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China, Africa and South Africa Advancing South-South Co-operation

Mr. President, our countries and peoples are united by a common resolve to build a better life for themselves... We are committed also to contribute what we can to ensure a more equitable international political and economic order which addresses the just aspirations of the billions of people who belong to the developing countries.

Thabo Mbeki addressing visiting PRC President Jiang Zemin (Thomasson, 2000)

China and South-South co-operation

China's emphasis on South-South co-operation is seen as a key element in its efforts to oppose unilateral global dominance¹. Through African economic co-operation, China hopes to build a stronger political relationship that will support Beijing's diplomatic offensive against "hegemonism"². This strategy is not entirely new, as Mao Zedong argued in favour of subverting the capitalist system by mobilising revolutionary forces in the Third World. However, Beijing's new approach is designed to use economic and political co-operation as the means to strengthening and advancing the South's political and economic agenda with a view to building a more just and equitable international order. A priority for China's foreign policy is to mobilise African support in the international arena, especially at the United Nations. Beijing activates African support by arguing that China and Africa both belong to the developing world, and therefore have no disputes but only common strategic interests, with a shared view on major international issues. Beijing consistently argues that China and Africa should support each other in close co-operation on key global issues. Beijing continuously has to work hard to mobilise and maintain African support on key international issues (Guijin, 2001).

Beijing is seeking to: improve existing consultative mechanisms and make greater use of these channels of dialogue; strengthen contacts between governments; update and sign related bilateral agreements according to changes in the bilateral economic and trade situation so as to provide legal insurance for bilateral co-operation; and actively broaden the contact channel and gradually expand the scale of trade (Mbuende, 2001: 7). Beijing also favours the strengthening of China and Africa's co-operation and consultation in international multilateral forums such as the World Trade Organization and United Nations Trade and Development Conference (UNCTAD), to co-ordinate positions and strengthen the negotiating position of developing countries as a group in formulating a multilateral economic and trade system and related rules. In this way, Beijing argues that China and Africa could jointly make an effort to establish a new, fair and reasonable international economic order. Over the past few years, China has sought to build social, political and economic ties with Africa. For example, at the G-77 Summit in Cuba (the so called "South Summit Meeting"), presided by president Olusegun Obasanjo of Nigeria, the head of the Chinese delegation, Li Lanqing, advised developing countries to strengthen South-South co-operation in order to keep pace with the world's scientific and technological development and thereby effectively cope with the challenges of the knowledge economy.

China's emphasis on South-South co-operation has found broad support in Africa, and especially South Africa. One of the central elements of South African president Thabo Mbeki's global foreign policy is to advance South-South co-operation as the key to unlocking a new political and economic international system within which developing countries have a better chance of accelerated economic development and eventual prosperity (Vale and Maseko, 2002; Mills, 1998; Lamy, 2001; Vaahtoranto, 2002). Part 1 of this paper discusses China's African policy and interaction with Africa in the context of efforts to support and advance South-South co-operation. Part 2 examines the China-South Africa links since formal diplomatic recognition in 1998, and efforts by both governments to develop collaboration in a variety of fields, especially the synchronisation of policy with regard to the South-South agenda. Given the prioritisation of South-South co-operation in South Africa's post-1999 foreign policy, relations with China have taken on a new significance, as Pretoria seeks to work with Beijing in restructuring the global political and economic agenda (Alden and Le Pere, 2003; Solomon, 2002).

China's Africa policy

Official statements confirm that China attaches great importance to co-operation with the African Union (AU) and other regional organisations in Africa, while voicing support for their efforts for economic integration and the peaceful resolution of regional conflicts³. Beijing has sought to consolidate on-going dialogue and consultation with the AU, formally the Organisation of African Unity (OAU), as part of a programme to expand interaction with the African continent. In recent years, Sino-African trade and other areas of economic co-operation have shown significant progress. It is clear that the Chinese government attaches great importance to the development of trade and economic co-operation with Africa. The Chinese leadership often emphasizes that since 1956 China has provided assistance to African countries in a range of fields such as agriculture, fishery, food processing, textile and other light industries, energy, transportation, broadcasting and communication, water conservancy and power industry, machinery, public buildings and housing, culture, education, health, arts and the handicrafts industry⁴.

In recent years, many African countries have begun to restructure their economies, while China has also initiated a period of economic reform and restructuring. In order to support economic development in China, Beijing is currently developing new forms of assistance that will include reducing aid to African countries. While China continues to provide intergovernmental aid to selected countries, Beijing has shifted its emphasis to provide official loans with government-subsidized interest rates and to develop co-partnership or joint ventures between companies from Africa and China. Through this process, Beijing hopes to stimulate African economies and thereby increase the demand for Chinese products. At the same time, it creates an opportunity for Chinese enterprises to establish a viable base in Africa.

Over the last ten years, Beijing has signed over thirty framework agreements on loans with more than twenty African countries. Some projects funded by these soft loans have achieved impressive successes, such as oil exploration in the Sudan, railway renovation in Botswana, agricultural development co-operation with Guinea, forest exploitation and timber processing in Equatorial Guinea, the Mulungushi Textile Mill, a joint venture in Zambia, and a cement factory in Zimbabwe. Beijing planners see Chinese and African economies as highly complementary to each other, arguing that China has the technology and managerial skills suitable for African countries, while Africa is endowed with rich natural resources. China has indicated its intention to continue providing economic aid to African countries within its "capacity to do so". At the same time, they are increasingly determined to encourage companies from both sides to co-operate with each other directly through joint ventures and other arrangements. The long-term goal for Sino-African co-operation has been outlined by Beijing as commercial interaction with private enterprises from both sides becoming the main actors in economic co-operation, opening a new dimension for South-South interaction.

Official statistics indicate that trade between China and Africa has expanded significantly in recent years. China has sought to improve trade relations with all the 53 African countries, and has established eleven investment and trade centers on the continent. There has also been clear progress in Sino-African co-operation in the fields of culture, education and health. To date, China has signed government agreements on cultural co-operation with 42 African

countries and 65 programmes for cultural exchanges. China has offered scholarships to 5,000 students from 51 African countries, with about 900 of them currently studying in China. Inter-college contacts have been established between 10 Chinese universities and 20 universities in 16 African countries. More than 400 Chinese professors and lecturers have been seconded to Africa, while 19 hospitals have been built in Africa with Chinese aid, and 15,000 Chinese medical personnel dispatched to 42 African countries, providing medical treatment to local people in remote towns and villages.

China consistently promotes positive relations with Africa by pointing out that when its seat in the UN was restored in 1971, among the 76 countries that voted in it favour, 26 were from Africa, accounting for more than one third of the total. Later, when expressing his appreciation, Chairman Mao Zedong said it was the African friends who carried China back to the UN⁵. More recently, China has stressed that on all issues involving African interests, China specifically takes into consideration the opinions of African countries and consistently appeals to the international community to work together for peace, stability and development in Africa. Beijing contends that under the current international situation, it is even more important for China and Africa to strengthen consultation and co-ordination on global affairs. It has been suggested that China and Africa should make joint efforts to take up the challenges resulting from globalization, to safeguard legitimate rights and interests of developing countries, and to strive for a just and fair new international political and economic order. In China's view, the new international order would require acceptance of Beijing's pre-eminence in Asia and a much more increased international role in international organisations.

