



CHINA IN AFRICA

What the US should know about Africa's turn to China

February 2020

A report by
Opinor 



Opinor is an African think tank that works to empower communities in Africa to exist sustainably and in mutual recognition and respect with other communities. Opinor strives to develop and promote community-focused strategies and policies through credible research and innovative communication, which can be applied to develop the self-reliance and autonomy of communities in Africa.

Key findings

1. While many liberation movements in Africa had stronger historical ties with the Soviet Union than China, many of these organizations now look to China for economic, political and ideological leadership.
2. In 2009 China surpassed the US as Africa's biggest trading partner. By 2017, Africa-US trade amounted to \$55 billion, while Africa-China trade had already reached \$155 billion.
3. By September 2019, 40 out of the 54 African countries had signed some sort of agreement of understanding or other agreement to be part of the Belt and Road Initiative.
4. In September 2018, President Xi Jinping pledged \$60 billion for endeavors in Africa in addition to China's 2015 promise of \$60 billion, to be delivered in the form of investment and loans, as a means of "bettering lives" of local people, and putting "more emphasis on the environment and resources".
5. China is becoming increasingly involved in UN peacekeeping operations in Africa and offers training for police officers and military assistance in a number of African nations.
6. Cyril Ramaphosa, the President of South Africa, is one of China's most forceful advocates in Africa, pushing back at the United States on a variety of issues, including the endorsement of Huawei.
7. Whereas China's relations with Africa used to revolve around solidarity against "imperialism", contemporary relations are more characterized by economic issues.
8. Socialist policies in Africa are particularly directed at the redistribution of property, often accompanied with promises of creating a utopia, and violence (or threats of violence) against those who do not cooperate.
9. China has a direct interest in the South African government's pursuit of the policy of expropriation without compensation.
10. When the economies of African countries fail as a result of socialist policies – such as the redistribution of property and the human rights abuses which usually accompany these policies – Western powers (particularly the US) initiate sanctions on such countries. Where this happened, the governments of these countries then blamed the West (and particularly the US) for the failure of their economies. The result is a strengthening of economic and political ties with China.
11. China is currently constructing a brand new six-story parliament building for the Zimbabwean government at a cost of \$140 million. It also funded several projects, including soccer stadiums in countries such as Cameroon, Mozambique, Malawi, Ghana, Angola and Zambia, and paid for parliamentary buildings in the Republic of Congo, Lesotho, Mozambique and Sierra Leone. Furthermore, China gifted presidential palaces to countries, which include Togo, Sudan, Burundi and Guinea-Bissau. China is also currently constructing the \$533 million Kariba South Hydro Power Expansion Project in Zimbabwe.
12. China paid \$200 million for the construction of the African Union's headquarters in Addis Ababa (Ethiopia), which was built by a Chinese state-owned company. The Chinese government hacked into the AU's computer systems every night for five years, downloading confidential data.
13. There is uncertainty about the true extent of the Chinese government's financial contributions to Africa, as African countries seem to downplay the contributions received from China.

14. China's involvement in Africa goes beyond the support for socialist policies. It also includes academic opportunities and political and ideological training. Beijing has already taken thousands of African leaders, bureaucrats, students and businesspeople to China to provide training in the so-called "China model". This has since become a key component of China's foreign policy towards Africa. Ideological training is also provided to leading African politicians by the Communist Party of China.
15. China overtook the US and the UK in recent years as the top destination for anglophone Africans to study abroad.
16. African leaders deny being led into a debt trap with China and describes China's involvement in Africa (including loans to African countries) as "for mutual benefit".
17. African countries have been increasing their debt to China. Where Chinese loans to Africa amounted to \$2 billion in 2005, it had increased to \$30 billion by 2016.
18. By 2018, around 40% of low-income countries in Africa were in debt distress or at high risk of it.
19. The US cautioned that it would not be sympathetic to continued debt forgiveness for low-income countries in Africa. In the last 20 years, the IMF has helped the world's poorest nations to clear billions of dollars' worth of unsustainable debt. However, the need for debt forgiveness persists.
20. It is reported that common trends amongst Chinese business in Africa include violations of workers' rights, discrimination, poor working conditions, unfair labor practices and hostility towards trade unions.
21. More than 60 of the Congo's Katanga province's 75 processing plants are owned by Chinese companies and 90% of the region's minerals go to China. An African NGO claims that 80,000 child laborers younger than 15 years – or about 40% of all miners – were supplying ore to Chinese companies in this region.
22. It was reported in various mainstream international newspapers that China uses prison labor in Africa, while this was denied by China's Ministry of Commerce and some commentators on Africa-China relations, given that there is a lack of evidence for this claim.
23. China plays a role in illegal, unreported and unregulated (IUU) fishing in African waters and beyond. China's deep-water fishing fleets take advantage of weak state institutions and the lack of economic opportunities in some African countries. 50% of countries whose territorial waters are often crossed into by foreign fishing fleets are in Africa, while 65% of fleets conducting illegal, unreported and unregulated fishing are from China or Taiwan. Yields for local fishers are dwindling and competition for limited fish stocks have already led to violent conflicts in Africa.
24. Chinese syndicates use poor Africans to poach rhino in South Africa and other African countries. China legalized the use of rhino horn and tiger bone for medical purposes in 2018. While there has been a decrease in the number of rhinos poached across Africa since the peak of the crisis in 2015, almost three rhinos are still killed daily. South Africa has 80% of the world's rhinos and is hit hardest by poaching criminals: More than 7,000 rhinos have been poached in South Africa since 2008.
25. Zimbabwe is currently paying its debt to Chinese representatives with elephant calves. Since 2012, Zimbabwe has already shipped 108 elephant calves to zoos in China.

26. Donkey populations in various parts of the world are collapsing due to Chinese demand for the gelatinous liquid found under the skin of these animals. The fluid is used as an ingredient in beauty products and medicine, and is known as *ejiao*. To meet the demand for *ejiao*, China needs about 4.8 million donkey skins annually.
27. Illegal logging in Southern Africa is dominated by Chinese nationals. The pristine rosewood forests of Madagascar, now only to be found in remote areas of national parks, are threatened by the illegal export of rosewood to China, which is valued at between \$250 million and \$300 million per year. Some districts in Mozambique are almost completely deforested and the government estimates that the smuggling of timber could cost this country - one of the poorest in the world - \$205 million per year.
28. China's military footprint in Africa is expanding rapidly. Addressing the UN General Assembly in 2015, President Xi Jinping offered \$100 million in military support over five years to Africa. In 2017, the People's Liberation Army of China set up a 98-acres military base in Djibouti with a ten-year lease at \$20 million annually. China is currently the top arms supplier to sub-Saharan Africa, accounting for 27% of the region's imports over the four-year period from 2013 to 2017, an increase of 55% over 2008 to 2012. A total of 22 sub-Saharan African countries procured major arms from China from 2013 to 2017. Key among these are Ghana, Kenya, Nigeria, Tanzania and Zambia. In 2018, China installed new generation surface-to-air missiles in Zimbabwe to prepare for defending China's vast economic interests in the country.

Table of content

1.	Introduction	9
2.	China, Africa and the West	9
3.	Socialism (with Chinese characteristics) in Africa	12
4.	Africa's debt trap	15
5.	Human rights	16
5.1	Anti-democratic practices	16
5.2	Labor practices	17
5.2.1	Chinese labor	17
5.2.2	Working conditions	17
5.2.3	Development of skills	18
5.2.4	Child labor	18
5.2.5	Prison labor	18
6.	Environmental impact	19
6.1	Fishing resources	19
6.2	Wildlife	19
6.3	Illegal logging	21
7.	Military footprint	22
8.	Case study: The Musina-Makhado Special Economic Zone	23
8.1	Background	23
8.2	The China connection	25
8.2.1	Limpopo province delegation to China – July 2018	25
8.2.2	Special Economic Zones Investment Roadshow – September 2019	25
8.2.3	EMSEZ investment conference – November 2019	25
8.3	Cause for concern	27
8.3.1	Objections to the final scoping report of the EMSEZ	27
8.3.2	Lack of consultation and transparency	28
8.3.3	Irrational decisions	28
8.3.4	Half-truths and exaggerations	29
8.3.5	Allegations of irregularities	29
8.4	Environmental impact	29
9.	China's future in Africa	30

Acronyms

Anac	National Conservation Area Administration (of Mozambique)
ANC	African National Congress
AU	African Union
BRI	Belt and Road Initiative
BRICS	The association of Brazil, Russia, India, China and South Africa
CER	Centre for Environmental Rights
CITES	Convention on International Trade on Endangered Species of Wild Fauna and Flora
CPC	Communist Party of China
EIA	Environmental Investigating Agency
EIU	Economist Intelligence Unit
EMSEZ	(South African) Energy Metallurgical Special Economic Zone
EU	European Union
FOCAC	Forum on China-Africa Cooperation
FSR	Final scoping assessment report
Hawks	Directorate for Priority Crime Investigation (South Africa)
HIPC	Heavily Indebted Poor Countries
IMF	International Monetary Fund
IRP	Integrated Resource Plan
ISS	Institute for Security Studies
IUU	Illegal, unreported and unregulated (fishing)
LEDET	Limpopo Department of Economic Development, Environment and Tourism
LEP	Look East Policy
MMSEZ	Musina-Makhado Special Economic Zone
PLA	People's Liberation Army (of China)
SADC	Southern African Development Community
SAEMB	South African Energy and Metallurgical Base
SAM	Surface-to-air missiles
SEZ	Special economic zone
SIPRI	Stockholm International Peace Research Institute
Solve	Save Our Limpopo Valley Environment
UK	United Kingdom (of Great Britain and Northern Ireland)
US	United States of America
WWF	World Wildlife Fund

List of figures and tables

Figures		Page
Figure 1	Comparison of Africa-US and Africa-China trade	10
Figure 2	African countries which form part of China's Belt and Road Initiative	11
Figure 3	Growth in international student numbers in China	15
Figure 4	The northern and southern sites of the MMSEZ	24
Figure 5	Location of the EMSEZ, Limpopo province, South Africa	29
Tables		
Table 1	The ten African countries with the largest debt to China	16
Table 2	Industrial plants planned as part of the EMSEZ project	25
Table 3	The eleven projects signed during the SEZ Investment Roadshow held in Chengdu, China	29

1. Introduction

This report is the result of increased uncertainty and apparent secrecy regarding the true extent of the Chinese government's activities in Africa. The South African civil rights organization AfriForum requested Opignor to draft this report after Cyril Ramaphosa, the President of South Africa, undertook several trips to China and announced a partnership and trade agreements with China. However, he has so far disclosed very little information about the true extent of these agreements and what the consequences would be for South Africa.

Early in September 2018, the government of South Africa went into a trade agreement with the Bank of China that will see China investing \$1 billion in the special economic zones (SEZs) and industrial parks of South Africa.¹ This was one of several deals that were struck between President Ramaphosa and the Chinese government during this last trip.

The South African Department of Trade and Industry also struck a deal with the National Development and Reform Commission (NDRC) of the Republic of China that is specifically targeted at SEZs to be developed in the Limpopo valley (in the province of Limpopo) near the border with Zimbabwe, which is known as the Musina-Makhado SEZ. The deal includes the construction of a 4,600 MW coal-fired power plant and a cement production plant. It also includes investments in stainless steel plants and ferro-chromium or -manganese plants.² Limpopo's Premier, Stan Mathabata, mentioned that the Chinese committed to invest \$11 billion in the project and that the project would also create 21,000 jobs (although it is uncertain how many of these jobs would be for locals). Mathabata stated that these agreements had been struck between South Africa and Chinese companies.³

In September 2018, an opposition party in South Africa questioned the terms and conditions attached to a "gift" of \$25 billion

that President Ramaphosa was said to have "negotiated" with China.⁴

People in Africa deserve transparent and democratic governments. The South African public still does not know the true extent of these confidential negotiations between the South African and the Chinese governments. In November 2019, AfriForum wrote to President Ramaphosa to request clarity on the above-mentioned issues, as well as to the representative of the Limpopo Department of Environment, Economic Development and Tourism to provide answers to questions about the Musina-Makhado SEZ. The President's office replied but declined to provide any answers, and transferred the request to another department (who failed to provide clear answers). AfriForum met with the Limpopo representative, but could not obtain a response to detailed questions about the Chinese money invested in this SEZ.

2. China, Africa and the West

Liberation movements in Africa have strong historical ties with both China and Russia. This is largely the result of these movements' susceptibility to socialism, especially during the Cold War. In case of most of these liberation movements, the ties were stronger with the Soviet Union than with China. In 1979, the African National Congress (ANC) – later to become the ruling party in South Africa – undertook a Soviet-sponsored study tour to Vietnam to learn about the strategies employed by Ho Chi Minh and Vo Nguyen Giap against the United States (US) during the Vietnam War. These strategies were inspired by what is described as the "people's war" strategy of Mao Zedong.⁵

Two important developments in the second half of the 20th century paved the way for increased Chinese influence in Africa. The first was the process of decolonization, which commenced in the early 1950s and led to the coming to power

1 Office of the President of South Africa. 2018. *President concludes productive state visit to China*. 3 September. Available at <http://www.thepresidency.gov.za/newsletters/president-concludes-productive-state-visit-china>. Accessed on 4 February 2020.

