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Emerging Chinese Communities
in Africa

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CENTRE FOR
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Contents

Editorial	<u>3</u>
Dr Martyn J. Davies, Executive Director, Centre for Chinese Studies	
Policy Watch	<u>4</u>
<i>Chinese Migrants to Africa: A Historical Overview</i> Lucy Corkin, Projects Director, Centre for Chinese Studies	
Commentary	<u>6</u>
<i>Social Relationships of New Chinese Migrants in Africa</i> Dr Giles Mohan, Senior Lecturer in Development Studies, Development Policy and Practice Department, The Open University	
Case Study	<u>9</u>
<i>Living Transitions: A Primer to Chinese Presence in Ghana</i> Conal Guan-Yow Ho, Ph.D. Candidate at the Department of Anthropology, University of California, Santa Cruz	
Business Briefs	<u>12</u>
A round-up of China's business news from the past month	
China & Africa	<u>16</u>
News briefs highlighting Chinese relations with Africa	
The China Forum	<u>20</u>
Recent events	
Contact Us	<u>21</u>

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Editorial

In almost every corner of the world a traveller will come across a so-called “China Town” – a social and economic cluster of ethnic Chinese living and working together in a foreign country. Over the past year, in almost every city that I visited I sought out a Chinatown on the tourist map so I could enjoy a cheap but satisfying fried noodle lunch served in a rather basic Chinese restaurant. Inevitably, the waitron was a recent arrival from China and had followed the same strategy upon arrival as I had – headed straight for the Chinatown.

Whether it was London, San Francisco, Brussels, Perth, Singapore, Lusaka or Johannesburg, all the Chinatowns I frequented were much the same and their small family owned stores sold almost identical merchandise. Shopping in Hong Kong for some red ink for my Chinese “chop” (signature stamp), I was told that I could buy a refill “at any Chinatown in the world”! This is an informal global supply chain controlled by Chinese ethnic communities.

Chinatowns are the trading hubs of China’s trade access into the global economy. As Chinese migrate, the tendency of these communities is to cluster for commercial ends. These Chinatowns are now springing up across Africa. The impact they will have will be both social and economic. Their success, however, will depend upon how they are able to co-exist with local communities.



Dr Martyn J. Davies

Executive Director, Centre for Chinese Studies

Policy Watch

Chinese Migrants to Africa: A Historical Overview

By Lucy Corkin

The recent media attention given to the growing number of Chinese diasporic communities in Africa leads one to assume that it is a new social phenomenon visited upon Africa within the past few years. Official diplomatic relations between China and African countries have indeed strengthened in recent years. But this belies the fact that Chinese communities emerged on the African continent many generations ago.

While proof of this is evident in any number of African countries, one of the most prominent examples is found in Libreville, Gabon. Chinese immigrants have lived in Gabon since the early part of the twentieth century. An area just outside Libreville is known as “*Bambou-chine*”, a testament to the Chinese trader immigrant community that settled there. Jean Ping, the son of a Chinese forester who settled in Gabon in the 1930's has been Gabon's Foreign Minister since 1999. An influential political figure, he was promoted to the rank of Gabon's deputy prime minister in 2007 and just this month was voted Head of the AU Commission. Much has been made of Ping's mixed heritage and the potential influence he may have on Sino-Gabonese relations. What is more interesting in this context is that he represents evidence of Chinese settlers that came to Africa even before the founding of the People's Republic. This is true of the Chinese communities in many African countries.

It is the more recent arrivals to Africa's Chinatowns that have garnered attention, not always welcomed. China's much-touted “go-out” policy has been taken to heart by many entrepreneurial individuals in China, who have subsequently come to Africa to seek their fortune with the Chinese government's blessing. Intrepid Chinese businessmen have made their fortunes selling anything from plastic sandals to motorcycle parts; cheaper than their second-hand European counterparts. In an interesting development, some do a flourishing trade in Chinese medicine. Their clientele is not only with the established Chinese community, but also with locals because the treatment alternatives are often cheaper than Western pharmaceutical imports and resonate with African traditional medical remedies. Furthermore, acupuncture has become quite *en vogue* in some cities.

Another source of new Chinese faces is the Chinese state-owned enterprises with multinational aspirations, notably construction companies, whose



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The fact of the matter is that the growing presence of ethnic Chinese on the African continent is illustrative of increased political and economic traffic between the two regions.

Lucy Corkin is the Projects Director of the Centre for Chinese Studies, Stellenbosch University.

employees are often transferred to an African project site. To call these 'Chinese communities' is a bit of a misnomer. These construction compounds are self-contained camps located outside of the major cities and there is limited contact with local communities. At the end of the project, they return home. Even the entrepreneurs who come to Africa by choice have plans to return to China. African economies are seen as an opportunity to 'get rich quick' as they are free from the intense competition experienced in China. The goal, however, is to earn enough money to live comfortably on their return home and to put their 'little emperor' through an English-speaking university.