China's policy objective of strengthening and developing friendly co-operation with all developing countries, including and especially African countries, has long been an important component of China's foreign policy. Members of the Chinese Foreign Ministry have suggested that the principles governing relations between China and African countries were originally proposed by the late Premier Zhou Enlai during his visit to Africa in 1960s, and continue to broadly serve as the foundation for Sino-African friendship. In the early 1980s, Chinese leaders proposed during their African visits the Four Principles on Economic and Technological Cooperation between China and African countries, namely: equality and mutual benefit, stressing on practical results, diversity in forms of interaction, and attainment of common progress.

Jiang Zemin's visit to Africa

During his visit to six African countries in May 1996, PRC president Jiang Zemin outlined a "Five-Point Proposal" on developing a long-term and stable Sino-African relationship based on comprehensive co-operation and interaction (Peigeng, 1966: 5-13). The "Five Point Proposal" included: fostering "sincere friendship"; interaction based on equality, respect for sovereignty and non-interference in internal affairs; common development on the basis of mutual benefit; the enhancement of consultation and co-operation in global affairs; and the long-term creation of a "more splendid world" (via a just and fair new economic and political international order) (Weisan, 1996: 5-7). Jiang's new African policy laid the foundation for a strengthening and consolidation of Sino-African relations, which have subsequently been advanced through the Forum on China-Africa Co-operation (FOCAC) with ministerial level meetings in Beijing during 2000 and Addis Ababa in 2003. In addition, Jiang's 1996 visit to Africa provided the framework for the establishment of a new diplomatic relationship with the Republic of South Africa (Tingen, 2002: 7-9).

Jiang's visit recast and refocused China's African policy following a long and often contradictory political engagement with the continent⁶. The Bandung Conference, held in Indonesia in April 18-24, 1955, had marked the beginning of an international campaign, strongly supported by Beijing, for Afro-Asian solidarity. At the conference, contacts were made for the first time between PRC and African diplomats, leading to the establishment of a Chinese embassy in Egypt as the first on the African continent. The institutional embodiment of Bandung was the Afro-Asian People's Solidarity Organisation (AAPSO), in which China played a leading role. However, AAPSO failed to adequately translate words into action, thus frustrating the vast potential of Afro-Asian solidarity.

At a farewell banquet in Ghana on January 15, 1964, following a tour of ten African countries, Chinese Premier Zhou En-lai confirmed Beijing's support for African struggles against

imperialism, and set the stage for Africa as an ideological battleground with both Washington and Moscow. Zhou's announcement followed Mao Zedong's August 8, 1963 speech on colonialism and racism, which indicated the PRC's desire to lead the developing world, and confirmed the breakdown of the Sino-Soviet relationship. Zhou also declared that Africa's potential for revolution was "excellent", effectively calling for a second, post-colonial struggle against the new ruling African bourgeoisie. However, domestic economic and social difficulties, as well as China's own second revolution, the "Cultural revolution", undermined the PRC's efforts to implement foreign policy objectives in Africa. Preoccupied with reviving the Chinese economy under the post-Mao leadership of Deng Xiaoping, African policy shifted from support for Maoist inspired revolution to the search for new commercial engagements that would strengthen the PRC's economy. Deng adopted a non-interference approach, encouraging African countries to find political and economic models of development to suit their own particular circumstances (Qinmei, 1998: 16-22; Fei, 1995: 4-5). During a conversation with UN Secretary-General Javier Pérez de Cuellar in August 1982, Deng confirmed that his central foreign policy objective was support for China's "economic development". In a major policy speech delivered on June 4, 1985, Deng laid the foundation for China's post-Maoist foreign policy, largely unchanged to this day, by stressing that the PRC would "concentrate on economic development" in order to become a "modern, powerful socialist economy". He stressed that "economic development is our (China's) primary objective and everything else must be subordinated to it". Deng's domestic economic reforms and opening to the rest of the world effectively terminated the strong Maoist ideological content of China's foreign policy, elevating instead the two objectives of promoting trade and investment, both regarded as essential for China's future economic development. Jiang Zemin's 1996 visit to Africa was intended to advance China's "Africa first" foreign policy: he signed 23 economic and technical co-operative agreements with six African countries (China Internet Information Center, 2002a; 2002b). Moreover, he sought a new commercially based, rather than ideologically motivated, partnership with Africa through the confirmation of Africa's economic rather than revolutionary potential.

Beijing's approach towards Africa has been to jointly explore new ways to interact in an effort to expand economic and trade co-operation. Beijing is proposing that both sides make greater use of and further improve bilateral relations. At the same time, increased trade should lead to agreements relating to economy and trade, the encouragement and protection of investment, and the avoidance of dual taxation, being appropriately amended. Beijing has indicated that with the development of its economy and the increase in national strength, China will continue to offer economic and technological assistance to African countries, including further relaxing conditions for preferential loans. China also encourages its enterprises to carry out economic and trade co-operation in Africa, especially the setting up of projects that promise market benefits. China also encourages increased importation from Africa, and encourages its firms to participate in the economic development of African countries through contracting projects, technology and management co-operation.

Beijing has recognised that the quest for peace and development has been the main priority for the African continent, and that many countries have endeavored to rely on themselves to resolve African problems. China's response to Africa's plight has been the suggestion that Africa will be unable to achieve prosperity without stability, and that African countries need to develop in ways to suit their national conditions, work closely with each other, and mobilise international assistance and co-operation, for instance through collaboration with Beijing.

The Forum on China-Africa Co-operation (FOCAC)

Jiang's new African policy led to the "Beijing Declaration" and the "Programme for China-Africa Co-operation in Economic and Social Development" adopted following the October 2000 Sino-African ministerial-level conference in Beijing (South African Department of Foreign Affairs, 2000). The two documents outlined a proposed new relationship between China and Africa, based on Deng Xiaoping's broad foreign policy framework and Jiang's Sino-African vision, crafted during his 1996 visit. The central purpose of the Forum was to strengthen economic co-operation and to consolidate areas of common interest. The conference was seen by Beijing as a meeting of "natural allies" on the road to economic development and the long hoped-for restructuring of the global economic architecture. Jiang Zemin set the tone for future Sino-African relations by committing China to closer South-South co-operation and the creation of

“an equitable and just new international political and economic order” (Edmonds, Chyungly and Mills, 2001). PRC Premier Zhu Rongji confirmed that economic interaction with Africa had taken centre stage and would define future relations. The specific plan included an expansion of trade, investment, joint projects and increased co-operation in the fields of agriculture, transportation, medical care, the exploitation of natural resources and banking.

During the October 2000 meeting, two-way trade was emphasized as an area of future expansion and development. The Beijing programme called on Sino-African business leaders to “vigorously explore” all the “opportunities offered” by the respective markets. The establishment of a China-Africa Joint Business Council was proposed as a mechanism for the further promotion of trade. The renewed emphasis on trade followed Foreign Trade Minister Shi Guangsheng’s June 9, 2000 statement that Beijing would encourage Chinese companies to expand trade links with the African continent. Shi was encouraged by the record of growth in manufactured exports to Africa, especially in television sets, air conditioners, refrigerators, washing machines, textiles and light machinery. Beijing promised to promote investment in selected African countries through special funds for the establishment of joint ventures, facilitated through China and the African Development Bank (ADB) as well as the Eastern and Southern African Trade and Development Bank. In addition, the exploitation and effective utilisation of natural resources and energy sources on the African continent, long identified as extremely important for promoting continued growth of China’s economy, was singled out for renewed focus.

