 30% respectively.

Presently, the infrastructure works are indeed underway. Large quantities of building material have already arrived in Kinshasa and Katanga, and reconstruction of the road linking the DRC's southern parts with Zambia is reportedly finalized. The four priorities at the moment are the road linking Lubumbashi to the northeast of the country, the refurbishment of Route National 4, the central hospital in Kinshasa and the ring road south west of Kinshasa. However debated, the deal comes at a time when the DRC is in great need of

“China Exim Bank has generally proved to be an important actor on the continent, financing more than 300 projects in Africa worth at least US\$ 6.5 billion, of which nearly 80% has been committed to infrastructure development.”

large-scale post-conflict infrastructure refurbishment. The country covers a surface equivalent to that of Western Europe and yet has virtually no roads or transport networks. China Exim Bank has generally proved to be an important actor on the continent, financing more than 300 projects in Africa worth at least US\$ 6.5 billion, of which nearly 80% has been committed to infrastructure development. These projects, the recent Sicominex contract being no exception, are often carried out using the 'Angola model', a barter trade agreement where goods and services of supposedly equal value are sold forward in return for the loan financing. In the case of Angola, Chinese oil-backed credit lines have been used to build and refurbish roads, schools, hospitals as well as energy and water infrastructure.

Sicominex' Chinese partners stand to gain considerably from the agreement in terms of revenue and access to resources. However, the agreement must be put into perspective, taking into account the precarious situation in which the DRC government finds itself. No other donor active in the country has to date offered the DRC such a sizeable loan package and, most notably, the US\$ 9 billion offered by China Exim Bank comes in at more than three times the size of the DRC's 2007 budget – US\$ 2.7 billion.

Also, it can be compared to other infrastructure rehabilitation packages, such as the US\$ 110 million five-year road rehabilitation accord signed on July 8 by the DRC government, the World Bank and the UK, in terms of which roads in Orientale, South Kivu and Katanga provinces, totaling 1 800km, are to be refurbished. All things considered, it is clear that China has entered the picture at a time when the DRC needs its assistance, which has given the Asian powerhouse a very good bargaining position. Nonetheless, the agreement offers considerable developmental possibilities for the DRC. However, since a third of the country's budget is currently allocated towards debt repayments, the DRC could ideally use both debt relief and infrastructure refurbishment. By the end of March 2009 as the negotiations with the IMF are slated to restart, the possibilities for this will emerge.



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Commentary

The Chinese Presence in Lubumbashi, DRC

By Professor Gilbert Malemba N'Sakila,

Dean of the Faculty of Social, Political and Administrative Sciences at the University of Lubumbashi, Democratic Republic of Congo.

The Chinese presence in the Democratic Republic of the Congo (DRC) has increased rapidly over recent years. Currently, China has positioned itself as a prominent actor in the DRC, a development that has certainly not gone unnoticed either domestically or internationally. According to Ngoie Tshibambe and Kabika Etobo however, China's commercial and diplomatic activities in the DRC are not recent phenomena. Instead, they date back to the 12th century when China, then ruled by the Song dynasty, was engaging in international trade in valuable goods such as silk and gold (2007:603). For example, at the time, Chinese pearl traders visited the Congolese region that is now known as the province of Bas-Congo.

The next major landmark in Sino-Congolese relations came during the 1960s as many African countries gained independence and global politics was rife with ideological East-West antagonism. China distanced itself from the two superpowers of the time by openly propagating communist ideology to the newly independent African countries, who's ideological hesitation had left them open to influence. The Democratic Republic of Congo joined the non-alignment movement and got tangible benefits from it as China went on to build the People's Palace (to date the parliament of the DRC), the sports arena Martyrs' Stadium and the Mobutu Bridge in DRC's main port, Matadi, not to mention the logistical support provided in the agricultural sector.