2 Ibid.

3 Musina Makhado Special Economic Zone. *Limpopo open for business: SEZ to bring economic wealth to the province*. Advertorial in Business Day. 9 December. Available on request.

4 *Sowetan Live*. 2018. DA to question Ramaphosa's R370 billion Chinese 'gift'. September 16. Available at <https://www.sowetanlive.co.za/news/south-africa/2018-09-16-da-to-question-ramaphosas-r370-billion-chinese-gift/>. Accessed on 4 February 2020.

5 See:

- Jeffery, A. 2009. *People's War: New Light on the Struggle for South Africa*. Jeppestown: Jonathan Ball Publishers.
- Shubin, V. 2010. *ANC: A view from Moscow*. Sunnyside: Jacana Media.
- *Tainted heroes*. 2016. [DVD]. Produced by Ernst Roets. South Africa: Forum Films. Available from Forum Films.

of many of these liberation movements. The second was the fall of the Berlin Wall in 1989 and the consequent collapse of the Soviet Union.

Given the role that the US played in the coming to power of some of these liberation movements (particularly in the case of South Africa), some maintained close ties and trade relations with the US. These movements still pursued Marxism and Leninism, however, and was still opposed to the free market policies of the Western world.

Over time – as will become evident in this report – Africa has made a gradual shift away from the US and started turning towards China for political, ideological and economic leadership.

China operates according to a socialist market economy combined with elements of capitalism and currently has a population of more than 1.4 billion people (18.47% of the total world population). It reported a tax revenue of \$116.597 billion in November 2019.⁶

In 2009 China surpassed the US as Africa's biggest trading partner.⁷ By 2017, Africa-US trade amounted to \$55 billion, while Africa-China trade had already reached \$155 billion (see Figure 1).⁸

China's global development strategy, the Belt and Road Initiative (BRI), played an important role in this regard. By September 2019, 40 out of the 54 African countries had signed some sort of agreement of understanding or other agreement to become part of the BRI (see Figure 2).⁹ China's influence in countries like Zambia, the Democratic Republic of the Congo, Kenya and South Africa was expanded exponentially as a result of the BRI and through major investment in this infrastructure scheme.¹⁰

At a summit with African leaders in Beijing in September 2018, President Xi Jinping pledged \$60 billion for endeavors in Africa – in addition to China's 2015 promise of \$60 billion – to be delivered in the form of investment



Figure 1: Comparison of Africa-US and Africa-China trade¹¹

6 <https://www.ceicdata.com/en/indicator/china/tax-revenue>.

7 *The Eurasian Times*. 2017. China Africa Trade: Chinese have replaced Britishers as our new Masters! 21 December. Available at <https://eurasianimes.com/china-africa-trade-relations/>. Accessed on 3 February 2020.

8 China Africa Research Initiative. May 2019.

9 Development Reimagined. 2019. *Countries along the Belt and Road – what does it all mean?* September 26. Available at <https://developmentreimagined.com/2019/09/26/countries-along-the-belt-and-road-what-does-it-all-mean/>. Accessed on 3 February 2020.

10 Shand-Baptiste, K. 2018. China's human rights abuses are going unpunished – its financial power means the world keeps looking away. *Independent*. October 31. Available at <https://www.independent.co.uk/voices/china-africa-finance-uyghur-muslims-human-rights-abuse-infrastructure-investment-a8610756.html>.

11 China Africa Research Initiative. May 2019.



Figure 2: African countries which form part of China's Belt and Road Initiative¹²

and loans, as a means of “bettering lives” of locals, and putting “more emphasis on the environment and resources”.¹³ During this time, China also became increasingly involved in UN peacekeeping operations in Africa by offering training for police officers and military assistance in a number of African nations.¹⁴

The South African President, Cyril Ramaphosa, is one of China's most forceful advocates in Africa, pushing back at the US on a variety of issues, to the extent that he is comfortable

to stand up in Washington, D.C. and endorse key foreign policy objectives of the Chinese government. This creates opportunities for other African leaders to follow suit.¹⁵ Eric Olander illustrates this by pointing out that Ramaphosa's public statement – that the US was “clearly jealous” of Huawei's advancement in 5G technology¹⁶ – was followed just one week later by a statement by Joseph Muchero, Kenya's Minister on Information and Communications, in which he pledged Kenya's support for China and Huawei.¹⁷

12 Development Reimagined. 2019. *Countries along the Belt and Road - what does it all mean?* September 26. Available at <https://developmentreimagined.com/2019/09/26/countries-along-the-belt-and-road-what-does-it-all-mean/>. Accessed on 3 February 2020.

13 Shand-Baptiste, K. 2018. *China's human rights abuses are going unpunished - its financial power means the world keeps looking away.* *Independent*. October 31. Available at <https://www.independent.co.uk/voices/china-africa-finance-uyghur-muslims-human-rights-abuse-infrastructure-investment-a8610756.html>. Accessed on 3 February 2020.

14 Ibid.

15 Olander, E. 2019. *Why the US should be worried about South Africa's increasingly close ties with China.* 30 October. Available at <https://chinaafricaproject.com/analysis/why-the-u-s-should-be-worried-about-south-africas-increasingly-close-ties-with-china/>. Accessed on 3 February 2020.

16 Cronje, J. 2019. *Ramaphosa says US "clearly jealous" of Huawei.* *Fin24*. 5 July. Available at <https://www.fin24.com/Companies/Financial-Services/ramaphosa-says-us-clearly-jealous-of-huawei-20190705>. Accessed on 3 February 2020.

17 See:

- Ecofin Agency. 2019. *Kenya pledges support for Huawei, as does South Africa.* 26 July. Available at <https://www.ecofinagency.com/telecom/2607-40362-kenya-pledges-support-for-huawei-as-does-south-africa>. Accessed on 3 February 2020.
- Olander, E. 2019. *Why the US should be worried about South Africa's increasingly close ties with China.* 30 October. Available at <https://chinaafricaproject.com/analysis/why-the-u-s-should-be-worried-about-south-africas-increasingly-close-ties-with-china/>. Accessed on 3 February 2020.

The Chinese Foreign Affairs Minister, Wang Yi, has visited South Africa so often that his visits are no longer regarded newsworthy. Olander points out that the lack of media interest in Wang's visits to Africa "is partially indicative of how frequent Wang's visits to the continent have become, to the extent that they are now a normalized part of the African political landscape."¹⁸

Speaking at the 2019 BRICS Summit, Ramaphosa praised the great achievements of the Chinese people under the leadership of the Communist Party of China (CPC), and added that South Africa opposed the "bullying tactics" (presumably by the US) against China and the unfair treatment of Chinese enterprises on the international stage.¹⁹ President Xi Jinping said that China was ready to develop a comprehensive strategic partnership with South Africa.²⁰

3. Socialism (with Chinese characteristics) in Africa

The term "socialism with Chinese characteristics" became popular during the era of Deng Xiaoping and is used to refer to Marxist-Leninist policies adapted for Chinese conditions.²¹ The socialism pursued by many African countries can also be described as a form of socialism with Chinese characteristics, given the role that China is playing in these policies. It should be noted that, whereas China's relations with Africa used to revolve around solidarity against imperialism, contemporary relations are more characterized by the pursuit of economic gain.²²

These socialist policies in some African countries are particularly directed at the redistribution of property – particularly land

– to enforce equality of outcome and are often pursued with the promise of creating utopia. In some cases, these utopian promises are followed with threats of violence against those who do not cooperate. Once the negative economic impact of these policies starts to manifest, it creates the opportunity for increased involvement by the Chinese government.

Ramaphosa said for example that the implementation of the policy of expropriation of private property without compensation could turn South Africa into the Garden of Eden and the "ultimate paradise".²³ Three months later, his deputy, David Mabuza, threatened that there would be a violent takeover if white farmers did not volunteer to hand over their land.²⁴ It soon transpired that China has a direct interest in the South African government's pursuit of this policy. One case in point is that of the Akkerland Boerdery farm. Because the policy of expropriation of private property without compensation was not yet in place, the South African government gave the owners of the Akkerland farms seven days to hand over their keys and announced that the owners would be compensated at 10% of the market value when the expropriation was finalized. The reason why the South African government was presumably in such a hurry to expropriate these farms was to obtain access to the coal reserves under the farm's surface to facilitate the expansion of the Chinese government's economic interests in South Africa. Chinese government-controlled companies were planning a \$1 billion development known as the Musina-Makhado Special Economic Zone (MMSEZ) – within which Akkerland falls. This development included the building of a coal-powered power station, a coal washing plant and various metallurgical plants.²⁵

18 Olander, E. 2019. *Why the US should be worried about South Africa's increasingly close ties with China*. 30 October. Available at <https://chinaafricaproject.com/analysis/why-the-u-s-should-be-worried-about-south-africas-increasingly-close-ties-with-china/>. Accessed on 3 February 2020.

19 Xinhua. 2019. *China ready to promote strategic partnership with South Africa*: Xi. 15 November. Available at http://www.xinhuanet.com/english/2019-11/15/c_138556365.htm. Accessed on 3 February 2020.

20 Ibid.

21 Xiaoping, Deng. 1984. Building socialism with a specifically Chinese character. Archived from *The People's Daily*. Available at <https://newlearningonline.com/new-learning/chapter-4/deng-xiaoping-socialism-with-chinese-characteristics>. Accessed on 3 February 2020.

22 Hogwe, F. & Banda, H. 2017. The nature of China's role in development of Africa: the case of Zimbabwe. In *Problems and Perspectives in Management*, 15(1), p. 237-247.

23 *Mail & Guardian*. 2018. Taking land will turn South Africa into the Garden of Eden. 7 January. Available at <https://mg.co.za/article/2018-01-07-ramaphosa-taking-land-will-turn-sa-into-the-garden-of-eden/>. Accessed on 3 February 2020.

24 *IOL*. 2018. Mabuza appeals to white farmers to share their land. 7 April. Available at <https://www.iol.co.za/news/politics/mabuza-appeals-to-white-farmers-to-share-their-land-14299969>. Accessed on 4 February 2020.

25 Eloff, T. 2018. The strange saga of Akkerland Boerdery. *Politicsweb*. 21 September. Available at <https://www.politicsweb.co.za/opinion/the-strange-saga-of-akkerland-boerdery>. Accessed on 3 February 2020.

In the execution of these policies, human rights are often abused as violence is meted out against civilians who do not cooperate voluntarily. As a result of the Zimbabwean government's program of land expropriation without compensation (accompanied with violence against its own citizens) the US and the EU initiated sanctions on Harare. The Mugabe government responded by blaming the West – and particularly the US – for Zimbabwe's poor economy and by strengthening its economic and political ties with China, which became Zimbabwe's "all-weather friend".²⁶ This policy became known as the Look East Policy (LEP).²⁷

After the November 2017 coup (which was tacitly supported by China), Emmerson Mnangagwa ascended to power in Zimbabwe. Contrary to the hopeful expectations of many in the West, the Mnangagwa government failed to turn its back on the socio-political policies of the Mugabe era and instead opted to revive the LEP.²⁸

China is currently constructing a brand new six-story parliament building for the Zimbabwean government at a cost of \$140 million.²⁹ Beijing also funded the construction of parliamentary buildings in the Republic of Congo, Lesotho, Mozambique and Sierra Leone, as well as soccer stadiums in countries such as

Cameroon, Mozambique, Malawi, Ghana, Angola and Zambia. China also gifted presidential palaces to countries such as Togo, Sudan, Burundi and Guinea-Bissau.³⁰ China is also currently constructing the \$533 million Kariba South Hydro Power Expansion Project in Zimbabwe.³¹ This approach by the Chinese government has aptly been described as one of "chequebook diplomacy".³²

China also paid \$200 million for the construction of the African Union's headquarters in Addis Ababa (Ethiopia), which was built by a Chinese state-owned company. It was later exposed by *Le Monde* that the Chinese government had hacked the AU's computer systems every night for five years and downloaded confidential data.³³ The *Financial Times* reported:³⁴

The hack underscores the risk African nations take in allowing Chinese technology companies such prominent roles in developing their telecoms backbones, despite the US placing restrictions on investment by Huawei and ZTE.

The two companies have "built most of Africa's telecoms infrastructure", according to a McKinsey report on Chinese investment in Africa published in 2017.³⁵ The Chinese government denied the allegations.

26 Ndebele, L. 2019. Zimbabwe's 'look East' policy likely to fail, says think tank. *Times Live*. 16 October. Available at <https://www.timeslive.co.za/news/africa/2019-10-16-zimbabwes-look-east-policy-likely-to-fail-says-think-tank/>. Accessed on 3 February 2020.

27 See, for example:

- Youde, J. 2007. *Why look East? Zimbabwean foreign policy and China*. *Africa Today*, 53(3), pp. 3-19.
- Ojatorotu, V. & Kamidza, R. 2018. Look East Policy: The case of Zimbabwe-China political and economic relations since 2000. In *India Quarterly: A Journal of International Affairs*, 74(1), pp. 17-41.