During the October 2000 conference, Zhang Qiyue, a representative of the Chinese Ministry of Foreign Affairs, told a press conference that strengthening unity and co-operation with African countries constituted a major component of China’s foreign policy. As Beijing pointed out, promoting a multi-polar global system and establishing a new international political and economic order are key goals of the international community, and particularly the developing countries. According to Zhang, “With the goal of fostering equal consultation, furthering understanding, expanding consensus, strengthening friendship and promoting cooperation, China and Africa will jointly explore the establishment of a just and fair international political and economic order and strengthen Sino-African economic and trade cooperation under the new situation”⁷. Deputy Foreign minister Ji Peiding stressed that two documents passed at the conference, the “Beijing Declaration” and the “Sino-African Co-operation Guidelines for Economic and Social Development”, would serve as the framework for Sino-African relations in the new century.

An international conference on Sino-African ties was held as a follow-up to the Beijing meeting to address the issue of strengthening bilateral co-operation, especially economic and trade ties. In addition, China established a follow-up action committee to implement the decision made at the Beijing conference. Deputy minister of Foreign Trade and Economic Co-operation Sun Guangxiang stressed that the Chinese government encouraged two-way trade between China and Africa and would introduce more policy initiatives intended to galvanize support for Sino-African trade within the rules of the World Trade Organization (WTO). He confirmed that Beijing would also encourage Chinese companies to invest in Africa, with a view to significantly expanding China’s investment on the continent. Official Chinese documents outlined foreign minister Tang Jiaxuan’s description of the key elements of Sino-African relations. These elements included: mutually respecting and strictly observing the principles of sovereignty, independence and non-interference in each other’s internal affairs, and respecting the other side’s social system and development options; treating each other equally, adhering to the principle of mutual benefit, and conducting diversified forms of co-operation in economic and trade fields without any attached political conditions; trusting each other and handling bilateral affairs through consultation in the spirit of friendliness and sincerity; supporting each other, consulting and co-operating with each other closely in international and regional affairs and jointly safeguarding the legitimate rights and interests of the developing countries⁸.

According to Jiaxuan, to further consolidate and develop Sino-African relations is in the national interest of both China and Africa. Jiaxuan emphasised Beijing’s determination to work hard and explore jointly with African countries to establish a new long-term, stable and mutually beneficial partnership within the framework of South-South co-operation, and to make the relationship an example of South-South co-operation.

In order to develop the new South-South partnership, Beijing proposed that both China and Africa could promote relations along the following lines:

- continue to strengthen top-level contacts and increasing communication and exchange between leaders so as to further consolidate the traditional Sino-African friendship;
- establish diverse forms of consultative and co-operative mechanisms, and expand dialogue and co-ordination in international affairs and bilateral issues so as to carry out more efficient co-operation in bilateral and multilateral realms and more efficiently safeguard the common interests of developing countries;
- energetically promote economic and trade co-operation to new levels; efforts should be concentrated on looking for new ways and fields for co-operation and encouraging enterprises of both sides to expand co-operation.

The Chinese government promised to adopt measures to guide and support domestic enterprises to enter into Africa and carry out mutually beneficial co-operation with their African counterparts, and to carry out omni-directional and multi-level contact. Besides the major channel of official contact, China will promote contracts between political parties and parliaments and between non-governmental groups of workers, youth and women, as well as cultural and education, health, news media, support and academic circles, and give full play to these organisations, thus forming an omni-directional setup for exchange at various levels⁹.

Following the Sino-African meeting in Beijing, Premier Zhu Rongji's office suggested a number of guidelines for China-Africa relations. These included the expansion of bilateral trade; development of investment co-operation; improvement of China's aid work in African countries; expansion of co-operation in various fields and working together to facilitate the settlement of the African debt issue.

The PRC and Africa

In his report to the 16th Party Congress in November 2002, Jiang suggested that the first twenty years of the XXI century would be a "period of important strategic opportunities" (*zhongyao zhanlue jiyu qi*) which China should "grasp tightly" to accomplish its main goal of building a "well-off society" in China. Hu Jintao reiterated this point in his speech at the closing of the 10th National People's Congress in March 2003, confirming this idea is at the foundation of China's foreign policy agenda. In the African context, the new emphasis is on economic interaction via trade and investment along with the promotion of broadly common political and economic global objectives.

Access to Africa's raw materials, especially oil, is a key priority for the PRC. Hence, Beijing's efforts to develop close relations with African countries producing oil, such as Algeria, Angola, Nigeria and the Sudan. China is expected to import almost 50 percent of its oil requirements by 2005. Other important African raw materials identified in official statements include timber, copper, non-ferrous metals and iron ore. Continued spectacular economic growth in China will not be without guaranteed access to key raw materials. China Petroleum and Chemical Corporation (Sinopec), China's largest oil refiner, has initiated a US\$ 1.2 billion three-year expansion programme to secure oil and gas reserves overseas. The expansion programme is specifically intended to increase China's access to overseas oil supplies in response to a rapidly growing demand in the domestic economy. Presently, Sinopec acquires approximately 70 percent of its oil from Chinese producers. Over the longer term, Sinopec hopes to significantly increase international supplies. Sinopec is expected to seek acquisition of new oil fields in the Middle East, Russia, Central Asia and West Africa. Thus, Sinopec, along with the support of the PRC government, is expected to accelerate efforts to purchase oil fields in Africa. The Chinese government has also begun to develop new strategies to protect oil supplies as a consequence of increased instability and uncertainty in the Middle East. China is developing a comprehensive plan to prevent disruption to its oil supplies. China's annual domestic consumption of oil is expected to reach 300 million tons by 2010, of which more than half will have to be imported. Purchases of oil from the Middle East now account for half of all China's oil imports. Three key issues are expected to dominate China's oil strategy. Firstly, increasing supplies from Russia based on the proposed Russia-China oil pipeline. Secondly, the development of a national stockpile; and thirdly, faster development of alternative sources of supply. In this context, Africa's oil reserves are expected to become increasingly important to the PRC.

Relatively low cost Chinese manufactured products are considered ideal for African consumers. China is constantly seeking new opportunities to export to Africa. In 1993, China's Ministry of Foreign Trade and Economic Co-operation (MOFTEC) drafted a major report identifying Africa as a key market for Chinese consumer products. Investment opportunities in African economies that would benefit Chinese companies, such as mineral extraction, telecommunications and construction, are increasingly a priority. This process is largely advanced through joint ventures, backed by loans from China. There are now 577 Chinese companies operating in 49 African countries. Most of these companies are trading firms, industrial manufactures, transport and agriculture companies, or companies dealing in mineral extraction. China has prioritised investment in Africa and is actively encouraging and supporting Chinese companies who are interested in expanding their operations to Africa.

