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Thank you for joining us once again. Let me begin with work in progress:

Democratic Republic of Congo (DRC)

As you know, democracy in the DRC is being increasingly consolidated and it really is becoming one of Africa's great success stories.

But the recent good news is that Laurent Nkunda, the rebel Congolese general has said his fighters have started rejoining the government army after talks in Rwanda.

From reports, it is clear that agreements have been reached on the inclusion of General Nkunda's soldiers into the National Army of the DRC. Consequently, over a thousand of his soldiers have begun to be integrated into the Army of the DRC.

Discussions are ongoing as to the role of General Nkunda in a post-election DRC. The Kinshasa government had issued an international warrant via Interpol for Nkunda's arrest for alleged war crimes committed by his forces during their 2004 occupation of the town of Bukavu. This issue will have to be taken into consideration within the context of trying to find an overall solution including as to the future of General Nkunda.

I am also happy to report that Senate elections were held on Friday, 19 January 2007 and in results announced the same day

Outcome of Senate Elections

In results announced later the same day:

Of the 108 senate seats:

- * the Alliance of Presidential Majority (President Kabila's Alliance) received 68 seats
- * the Union for the Nation (former Vice President Bemba's alliance) received 21 seats
- * the remaining seats are shared between smaller parties that are not part of the Alliances and independent candidates.

Of importance was the election of former Vice President Bemba as a Senator for Kinshasa.

Four former Prime Ministers under former President Mobuto, have been elected as Senators.

The general trend in the DRC is positive and we do believe that the conditions are good to enable us to sustain the advances we have made in the DRC.

Somalia

Since our last briefing the international community has expressed concern at the removal of the Somali speaker of parliament Hassan Sheikh Adan on 17 January 2006 and it is believed this has the potential to pose an obstacle to the reconstruction process in Somalia.

Kenya continues to tighten security around its borders in an attempt to prevent the fleeing Union of Islamic Courts (UIC) leaders from entering its country. On 17 January 2006, Mr Sheikh Sharif Sheikh Ahmad who is the second in command within the UIC leadership was arrested at a roadblock in Damajale location while he was heading to the United Nations High Commissioner for Refugee Camps in Dadaab Division.

It is reported that the Transitional Federal Government (TFG) has been engaged in a process of consultations with key warlords in Somalia. This process is said to be contributing positively towards the establishment of administrative structures in that country.

These developments prompted the United Nations (UN) Office for the Co-ordination of Humanitarian affairs (OCHA), headed by Philippe Lazzarini to call the international community to seize this opportunity to launch projects that support stabilisation and make visible difference in the people's lives. According to the Special Representative some of the programmes expected to be prioritised include back to school programmes, sanitation, income-generation activities and resettling internally displaced persons most of whom occupy government buildings, and the demobilisation and reintegration of militias.

However, we are concerned that the situation still remains very volatile. Thirty-four more alleged suspected Islamic court fighters have been arrested by the Kenyan authorities and have been handed over to Somali authorities. These include four foreigners ? a Canadian and 3 Eritreans and indeed they are saying that they are just business people with no involvement in terrorist activities.

What is more worrying is that the UIC in Somalia has vowed to fight a guerrilla war against the government forces and what they say is their Ethiopian allies. According to the Deputy Chairman of the UIC, "This is a new uprising by the Somali people. The only solution can be reconciliation and talks between the Transitional Federal Government and the Union of Islamic Courts."

I believe that is a call coming through from many parts of the world including the African Union: to have long term solution you need an all inclusive discussion including elements of the UIC.

The African Union (AU) Peace and Security Council, in its recent meeting which discussed Somalia, has reiterated the same call: "there exists a unique and unprecedented opportunity to restore structures of governance in Somalia and bring about lasting peace and reconciliation."

It stressed the need on the part of the Transitional Federal Institutions (TFIs) to embark on an all-inclusive and genuine process of dialogue and reconciliation within the framework of the Transitional Federal Charter. It welcomed the stated commitment of the leaders of the TFG to dialogue and reconciliation, and encouraged the TFG to pursue its ongoing efforts with a view to reaching out to all segments of the population. It also encouraged the Chairperson of the Commission to take all necessary steps to assist this process and to ensure that the AU plays a leading role in this process.

The general understanding is that without an all-inclusive process, this golden opportunity will disappear.