What is important to remember is that successive waves of Chinese people have entered African countries for decades, for a variety of reasons. Many Chinese communities were established in African countries before the latter's independence. Having settled for several generations, some have naturalised and are a recognised minority group in many countries. Many have prominent positions in society. Despite this, it is believed in many circles that the growing Chinese presence may prove to be a source of tension as the local communities may feel threatened by an increase of a commercially influential foreign community. Despite the stirrings of xenophobia towards Chinese communities in some African countries, such a backlash is misguided. One has only to look as far as Idi Amin's policy to expel Asians from Uganda in 1972 to see where the results of such sentiments lead. Comparisons with opposition candidate Michael Sata have begun to emerge, as in 2006 he threatened to eject all Chinese from Zambia if he won the presidency. History was prevented from repeating itself as he did not win.

Long established communities themselves appreciate the potential for negative feelings towards the newcomers that are arriving in the wake of a commercial frenzy between China and Africa, spurred by the current commodities boom. The fact of the matter is that the growing presence of ethnic Chinese on the African continent is illustrative of increased political and economic traffic between the two regions. As with all aspects of Sino-African relations, there is consensus that this is both an opportunity and a challenge. In Africa, where ethnicity has long been a political stick, Chinese communities are a sensitive issue, but a continent that has long complained of being excluded from the global value chain should hardly shun the networks that a growing Chinese diaspora presents.

Faced with the social aspect of globalisation, this is something that Africa must grapple with and turn to an advantage.

Commentary

Social Relationships of New Chinese Migrants in Africa

By Dr G. Mohan



From the turn of the millennium China stepped up links with Africa, culminating in the Forum on China-Africa Co-operation meeting in Beijing in 2006. But underlying these high level diplomatic engagements is an equally significant social change. Migration to Africa from China has existed for at least 500 years, but has accelerated in the past five years. Drawing on work commissioned by The Rockefeller Foundation¹ I examine the social relationships underpinning this 'new' migration to Africa.

Ethnic business communities are not new to Africa, but the sheer scale and dynamism of the Chinese communities are likely to shape economic, social and political relations on the continent for decades to come. China's booming economy has created massive demands for raw materials and a glut of cheap manufactures requiring markets. This has seen a wave of economic migration to Africa linked to major state-influenced corporations and private enterprises.

The scale of immigration to Africa is hard to calculate given paucity of baseline data, mis-reporting of ethnicity, and an unknown proportion of illegal entry.

Table 1 contains the best estimates available and shows sizeable populations in South Africa and Mauritius, which date back to colonial days. It also shows that numbers have risen drastically since the turn of the millennium, especially in oil rich states such as Nigeria and Sudan. While we cannot be certain of overall figures the Xinhua press recently estimated there were at least 750,000 Chinese working or living for extended periods on the continent.

Table 1: Estimates for Chinese in selected African countries

Country	1963 (Chang, 1968)	2001 (Ohio U. Database, cited in Sautman, 2006)	Estimate for 200X (Sautman, 2006)
South Africa	5105	30000*	100000-300000 (2004-2006)
Mauritius	23266	35000 (for year 1990)**	30000 (2005)
Sudan	N/A	45	5000-10,000 (2004-2005)***
Lesotho	N/A	1000	5000 (2005)
Ghana	N/A	500	6000 (2004)
Nigeria	2	2000	50000 (2005)****
Algeria	N/A	2000	8000 (2003)
Zimbabwe	303	300	10000 (2005)

* Poston et al (1994) put the number in 1993 at 36,000

** Poston et al (1994)

*** Abdalla Ali (2007) puts the number in 2004 at 24,000

**** Alden (2007) puts the number in 2006 at 100,000

1. Mohan, G. with Kale, D. (2007) The invisible hand of South-South globalisation: A comparative analysis of Chinese migrants in Africa, unpublished report for the Rockefeller Foundation, available at <http://asiandrivers.open.ac.uk>



Most small-scale Chinese ventures are in retailing and the intermediation of commodity sales. Although the 'new' Chinese migrants are much more economically motivated than their predecessors, who were driven by ideological solidarity, we know very little about the social relationships which underpin these migration flows. Central to these transnational networks is the patriarchal family unit, which is arguably much stronger in maintaining ties than a real or imagined ethnic identity. This is manifested in a tradition of chain migration where single men migrate and subsequently bring family. However, these family ties sometimes extend to the lineage and clan level, which sees whole villages involved in migratory circles.

Despite the fact that identification with and connection to China can be ambivalent, many migrants engage in activities linking them to home in the form of remittances, charity and foreign direct investment. Since the early 1980s PRC governments have been keen to attract the wealth of the Chinese diaspora. What is interesting is that while some remittances go toward immediate consumption a great deal is invested in productive ventures, often facilitated by local government.