China has signed bilateral agreements with 21 African countries, encouraging and protecting investments. Chinese investment in Africa over the next few years is expected to increase very significantly. Chinese companies increasingly have advantages over competitors in Africa because of the strong backing they receive from their government. China's investment focus in future is expected to be increasingly on raw material extraction and transportation. Continued growth of the Chinese economy will increase the demand for raw materials, many of which will be sourced in Africa. The Chinese government has initiated a new programme to encourage companies to expand their operations overseas. MOFTEC has suggested that there are now good opportunities for new commercial ventures globally. By the end of 2002, there were over 7,000 Chinese investments overseas totaling approximately US\$10 billion. MOFTEC is encouraging an expansion of this process as a key element in their plan to promote further economic growth in China. An increase in new Chinese investments and commercial operations in Africa is expected as part of this process (Mills and Shelton, 2003).

Chinese officials have often stressed the importance of African votes in the UN. One third of the votes in the UN General Assembly, and nearly half the members of the Non-Aligned Movement, are African. China seeks African support especially on human rights issues. Nigeria, for example, has often been a regular and vocal defender of China's human rights record. This is directly linked to mobilising support for China's "anti-hegemonism" and non-interference in internal affairs. China is increasingly concerned about international, especially US, criticism of its human rights record.

In advancing the "one China principal", Beijing clearly hopes to further isolate Taiwan in Africa. Unification of the PRC and Taiwan was identified by Jiang Zemin as one of China's "three primary tasks" for the new century –the other two being to continue the modernisation of China's economy and to "safeguard peace". As China's economy grows, economic and other incentives to win recognition from the African countries that presently recognise Taiwan are likely to be more effective. Under the new leadership of Hu Jintao, China is expected to advance and fine-tune the policy of 'caging in Taiwan' and stifling Taipei's efforts to expand diplomatic interaction (Liu, 2000; 2001). In April 2003, president Hu met with US senator William Frist and expressed hope that the US would not send "wrong signals to independence forces" in Taiwan. He reiterated that he expected the US and other countries to adhere to the "one China principle". Hu's statement followed growing support in Beijing for accelerating a policy of 'caging' Taiwan and undermining efforts to garner international support.

The Addis Ababa action plan

Foreign and trade ministers from 44 African countries met with PRC diplomats in Addis Ababa in December 15-16, 2003, for the Second Ministerial Conference of the Forum on China-Africa Co-operation. The purpose of the second ministerial conference was identified as reviewing progress on implementation of the agreements reached at the October 2000 Beijing meeting, along with outlining a new, more focused action plan. The political framework of the "Addis Ababa Plan" provides for continued high-level exchanges and enhanced political dialogue, along with a renewed promise from Beijing to participate actively in African peacekeeping operations and to co-operate on a range of security related issues. Co-operation in the field of social development includes China's promise to expand its African Human Resources Development Fund to train up to 10,000 African technicians over the next three years (*People's Daily*, 2003). This will be complemented by China's agreement to assist in the areas of medical care and public health, cultural exchanges and people-to-people exchanges.

The Addis Ababa Action Plan proposes co-operation in the following areas (Embassy of the PRC, 2003).

Science and technology. In this context, China's experience in increasing agricultural output holds promise for African farmers.

China's participation in peacekeeping operations. This has been widely welcomed as a positive contribution to peace in Africa.

Non-traditional security issues. The PRC has promised to do more to counter drug trafficking and illegal migration.

Terrorism. The PRC's commitment to combating global terrorism has been widely supported.

The need to step up consultation and co-operation. This is expected to have a positive impact on advancing Sino-African links.

Restructuring of the UN and WTO etc. The PRC's support for restructuring of the UN is seen as a key element in advancing the political agenda of the developing world.

Struggle against poverty. In this context, the PRC serves as a model and inspiration to African governments.

Support for the AU. The PRC's strong endorsement of and support for the AU is considered to be a key element in Sino-African relations.

Support for NEPAD. Beijing's vocal support for NEPAD gives the initiative a strong South-South context and opens the way for increased Chinese support for African development (Mingfang and Yongkang, 2003).

Agriculture. China promised to expand agricultural support to African countries via technical support and training. This promise has been welcomed by African governments, especially those seeking to restructure agricultural production.

Trade. China's trade with Africa during 2003 totaled over US\$ 13.39 billion, a significant increase on the 2002 figures, which amounted to US\$ 10.6 billion. Recent trends thus suggest potential for a further increase in two-way trade. The China-Africa Business Conference, arranged by the China Council for the Promotion of International Trade (CCPIT), held simultaneously with FOCAC, was specifically intended to boost Sino-African trade and investment. CCPIT facilitated the signing of 20 agreements to the value of US\$ 460 million, involving 17 Chinese companies in 17 African countries. Moreover, CCPIT is planning to hold 30 Chinese business exhibitions in Africa during 2004. The focus of these exhibitions will be in African markets presently regarded as priorities, such as Egypt, Nigeria, Kenya and South Africa. The goal is to significantly boost trade with these key countries with a view to expanding commercial links to other African countries. The Chinese Academy of International Trade and Cooperation (CAITC), the official think tank for the Ministry of Commerce, has undertaken detailed studies on the question of increased Chinese trade with Africa over the longer term. Their studies suggest a significant potential for new Chinese exports to Africa in the following areas: agriculture, light industry, machinery, construction, tourism and telecommunications. CAITC predicts that within the next three to five years a number of African countries will enter a strong growth period creating a healthy demand for Chinese manufactured products. In the context of promoting trade into the Chinese market, Beijing's decision to grant zero-tariff treatment to some commodities from the least developed African countries has been widely welcomed (Jiabao, 2003).

Investment. To date, Chinese investors have established 602 businesses in 49 African countries, covering a wide range of commercial activities, such as agriculture, manufacturing and minerals extraction. Chinese companies have made a contracted investment of US\$ 1.17 billion to Africa, and are presently involved in 296 projects on the continent covering construction, pharmaceuticals, chemicals, light industry and textiles. China has signed bilateral investment protection agreements with 20 African countries. These agreements also include avoidance of double taxation, fair treatment for foreign investors, and protection of assets. Beijing is expected to step up efforts to encourage and support Chinese companies wishing to invest in Africa through a special fund to assist companies with new investments in selected African countries. This will increasingly provide advantages to Chinese enterprises seeking new opportunities in Africa. Moreover, the Chinese government has

indicated its intention to consolidate the already established business centers in 11 African countries. The centers are expected to serve as focal points for increased Chinese trade and investment initiatives in Africa (Xinhua Online, 2003).

Tourism. Zambia has been granted Authorized Destination Status (ADS) for Chinese tourists. Other African countries with ADS include Ethiopia, Kenya, Mauritius, Seychelles, South Africa, Tanzania, Tunisia and Zimbabwe. African governments have identified significant potential for Chinese tourism to Africa given the continued and rapid growth of the Chinese economy.

Debt relief. As part of the FOCAC process, China has cancelled 156 debts totaling US\$ 1.27 billion with 31 African countries. China's decision to cancel these outstanding debts was widely welcomed in Africa, and seen as a very positive step towards revitalising economic development on the continent.