28 Ndebele, L. 2019. Zimbabwe's 'look east' policy likely to fail, says think tank. *Times Live*. 16 October. Available at <https://www.timeslive.co.za/news/africa/2019-10-16-zimbabwes-look-east-policy-likely-to-fail-says-think-tank/>. Accessed on 3 February 2020.

29 Nyabiage, J. 2020. How Zimbabwe's new parliament symbolizes China's chequebook diplomacy approach to Africa. *South China Morning Post*. 5 January. Available at <https://www.scmp.com/news/china/diplomacy/article/3044402/how-zimbabwes-new-parliament-symbolises-chinas-chequebook>. Accessed on 3 February 2020.

30 Ibid.

31 Xinhau. 2018. Zimbabwe commissions Chinese-built power plant. *China Daily*. 29 March. Available at <https://www.chinadaily.com.cn/a/201803/29/WS5abca60da3105cddf6515203.html>. Accessed on 3 February 2020.

32 Nyabiage, J. 2020. How Zimbabwe's new parliament symbolizes China's chequebook diplomacy approach to Africa. *South China Morning Post*. 5 January. Available at <https://www.scmp.com/news/china/diplomacy/article/3044402/how-zimbabwes-new-parliament-symbolises-chinas-chequebook>. Accessed on 3 February 2020.

33 Tilouine, J. & Kadiri, G. 2018. A Addis-Abeba, le siège de l'Union africaine espionné par Pékin. *Le Monde*. 26 January. Available at https://www.lemonde.fr/afrique/article/2018/01/26/a-addis-abeba-le-siege-de-l-union-africaine-espionne-par-les-chinois_5247521_3212.html. Accessed on 4 February 2020.

34 Aglionby, J, Feng, E and Yang, Y. 2018. African Union accuses China of hacking headquarters. *Financial Times*. 29 January. Available at <https://www.ft.com/content/c26a9214-04f2-11e8-9650-9c0ad2d7c5b5>. Accessed on 5 February 2020.

35 Sun, I.Y., Jayaram, K. & Kassiri, O. 2017. *Dance of the Lions and Dragons: How are Africa and China engaging, and how will this partnership evolve?* New York: McKinsey & Company. Available at <https://www.mckinsey.com/-/media/McKinsey/Featured%20Insights/Middle%20East%20and%20Africa/The%20closest%20look%20yet%20at%20Chinese%20economic%20engagement%20in%20Africa/Dance-of-the-lions-and-dragons.aspx>. Accessed on 4 February 2020. See also: Aglionby, J, Feng, E and Yang, Y. 2018. *African Union accuses China of hacking headquarters*. *Financial Times*. January 29. Available at <https://www.ft.com/content/c26a9214-04f2-11e8-9650-9c0ad2d7c5b5>. Accessed on 3 February 2020.

Mailyn Fidler commented:³⁶

Although this sort of spycraft is fairly routine, it signals Africa's growing strategic importance to China. In a world of finite resources, states spy on states that matter to them. China seems to have calculated that the hard power benefits of accessing internal AU data to gain the upper hand in negotiations with African leaders outweighed the soft power benefits that came with building them a headquarters.

There remains uncertainty about the true extent of China's investment in Africa. In November 2019, for example, the Chinese embassy in Harare accused the Zimbabwean Minister of Finance of massively understating the extent of financial aid it had received from China. At a 2020 budget presentation, Mthuli Ncube, Zimbabwe's Finance Minister, said the country received a total of \$3.6 million from China in the previous year, while the Chinese embassy puts the figure at \$137 million.³⁷

China's involvement in Africa goes beyond the mere support of socialist policies, however. It also includes academic opportunities and even political and ideological training.

In this sense, China's strategies have shifted from its 1970s plan to export its communist revolution to Africa, to hosting African leaders in China to promote support for China and its developmental model. Where the strategy initially deployed Chinese emissaries in African countries to promote China's ideals, Beijing now lures thousands of African leaders, bureaucrats, students and business people to China to provide training in the so-called "China model".³⁸ China's political party training

programs – which have expanded to such an extent that it has become a key component of Chinese foreign policy towards Africa – are almost universally built around three themes:³⁹

1. Lectures at a Chinese education or training institution;
2. Field trips to a local government for first-hand experience and meetings with local officials, farmers and businesses; and
3. Cultural programs to familiarize participants with Chinese traditional culture.

Senior-level training programs are hosted in Beijing, while lower-level programs are presented in local Chinese cities.⁴⁰ Lil Kuo comments:⁴¹

It's a campaign that achieves several goals at once. The trips help solidify political and business ties between China and its partners on the continent. Like other development partners, China gets to help build capacity in African countries. Most importantly these exchanges cultivate partners on the continent who are more likely to be sympathetic to China and its way of doing things.

Countries whose political leaders have received political and ideological training in China include Sudan, South Sudan, Kenya, Ethiopia, Namibia and South Africa.⁴²

Since the signing of a memorandum of understanding in 2008 with South Africa's ANC on China's enhanced efforts to train ANC members in China, the ANC has been sending training delegations to China on a regular basis. Between 2008 and 2012, for example,

36 Fidler, M. 2018. *African Union bugged by China: Cyber espionage as evidence of strategic shifts*. 7 March. Available at <https://www.cfr.org/blog/african-union-bugged-china-cyber-espionage-evidence-strategic-shifts>. Accessed on 4 February 2020.

37 Kuyedzwa, C. 2019. *China accuses Zimbabwe of understating development support*. Fin24. 20 November. Available at <https://www.fin24.com/Economy/Africa/china-accuses-zimbabwe-of-understating-developmental-support-20191120>. Accessed on 4 February 2020.

38 See for example:

- Kuo, L. 2017. Beijing is cultivating the next generation of African elites by training them in China. *Quartz Africa*. 14 December. Available at <https://qz.com/africa/1119447/china-is-training-africas-next-generation-of-leaders/>. Accessed on 3 February 2020.
- Sun, Y. (2016). *Political party training: China's ideological push in Africa?* Brookings. 5 July. Available at <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>. Accessed on 3 February 2020.

39 Sun, Y. (2016). *Political party training: China's ideological push in Africa?* Brookings. 5 July. Available at <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>. Accessed on 3 February 2020.

40 Ibid.

41 See for example:

- Kuo, L. 2017. Beijing is cultivating the next generation of African elites by training them in China. *Quartz Africa*. 14 December. Available at <https://qz.com/africa/1119447/china-is-training-africas-next-generation-of-leaders/>. Accessed on 3 February 2020
- Sun, Y. (2016). *Political party training: China's ideological push in Africa?* Brookings. 5 July. Available at <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>.

42 Sun, Y. (2016). *Political party training: China's ideological push in Africa?* Brookings. 5 July. Available at <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>. Accessed on 3 February 2020.

four groups of 56 members of the party's National Executive Committee visited China for training on the "theories and practice of the ruling parties in China and in South Africa".⁴³

In the build-up to the 2019 general election in South Africa, the ANC initiated a program of involving the Chinese Communist Party (CPC) in training the South African ruling party in "propaganda and discipline", with the aim of sharpening the party's communications machinery. This commenced with a huge delegation from the ANC leadership – led by Secretary General Ace Magashule – who travelled to China to receive training at the CPC's training academy, followed by a second trip of 300 of its cadres. The training focused on party discipline and loyalty as well as strategy and propaganda.⁴⁴

In 2016, Beijing announced that it would invite 1,000 young African politicians for training in

China, after hosting more than 200 between 2011 and 2015.

Furthermore, thousands of African students are pursuing undergraduate and graduate degrees in China on Beijing-funded scholarship programs. China has overtaken the US and the UK as the top destination for anglophone Africans to study abroad.⁴⁵ In the 12 years between 2003 and 2015, the African student body in China has grown 26-fold – from just under 2,000 in 2003 to almost 50,000 in 2015.⁴⁶ Figure 3 shows the growth in the number of international students studying in China.

4. Africa's debt trap

In a newsletter, President Ramaphosa rejected claims that African countries are being led into a debt trap as they take up loans from foreign countries. He explained that the relationship between the South African and Chinese

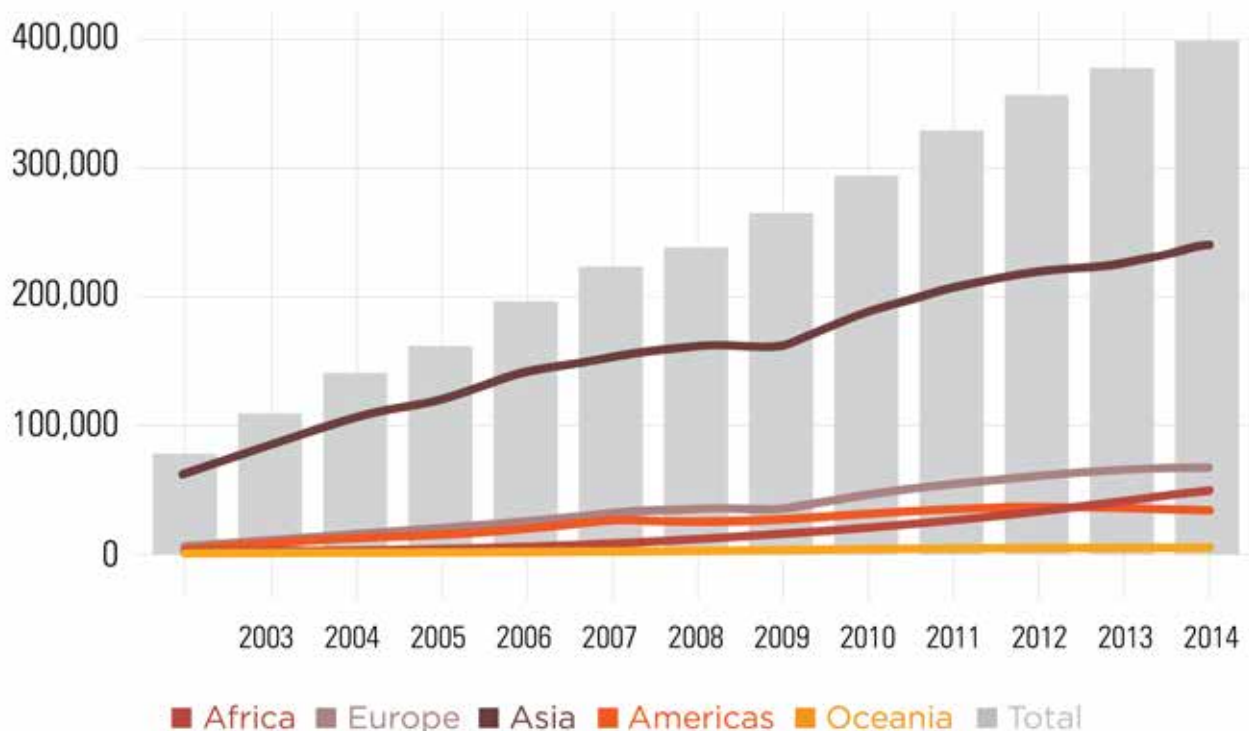


Figure 3: Growth in international student numbers in China⁴⁷

43 Ibid.

44 Kgosana, K. 2019. ANC looks to China for election strategy and tactics. *Times Live*. 29 July. Available at <https://www.timeslive.co.za/news/2018-07-28-anc-looks-to-china-for-election-strategy-and-tactics/>. Accessed on 4 February 2020.

45 Breeze, V & Moore, N. 2017. China has overtaken the US and UK as the top destination for anglophone African students. *Quartz Africa*. June 30. Available at <https://qz.com/africa/1017926/china-has-overtaken-the-us-and-uk-as-the-top-destination-for-anglophone-african-students/>. Accessed on 31 January 2020.

46 Ibid.

47 Chinese ministry of education (via Michigan State University). 2017. Available at <https://theatlant.com/charts/ByAzhuMEW>. Accessed on 3 February 2020.

governments are for “mutual benefit”.⁴⁸ “The state has not sold its soul to the highest bidder,” said Ramaphosa after acquiring a loan of \$2 billion from the China Development Bank for spending on South Africa’s failing power supplier, Eskom.⁴⁹

Meanwhile, African countries have been increasing their debt to China. Whereas Chinese loans to Africa amounted to \$2 billion in 2005, it had increased to \$30 billion by 2016.⁵⁰ The *African Exponent* reported:⁵¹

Africa is slowly being tied to the yoke of Chinese debt. There is no transparency and accountability when it comes to acquiring Chinese loans. As a result of this, African countries are finding it hard to extricate themselves from the grip of Chinese debt. It means that debt is continuing to pile on and on, unabated, and the repercussions will be dreadful.

The top ten African countries with the largest debt to China are as summarized in Table 1 below.