Most Chinese migrants to Africa did not know much about the countries to which they travelled. During the colonial period they were usually met with hostility, if not outright racism, which sometimes generated their sense of togetherness as opposed to any innate Chinese identity. In the early days of Chinese settlement there appears to have been some integration with Africans, as evidenced by inter-marriage. The less grandiose lifestyles of Chinese migrants have also lessened the perceived gap between themselves and the 'locals'.

Like any cultural contact, we see interesting hybridisation where Chinese cultural practices are adopted and adapted by Africans. An interesting example of this is the case of noodle production on Zanzibar. Originally produced for the local Chinese community in the 1950s they became popular with locals through restaurants on the island. Over time they have become a staple of Ramadan feasting at the same time as diasporic Chinese have shunned them for not tasting good enough.

Alongside the family are more formal organisations which serve to cement and connect disparate communities. In South Africa, in addition to recreational activities, these clubs had libraries and subscribed to Chinese newspapers and language books. These organisations help in the transmission of Chinese 'culture' for migrants and their offspring, through language classes, cultural



These organisations help in the transmission of Chinese 'culture' for migrants and their offspring, through language classes, cultural displays, and sporting events like the Gauteng Dragon Boat Association.

displays, and sporting events like the Gauteng Dragon Boat Association. They also function as the formal links between a migrant community and its hometown.

However, tensions have begun to emerge between Chinese migrants and sections of African populations. Many of the tensions relate to economic factors, but are expressed in terms of cultural difference. At one level the Chinese have been welcomed by ordinary Africans for the cheap goods they bring. But the less welcoming sentiments are often built on stereotypes and prejudice, concealing economic and political concerns. Running through these tensions are a number of recurring themes. The first is that low cost imports are driving domestic traders and manufacturers out of business. Second, there are tensions around the poor quality of Chinese goods. Third, are accusations of unfair competition, because the Chinese are believed to be exempt from certain regulations and taxes. Fourth, are tensions over labour practices. In 2005, a report by the Chinese International Contractors' Association disclosed twenty disputes involving more than 2500 workers have occurred between Chinese workers and management in Mauritius. The tensions that are evidently bubbling away have, in some localities, resulted in protest as in the case of Zambia.

The dynamism and impact of diaspora communities are shaped to a large degree by the government policies in the African countries of settlement. But on the ground it will be the everyday relationships that determine whether China's presence on the continent is a positive long term development.

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Case Study

Living Transitions: A Primer to Chinese Presence in Ghana

By Conal Guan-Yow Ho

By various estimates, the Chinese presence in Africa is relatively small, scattered, and recently compared to the Chinese presence in the Southeast Asia, the Americas, and Europe (Pan 1998). South Africa was perhaps one of the earliest places for Chinese to settle in Africa having arrived in the mid-17th century. The first significant wave of Chinese in Ghana occurred in the mid-20th century, a few years before Ghana's independence from British rule in 1957. This early population numbered a little over a hundred. Among Chinese who have a longer history in Ghana, some tell origin stories (a kind of myth) of Chinese presence reaching a little further back by about a decade to the late 1940s and early 1950s.

The owner of a well-established Chinese factory recounted a version of this story to me when I asked him how it was that Chinese first learnt of Ghana. He described the early presence of Chinese in Ghana as serendipitous and ultimately economically fruitful. Several Hong Kong-Chinese men were sailing around the Gulf of Guinea when the ship ran into mechanical problems and they had to go ashore. It happened to be the western shores of what was then the British Colony of the Gold Coast. The story goes that these Hong Kong-Chinese found the local natives to be friendly and realised the land had economic potential, especially for growing and processing tobacco. Indeed, a few years later a few Hong Kong-Chinese did come to establish a tobacco company though that collapsed in less than a decade.

At around the same time a few years before independence from British rule, one of Ghana's first Chinese factories was formed in Takoradi, producing household enamelware such as pots, pans and other cooking utensils. From the 1950s into independence and until the late 1980s, Chinese involvement in Ghana was primarily in manufacturing industries especially textiles and more specifically imitation wax print. A few factories in metalwork were also established. Stories told about the arrival of these companies often start with the Chinese Civil War of 1946 to 1950. Due to political and economic instability, many entrepreneurs from the Shanghai region moved their factories and families to Hong Kong (Wong 1988). Later as more lucrative markets were sought, some textile companies expanded to Southeast Asia and Africa.



Nkrumah's focus on developing the infrastructure of Ghana led Chinese development away from western Ghana to the east along the Accra and Tema region.



While there are no official figures of the current Chinese population in Ghana, some Chinese estimate the population to be several hundred up to over a thousand.

Nkrumah's focus on developing the infrastructure of Ghana led Chinese development away from western Ghana to the east along the Accra and Tema region. Nkrumah developed a large harbour and industrial sector in Tema in 1961 which facilitated the establishment of Chinese factories in eastern Ghana. Most Chinese in Ghana were male employees of these factories. Most of them were bachelors or had left their families behind in Hong Kong. Owners of these factories visited Ghana infrequently and were primarily based in Hong Kong where they managed their other business ventures. Eventually in the 1960s and 1970s, families were brought over or others had married and brought their wives back to Ghana.