Development Assistance. Beijing has indicated its intention to provide African countries with "unconditional assistance within its capacity". However, China's new emphasis is on relationships based primarily on trade and investment. China has undertaken to co-ordinate the FOCAC process with NEPAD through infrastructure development, treatment of infectious diseases, human resource development and agricultural training.

Natural Resources and Energy Development. Given the increasing demand for oil to supply the growing Chinese economy, Africa is rapidly becoming a key supplier to the PRC market. Beijing has prioritised oil and other raw material extraction as a central element in the expansion of commercial links with Africa.

The Sino-African Forum is widely regarded as an extremely valuable process for African diplomacy. Africa benefits significantly from regular and structured interaction with Beijing, building on past interactions and identifying new opportunities. Moreover, Chinese aid to Africa is extremely important to many African countries. Aid specifically identified as important includes medical assistance, agricultural management, construction and debt relief. China's commitment to follow up on decisions reached at the October 2000 Beijing meeting has been widely welcomed. Many did not expect China to fulfill the promises it made (especially debt reductions) at the October 2000 meeting. Beijing has incorporated 21 government departments into their follow-up process. MOFTEC is playing a leading role in advancing the programme and co-ordinating the activities of other Chinese government departments.

There are clear indications that some African countries have benefited from the PRC's involvement on the continent over the last few years. Beijing has provided assistance in a number of areas such as agriculture, health services and training. Debt cancellation has been especially welcomed. In addition, China promotes African interests at the UN and other forums, mainly by urging the developed countries to do more for Africa, such as for instance PRC UN representative Wang Yingfang's January 30, 2002 statement urging increased world attention to Africa's problems.

President Hu Jintao's African safari

President Hu Jintao's recent nine-days visit to Africa contributed significantly to advancing China's evolution as a major economic partner with the continent. China's efforts to expand commercial and political interaction with Africa were confirmed by Hu's visit to Egypt, Gabon and Algeria. While in Libreville, the capital of Gabon, Hu called for the strengthening of Sino-African co-operation "free of political conditionality and serving the interests of both Africa and China" (*Business Day*, 2002b). He committed China to promoting a new duty-free scheme for poorer African countries, which will open the Chinese market for African made products. In addition, Hu pointed out that China and Africa can exploit the complementarity of their respective economies and the huge potential for commercial interaction. Africa's enormous mineral wealth and human resources provide the wealth and capacity for effective engagement with the world's fastest growing economy.

Overall, Hu's visits and policy statements confirmed trends in the PRC's Africa policy in line with Jiang Zemin's approach, first enunciated during Jiang's 1996 visit to Africa. However, Hu has consolidated, strengthened and advanced Jiang's policy with a view to expanding Sino-African co-operation and diplomatic interaction. A number of key themes in Hu's African policy

are now evident. Hu has emphasized that building relations with developing countries, especially African countries, is a key element of the PRC's foreign policy. President Hu went so far as to suggest that PRC-developing country relations form a "cornerstone" of China's foreign policy. The importance which Hu attached to African countries has been widely welcomed on the continent and identified as a major opportunity for a strengthening of traditional links, while offering significant potential benefits for both Africa and China.

High level visits to Africa by Chinese officials and visits to Beijing by African officials are expected to remain a key feature of Sino-African relations. Hu confirmed an interest in continuing to promote high-level visits as a central element of the PRC's international diplomacy. This has long been a feature of Chinese diplomacy, and is intended to consolidate and advance friendly relations with African leaders. During his visit to Algeria, president Hu emphasized the need to expand trade links between China and Africa, thereby confirming China's interest in expanding exports to Africa, considered a major priority for the ongoing expansion and development of China's economy. At the same time, Hu has suggested that Beijing will help assist African countries through building new construction projects, the development of communications, agricultural assistance and human resource training. The consolidation of trade links thus holds the promise of expanded co-operation with China, which is expected to translate into major economic benefits for many African countries.

President Hu confirmed that Beijing is to focus on health care, culture, science and technology and education in advancing relations with African countries. The PRC is clearly hoping to "broaden and deepen" links with Africa. China is well satisfied with the progress of commercial and other interaction with Africa, and is now seeking to build on past successes with a view to expanding and consolidating relations in a number of key countries. Where Beijing has important, long-term economic objectives, such as in South Africa, Egypt and Nigeria, efforts will be made to increase interaction on all levels. Hu also specifically referred to techniques for "strengthening Sino-African relations" through interaction between legislatures, political parties, non-governmental organisations and youth organisations (Jintao, 2004). President Hu confirmed the need to continue party-to-party contacts, thereby consolidating historical links with key African political parties.

While in Algeria, Hu specifically mentioned the need for Africa and China to increase co-operation, in order to jointly explore oil and natural gas fields. Given China's expanding economy and concomitant need for increased energy supplies, interests in Africa's oil and natural gas are becoming more urgent. China will have to significantly increase both oil importation and domestic production to meet the needs of its economy. Thus, China's African policy is expected to increasingly focus on oil and gas exploitation over the next few years. Hu's visit to Algeria and Gabon, two important oil producers in Africa, was seen as part of Beijing's renewed effort to consolidate the supply of critical raw materials for its own economic growth. Hu's visit to Gabon concluded with the signing of a memorandum of understanding to institute joint oil exploration, exploitation, refinement and exportation. The deal was signed between Total Gabon and China's Sinotec, facilitating China's importation of oil from Gabon for the first time.

Hu stressed that China and Africa should "hold more consultations" on important regional and global issues, with a view to promoting the "democratisation" of international relations. Clearly, Beijing hopes to win support from African countries in promoting the establishment of a more fair, open and just international system. President Hu specifically referred to the China-Africa Co-operation Forum as a key mechanism for the advancement of Sino-African relations. The Forum has voiced support for the objectives of the African Union (AU) and the New Partnership for Africa's Development (NEPAD). Moreover, Beijing has promised to align its Africa policy with NEPAD, and to give full support to the African Union. While in Gabon, Hu raised the issue of China-Africa solidarity, suggesting that a common history of struggle against colonialism remains a central tenet of Chinese thinking with regard to relations with Africa. This reminder was welcomed in Africa as a central feature of Sino-African interaction, and served to corroborate the historical link between Africa and China (*Business Day*, 2004a).

President Hu indicated that China would use its UN Security Council seat to advance the interests of developing nations. Specifically, that Beijing would work to safeguard the rights and interests of developing nations. He argued that economic globalisation should benefit citizens in both developed and developing countries. This statement complemented his speech in Algiers, in which he pointed out that the people of the developing countries total over 90 percent of the

world's population and constitute 84 percent of the United Nations. China's efforts to advance the objectives of developing countries in international forums were widely welcomed in Africa. Beijing's commitment to advance the developing world's agenda is seen as a very positive contribution to Africa's efforts to combat poverty and economic hardship. While in Algiers, Hu sought to strengthen the Sino-African link by pointing to the "equality" of all nations, and confirmed China's efforts to defend developing countries against external criticism and interference (*Business Day*, 2004a).