The AU Peace and Security Council then decided to authorise the deployment of the African Union Mission in Somalia (AMISOM) for a period of 6 months with the mandate to:

- * provide support to the TFIs in their efforts towards the stabilisation of the situation in the country and the furtherance of dialogue and reconciliation

- * to facilitate the provision of humanitarian assistance

* to create conducive conditions for long term stabilisation, reconstruction and development in Somalia

In this respect AMISOM will be adequately equipped to project the appropriate posture, and shall undertake the following tasks:

* to support dialogue and reconciliation in Somalia, working with all stakeholders

* to provide, as appropriate, protection to the TFIs and their key infrastructure, to enable them to carry out their functions

* to assist in the implementation of the National Security and Stabilisation Plan of Somalia, particularly the effective re-establishment and training of all inclusive Somali security forces, bearing in mind the programmes already being implemented by some of Somalia's bilateral and multilateral partners

* to provide, within capabilities and as appropriate, technical and other support to the disarmament and stabilisation efforts

* to monitor, in areas of deployment of its forces, the security situation

* to facilitate, as may be required and within capabilities, humanitarian operations, including the repatriation and reintegration of refugees and the resettlement of Internally Displaced Persons (IDPs)

* to protect its personnel, installations and equipment, including the right of self-defence.

AMISOM shall comprise 9 infantry battalions of 850 personnel each supported by maritime coastal and air components, as well as an appropriate civilian component, including a police training team.

The initial deployment shall involve at least 3 infantry battalions, with adequate arrangements for additional battalions to follow quickly.

AMISOM shall be deployed for a period of 6 months, aimed essentially at contributing to the initial stabilisation phase in Somalia, with a clear understanding that the mission will evolve to a United Nations operation that will support the long term stabilisation and post-conflict reconstruction of Somalia.

It goes on to make calls to the international community ? AU member states, the League of Arab States, the European Union and its member states, the UN and all other AU partners, to urgently provide, in a predictable and co-ordinated manner, the required financial, technical and logistical support to facilitate the deployment of AMISOM as soon as possible.

Visit to Africa by new United Nations Secretary-General

As you know, the new Secretary-General Ban Ki-Moon is visiting parts of Africa where all these issues will be high on his agenda.

He will visit the DRC, proceed to Addis Ababa where he will attend the AU Summit where the issues of Somalia, Sudan/Darfur, Cote d'Ivoire will be high on the agenda. and then on to a meeting of the Quartet where he will focus on matters relating to the Middle East which is also an area of constant concern for us.

Listing of South African individuals and entities associated with Al-Qaeda and the Taliban by the United Nations Security Council's 1267 Committee: Farhad Ahmed Dockrat, Junaid Ismail Dockrat and Sniper Africa

Let me contextualise this:

The Security Council is the United Nations organ that bears primary responsibility for maintaining international peace and security in accordance with Article 24 (1) of the Charter of the United Nations, which reads as follows:

"In order to ensure prompt and effective action by the United Nations, its Members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Council acts on their behalf."

The Al-Qaeda and Taliban Sanctions Committee ('1267 Committee') is one such subsidiary body. Its mandate is to monitor the implementation of sanctions against Al-Qaeda, the Taliban and their associates worldwide by Member States of the United Nations.

As a member of the Security Council in 2007 and 2008, South Africa is therefore currently also a member of all the subsidiary bodies of the Council, including the 1267 Committee.

Resolution 1267 (1999), which was adopted under Chapter VII of the Charter on 15 October 1999, imposed financial sanctions against the Taliban, as well as a flight ban on aircraft owned, leased or operated by or on behalf of the Taliban.

Security Council resolution 1390 (2002) adopted on 28 January 2002 which, under Chapter VII of the UN Charter, imposed a global travel ban, financial restrictions and an arms embargo against individuals or entities listed by the Committee as members or associates of Al-Qaeda and the Taliban.

You can see the consequences of these resolutions are quite extensive.

According to operative paragraph 2 of resolution 1390 (2002) adopted under Chapter VII of the UN Charter making it mandatory, sets out the actions to be taken by all Member States of the United Nations as follows:

- * Freeze without delay the funds and other financial assets or economic resources of these individuals, groups, undertakings and entities, including funds derived from property owned or controlled, directly or indirectly, by them or by persons acting on their behalf or at their direction, and ensure that neither these nor any other funds, financial assets or economic resources are made available, directly or indirectly, for such persons' benefit, by their nationals or by any persons within their territory.

- * Prevent the entry into or the transit through their territories of these individuals, provided that nothing in this paragraph shall oblige any State to deny entry into or require the departure from its territories of its own nationals and this paragraph shall not apply where entry or transit is necessary for the fulfilment of a judicial process or the Committee determines on a case by case basis only that entry or transit is justified.

- * Prevent the direct or indirect supply, sale and transfer, to these individuals, groups, undertakings and entities from their territories or by their nationals outside their territories, or using their flag vessels or aircraft, of arms and related materiel of all types including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts for the aforementioned and technical advice, assistance, or training related to military activities.

Any member of the UN may petition the 1267 Committee to add individuals or entities to the list, or to remove them from the list.

According to the rules of procedure, the Chairperson of the 1267 Committee on receipt of the names, distributes the list to all 15 members of the Committee. Committee members are given a 5-day period to indicate whether they object to the listing or not.

If a Member State within this period places a hold on a name(s), the name(s) cannot be included in the Consolidated List because the Committee operates by consensus. A listing could be on hold for a number of years.