From the mid-1970s to the 1980s, Ghana experienced political and economic instability including several coups, economic mismanagement by various governments, and finally the establishment of the Rawlings's government after he seized power for the second time. The Chinese responded with a dramatic population decrease with many returning to Hong Kong and some moving to the western world. When they first arrived, they had only intended a short stay in Ghana. The bachelors who came told stories of wanting to leave Hong Kong to "see the world" and also to earn a higher salary. With the political and economic change, many saw this as the pivotal moment to leave the country for new beginnings. Others who were unable to leave for various reasons continued to be employed by the factories if their labour was needed, while others sought to bring more control to their lives by becoming entrepreneurs usually in the restaurant business or smaller factories in metalwork and other household utilities. While the presence of Hong Kong-Chinese dominated the Chinese population before the 1980s, a few Chinese from mainland China began filtering into the country after Deng Xiaoping's economic reform policy *Gaige kaifang* opened up China to the global market.

The next major social change for the Chinese began in the late 1990s with the new wave of Chinese migrants from mainland China. While some of the Chinese factories continue to employ some Chinese, many Chinese are now traders importing Chinese products (soap, cloth, household items, tyres, cars, electronics, etc.) into the Accra and Tema region. At the same time, Ghanaian traders have been introduced to various trade fairs in Guangzhou and so also introducing Chinese products into the Ghanaian market. Aside from this new found occupation of trade, the Chinese also established restaurants. While there are no official figures of the current Chinese population in Ghana, some Chinese estimate the population to be several hundred up to over a thousand.

The Chinese relationship with Ghana is changing as the population expands into different sectors of the economy.

Whereas the earlier presence of Chinese in the manufacturing sector was not viewed as a threat and mostly welcomed, this later trend of trading businesses is sometimes viewed as trespassing. The few newspaper articles that do report on Chinese traders primarily focused on the Ghanaian textile industry. Headline news from various newspapers from 2005 and 2006 reported on the poor health of the textile industry and the illegal import of imitation Chinese textiles.¹ For instance, an article from *The Independent* on 20 June 2005 reported that the illegal activities of “Mr. Zang Yong-Quin, his and others’ [sic] activities have collapsed GTP [Ghana Textile Printing] (*The Independent* 2005).” Although there are still few such reports, it is feasible to assume that there is an increasing awareness of Chinese economic activities as demonstrated by the outrage reported in various newspapers over Ghana’s preparation for its 50th anniversary in 2007.

In February 2007, the secretariat in charge of organising the celebrations for Ghana’s 50th independence anniversary imported anniversary cloth from China instead of placing orders through local textile industries. The secretariat argued that the local industry did not have the capacity to produce the number of cloth required but a local radio station reported that the order from the secretariat came too late resulting in the foreign purchase (*Daily Graphic* 2007; *JoyFM* 2007).

The Chinese relationship with Ghana is changing as the population expands into different sectors of the economy. What remains unchanged, even among those who have lived in Ghana for several decades, is their belief that their migration is only temporary. Most intend to move to the West or return to Asia to re-establish themselves or retire.

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Business Briefs

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

China passes Canada and becomes U.S. top import source

China passed Canada to become the largest source of products shipped into the U.S. during 2007. This



follows a six-year period when Chinese exports to the U.S. of goods such as flat-panel televisions and computers,

household appliances, toys and clothing more than tripled. According to the Commerce Department imports from China surged to US\$ 321.5 billion in 2007. This is a contentious issue in Congress as lawmakers seek to impose higher duties on Chinese imports, as a result of what they believe to be an undervalued Chinese currency. Advocates of Chinese imports argue that they have benefited the U.S. by lowering prices and expanding choice.

China's inflation rate reaches 7.1%, the highest in more than a decade

The National Bureau of Statistics in China has announced an increased figure in consumer prices, pressuring the government to pursue austerity policies. In the opinion of several Chinese economists, the increase in prices of fuel and other raw materials are key factors influencing the rise in prices. Yu Yongding, director of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences, believes that in its attempt to fight inflation China is expected to allow its currency to "appreciate continuously" in order to hold down the cost of imports, despite signs that demand for Chinese exports is decreasing due to economic slowdown in the United States and elsewhere.

WTO responds to Chinese auto parts makers' practices



The WTO ruling follows complaints issued by several international auto companies concerned about Chinese local regulations encompassing a surcharge on imported parts. China may appeal the ruling that could affect thousands of *smaller* Chinese companies, as it represents a significant setback in the country's ambitions to build a world-class auto industry. The final ruling is likely to benefit parts makers in North America and Europe.

Anglo signs deal with China Development Bank

Mining group Anglo American Plc

has sealed a strategic alliance with the China Development Bank



to develop a range of mining projects. According to a MoU between Anglo and the bank projects would be developed in China, Africa and other regions. Chen Yuan, governor of the China Development Bank, stated that "with the establishment of this strategic alliance, we have become much better positioned in doing business in the natural resources industry".