As a further example of comprehensive Sino-African co-operation, on March 9 2004, Chinese military personnel began deployment to Liberia. A 70-member advance team of an engineering group left Shengyang and a 35-member medical team left Fuzhou for Liberia. In response to a request from the United Nations, Beijing agreed to send a 550 peacekeeping force to Liberia made up of a 240-member transport company, 275 engineers and 35 medical personnel. The troops are equipped primarily for support services, with very limited combat capability. China's decision to commit peacekeepers to Liberia has been strongly supported in Africa and points towards a growing policy synthesis with the ideals and objectives of the African Union. Many African leaders have interpreted Beijing's action as a positive contribution to advancing peace and stability on the African continent in line with the AU's priority agenda.

China's empathy for Africa's economic plight was further confirmed by Beijing's action in canceling the debt of 31 African countries amounting to US\$ 1.27 billion. Thus, China has followed action with words in tackling one of Africa's biggest economic problems, and set an example for the developing world. Beijing has pointed out that the advancement of global peace and development is not possible without addressing the growing economic divide between North and South. China has therefore called on the developing countries to pay more attention to Africa and respond more energetically to the continent's socio-economic problems. Given China's similar colonial history and struggle against poverty, a Chinese understanding of Africa's economic dilemma lies at the root of Sino-African solidarity and serves as a strong foundation for cordial relations.

President Hu's African safari, along with China's evolving African policy, provides strategic opportunity for a significant advancement of Sino-African commercial interaction. In terms of trade, China's amicable agreement to open its markets to selected African products from the poorest African countries offers hope to African producers and sets an example for future broader free trade agreements. The clear compatibility of Chinese and African economies, exchanging primary products for manufactured goods, bodes well for accelerated trade over the longer-term. Investment flows to Africa from China are set to increase significantly as Beijing partners with African enterprises in the extraction and export of raw materials. Hu's African visit confirmed China's compassionate, friendly and supportive policy towards Africa, and strengthened the foundation for an accelerated advancement of mutually beneficial commercial interaction.

Diplomatic links with South Africa

Formal diplomatic relations between the People's Republic of China (PRC) and South Africa were established on January 1 1998, opening a new chapter in Sino-African relations and bringing South Africa in line with African diplomacy (Le Pere, 1999; SAIIA Research Group, 1995; Geldenhuys, 1997: 93-131). During April 1998, then South African Deputy president Thabo Mbeki undertook a five-day visit to Beijing, which included meetings with Premier Zhu Rongji and Vice-president Hu Jintao. The visit was seen as the first step towards consolidating relations after formal diplomatic recognition earlier in the year. Official discussions focused on the potential for economic co-operation and the possibility of working together to establish a fair and just world economic and political order. Hu Jintao paid a reciprocal visit to South Africa in February 1999, during which he officially opened new consulates in Cape Town, Johannesburg and Durban. While in South Africa, Hu stressed China's objective of enhancing trade with South Africa, suggesting that the new consulates would be important in this regard (Qiaocheng, 1999: 17).

During Nelson Mandela's visit to China in May 1999, the first by a South African head of state, Mandela thanked China for its consistent support of South Africa, particularly in the struggle against apartheid (Mkhondo, 2000). Moreover, Mandela indicated his determination to promote the development of a mutually beneficial Sino-South African diplomatic partnership.

The South African Department of Foreign Affairs (DFA) identified the “promotion of bilateral trade and investment” as the focus of Mandela’s visit and stressed the need to improve two-way trade (Wong, 1999). An important aspect of the Sino-South African relationship is the link between the South African Communist Party (SACP) and the Communist Party of China (CPC). In November 1998, the general secretary of the SACP, Blade Nzimande, visited China and was received by president Jiang. During the meeting, Jiang described Nzimande as an “old friend of the Chinese people”, and he thanked the SACP for its contribution to the establishment of diplomatic ties with South Africa. The decision was made to set up a regular mutual consultation mechanism, the first of its kind established between the CPC (Chinese Communist Party) and a foreign political party. At the same time, Jiang pointed out that formal diplomatic links between China and South Africa enhanced prospects for Sino-South African co-operation at all levels (Jiaxuan, 2002).

The political framework of cooperation

In April 2000, president Jiang Zemin paid a state visit to South Africa where he signed the “Pretoria Declaration” with his counter-part Thabo Mbeki. The “Pretoria Declaration on the Partnership Between the People’s Republic of China and the Republic of South Africa” commits both countries to a “spirit of partnership and constructive dialogue” while uniting in the “moral imperative for developing countries to strengthen capacity for co-operation and mutual support in the international system” (Shelton, 2001: 389). The most important outcome of the agreement was the establishment of a Bi-National Commission (BNC) which would meet regularly to guide and co-ordinate all government-to-government relations between China and South Africa, while providing an effective forum for consultation on matters of mutual interest in bilateral and multilateral affairs (Wadula, 2000). In addition, the Pretoria Declaration committed China and South Africa to a “constructive dialogue”, a concerted effort to expand economic links and a joint initiative to advance, peace, security and development on the African continent (Monyae, 2001).

Besides the Pretoria Declaration, China and South Africa signed six agreements including police co-operation, maritime transport, prevention of the spread of deadly pathogens, animal health and quarantine, arts and culture, and avoidance of double taxation. However, the emphasis of Jiang’s and Mbeki’s public statements at the time was on the need for both countries, along with the developing world, to work together to ensure benefits from globalization. China and South Africa confirmed a commitment to oppose the negative effects of globalization and to oppose global dominance by a single country. President Mbeki stressed South Africa’s desire to “deepen existing relations” and to “extend relations to broader areas of co-operation” (Fei, 2000: 5). Mbeki also emphasized the need for South Africa and other developing countries to seek closer co-operation in international affairs with the objective of restructuring the global economic architecture. In response, Jiang pointed out that the constant expansion and deepening of Sino-South African relations fulfilled the “long-term fundamental interests” of both countries, while supporting and advancing “peace and global development”.

Jiang suggested that South Africa’s status as a regional power and a key international actor elevated the importance of the Beijing-Pretoria dialogue and government-to-government co-operation. A long-term, stable, friendly co-operative relationship was thus the objective of Jiang’s vision for Sino-South African relations (Chetty, 2000). Moreover, as Jiang intimated “hegemony and power politics threaten world peace and security”, thus making it more important for South Africa as a leading African nation and China as a leading Asian nation to strengthen contact and collaboration. Both Pretoria and Beijing confirmed a belief that the two countries strongly complemented each other in many fields, thus providing an excellent opportunity for long-term cooperation and political interaction. Mbeki alluded to the history of Sino-African relations, suggesting that Africa’s struggle against colonialism received consistent and enthusiastic support from China. Moreover, the post-independence era witnessed a strong PRC involvement in African reconstruction and economic development programmes. Given China’s constructive relationship with many African countries, Mbeki voiced support for South Africa’s full participation in the FOCAC process, which he predicted would play a leading role in helping African countries overcome socio-economic problems.