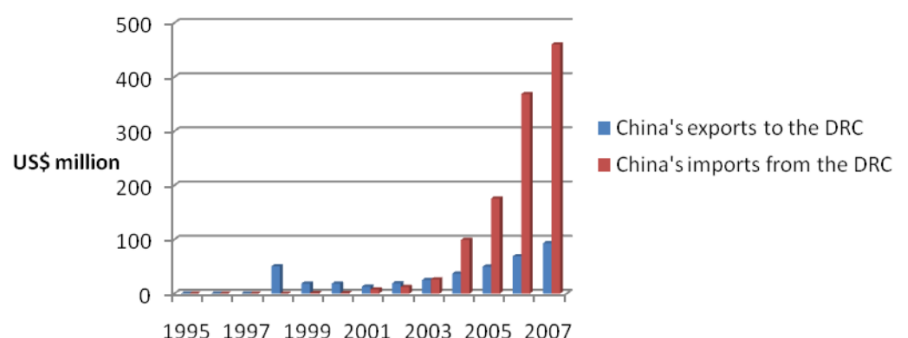
Today more so than ever, China's momentum in the Congo is growing and this worries the western powers, of which the United States is the self-proclaimed leader. This became clear after the US-led outcry that followed the deal struck between the DRC and China for Chinese finance at a value of US\$ 9 billion to the benefit of the Congo.

“China has positioned itself as a prominent actor in the DRC, a development that has certainly not gone unnoticed either domestically or internationally.”



The Chinese-built Stade des Martyrs in Kinshasa
Picture: Centre for Chinese Studies

China's trade with the DRC
Source: World Trade Atlas / Tralac



Today, the main motivation for Chinese endeavours in the DRC is the search for raw materials that the DRC has in abundance and that Chinese industry so dearly needs. The above graph indicates that China's imports from the DRC have increased exponentially over the last years. This economic motive is supported by strategic diplomacy that stresses the principle of aid and partnership without conditional ties. The concept of situation-specific values, as opposed to the Western concept of universal values, is the guiding principle of the Sino-Congolese relationship according to Valérie Niquet (Ngoie Tshibambe and Kabika 2007:601ff).

Chinese entrepreneurs and business representatives most commonly enter the DRC to operate in the Katanga Province. In some cases Chinese citizens even use illegal means to stay on in the country and in June 2008, 15 Chinese citizens were deported for having resided illegally in the country. They had entered on tourist visas and subsequently taken up work illegally (Katanga News 2007).

The increased Chinese presence in the Katanga province is noticeable not just by means of their physical presence in the streets of Lubumbashi, the capital of the province, but also through the establishment of the many Chinese restaurants and importantly the presence of a cell phone company named Congo Chine Telecoms (CTT). The latter offers goods and telecommunication service at a very competitive price.

Most importantly however, the Chinese are very active in Katanga's mining sector, both in the extraction of minerals such as copper and the construction and operation of smelting operations. Two main kinds of Chinese companies can be identified; large, state-owned enterprises (SOEs) and smaller private operations. The two state-owned enterprises in Katanga are Jinxuan (JNMC), the biggest Chinese producer of copper, and China Non-ferrous Metal Corporation (CNMC) and an important number of private entrepreneurs and companies, such as South China Mining, East China Mining, Titan Mining, Jian Xing and many more. The latter is the biggest copper concentrate exporter of Katanga with a monthly export of 9000 tonnes destined to the company's electrical furnace in Zambia. (Gorus 2007:12)

As a result of the Chinese presence in Katanga province, the DRC's exports to China are increasing. Global Witness (2006), cited in Ngoie Tshibambe and Kabika Etobo, states that on the basis of "statistics from countries that import Congolese minerals, China is by far the biggest importer of copper and cobalt from Katanga, with an approximate value of more than US\$ 160 million, followed at a distance by Finland (cobalt destined to WTO) and Zambia" (2007:617f).