China Development Bank to be commercialised after 4-year discussion

Sources within China's central bank have confirmed that the reform plan of China Development Bank (CDB) has been ratified, turning the policy bank into a commercial lender. The State Council has approved the plan which will see CDB go through a series of reforms including restructuring, company management framework adjustment and going public when the time

is right. After its commercialisation, CDB will expand wholesale banking businesses and market



investments whilst continuing to support the country's key sectors and priority projects. CDB is one of China's three policy banks, the other two being the Eximbank and the Agricultural Development Bank. The bank is primarily involved in funding the development of infrastructure, basic industries, pillar industries as well as top-priority State projects.

China's Baosteel acquires 35 percent stake in a joint venture with Indian company Visa Steel



Baosteel of China will hold a 35% stake in a joint venture with the Indian company Visa Steel. The newly formed company, Visa Bao, will help

Bao Steel, China's largest steelmaker, gain a firm foothold in the ferrochrome business. Not only does the move coincide with a sharp hike in ferrochrome prices on the world market, but it also represents the first venture by a leading Chinese steel company in the Indian market. The Visa group will have a 65% holding in Visa Bao through Visa Steel (51%) and Visa Comtrade (14%), a group arm. China is one of the world's largest consumers of ferrochrome, as much of it is used in the production of stainless steel.

China's Angang to sell US\$ 218 million of carbon credits

Anshan Iron and Steel Group, the parent of China's third-biggest steel firm Angang Steel Co. Ltd., has decided to sell 13 million tons of carbon credits to two international carbon credit investors. Angang, based in northeast China, said it would sell US\$ 218 million of greenhouse gas credits to the European Carbon Fund (ECF) and Camco International. Carbon trading under the Kyoto Protocol, worth US\$ 3 billion last year, gives

rich nations the opportunity to buy permits called carbon credits to emit greenhouse gases from poor nations. The Anshan deal was the first Clean Development Mechanism (CDM) project for the steel maker, and comes after China officially launched a non-profit CDM fund in 2007 to help raise awareness of climate change as well as to cut emissions. China anticipates that it will be able to raise US\$ 1.5 billion by 2012 from a levy on sales of carbon credits, which will be used to finance the CDM fund.

China's online advertising market near 11 billion yuan

China's market in online advertising increased by 75% to US\$ 1.48 billion in 2007, according to a report by Internet consultant iResearch Inc. The increase was largely attributed to a boom in search engine advertising, or keyword advertising, which experienced an annual growth rate of 108.6%. With 210 million Internet users at the end of 2007, China has the world's second largest online population and only five million fewer than the United States. Despite this, the United States spent more than US\$ 22.5 billion in online advertising in 2007, about 15 times that of China.

Number of China-based Taiwanese companies heading home at record high

According to the Ministry of Economic Affairs (MOEA), a record number of China-based Taiwanese companies are heading home as a result of changing Chinese business and investment conditions. Officials at the MOEA's Industrial Development and Investment Centre stated that as of the end of 2007, they had received 102 applications filed by overseas-based Taiwanese companies to return to Taiwan for fresh investment projects, with 60 of them filed by companies based in China. Officials believe that the relocation is attributed to higher business and investment costs in China brought about by the recent

implementation of a new business tax law, a new labour contract law and lower export tax rebates; coupled with the incessantly rising Chinese currency.

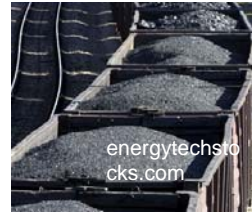
China sets target to boost energy efficiency to meet 2010 goal

Xie Zhenhua said that the central government has been put under increasing pressure to improve energy efficiency in China after missing its goal for 2006. China intends to cut the amount of power consumed per unit of gross domestic product by 20% in 2010, when it will be the world's second-biggest energy user. It will start by cutting energy consumption by 5% in 2008. Premier Wen Jiabao told government departments in 2007 that they needed to step up efforts to save energy and reduce emissions of harmful gases and pollutants. The government has begun to promote renewable energy and seeks to reduce China's reliance on oil imports. Furthermore, banks have been ordered to restrict lending to polluters and encouraged to finance energy-efficient technology.

China's green race against urban surge

Up to 10 million people are expected to move from China's countryside to urban areas annually for the next 20 years. This unprecedented migration will not only place huge demands on the country's existing cities, but also on the environment. By 2020 China will account for 16% of the world's total energy consumption, as city dwellers generally use around three times more energy than their rural counterparts. Chinese leaders have taken significant steps in an attempt to reduce the country's environmental footprint, such as the current Five Year Plan (2006-2010), which has seen the government move away from growth-driven policies toward sustainable development.