Jiang’s visit to South Africa also set the scene for Sino-South African co-operation and policy synchronisation on the issue of advancing the establishment of a new international economic order. He pointed out that the accelerated pace of economic globalization benefited the

developed countries far more than the developing ones, which face increasing risks and challenges. The continuous widening and accelerating gap between rich and poor nations, along with increasing tensions and conflict between North and South, threatened economic development and sustained growth in the countries of the South. In this context, both China and South Africa found themselves on the wrong side of the “digital divide” with declining prospects for bridging the North-South division (Fei, 2000: 5). Both Jiang and Mbeki concluded that the Bretton Woods system, along with quickening globalization, required that developing countries, such as China and South Africa, work together in a joint programme to reform the existing economic architecture with a view to establishing a new, just and rational economic order. Developed countries were urged to shoulder more responsibilities, reduce developing world debt, fulfill aid promises, and provide appropriate assistance to promote economic development in African and other developing countries. The developing countries, in turn, and especially Africa within Mbeki’s African Renaissance vision, should strengthen solidarity, demand new global trade rules at the WTO (World Trade Organisation), and unite in defending legitimate rights and economic interests.

Mbeki’s visit to Beijing

During mid-December 2001, South African president Thabo Mbeki conducted a state visit to Beijing, which included meetings with the senior leadership of the PRC. Mbeki’s visit was widely seen as the confirmation of a strong political and economic relationship between Pretoria and Beijing, initiated only a few years earlier (Shelton, 2002). While in Beijing, Mbeki commented on the visible success of China’s economic reform programme and thanked Jiang Zemin for his warm and friendly hospitality (*Business Day*, 2001). After extensive discussions with China’s leadership structures, Mbeki reported a broad consensus on a range of key issues and confirmed South Africa’s interest in advancing and expanding political, economic and cultural interaction with the PRC. In addition, president Mbeki expressed strong appreciation for China’s ongoing efforts to develop relations with the African continent and contribute to Africa’s economic development (*Business Day*, 2001).

The BNC was officially launched during president Mbeki’s state visit to Beijing in December 2001. A range of discussions were held at ministerial and senior official level including the ministries of foreign affairs, economics and trade, public security, judiciary, science and technology, energy and tourism (*People’s Daily*, 2001b). The initial BNC meeting led to the establishment of four sectoral committees on foreign affairs, economy and trade, science and technology, and national defense. A number of other government departments from both countries subsequently established direct channels of communication and maintain a regular and constructive dialogue (*People’s Daily*, 2001a). The BNC provides a solid framework for the further development and enhancement of bilateral China-South African relations. Moreover, the BNC agenda has been complemented and strengthened by a frequent exchange of high-level visits between the two countries. Mbeki’s visit to Beijing focused on expanding relations to include scientific and nuclear research, while the DFA confirmed that South Africa was looking to the PRC “both as a market and an investor”. Mbeki was accompanied by the ministers of trade and industry, agriculture, tourism, defense and technology, as well as a group of businessmen seeking investment opportunities in China. President Mbeki stressed that the launching of the bilateral commission was a “historic moment” in the development of China-South African links and initiated a new phase of positive and constructive relations with opportunities to work together in a wide variety of areas. Mbeki specifically called for a strengthening of bilateral ties to include political, economic and multilateral issues. On his return from Beijing, Mbeki’s message to political supporters in the publication *ANC Today* described his stay in China as a “goodwill visit”, intended to strengthen already very warm and friendly relations (2002). Building on the BNC dialogue as well as on numerous high level visits and interactions, South Africa and China have to date have signed 32 agreements covering a wide range of political, social and economic issues (Zuma, 2003).

Economic relations

During the early 1990s, direct trade relations between China and South Africa were initiated, and within a relatively short period, two-way trade began to increase significantly (Shelton, 2001: 111-119). The volume of bilateral trade in 1991 was only US\$ 14 million, but within six

years, it totaled over US\$ 1.5 billion. The establishment of formal diplomatic links in 1998 provided a further boost to commercial interaction, with two-way trade levels reaching over US\$ 2 billion in 2002. According to South Africa's Department of Trade and Industry (DTI), China's exports to South Africa in 2003 amounted to US\$ 2.37 billion, while South Africa's exports to China were almost US\$ 1 billion (at current exchange rates). South Africa's exports to China have consisted mainly of raw materials such as aluminum, nickel, manganese, zirconium, vanadium oxides, chromium ores, granite, platinum and gold. China's exports to South Africa have included mainly manufactured products, such as footwear, textiles, plastic products, electrical appliances, tableware and kitchenware (Embassy of the People's Republic of China in South Africa, 2004).

The burgeoning trade relationship has largely confirmed economists' predictions that the complementarity of the Chinese and South African economies would provide an excellent foundation for mutually beneficial commercial interaction. Writing in the February 1998 edition of *Chinafrica*, Tao Shu correctly identified the "vast potential for bilateral economic cooperation" (1998: 30). Tao pointed out that between 1991 and 1996 Sino-South African trade grew by 700 percent, making South Africa China's largest trade partner on the African continent. The complementary nature of the two economies provided the impetus for the rapid growth of trade. At the same time, bilateral trade amounts to only a very small percentage of both China and South Africa's international trade profile, suggesting that there is still enormous potential for an increased exchange of good and services (Xian, 1999). During his visit to South Africa, Jiang Zemin stressed the importance of trade as a key element in bilateral relations, and listed the enhancement of trade links as a priority. Given the rapid escalation of trade since his visit, Jiang's optimistic trade objective has been largely realised.

In addition to healthy growth in trade, bilateral investment has increased significantly. By early 2003, Chinese companies had invested US\$ 160 million in 98 projects involving agriculture, textiles, electronics, mining, banking, transportation and communications. South Africa, in turn, has invested in over 200 projects in China. Key South African corporate investors in China include SABMiller, the MIH Group and Landpac. Beginning in 1994, SABMiller invested in China through a joint venture (JV) partnership with China Resources Enterprises (CRE) Group, to establish China Resources Breweries (CRB). CRB has seen rapid growth over the last ten years, becoming the second largest brewing business in China by volume, as well as one of the most profitable beer businesses in China. SABMiller's strategy has been to enter into JVs with local brewers in different parts of the country and thereby strengthen its position in what is expected to become the world's biggest beer market¹⁰. SABMiller is now present in a number of Chinese provinces including Liaoning, Sichuan and Anhui. The company's most recent JV agreement is a 29,6 percent stake in the Hong Kong listed Harbin Brewery, the oldest beer brand in China. SABMiller's corporate expansion strategy has positioned the company for future growth and market dominance in the lucrative Chinese market (African-Asian Society, 2003; Guijin, 2003).

Since 1998, MIH has worked with SARFT (State Academy for Radio, Film and Television) and CCTV (China Central Television) in establishing and maintaining an advanced television platform. MIH now provides services to 15 major clients, including China Central Television, Macao Cable, Shanghai Cable and TVB Hong Kong. Through a range of JVs, supported by MIH's own innovative technologies, the company now also provides entertainment, interactive and e-commerce services to the Chinese market. Since 1995, Landpac has been active in China, providing its Impact Compaction technology to numerous road-building projects. Landpac has engaged in construction initiatives across the length and breadth of China in the building of new roads, as well as in the maintenance or repair of existing transportation networks.