DRC's burgeoning partnership with China emerged around ten years after the country had stagnated in a deep economic recession. That slump was due partly to

an abrupt departure of Western business interests in the DRC in the chaotic early 1990s, and partly to the collapse of the mining parastatal Gécamines (la Générale des Carrières et des Mines). Gécamines' collapse led to high levels of unemployment when various subsidiary mining operations simply closed down. A complex socioeconomic crisis unfolded as a result of this, with deteriorating standards in housing, schooling, health care and increasing child mortality.

China's renewed interest ten years after these events brought many Congolese the means to get out of misery and crisis. Some have likened impact of the arrival of the Chinese to that of the initial forays of European colonialists hundreds of years before. As noted by Kă Mana, China presents itself in the DRC as "supplier of donations and guarantor of new borrowing opportunities" and as a partner offering a modernisation path through a new kind of social relationships lacking the Western neo-colonial bias. (Mana 2008:391f).

Many of those excluded and sidelined by European and American enterprises find themselves employed in the newly established Chinese companies, commonly known in the Congolese Franco and Swahili phone environment by the English term "mining". Also, Chinese consumer goods are easily accessible also for low-income groups. For example, compared to a phone of European or American origin at US\$ 200, a Chinese phone can be bought at 10 % of the price. Furthermore, the people of Lubumbashi also admire the self-sacrifice that the Chinese show as they perform their professional duties – the Chinese come across as a good workers who lives up to their contractual expectations quickly and well and even work at night if needs be.

However, all this Chinese activity has given rise to certain concerns on the ground. These can be listed as follows:

1. Reinforcement of the "informalisation" of mineral exploitation; in come cases Congolese middle men take advantage of the Chinese traders' lack of local knowledge and sell minerals bought from illicit artisanal exploitation sites
2. Lack of respect for labour regulations: inhuman working conditions and the use of child labour
3. Fraudulent export of raw mineral ore to factories in Zambia
4. Chinese entrepreneurs are in some cases functioning as figureheads for prominent Congolese that do not want to display their involvement in a given business venture
5. Environmental and health hazards: in some cases, factories are located too close to residential areas. Also, a problem indirectly related to Chinese mineral buyers arises when artisanal miners stock raw ore or

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Aerial view over Kinshasa
Picture: Centre for Chinese Studies

concentrates in their homes.

1. Illegal entry of Chinese citizens into the DRC
2. Absence of a long-term housing vision: renting accommodation instead of building their own
3. Overcrowding of rented houses leading to the degeneration of the condition of the accommodation
4. Language barriers
5. No cultural or scientific exchange: at the moment the Chinese presence in Lubumbashi is skewed towards business representatives and Chinese workers. Increased cultural and scientific exchange between China and the DRC would be of great value.

Some Congolese are more optimistic about the Chinese, others more pessimistic. It has been argued that the Chinese engage in projects without ensuring that technology transfer also takes place, and that the Chinese thus merely bring the fish to the Congolese without teaching them how to fish. All in all, it is clear that it is not for altruistic reasons that Chinese multinationals are present in Lubumbashi. Instead, they are there to satisfy their own needs, just as was previously the case with the Westerners.

Translated from French by Johanna Jansson, Senior Analyst, Centre for Chinese Studies.

Notes

1. Ngoie Tshibambe, G. and Kabika Etobo, C. (2007). « Les relations sino-africaines : entre l'espoir et les controverses », in *Congo-Afrique*, n° 418, October, pp. 599-618.
2. Global Witness (2006). *Digging in Corruption. Fraud, Abuse and Exploitation in Katanga's Copper and Cobalt Mines*.
3. Gorus, J. (2007). *La morphologie du secteur minier artisanal*, unpublished paper, Lubumbashi.
4. Mana, Kä (2008). « Chine-Afrique : les enjeux d'une coopération », in *Congo-Afrique*, n° 425, May, pp. 391-401.
5. Katanga News (2007). Radio Télévision Mwangaza's Evening News. Sourced from www.katanganews.com on 2007-06-15

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Business Briefs

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

China's Economy Expands by 9.9% China's economy expanded by 9.9% in the first three quarters of this year, as reported by the National Bureau of Statistics, marking the first time in five years that China's quarterly GDP growth has fallen below 10 percent. The drop is attributed to decreasing exports, a slowing real estate market and restrictions implemented during the Olympics that forced many factories in Beijing to temporarily close.