China's second largest coal firm produces 27.7% more to ease energy shortage



China National Coal Group Corporation, the nation's second largest coal producer, has increased its production by

27.67% in an effort to ease the

nation's energy shortage brought about largely due to the inclement weather that has plagued southern China. Winter storms have led to widespread blackouts as weeks of snow has damaged 27,805 power lines and 1,497 transformer substations nationwide. The group has provided 1.12 million tons of coal, 43% more than scheduled, to the nation's five major power groups.

China appoints political heavyweight to clear air over Olympics

China has responded to increasing pressure over air pollution and human rights concerns, months before the Beijing Olympics, by appointing Xi Jinping to oversee preparations. Xi, 54, who has been pointed out as a possible heir to President Hu Jintao, will be responsible for the defusing of international concerns over air pollution in Beijing. He will take over from Liu



Qi, who will still play an active role in preparatory work. International Olympic Committee chief Jacques Rogge has warned that the high level of air pollution could result in the postponement, or cancellation, of endurance events such as the marathon.

China calls for G7's efforts to ensure global economic stability

During a discussion in Tokyo, the Chinese Finance Minister Xie Xuren urged the world's top industrialized nations to make a concerted effort to ensure the stability of the world economy and global financial markets. Xie stated that China will continue to maintain

and boost its domestic economic growth, contributing to the health of the regional and global economy. The minister also proposed that the International Monetary Fund (IMF) should play a larger role in keeping the world economy afloat during times of difficulty. Other challenges were also discussed including those faced by emerging economies by the slowdown of developed nations' growth, as well as the elevating price of raw materials in the international market.

China Investment Corporation poised for US\$ 10 billion spree in Japan

China's sovereign wealth fund (SWF) is on the verge of unleashing a US\$ 10 billion investment in Japan, setting its sights initially on the energy sector. According to sources within the Japanese government, China Investment Corporation (CIC) is considering the purchase of a "sizeable stake" in one of the country's largest oil and gas companies, Inpex. Japan is heavily



reliant on the company as it pushes to develop resources in the East China Sea. An agreement over a nominal dividing line in the sea has been a source of great contestation between Beijing and Tokyo, in their search for oil and gas. Analysts believe that a possible CIC stake in Inpex will

represent a "friendship" investment ahead of Chinese President, Hu Jintao's visit to Tokyo where an agreement on the joint development of the East China Sea will be reached.

China still first choice of multinationals for R&D

In a survey conducted by the United Nations Conference on Trade and Development (UNCTAD) 62% of global companies rated China as the most attractive location for prospective research and development (R&D). This is due to its huge market, large number of qualified staff and competitive costs. According to the Ministry of Commerce, multinationals had set up 1,160 research institutions in China by the end of 2007. More than 80% of China's hi-tech industry is located in the three coastal regions of the Yangtze River Delta, the Pearl River Delta and Bohai Bay. Major industries include micro-electronics, aviation and aerospace, bio-medicine, photoelectron and software.

Sourced from: Xinhua News Agency, Forbes, Bloomberg, Reuters, Times of India, New York Times, Asia Times, Times Online, AFP, Black Enterprise, International Herald Tribune, Mine web.

China and Africa

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

Chinese company builds water supply system in Dundo, Angola



The Chinese company China National Electronics Import & Export (CEIEC) has begun a project looking to reconstruct and extend the water system in the city of Dundo, in the Angolan province of Lunda Norte. The extensive project involves revising and replacing the pipes of the distribution network as well as building new reservoirs. The minister for Energy and Water, Botelho de Vasconcelos, said that the project would require a US\$ 16 million investment. The project is scheduled over two years and will be financed by the credit line granted by China via the Eximbank.

creating new opportunities for economic growth. China's Western Metal Product Company (Wempco) are, together with Africa Infrastructure, involved in a joint venture aimed at providing emergency power to the African nation and to rebuild its electricity transmission and distribution network. Finance minister Issufo Sanhá said that "it is an opportunity for Guinea Bissau to be part of an organization that takes reducing poverty in Africa seriously".

Fighting intensifies in Chad; Chinese moved to safety

The Chinese embassy helped to evacuate more than 200 Chinese nationals from N'Djamena, the Chadian capital, as heavy clashes continued during the city's siege by rebels. Foreign Ministry spokesman, Liu Jianchao, stated that the Chinese nationals were moved to neighbouring Cameroon. The Chinese Embassy in Yaounde said that the Chinese nationals who have been evacuated were escorted by Cameroonian troops to hotels in the north of the country. They include employees of companies like PetroChina, ZTE, CGC Overseas Construction, and Huawei.



Chinese Company to develop railway project in Libya

China's biggest railroad builder, China Railway, has won a contract to construct two rail lines in the country, which will respond to the need for public and industrial material transportation. The predicted financing for the project is set to be US\$ 2.6 million. China Railway will build a 352-kilometer railroad along the Libyan Mediterranean coast from Khums to Sirt, and an 800-kilometer line in the south from Sebha to Misurata.