By 2018, around 40% of low-income countries in Africa were in debt distress or at high risk of it, reported the International Monetary Fund (IMF). “We went through, just in the last 20 years, this big debt forgiveness for a lot of African countries,” said Tibor Nagy, US Assistant Secretary of State for African Affairs, referring to the IMF’s Heavily Indebted Poor Countries (HIPC) program – a program to help the world’s poorest nations clear billions of dollars’ worth of unsustainable debt. “Now all of a sudden are we going to go through another cycle of that? ... I certainly would not be sympathetic, and I don’t think my administration would be sympathetic to that kind of situation,” he told reporters in Pretoria, South Africa in 2019.⁵³

5. Human rights

5.1 Anti-democratic practices

Experts who testified at a hearing of the US House Foreign Affairs Africa Subcommittee said that a lack of transparency and accountability, repression of civil society and human rights violations were gripping the

Table 1: The ten African countries with the largest debt to China⁵²

		Estimated debt
1.	Angola	Over \$25 billion
2.	Ethiopia	\$13.5 billion
3.	Kenya	\$7.9 billion
4.	Republic of Congo	\$7.3 billion
5.	North Sudan	\$6.4 billion
6.	Zambia	\$6 billion
7.	Cameroon	\$5.5 billion
8.	Nigeria	\$4.8 billion
9.	Ghana	\$3.5 billion
10.	The Democratic Republic of Congo	\$3.4 billion

48 Ramaphosa, C. 2019. *From the President's Desk*. 28 October. Available at <https://mailchi.mp/presidency.gov.za/president-desk-28-oct-2019>. Accessed on 4 February 2020.

49 Donnelly, L. 2018. Africa's debt to China is complicated. *Mail & Guardian*. September 14. Available at <https://mg.co.za/article/2018-09-14-00-africas-debt-to-china-is-complicated/>. Accessed on 4 February 2020.

50 Ibid.

51 Chiwanza, T.H. 2018. The top ten countries with the largest Chinese debt. *The African Exponent*. October 2. Available at <https://www.africanexponent.com/post/9183-here-are-the-top-ten-countries-in-africa-bearing-the-largest-chinese-debt>. Accessed on 2 February 2020.

52 Ibid.

53 Bavier, J. 2019. *Don't expect debt relief, United States warns Africa*. Reuters. June 24. Available at <https://www.reuters.com/article/us-usa-africa/dont-expect-debt-relief-united-states-warns-africa-idUSKCNITP144>. Accessed on 4 February 2020.

region as China collaborates with African countries. In one example a former Guinean mining minister helped China International Fund Ltd to obtain exclusive mining rights. He was convicted of money laundering to an amount of \$8.5 million in August 2017.⁵⁴

A study by the International Republican Institute on the interference of China in 13 key countries indicates that China exerts undue influence over foreign countries' economic and political systems through (amongst others) economic aggression and other influencing operations. The report warns that this conduct of China represents a threat to US strategic and economic interests. China's Belt and Road Initiative, for example, suffers from a lack of transparency. The lack of information aids in the protection of corrupt elites who play a role in enabling projects.⁵⁵

Zambia, for example, paid twice the African average per kilometer for the construction of roads, while the price paid for 42 fire engines was also 70% above market value. Companies from China were granted special privileges in Zambia, which resulted in many of these not complying with legislation that requires them to subcontract work to local companies, for example.⁵⁶

Referring to the free trade zone in Igbesa, Ogun, Nigeria, Wilson Wu, Manager of the zone, said: "It is like managing a country, we have our own customs, our own police, our own operations." The Igbesa free trade zone is designed to be an enclave of stability and efficiency, according to Wu.⁵⁷

5.2 Labor practices

There are accusations from African employees that Chinese workers refuse to integrate and

that they work in unmarked dormitories and offices.⁵⁸

Although the literature on the labor practices of Chinese companies in Africa is limited, there are three types of common claims and perceptions that are often found in media reports and certain academic publications, and, in fact, when interviewing different kinds of respondents in business and government settings:⁵⁹

1. Chinese companies employ large numbers of workers from China in positions that can be filled with employees from Africa.
2. Working conditions are exploitative and sub-standard.
3. There is little effort to develop the skills of employees from Africa.

5.2.1 Chinese labor

A survey of 1,000 companies from China by McKinsey indicates that these companies rely largely on African labor: The average percentage of Africans in the work force is 89%.⁶⁰ There are significant differences between countries, however, with Angola and Equatorial Guinea receiving more employees from China relative to other countries.⁶¹

5.2.2 Working conditions

Most available studies suggest that companies from China offer lower wages than competitors in some cases but do comply with minimum wage legislation.⁶² Oya cites one study which concluded that in Angola, Ghana, Namibia, South Africa and Zambia the trend is for companies from China to pay the lowest wages when compared to other foreign companies. He also refers to a 2018 survey in the Eastern Industrial Zone in Ethiopia that indicates that average wages among factories from China are well above the national average in the formal sector.⁶³

54 Smith, C. 2018. China's race to the bottom of Africa. *The Hill*. 24 August. Available at <https://thehill.com/blogs/congress-blog/foreign-policy/403408-chinas-race-to-the-bottom-in-africa>. Accessed on 4 February 2018.

55 Rogin, J. 2019. China's efforts to undermine democracy are expanding worldwide. *The Washington Post*. 27 June. Available at <https://www.washingtonpost.com/opinions/2019/06/27/chinas-efforts-undermine-democracy-are-expanding-worldwide/>. Accessed on 4 February 2020.

56 Shullman, D. 2019. *Chinese malign influence and the corrosion of democracy*. Washington, D.C.: International Republican Institute, p. 36. Available at https://www.iri.org/sites/default/files/chinese_malign_influence_report.pdf. Accessed on 4 February 2020.

57 Pilling, D. & Feng, E. *Fast forward: How Chinese entrepreneurs are quietly reshaping Africa*. OZY. Available at <https://www.ozy.com/fast-forward/how-chinese-entrepreneurs-are-quietly-reshaping-africa/93519/>. Accessed on 4 February 2020.

58 Ibid.

59 Oya, C. 2018. Labour regimes and workplace encounters between China and Africa. In Oqubay, A. & Lin, J.Y. (eds.). 2019. *China-Africa and an economic transformation*. Oxford: Oxford University Press, p. 241.

60 Ibid., p. 242.

61 Ibid., p. 243.

62 Ibid., p. 244.

63 Ibid., pp. 244-245.

When compared to other foreign companies, working conditions in companies from China are harsher in terms of more frequent breaches of labor regulations, long working hours, lack of formal contracts and resistance to unions.⁶⁴

5.2.3 Development of skills

Companies from China do engage in labor training. The report by McKinsey indicated that almost two-thirds of the companies that were surveyed train African employees.⁶⁵ Survey work suggests that workers arrive with high expectations and are therefore in many cases unsatisfied with the amount of training provided. Employees of global companies receive more frequent and substantial training.⁶⁶

5.2.4 Child labor

Bloomberg reported in 2008 that child labor had been used in the copper and cobalt mines of the Democratic Republic of the Congo. The children who worked in the mine had to dig ore by hand and carry bags of ore on their backs. The ore was then purchased by Chinese companies.⁶⁷ More than 60 of the Katanga province's 75 processing plants are owned by Chinese companies and 90% of the region's minerals go to China. An undated report by an African NGO claims that 80,000 child laborers younger than 15 years – or about 40% of all miners – were supplying ore to Chinese companies in this region.⁶⁸

5.2.5 Prison labor

It has been speculated for more than a decade that China is using prison labor in Africa, with reports from mainstream news outlets

stating it as a fact, and conflicting reports, claiming that it is a myth. It was first reported by *The New York Times* in 1991 that a Chinese company in Benin was using prison labor to build a road and that between 70% and 75% of the construction workers “were known to be prisoners”. The author, a Trustee of the International League for Human Rights and a former Deputy Assistant Secretary of State for Human Rights in the Carter Administration, pleaded for African governments to ensure that prison labor is specifically banned before they sign contracts with Chinese companies.⁶⁹ The claim was later repeated in *The Washington Times*⁷⁰ and *The Guardian*⁷¹ and later also in *Asia News*.⁷² China's Ministry of Commerce denied the allegations.⁷³

The claim was also denied in lesser-known publications, however. Deborah Brautigam responded in the China Africa Research Initiative that no evidence had been provided for this claim and that her best guess was that the story was an urban myth.⁷⁴

People view the way also that Chinese construction workers live, in extremely basic conditions like those on the left, in compounds on the construction site. These construction sites are usually surrounded by security fences, but this is to keep the construction site secure, and in particular, to prevent the stealing of construction materials, rather than to keep the workers locked inside.

Given the uncertainty on the topic, it would be premature to reach conclusions without tangible evidence. It is a matter that deserves further investigation, however.

64 Ibid., p. 245.

65 Oya, C. 2018. Labour regimes and workplace encounters between China and Africa. In: Oqubay, A. & Lin, J.Y. (eds.). 2019. *China-Africa and an economic transformation*. Oxford: Oxford University Press, p. 246.

66 Ibid.

67 Clark, S., Smith, M. & Wild, F. 2008. *China lets child workers die digging in Congo mines for copper*. Bloomberg. July 23. Available at <https://clb.org.hk/en/content/bloomberg-china-lets-child-workers-die-digging-congo-mines-copper>. Accessed on 4 February 2020.

68 Marks, S. N.d. *Strengthening the civil society perspective: China's African Impact*. Beijing: Forum on China-Africa Cooperation (FOCAC), p. 9. Available at https://web.archive.org/web/20110104005117/http://www.fahamu.org/downloads/strengthening_the_civil_society_perspective.pdf. Accessed on 4 February 2020.

69 Cohen, R. 1991. China has used prison labor in Africa. *The New York Times*. May 11. Available at <https://www.nytimes.com/1991/05/11/opinion/1-china-has-used-prison-labor-in-africa-540291.html>. Accessed on 4 February 2020.

70 Chellaney, B. 2010. Chellaney: China's latest export innovation? *The Washington Times*. 6 July. Available at <https://www.washingtontimes.com/news/2010/jul/6/chinas-latest-export-innovation/>. Accessed on 4 February 2020.

71 Chellaney, B. 2010. China's newest export: convicts. *The Guardian*. July 29. Available at <https://www.theguardian.com/commentisfree/libertycentral/2010/jul/29/china-export-convict-labour>. Accessed on 4 February 2020.

72 *Asia News*. 2010. Chinese prisoners used as labourers in developing countries-19180.html. Accessed on 3 February 2020.

73 *People's Daily Online*. 2010. Commerce ministry denies China exports prison labor. Available at <http://en.people.cn/90001/90776/90883/7099859.html>. Accessed on 4 February 2020.

74 Brautigam, D. 2010. *Is China sending prisoners to work overseas?* China in Africa - The real story. 13 August. Available at <http://www.chinaafricarealstory.com/2010/08/is-china-sending-prisoners-to-work.html>. Accessed on 4 February 2020.

6. Environmental impact

China's prioritization of economic growth over the protection of the environment has devastating consequences. The environmental integrity of Africa is threatened by poor environmental regulation in China and lack of control over its multinational corporations. The risk is real of China exporting its domestic environmental record to Africa through resource extraction and investment.⁷⁵

It is reported that the demand for African wildlife in China drives poaching, from Zambia to Mozambique.⁷⁶

6.1 Fishing resources

China plays a role in illegal, unreported and unregulated (IUU) fishing in African waters and beyond. China's deep water fishing fleets take advantage of weak state institutions and the lack of economic opportunities in some African countries.⁷⁷ Several citizens of Mozambique who participated in a survey by the Stimson Center indicated that access agreements were driven by profitability and that the conservation of fisheries and the conservation of the environment was of little concern to decision makers.⁷⁸ Information about access agreements with China are difficult to obtain.⁷⁹

According to the Institute for Security Studies (ISS), the Stimson report on IUU fishing revealed that ten out of twenty countries whose territorial waters were often crossed into by foreign fishing fleets were in Africa.⁸⁰ It was also reported that approximately 65% of fleets conducting IUU fishing were from China or Taiwan.

The ISS found that:⁸¹

The overexploitation of African fisheries will not only have long-term ecological consequences, but is already negatively impacting economies. Catch sizes for local fishers are dwindling, and competition for limited fish stocks has already led to violent conflict in Africa. Dealing with Africa's food security challenges and managing the continent's relationship with China are both key for the continent going forward.

6.2 Wildlife

China banned the use of rhino horns and tiger bones in medicine in 1993. However, the Chinese Cabinet lifted this ban – which was in place for 25 years – in October 2018 without providing any reason. The law which banned the use of these products in medicine was changed to allow for items that are obtained from farmed animals to be used in medicine, despite no scientific proof that these ingredients are effective in treating any health condition.

The World Wildlife Fund (WWF) expressed its disappointment with China's move and warned that poachers and smugglers would hide behind legalized trade and that there would be devastating consequences.⁸² WildlifeDirect⁸³ CEO, Paula Kahumbu, criticized the decision and indicated that the decision would increase the difficulty of the conservation work the Kenya-based not-for-profit company was doing.⁸⁴ The WWF also indicated that the decision contradicted the leadership China had started to show in addressing the illegal trade of wildlife.⁸⁵

75 Marsh, J. 2015. Supplying the World's Factory: Environmental impacts of Chinese resource extraction in Africa. In *Tulane Environmental Law Journal*, 28(2), pp. 393–407.

76 Pilling, D. & Feng, E. Fast forward: *How Chinese entrepreneurs are quietly reshaping Africa*. OZY. Available at <https://www.ozy.com/fast-forward/how-chinese-entrepreneurs-are-quietly-reshaping-africa/93519/>. Accessed on 4 February 2020.

77 Donnenfeld, Z. 2020. *Not enough fish in the sea*. Institute for Security Studies. 7 January. Available at <https://issafrica.org/iss-today/not-enough-fish-in-the-sea>. Accessed on 4 February 2020.