China cuts interest rates amid market crisis China cuts its key interest rate for the second time in less than a month, the rate on a one year loan was cut by 0.27% points to 6.93%, in an effort to revive slowing economic growth. China has been largely unaffected by the credit crisis that crippled Western banks and is more concerned about a longer-term downturn in economic growth. Economists have cut growth forecasts for China this year to as low as 9 %, down from last year's 11.9%

Chinese premier and U.N. Chief Meet On International Issues Chinese Premier Wen Jiabao met with U.N. Secretary-General Ban Ki-moon in New York to discuss major international issues, including the world's economic and financial situation and the UN Millennium Development Goals (MDGs). Maintaining world peace and stability, safeguarding international



economic and financial stability, and fulfilling the MDGs are three major issues the world is facing today, Wen said at the meeting.

Four Chinese steel makers cut output in bid to stabilise prices The four state owned firms will cut production by 20% to curb falling product prices till year-end. This move is an effort to stabilise steel prices. The four firms have a total capacity of about 100 million tons, almost a fifth of China's estimated production this year, which is expected to reach 550 million tons. Analysts say that this move might force some producers to leave the market

China-Russia pipeline pact boosts energy links A



Sino-Russian pact on a pipeline from Siberia to supply oil to China's northeast was among the agreements

witnessed by Premier Wen Jiabao and his Russian counterpart Vladimir Putin in Moscow. Russian media reports said Moscow's agreement to move ahead on the long-delayed project was won with pledges of financial support from Beijing. The pipeline, which extends from western Siberia to the Pacific coast, is to be connected to China from the Siberian city of Skovorodino, 70 km north of the Sino-Russian border. The cost of the pipeline spur has been estimated at US\$ 800 million. Russian pipeline monopoly Transneft and China National Petroleum Corp (CNPC) agreed to build the spur to carry 15 million tons a year of oil (300,000 barrels per day) between the countries' trunk

pipelines from 2009. This would be enough to meet 4 percent of China's annual demand.

China cuts rates China cut interest rates for the third time in six weeks, prompting heightened speculation of coordinated bank action on rates. China's rate cut provided evidence that the economic slowdown is starting to affect emerging markets. "There's building evidence in China that the slowdown we're seeing everywhere else is taking place there as well," said Derek Halpenny, European head of FX research at BTM-UFJ.

China destroys tons of tainted animal feed Chinese regulators have confiscated and destroyed more than 3,600 tons of animal feed tainted with melamine, an industrial chemical that has been blamed for contaminating food supplies in China and for leading to global recalls of Chinese dairy products. In what appears to be the biggest food safety crackdown in years, the government also said that it had closed 238 illegal feed makers in a series of nationwide sweeps that involved more than 369,000 government inspectors. The aggressive moves come amid growing



worries that the Chinese animal feed industry could be contaminated by melamine, endangering the

national food supply and posing a health threat to consumers.

China manufacturing conditions at record low according to survey Business condition in China's manufacturing sector deteriorated at a record pace in October during a sharp decline in orders from overseas customers, according to a brokerage survey Monday. CLSA Asia-Pacific Markets said its China Manufacturing PMI fell to 45.2% from 47.7% in

September, marking its third straight monthly decline and the fastest in the survey's history. The level of new orders received by manufacturers was down at a record pace. The survey also found sharply deteriorating employment conditions as businesses laid off workers in response to falling demand. Input costs also fell sharply after rising at a survey record rate in July.