Chinese steelmaker eyes iron ore in Madagascar

Wuhan Iron & Steel Group, China's fifth-largest steel producer, has stated that it will set up a joint venture in Madagascar to explore iron ore and other resources. Bai Fang, spokesman for the company, stated that a 60% stake will be held by Wuhan while the remaining 40% will be owned by Hong Kong-based Kam.

Rebuilding of electricity grid brings new opportunities for economic growth

Chinese know-how and capital will assist Guinea Bissau with the rebuilding of its debilitated electricity grid,

Chinese company to build and run Nigerian coal powered plant

Minaj Holdings limited has granted a license to China National Electric and Equipment Corporation (CNEEC) to build and run, for a specified time frame, a coal powered plant that will



supply power to communities in the south-east of the country. Power will be supplied to key industries and local communities that currently cannot benefit from energy due to the lack of gas pipelines in the Enugu state.

Nigeria: Bulasa Group imports 800 trucks from China

A Nigerian freight and forwarding company, Bulasa Group Limited (BGL), will import 800 Tafawa Steyr and Mandiesel Technology trucks and buses from China. The first fifty units of the vehicles have already been received and another hundred units are on their way in the next batch.

Nigerian Air Force will get Chinese jets soon

The Nigerian Air force is currently fine-tuning a deal for the acquisition of the F-7 fighter aircraft from Chinese manufacturers. The first batch of the aircraft is due to arrive in the country at the beginning of 2009. Pilots from the Nigerian Air force will be sent to China for training on



the plane. The number of fighter planes expected has not been revealed but a source in the Nigerian Air force (NAF) stated

that the Russian-made Mig 21 jets, which have been used by the NAF for decades are being completely phased out, explaining the need for the Chinese-made jets.

China opens development packages for Sierra Leone

The current Chinese ambassador to Sierra Leone says that more development projects will be initiated in the West African country to supplement an already significant amount of Chinese involvement. Some of



these projects include the building of a hundred-bed hospital with an anti-malarial centre in Freetown, two new schools, one in Freetown

and one in the northern province, a new stadium in Bo and also cultivation of better rice varieties which is a

staple food of the 4.9 million people of Sierra Leone. The ambassador added that a new office for the country's ministry of foreign affairs will also be constructed by the Chinese Government.

China will start cooperation with South Africa to address electricity shortages

A Chinese delegation has met with South African officials from the Manguang local Municipality to discuss alternative energy saving methods which could help to respond to electricity challenges. Executive Mayor, Gertrude Mothupi, said South Africa can learn from the manner in which China has been managing its own electricity shortages. The visit by the delegation from China to Mangaung comes during the commemoration of the tenth anniversary of establishing diplomatic relations between South Africa and China. The meeting was also set to address possible cooperation with the development of human settlement areas and railroad reconstruction linking Maseru and Bloemfontein.

Sinosteel invests a further US\$440m in South Africa

State-owned Sinosteel Corp, one of China's leading raw material providers, plans to invest a further US\$ 440 million in South Africa. Zhang Suwei, general manager of ASA Metals Pty Ltd,



Sinosteel's joint venture in South Africa, said it was part of the company's strategy of natural resources exploitation, with an aim to boost overall production. Sinosteel's 83% increase in sales in 2007 is mainly attributed to the restructuring of its businesses.

Chinese peacekeepers in Sudan awarded medal during Spring Festival

United Nations Peacekeeping Medals have been awarded to Chinese peacekeepers in Sudan in honour of their great contributions to peace and the reconstruction of the country. UN officials made special arrangements to advance the medal-awarding day two months ahead of



Xinhua

the return of the third contingent of Chinese peacekeeping troops to their homeland, in order to celebrate China's Spring Festival, the traditional Chinese New Year. Peace medals were awarded to the Chinese peacekeepers at a ceremony in the south western

city of Wau. UN officials also conferred honours to Chinese medical, engineering, and transport units for their special contributions.

Togo, China hold 1st meeting of joint economic commission

The first meeting of the China-Togo Mixed Commission on Economy and Trade, created to strengthen bilateral cooperation, was held in Lome, the capital of Togo. Seven agreements on economic and technological cooperation were signed by the two sides. Under the agreements China will provide Togo with financial aid to fund some projects chosen by the two governments, and supply materials worth US\$ 700,000. Moreover, China will assist with the construction of an agro-technology demonstration centre, two rural primary schools and an anti-malaria centre.

Togolese president speaks highly of ties with China

Faure Essozimna Gnassingbe, the Togolese President, spoke highly of the supportive and friendly ties between China and Togo during talks with Wang Jiarui, visiting head of the International Department of the Communist Party of China (CPC) Central Committee. He added that the Togolese people have gained a significant amount from the friendship and reciprocal cooperation between the two countries. The Togolese president vowed to adhere to the one-China policy and conveyed his appreciation toward China's achievement in its reform and opening-up led by the CPC.