78 Stimson Centre. *Shining a light: The need for transparency across distant water fishing*. Washington, D.C., p. 32. Available at <https://www.stimson.org/sites/default/files/file-attachments/Stimson%20Distant%20Water%20Fishing%20Report.pdf>. Accessed on 6 February 2020.

79 Ibid., p. 33.

80 Donnenfeld, Z. 2020. *Not enough fish in the sea*. Institute for Security Studies. 7 January. Available at <https://issafrica.org/iss-today/not-enough-fish-in-the-sea>. Accessed on 4 February 2020. See also: Stimson Centre. *Shining a light: The need for transparency across distant water fishing*. Washington, D.C., p. 15. Available at <https://www.stimson.org/sites/default/files/file-attachments/Stimson%20Distant%20Water%20Fishing%20Report.pdf>. Accessed on 6 February 2020.

81 Donnenfeld, Z. 2020. *Not enough fish in the sea*. Institute for Security Studies. 7 January. Available at <https://issafrica.org/iss-today/not-enough-fish-in-the-sea>. Accessed on 4 February 2020.

82 Khan, S. 2018. China reverses 25-year ban on using rhinoceros horns and tiger bones in medicine. *Independent*. 30 October. Available at <https://www.independent.co.uk/news/world/asia/china-rhino-horn-tiger-bone-ban-animal-medical-wildlife-conservation-wwf-a8608181.html>. Accessed on 4 February 2020.

83 WildlifeDirect is registered separately as a 501(c)3 non-profit company in the US and as a not-for-profit company in Kenya.

84 Chebet, C. 2019. China's move to legalise use of rhino horn and tiger bones criticized. *Independent*. 2 January. Available at <https://www.independent.co.uk/voices/campaigns/GiantsClub/chinas-move-to-legalise-use-of-rhino-horn-and-tiger-bones-criticised-a8708476.html>. Accessed on 4 February 2020.

85 Khan, S. 2018. China reverses 25-year ban on using rhinoceros horns and tiger bones in medicine. *Independent*. 30 October. Available at <https://www.independent.co.uk/news/world/asia/china-rhino-horn-tiger-bone-ban-animal-medical-wildlife-conservation-wwf-a8608181.html>. Accessed on 4 February 2020.

China's Wildlife Protection Law was amended to be aligned with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and took effect on 1 January 2017. The sale, purchase or use of rare wild species that are under special protection (including products from these species) are prohibited by this law.⁸⁶ This explains the comments by conservationists that the decision by China's cabinet is contradictory.

Chinese nationals are frequently involved in the smuggling of endangered species, plant and animal products, however.⁸⁷ Yang Feng Glan was sentenced to 15 years in prison in February 2019 for smuggling ivory in Tanzania.⁸⁸ Twelve Chinese citizens were arrested in Malawi between January and September 2019 in connection with illegal wildlife trafficking.⁸⁹ Entrepreneurs from China are blamed for the illegal export of zebu, a kind of cattle, from Madagascar.⁹⁰

However, China is proving to be a key role-player in curbing illegal wildlife trade in Africa. In African countries where cooperation with China exists, smuggling reduced and moved to other African countries.⁹¹

Fingers also point to Chinese syndicates who employ poor people to poach rhino in South Africa and other African countries.⁹² In November 2016 the Directorate for Priority Crime Investigation (the Hawks) arrested a Chinese national at the OR Tambo International Airport in Kempton Park, South Africa, for suspected dealing in rhino horn.

Eighteen rhino horns were concealed in his travelling bags.⁹³ Three Chinese nationals were convicted in Zambia in 2017 for possession of 25 pieces of rhino horn.⁹⁴

The current rhino poaching crisis began in 2008, with increasing numbers of rhino killed throughout Africa for their horns until 2015. South Africa has nearly 80% of the world's rhinos and was hit hardest, with more than 1,000 rhinos killed by poaching criminals each year between 2013 and 2017. Approximately 7,000 rhinos have been poached in South Africa since 2008. There has been a decrease in the number of rhinos poached across Africa per year since the peak of 1,349 in 2015.⁹⁵

Song Li, Chairperson of the Chinese Investment Company in Harare and the owner of Eagle Tannery, which supplies army clothing, shoes and belts to the Zimbabwean army, has a stake in Chinese zoos, safari parks and circuses. The Zimbabwean government owed her \$3.8 million but was unable to repay the money. Song opted for accepting elephant calves as payment, however. In 2012 she accepted 200 elephant calves as a minimum payment for her services.⁹⁶

Consignments of elephant calves, which are caught from their herds in the Hwange National Park, are shipped to China annually. This has a profoundly negative impact on elephant herds. Moreover, some of the elephant calves die en route to China.⁹⁷ Conservation groups around the world took a hard line against this unethical and cruel practice.⁹⁸

86 Gumba, D.E.O. & Chelin, R. 2019. China is proving key to reducing Africa's wildlife trafficking. *Independent*. 19 August. Available at <https://issafrica.org/iss-today/china-is-proving-key-to-reducing-africas-wildlife-trafficking>. Accessed on 4 February 2020.

87 Ibid.

88 Ng'wanakilala, F. 2019. *Chinese 'Ivory Queen' smuggler sentenced to 15 years jail in Tanzania*. Reuters. 19 February. Available at <https://www.reuters.com/article/us-tanzania-poaching/chinese-ivory-queen-smuggler-sentenced-to-15-years-jail-in-tanzania-idUSKCN1Q81L7>. Accessed on 4 February 2020.

89 Chitete, S. 2019. Wildlife crime ring busted. *The Nation*. 22 September. Available at <https://mw-nation.com/wildlife-crime-ring-busted/>. Accessed on 4 February 2020.

90 Pilling, D. & Feng, E. Fast forward: *How Chinese entrepreneurs are quietly reshaping Africa*. OZY. Available at <https://www.ozy.com/fast-forward/how-chinese-entrepreneurs-are-quietly-reshaping-africa/93519/>. Accessed on 4 February 2020.

91 Gumba, D.E.O. & Chelin, R. 2019. China is proving key to reducing Africa's wildlife trafficking. *Independent*. 19 August. Available at <https://issafrica.org/iss-today/china-is-proving-key-to-reducing-africas-wildlife-trafficking>. Accessed on 4 February 2020.

92 Maron, D.F. 2018. *China legalizes rhino horn and tiger bone for medical purposes*. National Geographic. October 29. Available at <https://www.nationalgeographic.com/animals/2018/10/wildlife-watch-news-china-rhino-tiger-legal/>. Accessed 4 February 2020.

93 Department of Environmental Affairs. 2016. *Hawks arrest a Chinese national for dealing in rhino horn*. Available at <https://www.golegal.co.za/hawks-arrest-rhino-horn/>. Accessed on 4 February 2020.

94 Kalito, A. 2018. High Court upholds conviction of 3 Chinese nationals over wildlife offences. *News Diggers!* 20 July. Available at <https://diggers.news/local/2018/07/20/high-court-upholds-conviction-of-3-chinese-nationals-over-wildlife-offences/>. Accessed on 2 February 2020.

95 Save the Rhino. *Poaching Stats*. Available at <https://www.savetherhino.org/rhino-info/poaching-stats/>. Accessed on 4 February 2020.

96 Tempelhoff, E. 2017. *Olifantjies betaal die gelag in Zim*. Netwerk24. November 28. Available at <https://www.netwerk24.com/Stemme/Menings/olifantjies-betaal-die-gelag-in-zim-20171127>. Accessed on 4 February 2020.

97 Ibid.

98 Ibid.

Zimbabwe denies that money is owed to China and indicates that the reason for the trade is that there are too many elephants in the country. The country has about 80,000 elephants but claims that it can only cope with around half that number. According to wildlife authorities, elephant sales to China have so far raised \$1 million.⁹⁹

It is reported that Zimbabwe still “owes” China more than 100 elephants and that Zimbabwe has shipped 108 elephant calves to zoos in China since 2012.¹⁰⁰

Donkey populations in various parts of the world are collapsing due to Chinese demand for the gelatinous liquid found under the skins of these animals. The fluid is used as an ingredient in beauty products and medicine and is known as *ejiao*. Research indicates that the demand for *ejiao* in China necessitates the processing of 4.8 million donkey skins per year. It is also reported that if the slaughter of donkeys (especially in Africa) continues, half of the world's donkeys will be wiped out in the next five years – and that donkey populations have in fact already been wiped out in some areas. The donkey population in China has decreased by 76% since 1992, in Botswana by 37% and in Brazil by 28%. It is not known how many donkeys have been slaughtered in other African countries or how large the current donkey populations are.

Chinese companies are rumored to employ poor people to steal donkeys during the night and bring them to mostly illegal slaughterhouses, where animal cruelty is rife. In Kenya corrupt officials took money from China to erect a

donkey slaughterhouse. It is also alleged that traders – working for Chinese companies – cross the border from Kenya into Ethiopia at night to steal donkeys and take them back over the border to be slaughtered. Donkeys form an important part of people's livelihood in the poor and rural areas of Africa, and the collapse of donkey populations will therefore have a large impact on these communities.¹⁰¹

6.3 Illegal logging

Entrepreneurs from China are blamed for the illegal export of rosewood from Madagascar.¹⁰² Illegal rosewood traders threaten the remaining pristine forests that host spectacular biodiversity: Madagascar's rosewood trees are protected and can now only be found in remote areas of national parks.¹⁰³ Rosewood is exported to China, where there is a lucrative market for high-end furniture. Rosewood from Madagascar sells at up to \$25 000 per ton¹⁰⁴ Research by the Environmental Investigating Agency (EIA) found that less than 1% of this illegal trade remains within Madagascar.¹⁰⁵ Locals are paid between \$2 and \$3 per day for cutting down two trees. It was estimated in 2013 that between \$250 million and \$300 million in exotic timber (mostly rosewood) was exported illegally from the island state.¹⁰⁶

More than 192 tons of timber are illegally transported every day from southern Mozambique, which left some districts almost without trees. It is estimated that Mozambique loses between \$154 million and \$205 million per year due to the smuggling of timber.¹⁰⁷ Mozambique lost 7.1 million acres of tree

- 99 Kazeem, Y. 2016. Zimbabwe's elephant trade with China is now a million dollar business. *Quartz Africa*. February 16. Available at <https://qz.com/africa/617414/zimbabwes-elephant-trade-with-china-is-now-a-million-dollar-business/?fbclid=IwAR2H-LI6HmkVCLNauHud4MMv4MXNi2cBmpmUv850dtWkk2m2XlzLziMiWF4>. Accessed on 4 February 2020.
- 100 Tempelhoff, E. 2019. *Olifante op pad na China: Zim is 'moreel bankrot'*. Netwerk24. October 26. Available at <https://www.netwerk24.com/Nuus/Omgewing/zim-grootvoete-op-pad-na-china-20191025>. Accessed on 4 February 2020.
- 101 The Donkey Sanctuary. 2019. *Under the skin – Update on the global crisis for donkeys and the people who depend on them*. Available at <https://www.thedonkeysanctuary.org.uk/what-we-do/issues/donkey-meat-skin-and-milk/full-report>. Accessed on 4 February 2020. See also: Tempelhoff, E. 2019. *Donkies beleef krisis in dié dele*. Netwerk24. 20 November. Available at <https://www.netwerk24.com/Nuus/Omgewing/donkies-beleef-krisis-in-die-dele-20191120>. Accessed on 4 February 2020.
- 102 Pilling, D. & Feng, E. Fast forward: *How Chinese entrepreneurs are quietly reshaping Africa*. OZY. Available at <https://www.ozy.com/fast-forward/how-chinese-entrepreneurs-are-quietly-reshaping-africa/93519/>. Accessed on 4 February 2020.
- 103 Environmental Investigation Agency. 2014. *The Ongoing Illegal Logging Crisis in Madagascar: An EIA Briefing for CITES SC65*. London: EIA, p. 1. Available at https://content.eia-global.org/posts/documents/000/000/335/original/EIA_Madagascar_Report_2014_SC65_low_res.pdf?1468256639. Accessed on 4 February 2020.
- 104 Ibid.
- 105 Ibid.
- 106 Sharife, K. & Maintikely, E. 2018. *The fate of Madagascar's endangered rosewoods*. Organized Crime and Reporting Project. Available at <https://www.ocrp.org/en/investigations/8480-the-fate-of-madagascar-s-endangered-rosewoods>. Accessed on 4 February 2020.
- 107 Southern African-German Chamber of Commerce and Industry. 2019. *Business news Mozambique*. Message from the German Embassy in Maputo. Available at https://suedafrika.ahk.de/fileadmin/AHK_Suedafrika/Dokumente/Business_News_Mozambique_84.pdf. Accessed on 4 February 2020.

cover between 2001 and 2017. This is blamed on a growing demand for valuable hardwoods in China.¹⁰⁸ Logging is dominated by Chinese nationals according to government officials. Environmental experts also warn that the illegal logging alters the landscape and leaves people vulnerable to devastating cyclones.¹⁰⁹ In the area of Massingir – an area adjacent to the Greater Limpopo Transfrontier Park – there are virtually no trees left. Various international investigations, particularly those undertaken by the EIA, have pointed out that serious environmental crimes are being committed in Mozambique.¹¹⁰

7. Military footprint

Addressing the UN General Assembly in 2015, President Xi Jinping offered \$100 million in military assistance over five years to support the African Union's (AU's) peace and security architecture through initiatives such as the African Standby Force and African Capacity for Immediate Response to Crises.¹¹¹ The pledge was repeated in Johannesburg at the 2015 Forum on China-Africa Cooperation (FOCAC), with an additional pledge of \$60 billion in development aid to Africa.¹¹²

The South Africa *Mail & Guardian* reported in 2018:¹¹³

Chinese personnel have served on Africa missions for decades, but until 2013 they were small contingents in unarmed roles such as medical and engineering support. China now provides more personnel than any other permanent member of the Security Council – they numbered 2 430 as of September.