Chinese jumbos cleared for takeoff Miao Wei, vice-



minister of industry and information technology, said at the China International Aviation &

Aerospace Forum 2008 that China-made jumbo jets will be on the market between 2015 and 2020. "We will finish the concept design and research on key technologies before 2010, and have the first plane roll off the production line before 2014," he said. Even though the domestic passenger transport volume has been dropping recently amid the global economic slowdown, Miao said he had confidence in China's vast demand for new planes. "In the next 10 years, China will need at least 1,000 new planes," he said. The corporation, which is also responsible for marketing the homemade regional jet ARJ21, will sign its first overseas order, worth about US\$ 750 million, with General Electric Co.

China calls for international cooperation At an international business forum in Beijing, China's Vice President Xi Jinping called for more international cooperation to resolve the international financial crisis. The forum preceded the Asian European summit in the Chinese capital. Chinese President Hu Jintao has said he hopes US efforts to stem the crisis will be effective and will increase the stability of the world economy.

Sourced from: Xinhua News, International Herald Tribune, China Daily, China Briefing, Business Week

China and Africa

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

China-Africa forum emphasises revival of Chinese projects in Africa

The China-Africa Cooperation Forum has stressed the importance of reviving the Chinese projects in Africa in the field of agriculture, food security and infrastructure development. The two-day meeting of senior officials of the China-Africa Cooperation Forum was attended by representatives from China and 49 African countries.

China-aided agricultural technology center in Togo starts construction

Construction began on a China-aided agricultural technology centre aimed at strengthening bilateral cooperation in agricultural fields.

Chinese Ambassador to Togo Yang Min and other



Xinhua

officials of both countries

attended the ground breaking ceremony.

Yang highlighted the boost in Sino-

Togo cooperation since the Beijing

summit of the Forum on China-Africa Cooperation in 2006.

Copper the key in Chinese strategic moves on Zambian economy

Chinese companies have, for their part, promised to invest US\$ 900 million in manufacturing copper products in an economic zone built for them. Analysts report that China is making inroads into Zambia and other African countries because of its loans and grants which come without the stringent conditions attached to funds from the West.

Chinese oil companies close to boosting presence in Angolan oil production

China Petrochemical Corp



(Sinopec) and

China National

Offshore Oil Corp

(CNOOC) came to

an agreement with

Marathon Oil Corp

to buy a 20% stake

in Bloc 32 on the Angolan coast, for around US\$ 1.8 billion

Chinese company expands and refurbishes water supply system in Maputo

China Metallurgical Construction Group – MCC has concluded its work on refurbishing and expanding the Mozambican capital's

water supply system. The project cost an estimated US\$

145 million and increased water production capacity from 6,000 to 10,000 cubic metres per hour.

Standard Bank of South Africa ICBC Upgrade Cooperation

The Industrial and Commercial Bank of China and Standard Bank of South Africa are upgrading their strategic cooperation.

Standard will open a representative office and a consulting firm in Beijing before the end of 2008, to complement the investment consulting office in Shanghai.

Beijing says global crisis risks China-Africa trade

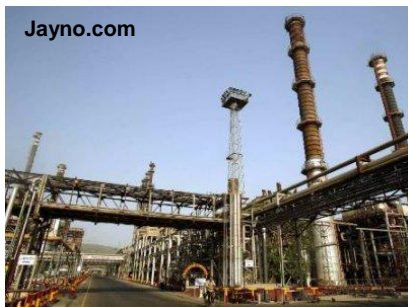
The current global financial crisis will affect China Africa trade. Even though Sino-Africa trade has reached US\$

74 billion in the last eight months, the Chinese Ministry of Commerce warned that this growth is not sustainable. To counteract this economic downturn, China is encouraging its domestic firms to invest in Africa.

China guarantees increase in demand for Angolan oil

Angola's oil exports will continue to increase due to the growing demand from China which will compensate for the possible setbacks in other markets. Throughout this year Angola has boosted its position as the largest and most reliable oil producer in Sub-Saharan Africa, with estimated production of 1.9 million barrels per day.

