

New Chinese president courts Africa

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China's new president, Xi Jinping, visited Africa this week—first Tanzania, then South Africa, where he participated in the BRICS (Brazil, Russia, India, China and South Africa) summit, and finally the Republic of Congo. Throughout his tour, Xi actively courted the continent's governments, amid an intensifying scramble between the major global powers for control over Africa's vast resources and potential markets.

Xi declared that China would treat Africa as an "equal" partner, in contrast to the former Western colonial powers. Making Tanzania his first stop, where he delivered a policy speech on Africa, was no accident. The Tanzania-Zambia railroad, built in the 1970s, was one of China's first major infrastructure projects in Africa.

Xi delivered his address on Sino-African relations in a conference hall built by Chinese funds in Dar es Salaam, Tanzania's largest city. Xi declared: "With the growth of its economic and overall strength, China will continue to offer, as always, necessary assistance to Africa, with no political strings attached."

China's president offered a \$20 billion line of credit to African countries for 2013-15, pledging that China would "help African countries turn resources endowment into development strength and achieve independent and sustainable development." Xi claimed that China would never treat African countries as inferior, "not even when China grows stronger and enjoys higher international status."

Xi's tour was designed to counter criticisms by sections of local African elites, generally those more aligned to Africa's former colonial powers, that China practices "neo-colonialism." Before Xi's trip, Nigerian central bank governor Lamido Sanusi wrote in the London-based *Financial Times*: "China takes from us primary goods and sells us manufactured ones. This was also the essence of colonialism."

In response to such criticisms, Lu Shaye, who heads

the Chinese foreign ministry's African department, retorted on Hong Kong television: "What have Western countries done for Africa in the 50 years since independence? Nothing." Lu insisted that it was the West, not China, that was solely interested in Africa's resources.

Indeed China is not an imperialist power. Its accumulated investment in Africa, while growing rapidly, is still small compared to the Western imperialist powers, which had been exploiting the continent for centuries. China has a negligible military presence in Africa, unlike the US and its European allies.

Nevertheless, Chinese companies do not operate in Africa as benefactors. Chinese loans and aid to Africa largely consist of infrastructure and resources projects, such as mines and highways. These are offered in exchange for, or to facilitate the transportation of, the supply of raw materials, which China needs to secure, largely to make cheap goods for Western markets.

While in Tanzania, Xi presided over the signing of several agreements. These included plans for a massive \$10 billion port project in Bagamoyo, 75 kilometres north of Dar es Salaam, to be built by the state-owned China Merchants Group. The port will be connected to a special industrial zone, which was the subject of a further agreement. While the official aim of these projects is to make the region a trade hub, linking Asia and east Africa, analysts have pointed to the port's potential to host Chinese naval ships, which are now active in the Indian Ocean.

In recent years, vast offshore gas deposits have been discovered off the Tanzania-Mozambique coast. China is already financing the construction of a 532-kilometre gas pipeline, at a cost of \$1.2 billion, linking recently discovered gas reserves in the south of Tanzania to the port in Dar es Salaam.

Access to energy sources also motivated Xi's last

stop, the Republic of Congo, which now supplies 2 percent of China's much-needed oil, with considerable potential for that supply to grow.

Because of China's huge resources purchases and growing investment in Africa, sections of the local elites have oriented toward China, or sought to use its influence as a counter-weight to Western interests. During Xi's visit to South Africa, President Jacob Zuma hailed "the rise of China," describing it as a model and "a source of inspiration" for his country. Last week, Zuma warned Western companies to change their "colonial" mindset when investing in Africa, and stop accusing China of "colonialism."

China is now South Africa's largest trading partner, but Europe remains a major source of trade and investment. With this in mind, the South African president told the *Financial Times*: "China is doing business in a particular way and we think we can see the benefits, but we are very, very careful." Citing Africa's experience of colonialism, Zuma said such a relationship must "benefit both. And this is what we and China have been agreeing."

The fifth BRICS summit, hosted by South Africa, was entitled "BRICS and Africa: Partnership for Development, Integration and Industrialisation." The theme summed up the desire of China, Russia, Brazil and India to expand their economic presence in the continent. While China has surpassed the US and European countries to become Africa's largest trading partner (with two-way trade worth nearly \$US200 billion in 2012), Brazil's trade with Africa has also increased by 600 percent during the past decade. Brazilian construction and mining companies are now active across the continent.

The ambitions of the BRICS countries, however, come into conflict with the established Western powers that have long dominated the continent. China has already had a painful lesson as a result of the US and European intervention to overthrow the Libyan government in 2011. China lost billions of dollars of investment and had to evacuate thousands of its nationals. Since the beginning of this year, France, backed by the US, has stepped up its military intervention in Mali, another strategic location.

Under George W. Bush, and now Obama, Washington has more openly turned to military means to thwart China's growing influence in Africa. A

separate US military command, AFRICOM, was established in 2007 as a direct response to the first China-Africa summit in 2006, to which Beijing invited the head of states of more than 50 countries.

J. Peter Pham, an adviser to the US State and Defense Departments, declared in 2007 that AFRICOM's aims consisted of "protecting access to hydrocarbons and other strategic resources which Africa has in abundance ... and ensuring that no other interested third parties, such as China, India, Japan, or Russia, obtain monopolies or preferential treatment."

The BRICS summit underscored the fact that the rivalry over Africa is bound up with broader and intensifying global tensions. Ahead of the Durban summit, Russia, the main architect behind BRICS, called for the creation of a Moscow-based joint development bank, with each member contributing \$10 billion, to rival the US- and European-dominated World Bank and International Monetary Fund (IMF).

Russia also proposed a pool of funds, of up to \$240 billion, to deal with any financial emergency facing a BRICS member. Brazil said the new bank would foster "greater autonomy from the IMF" and provide an "alternative financial tool" to developing countries.

However, nothing concrete was agreed at the BRICS summit. Russian Finance Minister Anton Siluanov claimed there was "positive movement," but "no decision on the creation of the bank." Disagreements reportedly arose over the size of contributions, given that China's economy is 20 times larger than South Africa's, and four times bigger than India's.

Nevertheless, Brazil and China, the two biggest economies in the BRICS, signed a currency swap deal worth \$30 billion, covering nearly half their annual trade of \$75 billion. That agreement pointed to the emergence of potential rival currency blocs, amid worldwide financial turmoil and the increasingly questionable status of the US dollar as the global trading currency.



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