In 2015, Beijing set up a unique UN Peace and Development Trust Fund, managed by the UN Secretariat. The fund allocated over \$11 million in 2016 and 2017 for UN projects, which include building African capacity to train police and soldiers for peacekeeping roles, regional operational analyses for peacekeeping missions and support for the AU's initiative to end conflict in Africa.¹¹⁴

In 2017, the People's Liberation Army (PLA) of China set up a 98-acre military base in Djibouti with a ten-year lease at \$20 million annually. The PLA described the base as a support base for naval anti-piracy operations in the Gulf of Aden, peacekeeping in South Sudan and humanitarian and other cooperation in the Horn of Africa. However, it has also been used to conduct live-fire military exercises.¹¹⁵ In line with China's 2015 defense white paper and counter-terrorism law, the Djibouti base enables the PLA to project force and protect Chinese citizens, supply chains and other interests in Africa and along its Maritime Silk Road across the Indian Ocean.¹¹⁶

The Stockholm International Peace Research Institute (SIPRI) showed that China has become the top supplier of arms to sub-Saharan Africa, accounting for 27% of the region's imports over the four-year period from 2013 to 2017 – an increase of 55% from 2008 to 2012. A total of 22 sub-Saharan African countries procured major arms from China from 2013 to 2017. Key among them are Ghana, Kenya, Nigeria, Tanzania and Zambia.¹¹⁷

108 Mambondiyabi, A. 2019. Chinese illegal logging leaves Mozambique vulnerable to cyclones. *The Epoch Times*. Available at https://www.theepochtimes.com/chinese-illegal-logging-leaves-mozambique-vulnerable-to-cyclones_2983964.html. Accessed on 4 February 2020.

109 Ibid.

110 Tempelhoff, E. 2019. *China sit glo agter vernietiging van Mosambiek se woude*. Netwerk24. Available at <https://www.netwerk24.com/Nuus/Omgewing/china-sit-glo-agter-vernietiging-van-mosambiek-se-woude-20191120>. Accessed on 4 February 2020.

111 *UN News*. 2015. China's president urges UN General Assembly to put new development agenda into action. 28 September. Available at <https://news.un.org/en/story/2015/09/510192-chinas-president-urges-un-general-assembly-put-new-development-agenda-action>. Accessed on 4 February 2020. Read the full speech at <https://qz.com/512886/read-the-full-text-of-xi-jinpings-first-un-address/>. Accessed on 4 February 2020.

112 Guest, P. 2015. *China pledges \$60 billion in African Aid at FOCAC Summit*. Forbes. 4 December. Available at <https://www.forbes.com/sites/peteguest/2015/12/04/china-pledges-60bn-in-african-aid-at-focac-summit/#7ca701a5575e>. Accessed on 4 February 2020.

113 *Mail & Guardian*. 2018. China's expanding military footprint in Africa. 24 October. Available at <https://mg.co.za/article/2018-10-24-chinas-expanding-military-footprint-in-africa/>. Accessed on 4 February 2020.

114 Ibid.

115 Ibid.

116 Ibid.

117 Wezeman, P.D., Fleurant, A., Kuimova, A., Tian, N. & Wezeman, S.T. 2018. *Trends in International arms transfers*, 2017. Stockholm International Peace Research Institute. Available at https://www.sipri.org/sites/default/files/2018-03/fssipri_at2017_0.pdf. Accessed on 4 February 2020.

The Zimbabwe National Defense College was built by a Chinese company at a cost of about \$100 million. The money was provided as a loan to the Zimbabwean government, sourced from the Chinese government.¹¹⁸

In 2018, China installed new generation surface-to-air missiles (SAM) in Zimbabwe to prepare for defending China's vast economic interests in the country.¹¹⁹ In April 2019, the *Zimbabwe Mail* reported that China's Special Forces were to be stationed in Zimbabwe and that China was planning on building a secret underground military base in the country.¹²⁰

The Chinese government has also revealed that it intends to cooperate with South Africa on military technologies.¹²¹ In November 2019, Chinese and Russian warships¹²² arrived in Cape Town for their first naval exercises with South Africa in an event that was described as a demonstration of shifting allegiances.¹²³

The China Africa Project reported:¹²⁴

If U.S. officials haven't received the message yet that Pretoria is increasingly aligning its foreign policy with Washington's two most formidable adversaries then the image of Chinese and Russian warships docked in Cape Town ... should do the trick.

8. Case study: The Musina-Makhado Special Economic Zone

In South Africa, special economic zones (SEZs) are designated areas that promote targeted economic activities through special arrangements such as incentives and streamlined approval processes.¹²⁵ The South African Energy Metallurgical Special Economic Zone (EMSEZ), located at the southern site of the greater Musina-Makhado Special Economic Zone (MMSEZ) in the Limpopo Valley of the Limpopo province, South Africa,¹²⁶ is such an SEZ and the subject of this case study.

8.1 Background

The Limpopo Valley is situated north of the Soutpansberg Mountains in the Limpopo province, South Africa. The Valley forms one of the catchments where smaller branches of the Limpopo River, an international river, rise. The Limpopo River forms the border between South Africa and Zimbabwe, and is one of the tributaries of the Sashe River. The Sashe River rises in Botswana and flows into the Limpopo River where the borders of Botswana, South Africa and Zimbabwe meet. The confluence is at the site of the Greater Mapungubwe Transfrontier Conservation Area, a World Heritage Site. The Limpopo Valley is known for its continuous water scarcity and occasional flooding.

The Musina-Makhado SEZ (MMSEZ) is located in the Limpopo Valley and comprises two sites: the northern site is located at the

118 Chivara, I. 2013. Construction of Chinese-built Zim defence college under scrutiny. *Mail & Guardian*. Available at <https://mg.co.za/article/2013-02-08-construction-of-chinese-built-zim-defence-college-under-scrutiny/>. Accessed on 4 February 2020.

119 Mushekwe, I. 2018. China places strategic ground to air missiles in Zimbabwe. *Bulawayo24*. Available at <https://bulawayo24.com/index-id-news-sc-national-byo-143959.html>. Accessed on 20 February 2020.

120 *The Zimbabwe Mail*. 2019. China's special forces to station in Zimbabwe, build secret underground military base. April 9. Available at <https://www.thezimbabwemail.com/zimbabwe/chinas-special-forces-to-station-in-zimbabwe-build-secret-underground-military-base/>. Accessed on 4 February 2020.

121 Wingrin, D. 2019. *China looks to increase defence ties with South Africa*. Defenseweb. 10 October. Available at <https://www.defenceweb.co.za/featured/china-looks-to-increase-defence-ties-with-south-africa/>

122 The ships were the Chinese frigate Weifang and a Russian Slava class guided-missile cruiser.

123 Flanagan, J. 2019. Russian and Chinese warships arrive for drills in South Africa. *The Times*. 28 November. Available at <https://www.thetimes.co.uk/article/russia-and-china-to-sail-with-south-africa-9w9jjhl7x>. Accessed on 4 February 2020.

124 Olander, E. 2019. *With Chinese and Russian warships heading to South Africa, Pretoria sends a powerful message to the U.S.* *The China Africa Project*. 13 November. Available at <https://chinaafricaproject.com/analysis/with-chinese-and-russian-warships-heading-to-south-africa-pretoria-sends-a-powerful-message-to-the-u-s/>. Accessed on 4 February 2020.

125 The Special Economic Zones Act, 16 of 2014.

126 Website of the South African Energy Metallurgical Special Economic Zone. Available at <http://emsez.com/en/about.php?id=19>. Accessed on 4 February 2020.

town of Musina and the southern site north of the town of Louis Trichardt (formerly Makhado). The northern site is earmarked for the development of light industry whilst the southern site is earmarked for the development of metallurgical and mineral beneficiation plants. A third identified site will target the petrochemical industry. No further information is available about this site, however.¹²⁷ The location of the MMSEZ in the Limpopo province of South Africa is shown in Figure 4.

According to the provincial government, a coal washery, coal-fired power plant, coking plant, stainless-steel plant, high-carbon ferrochrome plant and a silico-manganese facility will be constructed as part of this SEZ project.¹²⁹

According to the official website¹³⁰ (available in English and Mandarin) of the South African Energy and Metallurgical Special Economic Zone (EMSEZ), the SEZ is a national level energy metallurgical special economic zone. The website indicates that the SEZ was established with the approval of the South African government and in accordance with the South African Special Economic Zone Act, 16 of 2014. The SEZ enjoys tax incentives and preferential treatment, as provided for in this Act, to encourage direct foreign investment. The operator permit for the development, operation and management of the EMSEZ was issued to South African Energy and Metallurgical Base (Pty) Ltd (the SAEMB).

The EMSEZ website states that there are open pit coking coal mines around the SEZ and that the total deposit is sized at 11 billion tons. According to the same website, South Africa has more than 83% of the world's chrome and more than 81% of the world's manganese deposits. Raw materials to produce stainless steel, such as iron, silicone, nickel ore and limestone, are said to be abundantly available.

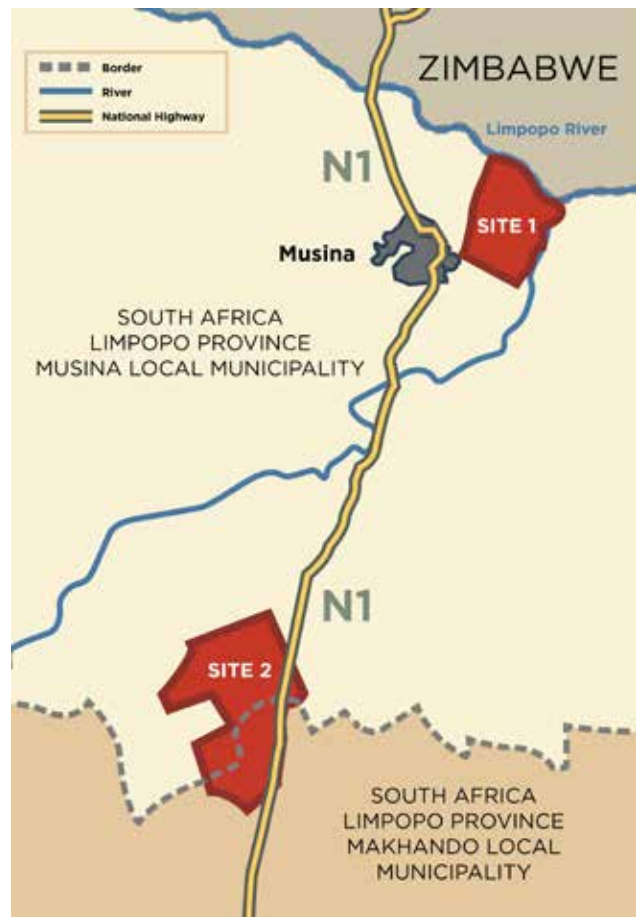


Figure 4: The northern and southern sites of the MMSEZ¹²⁸

It is not stated from where these materials will be sourced, however.

The SEZ is located close to the border between South Africa and Zimbabwe along the north-south N1 national highway, which is one of the main routes into the Southern African Development Community (SADC).¹³¹ The port of Maputo in Mozambique is 300 miles away from the SEZ, again according to the official website of the EMSEZ. The shortest distance to the port along existing roads is 400 miles, however, while a more realistic route on major roads are more likely to be between 470 miles and 590 miles.

127 The Department of Trade and Industry. N.d. *Special Economic Zone (SEZ)*. Available at https://www.thedti.gov.za/industrial_development/sez.jsp. Accessed on 4 February 2020.

128 Matikinca, A. 2019. *Where's the water for Limpopo's industrial juggernaut?* Oxpeckers. 25 October. Available at <https://oxpeckers.org/2019/10/limpopos-industrial-juggernaut/>. Accessed on 4 February 2020.

129 Mathabatha, C.S. N.d. Infrastructure is a key driver in job creation and development. In *Limpopo Business - The guide to investment in Limpopo province*. 2019/20 edition, pp. 6-7. Available at https://issuu.com/globalafricanetwork/docs/limpopo_business_2011_ebook. Accessed on 4 February 2020.

130 Website of the South African Energy Metallurgical *Special Economic Zone*. Available at <http://emsez.com/en/about.php?id=19>. Accessed on 4 February 2020.

131 The Department of Trade and Industry. N.d. *Special Economic Zone (SEZ)*. Available at https://www.thedti.gov.za/industrial_development/sez.jsp. Accessed on 4 February 2020.

