

Sino-Zimbabwe relations

Who benefits?

It is clear that the partial sanctions imposed by the West on Zimbabwe have had a counter productive impact. **Wilf Mbanga** tells how in the absence of competition from the West, Chinese capitalists have moved into the Zimbabwean economy in a major way.

Sino-Zimbabwe relations - who benefits? This question can be answered in one sentence - the Chinese, Mugabe, his cabal of generals and their hangers on.

Of course the Chinese, being shrewd businessmen, get the lion's share. Although they do try to put a positive spin on their aggressive global expansion.

For example, Heilongjiang Beidahuang Nongken Group, China's largest agricultural company, said recently that it plans to acquire or lease 495 000 acres of farmland in Latin American countries as well as Russia, the Philippines, Australia and Zimbabwe.

The group's chairman Sui Fengfu told the Chinese official newspaper *China Daily* that: 'In Venezuela and Zimbabwe, the Chinese group mainly supplies machinery and labour, and takes about 20% of the harvest in return.'

I would be very surprised if this is indeed the case with China's involvement in Zimbabwean agriculture. It is difficult to get at the facts shrouded as they are in the propaganda and disinformation that surrounds everything relating to Mugabe and Zanu (PF). It would be far closer to the truth to say that Mugabe has virtually mortgaged Zimbabwe to the Chinese, and future

generations of our children will pay the price.

ZANU-PF TURNS TO CHINA

China has cleverly positioned itself as the champion of the developing world. Unlike the West, which insists on tying its developmental aid to democratic reforms, China turns a blind eye and hides behind a policy of 'non-interference'.

It is well known that China was the most powerful and the most long-standing supporter of Mugabe's Zanu (PF) liberation army, providing it with arms, logistics and training. With his degeneration from African hero to an international pariah, China represents Mugabe's only major international supporter and a patron for its violent and corrupt land reform policies.

When he began to lose Western favour and consequently capital, trade and access to Western technology due to his increasingly dictatorial tendencies, Mugabe turned to China as a critical ally. His much-touted 'Look East Policy' opened the door to Beijing to exploit valuable natural resources and secure lucrative deals for Chinese state-owned firms.

Zimbabwe-China relations have become so crucial that it is rumoured that the police have created a 'China

desk', to protect Chinese interests in the country.

Back in July 2005, when British Prime Minister Tony Blair turned the sanctions screws tighter on him, Mugabe flew to Beijing to meet with the top Chinese leadership. He begged for an emergency loan of \$1-billion and invited increased Chinese involvement in Zimbabwe's economy.

By June 2006 the visit had begun to bear fruit. State-owned Zimbabwean businesses signed energy, mining and farming deals worth billions of dollars with Chinese companies. The largest was with China Machine-Building International Corporation, for a \$1.3-billion contract to mine coal and build thermal-power generators in Zimbabwe.

In 2007 the Chinese government brought farm machinery worth \$25-million to Zimbabwe, including 424 tractors and 50 trucks, as part of a \$58-million loan to the Zimbabwean government. In return for the equipment and the loan the Zimbabwean government pledged and delivered 30 million kgs of tobacco.

TAKING CHINESE ARMS

Because of his isolation and the collapse of the economy due to

mismanagement and corruption, Mugabe's position has been weak, enabling the Chinese to drive a hard bargain. They can virtually dictate the terms.

With the imposition of targeted measures against him and his cronies, and the arms embargo on the country, imposed by the West, Mugabe became increasingly desperate. At the same time, the population grew more restless and he needed more and more arms to keep them in check.

Although Zimbabwe has some small arms manufacturing capability, in the form of Zimbabwe Defence Industries, it is dependent to a large extent on arms and military equipment from China. In 2008, this amounted to 39% of all imported arms, followed by 35% from Ukraine and Libya 27%.

China has been Zimbabwe's main arms supplier for the past decade, but it is not exactly clear what has been delivered. For example, in 2004 it was reported

that Zimbabwe was in the process of acquiring 12 Chinese FC-1 combat aircraft and more than 100 Dongfeng military vehicles in a deal worth an estimated \$200-million.

However, while it is believed that Zimbabwe took delivery of Chinese-produced armoured vehicles, assault rifles and support material via the Mozambican port of Beira in early 2005, the FC-1 deal was not completed.

Also in 2005 Zimbabwe received six K-8 trainer aircraft with a second batch of six arriving in 2006. The Permanent Secretary of the Zimbabwean Ministry of Defence, Trust Maphosa, reported these acquisitions to the Zimbabwean Parliament, and China also reported its delivery of the second batch of six K-8 aircraft to the UN Register of Conventional Arms.

The most widely discussed arms transfer from China was the attempted shipment of arms aboard the Chinese vessel *An Yue Jiang* in the lead-up to the 2008 Zimbabwean

elections. The vessel attempted to deliver three million rounds of ammunition, 1 500 rocket-propelled grenades and more than 3 000 mortar rounds and mortar tubes to be unloaded in the harbour of Durban, and then transported by land to Zimbabwe (see *SALB* 32.3).