Zimbabwe and China sign US\$ 42 million loan facility

During Chinese Deputy Minister, Gao Hucheng's visit to Zimbabwe, a US\$42 million loan facility was assigned to Farmers' World, a local agro-business concern, to execute the second phase of the farm mechanisation programme. A further US\$ 2.5 million loan facility directed at critical areas that require funds was also signed between the Chinese and acting Minister of Finance Cde Obert Mpofu.

China courts Zimbabwe to venture into gold and platinum mining

Chinese Deputy Minister Gao Hucheng encouraged Zimbabwe to invest and explore opportunities in the gold and platinum mining sectors following his visit to the African nation. Accompanied by a 22 member delegation comprising experts in the mining, exploration and trade sectors, Gao conveyed China's interest and capability to pursue exploration activities during a meeting with Zimbabwe's cabinet. Zimbabwe's Mines and Mining Development minister, Atmos Midzi, informed the delegation that the Zimbabwean government would be delighted to forge partnerships in the mining sector. The Chinese entered Zimbabwe's mining sector in 2007 when Sinosteel Corp bought a stake in Zimasco Consolidated Enterprises Ltd, the holding company for Zimbabwe's largest ferrochrome producer.

Sino-African trade up US\$ 74 billion since 1995



The Trade Law Centre of Southern Africa (Tralac) has released figures stating that the value of trade between China and Africa had increased by

24% to US\$ 74 billion between 1995 and 2007. Chinese imports from Africa increased by 27% over the review period while Chinese exports to Africa increased by 23%. Furthermore, Angola and South Africa at 19%, Sudan (8%) and Egypt (6%) were China's biggest African trading partners over the period. The newly-released

figures showed that the top Chinese imports from Africa in 2007 were mineral products (80%), precious stones and metals (4%), base metals (4%), auto parts (2%) and wood products (2%). The top Chinese exports to Africa in 2007 were clothing and textiles (13%) followed by machinery (9%), transport equipment (7%), base metals (2%) and footwear (2%).

World Bank sees change in China's role in Africa



The World Bank has lauded China's participation for the first time recently in the Bank's meetings on the needs of some of Africa's poorest countries.

The positive sentiment was expressed by Bank President, Robert Zoellick, who stated that "it is a confirmation that China is playing a larger role in the region." The shift in Beijing's role by participating with the World Bank on development issues marks a new type of engagement. Zoellick stated that the next step would be trying to create mutually supportive policies between China, their African hosts and others in the international development field. Since taking over the World Bank in 2007 Zoellick has tapped into long-

standing relations with Beijing from his time in U.S. government posts in order to woo Chinese involvement in African development.

China's Africa policies widely welcomed by African nations

Chinese Foreign Ministry spokesman Liu Jianchao said that China's Africa policies are widely welcomed by African nations. He went on to say that China's Africa policies are responsible, promoting peace and development in Africa and that they are also intended to establish economic and trade ties of mutual benefit. Liu Jianchao made the remark in response to a question regarding U.S. President George W. Bush's recent comment on Africa policies between the United States and China during his visit to Ghana.

Sourced from: Xinhua News Agency, Reuters, International Herald Tribune, Mine web, All Africa, SABC, Macau Hub, China Knowledge, China Daily.

The China Forum - Recent Events

Open Society Africa Forum – 4th - 7th February 2008

The CCS' Executive Director Dr Martyn Davies presented at the Open Society's Africa Forum that was held in Dakar, Senegal from the 4th-7th February. He was part of a panel entitled "The Resource Curse and Challenges to Open Society" that discussed the experiences of resource transparency in west and southern Africa. Particular emphasis was placed on the responses of resource-rich states to increased civil society participation in their governance. China's increasing investment in Africa's extractive industries was evaluated in the discussion. The panel discussion was chaired by Patrick Bond, Centre for Civil Society at the University of Kwazulu Natal and the panellists were Prof John Lungu, Copperbelt University, Zambia, Bishop Akolgo, Integrated Social Development Centre, and Karin Lissakers, Director of Revenue Watch Institute.

ASEAN Panel discussion – 7th February 2008

On the 7th of February, the CCS hosted a group of seven Ambassadors and High Commissioners from various ASEAN countries for a panel discussion entitled 'Towards an ASEAN Community in 2015: Prospects and Challenges'. The Ambassadors/ High Commissioners from Indonesia, Malaysia, Vietnam, Thailand, Myanmar, the Philippines, and Singapore talked frankly on issues relating to regional integration and answered questions from a very informed and interested audience. Stellenbosch University, government departments and the private sector were well represented in this open forum talk.

American Chamber of Commerce Presentation - 29th February

Dr. Martyn Davies delivered a Breakfast Briefing for the American Chamber of Commerce on the 29th of February. The talk entitled "China's Roll out of Special Economic Zones in Africa: Implications for Business and Development", was held at the Hyatt Regency in Rosebank. The presentation explored the newly established Special Economic Zones and the implications for the economic future of Africa.

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