The eight industrial plants that are planned for construction as part of the EMSEZ project is summarized in Table 2.

Table 2: Industrial plants planned as part of the EMSEZ project¹³²

Industrial plant product	Annual output
Coke	1,210,000 tons
High carbon ferrochrome	660,000 tons
Ferromanganese	660,000 tons
Ferrosilicon	330,000 tons
Pig iron	2,200,000 tons
Steel	3,310,000 tons
Stainless steel	1,100,000 tons
Lime	5,510,000 tons

A coal-fired power plant with a generation capacity of 3,300 MW and a heat recovery power generation plant with a capacity of 390 MW are also planned as part of the EMSEZ.¹³³

Eight farms (17,945 acres in total) in the Limpopo Valley have already been earmarked for the EMSEZ.¹³⁴

8.2 The China connection

According to the EMSEZ's official website, all companies listed as partners are from China. The five companies that signed memoranda of understanding with the EMSEZ are Chinese corporations.¹³⁵ The same is true for every company that signed memoranda of

agreement with the EMSEZ.¹³⁶ The series of recent events that confirm the dominant role of China in the planned SEZ are summarized below.

8.2.1 Limpopo province delegation to China - July 2018

Stanley Mathabatha, the Premier of the Limpopo Province, led a Limpopo province delegation to China in July 2018.¹³⁷ According to the Premier, the visit to China has given more impetus to the SEZ program and attracted a total investment commitment of \$7 billion.¹³⁸

8.2.2 Special Economic Zones Investment Roadshow - September 2019

During South Africa's Special Economic Zones Investment Roadshow that was held early in September 2019 in Chengdu, China, Ning Yat Hoi, Chairman of the SAEMB, revealed that 11 projects were signed during the event. These 11 projects are listed in Table 3 on p. 26.¹³⁹

The Investment Roadshow was attended by Fikile Majola, South Africa's Deputy Minister for Trade and Industry, SEZ representatives, officials from Eskom and the South African Revenue Service.¹⁴⁰

8.2.3 MMSEZ investment conference - November 2019

The MMSEZ held an investment conference at the end of November 2019 to attract additional investment over and above the \$11 billion already committed by investors from China.¹⁴¹

At this event, Stanley Mathabatha, the Premier of the Limpopo province, said that between

132 Website of the South African Energy Metallurgical Special Economic Zone. Available at <http://emsez.com/en/about.php?id=19>. Accessed on 4 February 2020.

133 Ibid.

134 Delta Built Environment Consultants. 2019. *Musina-Makhado Special Economic Zone development*. Final scoping report. Polokwane: Limpopo Economic Development Agency. Available at https://cer.org.za/wp-content/uploads/2019/11/P17102_REPORTS_1_REV-03-Final-Scoping-Assessment-Report-2019-06-05.pdf. Accessed on 6 February 2020.

135 According to www.emsez.com, these companies are: China Communications Construction Company Ltd., China Energy Engineering Group, China Civil Engineering Construction Corporation, Nanguo Hodo Holdings Co., Ltd. and Zhejiang Energy Group Co., Ltd.

136 According to www.emsez.com, these companies are: China Huadian Corporation Ltd., The Power Construction Corporation of China, Taiyuan Iron & Steel (Group) Co., Ltd., China Metallurgical Group Corporation, Shaanxi CEI Investment Holdings Co., Ltd., Guangdong Wealth Investment Co., Ltd. and Tengy Group Co., Ltd.

137 Office of the Premier of Limpopo. 2018. *Limpopo Premier leads delegation to People's Republic of China*. Media advisory. 9 July. Available at <https://www.gov.za/speeches/limpopo-premier-leads-delegation-people%E2%80%99s-republic-china-9-jul-2018-0000>. Accessed on 5 February 2020.

138 Mathabatha, C.S. N.d. Infrastructure is a key driver in job creation and development. In *Limpopo Business - The guide to investment in Limpopo province*. 2019/20 edition, pp. 6-7. Available at https://issuu.com/globalafricanetwork/docs/limpopo_business_2011_ebook. Accessed on 4 February 2020.

139 Maosheng, L., Chao, M., & Yunfeng, L. 2019. China Reform News give full interview of South African Energy Metallurgy Special Economic Zone signing projects. Available at http://emsez.com/en/news_show.php?id=64. Accessed on 4 February 2020.

140 South African Government News Agency. 2019. *SA's SEZs embark on roadshow to China*. 5 September 2019. Available at <https://www.sanews.gov.za/south-africa/sas-sezs-embark-roadshow-china>. Accessed on 4 February.

141 *Mail & Guardian*. 2019. Musina Makhado SEZ host packed investment conference to transform Limpopo's economy. 6 December. Available at <https://www.pressreader.com/south-africa/mail-guardian/20191206/282522955338919>. Accessed on 4 February 2020.

Table 3: The eleven projects signed during the SEZ Investment Roadshow held in Chengdu, China

Company	Project
Zhengzhou Xinli Power Co., Ltd.	2 × 200 MW coal-fired power generating units project
Guangdong Yuda Construction Engineering Group Co., Ltd.	Bonded Trade City
Hunan Education Satellite Technology Application Co., Ltd.	Vocational education college
Guangdong Huabo Construction Engineering Co., Ltd.	Magnesite smelter
Hunan Yanlin Electric Power Construction Co., Ltd.	Hotel
Liaoning Shengyu curtain wall decoration engineering Co., Ltd.	Steel structure assembly house
Guangxi Guilin Gongcheng Caimao Investment Development Co., Ltd.	2,800 t/d clinker cement plant
Shenzhen Yijianda Engineering Co., Ltd.	500,000 m ² ecological industrial park
Shanxi Lianyou Coal Washing Co., Ltd.	5,510,000 tpa coal washing plant
Hebei Guangning Cable Co., Ltd.	Cable plant
Hunan Changxin Calcium Industry Co., Ltd.	1,100,000 tpa metallurgical lime (calcium oxide)

\$13 billion and \$17 billion would be invested in the MMSEZ-project during the next three years. He said:¹⁴²

These funds will enable the building of a new city ... thus ultimately realize the president's dream of building a new city in the new dispensation.

This statement came five months after President Ramaphosa's state of the nation address (20 June 2019) in which he said that he dreams of a South Africa where an entirely new city is built in the democratic era. Ramaphosa said that this dream was consolidated by a conversation with President Xi Jinping about how China is building "a new Beijing".¹⁴³ It can therefore be concluded that the "new city" referred to by the President is in fact the EMSEZ.

The South African government will support the MMSEZ with a \$10 billion presidential

infrastructure development budget, according to Mathabatha.¹⁴⁴

The MMSEZ is marketed as a SADC opportunity – and not just a Limpopo provincial project – because the MMSEZ is located close to the busiest dry inland port in Africa. Businesses operating from the MMSEZ can tap into the markets of Zimbabwe, Botswana, Zambia, Angola and the Democratic Republic of the Congo, according to Rob Tooley, the Chairperson of the MMSEZ.¹⁴⁵ Maoto Molefane, Chief Director for SEZs at the South African Department of Trade and Industry, said that the MMSEZ was chosen for its strategic location as it offered a gateway to Africa and also because of available resources such as minerals and agricultural products. Molefane explained that the initial focus of the SEZ was limited to agriculture and logistics, and that he was glad that the MMSEZ also attracted investors from China who were interested in beneficiation.¹⁴⁶

142 Musina Makhado Special Economic Zone. Limpopo open for business: SEZ to bring economic wealth to the province. Advertorial in *Business Day*. 9 December. Available on request.

143 State of the Nation Address by President Cyril Ramaphosa, Parliament, Cape Town. 20 June 2019. Available at <http://www.thepresidency.gov.za/speeches/state-nation-address-president-cyril-ramaphosa%2C-parliament%2C-cape-town>. Accessed on 4 February 2020.

144 Musina Makhado Special Economic Zone. Limpopo open for business: SEZ to bring economic wealth to the province. Advertorial in *Business Day*. 9 December. Available on request.

145 Ibid.

146 Ibid.

Song Wen Jun from the SAEMB, who represented investors from China, said that it would be possible for the investors from China and the Limpopo provincial management to work together toward the most competitive energy and metallurgical cluster in the world under the presidency of Ramaphosa. Jun announced that the Chinese investors attending the conference would invest in beneficiation projects, including the processing of agricultural products, metals and minerals, and the production of pharmaceutical chemicals. Furniture from timber, textiles from cotton and skin products from avocados presented immediate investment opportunities, according to Jun.¹⁴⁷ No indication was given as to where the water for new textile and skin product factories will come from, however, as most of the available water in the Limpopo Valley is currently allocated to tomato and citrus farmers.

Jun added that investors from China remained committed to unlock opportunities from China to support South Africa in growing its economy.¹⁴⁸

8.3 Cause for concern

There are various matters relating to the MMSEZ that are a cause for concern. These are summarized below.

8.3.1 Objections to the final scoping report of the MMSEZ

The Centre for Environmental Rights (CER)¹⁴⁹ objected to the final scoping assessment report (FSR) of the MMSEZ on behalf of the NGOs Earthlife Africa and groundWork, who have a long-standing history of working with and representing the interests of communities in the Limpopo province.

In a submission to Delta Built Environmental Consultants (Pty) Ltd, the Limpopo Economic Development Agency and the Limpopo Department of Economic Development, Environment and Tourism (LEDET), the CER expressed concerns about flaws in the process that was followed during the environmental impact assessment, as well as key flaws in the

assessment itself. (The submission was also sent to Frank Shang, Director of the Hong Kong Mining Exchange Company (Ltd).)

The CER summarized the concerns relating to the SEZ and the FSR process in 13 points:¹⁵⁰

1. A strategic environmental assessment must be completed before scoping and environmental impact assessments commence for each individual facility planned for the EMSEZ due to the large-scale and far-reaching implications.
2. The appointment of LEDET as competent authority is incorrect. The process cannot proceed unless the correct authority, namely the national Department of Environment, Forestry and Fisheries (DEFF), is appointed.
3. The EMSEZ will have irreversible and severe impacts on food security, water resources and air and soil quality (amongst others), and is therefore not in the public's interest.
4. The FSR fails to consider potential significant human rights and environmental impacts, which results in a narrow and flawed discussion of the need and desirability of the EMSEZ.
5. Climate change impacts are not adequately provided for in the FSR.
6. The regional water use and water availability analyses of the FSR are flawed.
7. Basic facts such as water requirements, solid waste volumes, wastewater volumes and what each facility will entail are not provided in the FSR.
8. Impacts on ecological function, biodiversity and heritage are not sufficiently considered.
9. Alternatives to the EMSEZ, specifically the "no-go" option, is not provided for in the FSR, even though it is a legal requirement of the environmental impact assessment process.
10. The cumulative environmental, health and other impacts of the new mines that will supply the EMSEZ are not considered by the FSR.
11. The assessment and evaluation of risk and impact significance are speculative and inadequate.

¹⁴⁷ Ibid.

¹⁴⁸ Ibid.

¹⁴⁹ The Centre for Environmental Rights (www.cer.org.za) is a not-for-profit organization that helps communities and civil society organizations in South Africa to realize their constitutional right to a healthy environment.

¹⁵⁰ The Centre for Environmental Rights. 2019. *Objections to the final scoping assessment report of the proposed Musina-Makhado Special Economic Zone, located within the Vhembe District Municipality of the Limpopo province*. Letter, 1 November. Available at <https://cer.org.za/wp-content/uploads/2019/11/EMSEZ-submissions-on-FSR-1-11-19.pdf>. Accessed on 4 February 2020.

12. The scope of specialist studies was not adequately identified to allow for comprehensive assessment of the EMSEZ's impact.
13. The public participation process was wholly inadequate.

8.3.2 Lack of consultation and transparency

Wally Shultz, a resident of the Limpopo Valley, established the non-governmental organization¹⁵¹ Save Our Limpopo Valley Environment (Solve) in an attempt to save the Limpopo Valley from this “disastrous” development. Shultz said that Ramaphosa’s proposed industrial city in the arid Limpopo Valley was a “pipe dream”. He also concluded that the EMSEZ development might be part of a huge fraud scheme, as very little information about it has yet been shared with local residents.¹⁵²

The community-based Batlhabine Foundation in Limpopo, headed by Mashile Phalane, is creating awareness about the EMSEZ among stakeholders in the Limpopo Valley.¹⁵³ According to Phalane, very few people whom the Foundation engages with knew about this “grand plan” of Ramaphosa and the Chinese. He voiced his concern about the number of coal mining applications which he believed were on the rise due to the mining prospects mentioned in the EMSEZ project. He was especially concerned about the effects of mining on scarce water sources in the area, which lead to impacts such as acid mine drainage that could affect agriculture, one of the province’s most important economic contributors. Phalane also said that he was concerned about investments from China into the EMSEZ, which he believed would be “a way for politicians to pocket money” and about the protection of human rights when development started.¹⁵⁴ He stressed that the Chinese do not have a good record regarding human rights, and warned:¹⁵⁵

We, as activists, know that the Chinese labor laws are not good and that South Africa’s labor laws won’t be applicable to the people working within the EMSEZ. The Chinese will bring in their own people and won’t employ local residents.