China oil co breaks ground on refineries in Chad & Niger State-owned China National Petroleum Corp (CNPC)



broke ground for new oil refineries in Chad and neighbouring Niger, as the company boosts its ties with resource-rich countries in Africa. The refineries will be the first in each of the landlocked African countries. China has become a key investor in both countries. CNPC struck a US\$ 5 billion deal with Niger's government in June to pump oil from the Agadem block within three years and build a 2,000-km pipeline to export it.

Nigeria's trade with China Hits US\$4.4 Billion

Bilateral trade between Nigeria and China in 2007 reached about US\$ 4.4 billion, the Vice Minister of Commerce, PRC, Chein Jien disclosed recently in Abuja. He reports the two countries enjoy a very smooth and a rapid development of trade and economic cooperation in the areas of energy, resources cooperation and infrastructural development.

African States Ban Chinese Milk in Health Alert

Bans on imports of Chinese milk products by African states fearing contamination have highlighted the growing presence of Chinese goods in Africa's markets and raised over dependency worries. The WHO has no



reports of illness caused by tainted Chinese milk outside China and said a blanket ban on imports was not

required. But it warned countries to be vigilant.

Sekoko & China Railway to Build US\$ 3 Billion Power Plant

Sekoko Energy, a venture between Sekoko Resources Ltd. and China Railway Construction Corp., may build a power plant for as much as US\$ 3.8 billion in South Africa to help end the country's energy shortage. South Africa wants to encourage private sector investment to augment Eskom's expansion, expected to cost about 343 billion rand over five years, and end the shortage that caused rolling blackouts in the first quarter.

China donates 200 computers to TANROADS

The Tanzania National Roads Agency received a donation of 200 sets of computers from the People's Republic of China. The Chief Executive for TANROADS, Mr Ephraem Mrema, said the aim of the donation was to facilitate the implementation of local area networks. The computers will improve operations and greatly enhance performance said Mr Mrema. He also called on the public to honour and recognise contributions made by various donors including the people of China.

Huawei 'to make US\$ 2 billion in Africa'

Telecommunications network firm Huawei said that it expects to make a turnover of US\$ 2 billion in Africa during 2008, as well as open a training centre for professionals in Angola. Chief Operating Officer Bo Xue said that next-generation skills could therefore be transferred to help overcome the skills shortage in the continent.

China prepares to increase special cooperation zones in Africa to ten China is preparing to double from five to ten the number of special cooperation zones to be set up in Africa, according to the director of African Studies of the Chinese Academy of Social Sciences, quoting diplomatic sources. If Beijing's confirms this, Cape Verde resides at the top of the list to receive one of these zones, which Chinese president Hu Jintao promised to establish in Africa by 2010. In November 2006 in Beijing, at the summit of heads of state and leaders of the Forum on China-Africa Cooperation, Hu promised that in the three years following five economic cooperation zones in Africa would be established, to strengthen what he called "the Sino-African partnership."

New International Luanda Airport to be concluded in 2010 The new International Luanda Airport will be built by China International Fund Limited. It is to be located 30 kilometres from the Angolan capital and due for completion in 2010. The airport will cover an area of 5,000 hectares and have two double runways, with the capacity to receive the world's largest commercial



China International Fund

airliner- the Airbus A380. Construction will also include a passenger

terminal for national and international flights, a control tower and several hotels.

Nigeria suspends Chinese deal Nigeria has suspended a railway deal with China and threatened to revoke two oil licenses awarded to South Korea in the latest move by President Umaru Yar'Adua to review contracts signed by the last administration. The authorities suspended the rail contract with one of China's biggest engineering firms because the cost was inflated and there were no funds for the project, meant to modernize Nigeria's century-old rail system, according to a presidential spokesperson. Former President Olusegun Obasanjo awarded the

contract worth \$8.3bn in 2006 to China Civil Engineering Company (CCEC) and promised the firm an oil block in return as an incentive.