After this transfer was exposed South African dock workers refused to unload the cargo. Following this, a court ruling rescinded the initial transfer authorisation. In response to international criticism, Chinese officials reportedly justified the export of ammunition during the political crisis as 'business as usual'. Whether the arms ever reached Zimbabwe remains unknown. The truth is hard to come by.

HEAVY CHINESE INVOLVEMENT

How the values are arrived at for the purposes of trade is anybody's guess. One thing is for sure - the Chinese are not drawing the short straw. Zimbabwe makes payment mainly in the form of land, mining concessions and tobacco.

Zimbabwe no longer has any manufacturing or industrial base to speak of and Mugabe has therefore mortgaged the country's resources to pay the Chinese.

This includes mining concessions in the diamond fields of Marange, one of the richest diamond fields in the world, where there are two companies operating, namely Sino-Zimbabwe enterprises and Anjin. Nobody knows how much the fields are producing and, despite the ban on trade in Zimbabwean diamonds by the Kimberley Process, trade continues unabated.

The Chinese are also heavily involved in many other sectors in Zimbabwe, including construction, road building, residential and business property and hotels. There is a large Chinese presence in the country, and a mushrooming of Chinese restaurants.

The Chinese have also provided spying technology, and are building



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a state-of-the-art eavesdropping centre near Mazowe to intercept internet communications, including diplomatic exchanges.

Chinese businessmen in Zimbabwe enjoy protection from the highest level, as illustrated by a story carried recently in *The Zimbabwean* when a Chinese businessman was arrested in Harare. Despite being handcuffed he managed to floor two police constables with his expertly delivered karate kicks. As he was dragged away to the police station he shouted 'You are all stupid, nothing is going to happen to me. I am protected by Comrade Mugabe.' Sure enough, he was released without charge.

At a time when Mugabe is demanding that all foreign investors cede 51% of their shareholdings to indigenous Zimbabweans causing jitters in the business community and on the stock exchange, the Chinese are increasing their investment.

Last month Chinese Prime Minister Vice Premier Wang Qishan announced US\$700-million credit to Zimbabwe to support agriculture and health. It is not known what inducement Zimbabwe offered China to secure this or whether it is a goodwill gesture on the part of the Chinese.

I am inclined to believe reports attributed to 'government sources' that say the loans are part of measures by the Chinese government aimed at ensuring that they won't be affected by Mugabe's nationalisation plans. Minister of Indigenisation, Savior Kasukuwere, was quoted in the media last month saying China would not be affected by Zimbabwe's BEE (Black Economic Empowerment) law.

CHINESE AND LABOUR

It is reported that workers are suffering at the hands of Chinese employers. In Matabeleland North at Entuba coalfields in Hwange, owned by a consortium of local

Examples of Chinese involvement in Zim

Zimbabwe has the second largest deposits of platinum in the world, estimated at over \$500-billion, but due to resource limitations that wealth remains untapped. In all, the country has deposits of more than 40 minerals including ferrochrome, gold, silver, and copper. The Chinese are mining platinum, gold, nickel, chrome, copper, silver, coal, coke.

Agreements include a deal between the Zimbabwe Mining Development and China's Star Communications which formed a joint venture to mine chrome, with funding from the China Development Bank.

In December 2007, Chinese company, Sinosteel Corporation, acquired a 67% stake in Zimbabwe's leading ferrochrome producer and exporter Zimasco Holdings.

Black Zimbabweans who had been re-settled under the controversial Zanu (PF) land grab, have since been evicted to make way for Chinese farmers. It is estimated that China's population will increase by 123 million by 2025 from the current 1,3 billion. China may have its sights set upon a future source of food from Africa's former breadbasket.

The Chinese state-owned firm, China International Water and Electric, has already been contracted to farm 250 000 acres in southern Zimbabwe. Chinese and Zimbabwean developers believe the project will yield 2.1 million tonnes of maize every year, and require the building of a massive irrigation system. Zimbabwe, it is believed, will return the favour by adding to China's already massive imports of tobacco from the region.

business people in partnership with Chinese, locals from surrounding communities and employees say they are treated as second-class citizens.

The Chinese have been lambasted by the Zimbabwe Construction and Allied Trades Workers Union (ZCATWU). The union claims that it has received reports of inhumane practices on locals by workers in the construction industry.

'Chinese employers should take people seriously. Locals are fired any time. There is no labour law practised in Chinese-run projects,' said the union's secretary-general, Muchapiwa Mazarura.

The union also accused the Chinese of not providing protective clothing and proper sanitation. 'The working sites pose a danger to human life. When

you get there the workers don't have protective clothing,' added Mazarura.

Criticism of Chinese practises in the workplace is not isolated. The National Union of Quarry Workers of Zimbabwe recently accused Chinese managers at Ngezi Mine in Zvishavane of ill-treating and underpaying their workers. ^{LB}

Wilf Mbanga is the founder editor of 'The Zimbabwean'. He lives in exile in the United Kingdom after being declared an enemy of the state by the Zimbabwean government in 2004. In November 2010 a warrant for his arrest was issued by the Zimbabwean government for a story he has proved his newspaper did not publish. The warrant has not been withdrawn.