The Batlhabine Foundation also expressed its concern about Chinese workers coming to work on the project and staying behind when the project is done.¹⁵⁶

8.3.3 Irrational decisions

It was announced in a statement titled “President concludes productive state visit to China” issued by the Presidency of South Africa in September 2018 that a coal-fired power plant project (amongst others) within the MMSEZ had been prioritized for implementation.¹⁵⁷ This came as a shock to many South Africans as the recently updated Integrated Resource Plan (IRP) did not include any new coal-fired power plants. Power stations can only be built legally in South Africa if it is in accordance with the forecasted power needs, cost and emissions of the IRP.¹⁵⁸

It later emerged that the power plant, named the “Power China International Energy Project” would produce electricity for exclusive use by the EMMSEZ and would not supply electricity to other South African businesses or households. A leading energy economist indicated that no rational basis for a new power plant existed as surplus electricity was available on the South African network and that coal-fired generation is unlikely to deliver cheaper energy than new renewable power projects.¹⁵⁹

The CER indicated that there was no certainty about the matter. The CER is actively opposing the government’s effort to modify the IRP to include two 500 MW power stations because it deviates from the technically best and

151 <https://www.facebook.com/groups/274439892602335>

152 Interview with Wally Shultz in November 2019 in the Limpopo province, South Africa.

153 Matikinca, A. 2019. *Where’s the water for Limpopo’s industrial juggernaut?* Oxpeckers. 25 October. Available at <https://oxpeckers.org/2019/10/limpopos-industrial-juggernaut/>. Accessed on 4 February 2020.

154 Ibid.

155 Elize Tempelhoff interviewed Mashile Phalane telephonically on 21 January 2020.

156 Ibid.

157 Office of the President of South Africa. 2018. *President concludes productive state visit to China*. 3 September. Available at <http://www.thepresidency.gov.za/newsletters/president-concludes-productive-state-visit-china>. Accessed on 4 February 2020.

158 Van Rensburg, D. 2018. *Ramaphosa’s bizarre power plan*. Fin24. 9 September. Available at <https://www.fin24.com/Economy/ramaphosas-bizarre-power-plan-20180909-2>. Accessed on 4 February 2020.

159 Wasserman, H. 2018. The new coal power station in Limpopo will only be used by the Chinese – here’s why it’s an ‘irrational’ project. *Business Insider SA*. 11 September. Available at <https://www.businessinsider.co.za/the-new-coal-power-station-in-limpopo-will-only-be-used-by-the-chinese-heres-why-its-an-irrational-project-2018-9>. Accessed on 6 February 2020.

cheapest investment path relying on gas and renewable energy.¹⁶⁰

Energy analyst and publisher Chris Yelland said that the project announced by Ramaphosa “is just not possible”.¹⁶¹

8.3.4 Half-truths and exaggerations

During the MMSEZ Investment Conference (mentioned earlier in this report) Limpopo Premier Mathabatha referred to the Tshikondeni coal mine which was, according to him, then lying idle due to lack of investors. Likely, this was not the case. Tshikondeni coal mine was an extremely difficult mine to operate.¹⁶² Production was stopped at the mine in 2014 due to a business decision by ArcelorMittal South Africa, Tshikondeni’s sole client on a cost plus-percentage contract.¹⁶³ When a mine that was closed for technical and financial reasons is mentioned as an “investment opportunity”, it casts doubt on other opportunities that are presented.

Comments relating to the EMSEZ that create very high expectations – such as the SAEMB’s Song Wen Jun’s remark that cooperation between China and the Limpopo province will result in the “most competitive energy and metallurgical cluster in the world” – are irresponsible to say the least, especially considering water scarcity and logistical infrastructure.

8.3.5 Allegations of irregularities

The SAEMB, the operator of the EMSEZ, is chaired by Ning Yat Hoi, who was removed as CEO of ASA Resources, an international mining group, following allegations of irregularities. Hoi and Yim Kwan, the Financial Director of the company, were accused of the irregular transfer of “several million dollars” from Freda Rebecca gold mine (in Zimbabwe) to entities in China.¹⁶⁴

8.4 Environmental impact

The official EMSEZ website states that the Limpopo River is 19 miles away from the

EMSEZ and that this river is “the important water source for the SEZ”. The northern border of the EMSEZ is in fact approximately 25 miles away from the closest point of the Limpopo River when estimating in a straight line. A pipeline – which would have to negotiate a route considering human settlements and geographical realities – will necessarily be much longer than that. (See Figure 5 for the location of both MMSEZ sites relative to the Limpopo River.)

The water source closest to the EMSEZ is the Nzhelele Dam, which is situated near the Tshipise warm water springs. Most of

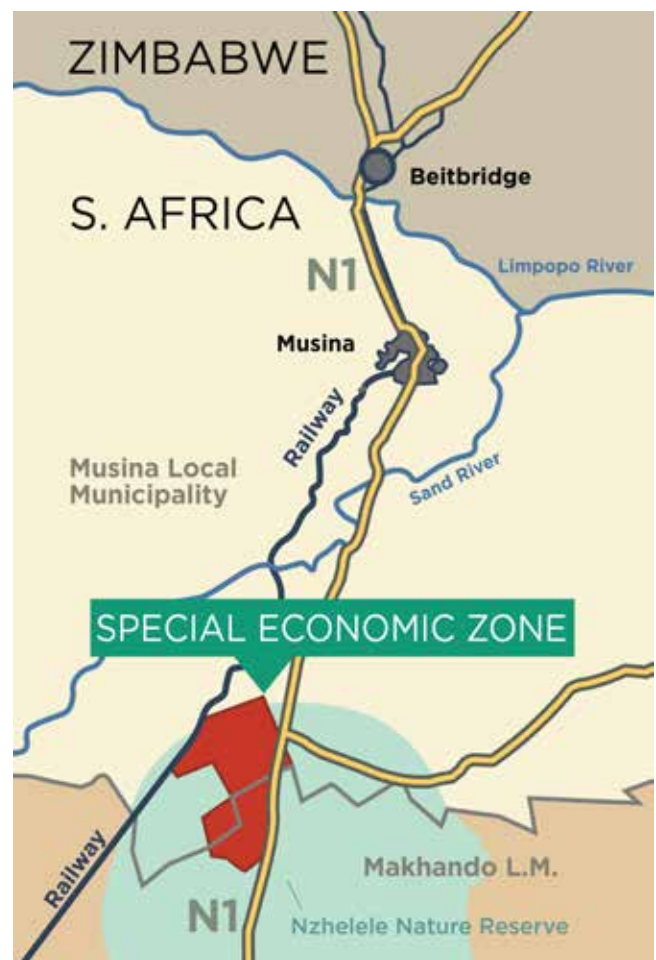


Figure 5: Location of the MMSEZ, Limpopo province, South Africa¹⁶⁵

160 Ibid.

161 Van Rensburg, D. 2018. *Ramaphosa's bizarre power plan*. Fin24. 9 September. Available at <https://www.fin24.com/Economy/ramaphosas-bizarre-power-plan-20180909-2>. Accessed on 4 February 2020.

162 Cornish, L. 2012. Tshikondeni: Almost time to say goodbye. *Inside Mining*. 1 August. Available at <https://www.arcelormittals.com/Portals/0/Almost%20time%20to%20say%20goodbye.pdf>. Accessed on 6 February 2020.

163 <https://miningdataonline.com/property/1086/Tshikondeni-Mine.aspx>

164 Van Zyl, A. 2019. Towards the land of smog? *Zoutpansberger*. 28 July. Available at <https://www.zoutpansberger.co.za/articles/news/50592/2019-07-28/towards-the-land-of-smog>. Accessed on 6 February 2020.

165 Donnelly, L. 2018. Africa's debt to China is complicated. *Mail & Guardian*. September 14. Available at <https://mg.co.za/article/2018-09-14-00-africas-debt-to-china-is-complicated/>. Accessed on 4 February 2020.

the water in this dam is allocated to the very productive tomato and citrus farmers in the region. Only a limited amount of water is pumped from the Limpopo River for irrigation purposes. Water permits with strict conditions are issued to farmers who pump irrigation water from the Limpopo.¹⁶⁶ If water were to be taken from this dam for use at the EMSEZ, it will have a negative impact on food production.

The Limpopo province is described as the “garden of South Africa” because of its rich production of fruits and vegetables.¹⁶⁷ Moreover, the province is one of South Africa’s prime agricultural regions.¹⁶⁸ Most smallholder farms practice rain-fed agriculture and water is the most limiting resource in the province.¹⁶⁹ The total area equipped for irrigation in the Capricorn and Vhembe districts is 385,000 acres. The water used for irrigation in these districts will have to be shared with the EMSEZ if the development is to go ahead.

The Limpopo Premier said that the water-scarce Limpopo could benefit from Matabeleland’s underutilized water reserves in supplementing the EMSEZ’s needs.¹⁷⁰ No evidence could be found that this information was shared with local residents or citizens from either South Africa or Zimbabwe. The Premier admits that water is scarce in the province, but gives no certainty about where water for the planned development will come from.

In the 2016 LEDET’s Provincial Climate Change Response Strategy the following statement is made:¹⁷¹

Water shortages are already a key feature in the drier Limpopo Province and the situation is going to become even more severe as a result of climate change. Important water use sectors such as agriculture and electricity generation (i.e. the energy sector) will face severe effects from climate change.

In the MMSEZ’s FSR it is stated that a “definite source of sustainable water for the SEZ is still under investigation”.¹⁷² It is not clear how a development of this magnitude can proceed without the certainty of water supply (in an already water-stressed region) that is critical to the success of the project.

The MMSEZ will also have a severe impact on road infrastructure in the region. The South African National Roads Agency SOC Ltd (SANRAL) indicated that the MMSEZ will have a major effect on the whole province. A contract was awarded to the construction company Basil Read for building the roads, but all work was stopped when the company was placed under business rescue in June 2019.¹⁷³

9. China’s future in Africa

It is clear from this report that China is investing heavily in Africa. China’s interest in Africa is welcomed by many African leaders, who are in desperate need of foreign investment. China regards its involvement in Africa as a strategic maneuver to further Chinese interests. However, several issues

166 Interviews with farmers who wish to remain anonymous. November 2019. Limpopo province, South Africa.

167 Oni, S., Nesamvuni, A., Odhiambo, J. & Dagada, M. 2012. *The study of agricultural industry in the Limpopo Province*. Executive Summary. Limpopo Province: Department of Agricultural Economics and Extension, Centre for Rural Development. Available at <http://policyresearch.limpopo.gov.za/bitstream/handle/123456789/636/Agric%20Study%20Summary.pdf?sequence=1>. Accessed on 6 February 2020.

168 Cai, X., Magidi, J., Nhamo, L. Van Koppen, B. 2017. *Mapping irrigated areas in the Limpopo Province, South Africa*. Working paper 172. Colombo, Sri Lanka: International Water Management Institute, p. 3. Available at http://www.iwmi.cgiar.org/Publications/Working_Papers/working/wor172.pdf. Accessed on 6 February 2020.

169 Oni, S., Nesamvuni, A., Odhiambo, J. & Dagada, M. 2012. *The study of agricultural industry in the Limpopo Province*. Executive Summary. Limpopo Province: Department of Agricultural Economics and Extension, Centre for Rural Development. Available at <http://policyresearch.limpopo.gov.za/bitstream/handle/123456789/636/Agric%20Study%20Summary.pdf?sequence=1>. Accessed on 6 February 2020.

170 Musina Makhado Special Economic Zone. *Limpopo open for business: SEZ to bring economic wealth to the province*. Advertorial in Business Day. 9 December. Available on request.

171 Limpopo Department of Economic Development, Environment and Tourism. N.d. *Provincial climate change response strategy 2016-2020*. Polokwane: LDEDET, p. 19. Available at http://www.ledet.gov.za/wp-content/uploads/2016/11/Limpopo_Climate_Change-Response_Strategy_-2016_2020_Final.pdf. Accessed on 6 February 2020.

172 Delta Built Environment Consultants. 2019. *Musina-Makhado Special Economic Zone development*. Final scoping report. Polokwane: Limpopo Economic Development Agency. Available at https://cer.org.za/wp-content/uploads/2019/11/P17102_REPORTS_1_1-REV-03-Final-Scoping-Assessment-Report-2019-06-05.pdf. Accessed on 6 February 2020.

173 Van Zyl, A. 2019. Towards the land of smog? *Zoutpansberger*. 28 July. Available at <https://www.zoutpansberger.co.za/articles/news/50592/2019-07-28/towards-the-land-of-smog>. Accessed on 6 February 2020.

regarding China's involvement in Africa raise serious concern. These include:

- Increased anti-Western and anti-US sentiments publicly expressed by African leaders;
- The continued belief held by African leaders that socialism (with Chinese characteristics) will eventually be successful in Africa;
- Anti-democratic practices and human rights abuse in the execution of Chinese projects in Africa;
- The extent of Africa's debt to China and

concerns that Africa would not be able to repay that debt;

- Political and ideological training of African leaders in Beijing;
- Spying on the African Union;
- Dire consequences for the environment; and
- The expansion of China's military footprint in Africa.

It is in the interest of those who take the interest of the West and of Africa at heart to not only take note of the content of this report, but to respond accordingly.