To support and advance South African trade and investment with China, the South African government has opened a consulate office in Shanghai, thereby accessing the heart of China's economic boom. In addition, the South Africa-China Business Association (SACBA), in cooperation with South Africa's Department of Foreign Affairs, has identified a variety of trade and investment opportunities for South African businesses seeking to enter the Chinese market. These include automobile components, fruits and vegetables, pollution control equipment, advanced manufacturing technologies, fruit juices and wines, internet and e-commerce development, arts and crafts and jewellery. Given the rapid economic growth in China over the last twenty years, and the obvious potential for future growth, it is becoming increasingly

attractive for South African businesses to enter the Chinese market as a trader or as an investor (Ryan, 2002: 23).

Relations between South Africa and China have improved significantly since formal recognition only a few years ago. South Africa is now China's key trade partner in Africa, accounting for 20,8 percent of the total volume of China-Africa trade. China has set up more than 80 companies in South Africa since 1998, while China's investment in South Africa now totals more than US\$ 200 million. In addition, a number of Chinese companies are close to concluding new investment agreements in South Africa¹¹. There are now strong links between the two governments at various levels, and China is identified as a key global actor with whom South Africa seeks to broaden relations. China is a strong supporter of South-South co-operation, a key objective of South Africa's foreign policy. In this context, South Africa hopes to mobilise China's support to promote African concerns in the UN and other multilateral forum. For example, closer links with China are helping South Africa promote the interests of Africa in the WTO (Breslin, 2000: 27-29).

South African companies are now engaged in more than 70 different investment projects in China. South African companies have invested more than US\$ 300 million in China since the mid 1990s. South African corporate involvement in China includes the following sectors: harbour construction, beverage manufacturing, textiles and building materials. China's entry into the WTO facilitates and encourages new foreign investment in China. At the same time, South African exports to China are increasing significantly and there is clearly enormous potential for increased trade between the two countries (Department of Foreign Affairs, 2004). Building on the solid foundation of a shared global political vision and accelerating economic interaction, China and South Africa are set to expand collaboration at all levels. A broadly common approach to international affairs and the growing synthesis of policy with regard to multilateral institutions and the international economy provides the building blocks for a substantial and mutually beneficial long-term relationship. Expanded co-operation and collaboration based on past interaction augur well for a continued warm friendship and a strengthened strategic partnership between the two countries. This provides the platform for increased commercial interaction and the further growth of trade and investment ties.

Advancing a new global order

The China-South Africa relationship has clearly advanced significantly at both the political and economic levels. The momentum of two-way trade is certain to accelerate in the years ahead given the evident complementarity of the Chinese and South African economies. Growing opportunities for investments in South Africa are expected to be attractive to Chinese enterprises, while the massive potential for investment in China cannot be ignored by South African businesses. At the political level, the synchronisation of foreign policy proposals and long-term objectives is expected to become a more urgent consideration. On the African continent, South Africa will increasingly look to China for support in the following areas:

- *The New Economic Partnership for Africa's Development (NEPAD)*. China's FOCAC process could be merged with NEPAD, thereby providing a major impetus to Africa's economic development.
- *The African Union (AU)*. Strong Chinese political and financial support for the programmes and objectives of the AU would be a very welcome contribution to Africa's revival.
- *Promotion of peace in Africa*. China's decision to deploy peacekeepers to the Democratic Republic of Congo (DRC) and Liberia has been widely welcomed as a very positive contribution towards the urgent need to promote greater peace and stability in Africa. Further contributions of this kind would be a very positive development.

In the context of a partnership to advance a new global order, the common foreign policy objective identified and confirmed by Mbeki and Jiang in December 2001, South Africa looks to China for support in the following areas:

- Restructuring the United Nations (UN), in line with the Group of 77 and China's UN Programme for Reform (A/51/950) as well as the Declaration of the Twenty-Seventh Annual Ministerial Meeting of the G-77, which would bring strong permanent African and possibly

South African, representation to the UN Security Council (Declaration by Group of 77 and China, 1997; Chan, 2003).

- Reform of the global trading system (Xiaoye and Zhenghua, 2004: 43-53), as outlined by the Group of 77 and China in Geneva on August 22, 2003, aimed at improving the access of developing countries to the markets of the developed, industrialised economies and strengthen programmes to eradicate poverty, underdevelopment and economic vulnerability on the world's less developed (LDC) countries (Declaration by the Group of 77 and China, 2003; Institute of Reform and Development, 2002).

- Enhanced South-South cooperation in the spirit of the 1955 Bandung Conference's programme for African-Asian solidarity and collaboration to address global injustice, discrimination and the marginalization of developing countries (United Nations-General Assembly, 2004).

Conclusion: promoting a new global vision

Building on the solid foundation of a shared global political vision and accelerating economic interaction, China and Africa have a strategic opportunity to cement a new form of South-South co-operation, which could be very effective in advancing reform of the existing global order. The bonding of China and Africa in a common goal to eliminate the iniquities of the existing outdated economic and political system of global governance provides hope and inspiration to developing countries. The evolving China-African relationship, at the multilateral level via the FOCAC process, and at the bilateral level, such as the case of China-South African relations, via a formally constituted bin-national commission, serves as a model for South-South co-operation and provides a new framework for effective participation in the North-South debate. China-Africa relations have come a long way since Jiang Zemin's 1996 visit to the continent. Continued co-operation and collaboration based on the past augur well for a continued warm friendship and a long-term strategic partnership between China and Africa.

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Notes

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1 In this context, South-South co-operation is defined as the promotion of economic interaction among developing nations at the bilateral, regional and global level to achieve the goal of collective self-reliance. Co-operation envisaged by this process includes increased trade and investment along with technology transfers and appropriate political and economic co-operation through policy synchronisation (Alden, 1999).

2 The more pessimistic interpretations of China's long-term strategy are outlined in Bernstein and Munro (1998), Mosher (2000), Segal (1994) and Hornik (1994: 28-42).

3 In line with the PRC's six-point foreign policy framework. See "China's Foreign Policy", at <<http://english.peopledaily.com.cn/china/>>.

4 Interaction with Africa was a key part of China's overall Cold War foreign policy (Jun and Siyan, 2004: 95-164; Cotterell, 1993).

5 For an outline of Sino-African relations during the Cold War period see Brzezinski (1963); Cooley (1965); Larkin (1971); Albright (1980); Copper (1979); Harris and Worden (1980); Weinstein and Henriksen (1980); Hutchison (1980); Ogunsanwo (1974); Hinton (1976); Hevi (1977); Chou (1989); Yu (1975); Larkin (1971); Goodman and Segal (1991); Weiss (1988); Roy (1998).

6 Jiang's new Africa policy was in line with the broader post-Mao foreign policy changes (Starr, 1998: 287-304; Henderson, 1999: 135-156; Overholt, 1993: 211-247; Story, 2003: 25-53; Foreign Language Press, 2004: 91-102).

7 See PRC Ministry of Foreign Affairs at <<http://www.fmprc.gov.cn/eng/index.html>>.

8 See Ministry of Commerce at <http://www1.moftec.gov.cn/moftec_en/>.

9 China-Africa Friendship and Co-operation, Secretariat of the Chinese Follow-up Committee of the Forum on China-Africa Co-operation, Beijing, 2003.

10 The South Africa-China Business Association (SACBA) at <<http://www.sacba.com.cn/about/about.htm>>.

11 Department of Trade and Industry (DTI) Pretoria, at <<http://www.dti.gov.za/econdb/raportt/>>.