Business as Usual Between China and Sudan Chinese authorities are shocked and angered by the killing of their oil workers in Sudan, but they also made it clear that the incident will not deter China from investing in the oil-producing African country. Pressure is applied to China to force Sudan to stop atrocities in Darfur. Chinese Foreign Minister Yang Jiechi described the incident as "one of the most serious killing cases of overseas Chinese workers in recent years." Chinese officials and scholars said this unfortunate episode will not adversely affect China's economic ties with Sudan or other African countries. Foreign ministry spokesperson Jiang Yu said China will continue with its investments and loans to Sudan because these were "mutually beneficial."

China's Chery pleased with SA sales Sales of the



Motor Authority

Chinese Chery passenger vehicle range has averaged 356 units a month since the brand's

introduction to the South African market in June, says Chery MD Brett Soso. McCarthy Motors executive director in charge of vehicle imports and distribution Jolyon Nash says the vehicle retailer, which distributes the Chery brand in South Africa, anticipated sales of 300 to 350 units a month when the low-cost Chery was launched locally earlier this year, and that exceeding this target in the current tough market conditions is "very pleasing". Chery will not escape the current market turmoil unscathed, though, the company is in the same position as other vehicle importers - even if it imports the brand from China - and that the weakening rand is placing pressure on vehicle pricing.

Sourced from: APA News, Xinhua News, Mine Web, Ghana New Times, Free Trade Online, Macau Hub Online, Engineering News

The China Forum - Recent Events

NEPAD Secretariat Visit- 24 October 2008

Dr Sloans Chimatiro, Senior Fisheries Advisor, NEPAD Secretariat, visited the Centre for Chinese Studies on 24 October to discuss the work of the Centre, and future areas of collaboration between institutions.

Former Vice Minister of Education visits- 22 October 2008

Prof Wu Qidi, PRC Former Vice-Minister of Education and Member of the Standing Committee of the National People's Congress, visited the Centre for Chinese Studies during a tour of Stellenbosch University on 22 October. Prof Wu was accompanied by Mr Wei Yanggen from the PRC Embassy.

Visiting Delegation from Huazhong University of Science and Technology- 23 October 2008

Ms Hayley Herman and Prof Hennie Kotze attended a luncheon on 23 October hosted by the Stellenbosch University International Office for a visiting delegation from Huazhong University of Science and Technology (HUST). The delegation, led by Prof Yang Yong, Vice President of HUST, visited the University to explore areas of future collaboration and research between the two Universities.

Conference on African Confucius Institute Development- 7th-8th October 2008

Ms Hayley Herman, Research Manager at the CCS, and Prof Hennie Kotze, Dean of Faculty of Arts and Social Sciences and Stellenbosch University, attended a conference focusing on the development of African Confucius Institutes which took place at the Confucius Institute Headquarters in Beijing from 7th-8th October. The conference brought together representatives from African Confucius Institutes to discuss the establishment and operation of the Institutes in Africa.

CCS at Zimbabwe Workshop, 2nd-3rd October 2008

On 3rd October 2008, Chris Burke, Research Fellow at the CCS and Hannah Edinger, Economist at the CCS delivered a presentation entitled "Contextualizing China's Engagement with Zimbabwe" at the two-day workshop "Zimbabwe: Time to Pick Up the Pieces". The event was co-hosted by the Centre for International Governance Innovation (CIGI), the Development Enterprise Africa Trust (DEAT), and the Development Bank of Southern Africa (DBSA) in Midrand, Johannesburg.



A visit from the NEPAD Secretariat:
Left to Right: Ms. Carine Kiala, Ms. Hayley Herman, Mrs. Tracy Hon, Dr. Sloans Chimatiro, Ms. Johanna Jansson Picture: Centre for Chinese Studies



A high level delegation visits the CCS:
Left to Right: Dr Liu Zhongwei, Ms Johanna Jansson, Prof. Wu Qidi, Ms Hayley Herman, Ms Shang Tuo, Mr Chien-Ming Huang, Mr Wei Yanggen, Ms Sally Xin and Ms Wang Mei



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