As you know, the US has now given notice of the listing of the two Docrats and we have five days in which to make known our action in this regard.

It is our common experience that since these resolutions have come into force, during 2006, many such listings were placed on hold by countries like the United Kingdom, the United States, the Russian Federation, China, France, Denmark and Qatar. They have always indicated that the names are placed on hold to enable them to have further discussions and to investigate the consequences of this listing in terms of national law and to be fully satisfied that the listed individuals are indeed involved in terrorist activities and possible consequences of domestic laws.

It is South Africa's view that we should also ask the 1267 Committee to put on hold the listing of these two individuals until we have further discussed with the relevant players in this regard.

You must understand that once you are on the list, it is very difficult to get off the list. Therefore, it has very serious consequences and we want to be absolutely certain that we are also totally in compliance with our national law. Although it is mandatory if it is a Security Council Chapter VII resolution, we will have to understand how it impacts on our national law and the constitution. At the same time, we have to be sure that anyone who is listed is involved in terrorist activities and the listing is therefore legitimate.

We have to take into consideration that we have a counter terrorism legislation, viz. the Protection of Constitutional Democracy Against Terrorist and Related Activities Act (Act 33 of 2004) and this would become effective when the Security Council formally includes the names on the 1267 Consolidated List. We have to follow certain procedures in terms of this too. This is the first time that we face such a challenge and will have to consult many legal structures to get a better understanding of the 2004 legislation. We cannot predict any outcome at this stage.

We will call on the Security Council, in line with what many other countries have done, to put these listings on hold.

Irrespective of the processes in the Security Council, the US is expected to proceed with the designation of South Africans on the US Domestic Terror List. The US would insist that any bank operating through the US or using the SWIFT system would have to freeze the assets of the suspects, in accordance with the US legislation, or the funds would be seized from the banking institution and forfeited.

Refusal of Entry or Deportation of South Africans

Let me now refer to something that is increasingly becoming a matter of concern to the South African government: increasingly, without any reasons, South African's travelling abroad and not only to the United States, even with the relevant travel documents, are being deported upon arrival. You are familiar with the case of Professor Habib who is the Executive Director: Democracy and Governance of the Human Research Sciences Council (HSRC). As you know, he was scheduled to go to the United States as part of the HSRC delegation to meet with many academic and non-academic institutions in the US and many foundations to have discussions as

they have done in the past. He had a valid visa but was deported. He has appealed to us to try to get some clarity on the matter because as an academic in the HSRC he has many reasons to travel to the US. Indeed, he has just been invited to go to a major conference later this year. If he has been deported once, it is obvious that his name is on some list and he will not be allowed entry into the US until this matter has been cleared up.

The Ports Authority in the US has said this is not a matter under their mandate and that the State Department should be contacted. The HSRC has written to the State Department and to ourselves to request we seek some clarification as the consequences are quite serious.

Unfortunately, as we were working on this, we were informed that the 10-year visas of Prof Habib, his wife and two sons were revoked. Indeed they are expressing concern since one of the son's was scheduled to travel to the US to attend a workshop on Youth and the United Nations.

It is clear that increasingly, South Africans, even with the relevant travel documents, will find themselves on some list which has not been given to us and will continually be deported from countries. There is now a system that once names are provided, they are circulated worldwide and you will not be aware of the basis on which you are being listed and deported. This is a matter of some concern to us since it does indicate that unless there is some form of transparency, many innocent people will find themselves caught in this situation.

State visit to South Africa by Chinese President

President Hu Jintao will visit South Africa within the context of an eight-nation African tour (Liberia, Sudan, Cameroon, Zambia, Namibia, Mozambique, Seychelles and South Africa).

He is scheduled to arrive in South Africa on Tuesday, 6 February 2007 and depart on Thursday, 8 February 2007.

During the visit he will hold discussions with President Mbeki, receive a courtesy call from Deputy President Phumzile Mlambo-Ngcuka, visit the Cradle of Humankind and present a keynote address at the University of Pretoria.

Chinese Perspectives re: Africa

During the Bandung Africa-Asia Conference in April 2005, the Chinese President called for the creation of a Strategic Partnership with Africa that will focus on three main areas of co-operation: political solidarity, economic co-operation and socio-cultural co-operation

It is also important to harmonise, synchronise and align the Forum on China-Africa Co-operation (FOCAC) with the New Partnership for Africa's Development (NEPAD) and to leverage FOCAC to the benefit of NEPAD

China's increased engagement with the continent presents an opportunity for a valuable contribution to Africa's growth and development.

A positive pro-active approach on the relationship between China and Africa needs to be developed and implemented, in order to harness resources and focus activities towards meaningful deliverables that would serve primarily the interests of Africa

Much of China's activities in Africa are conducted under FOCAC

In the November 2006 FOCAC Beijing Declaration, China and Africa committed themselves:

"Properly (to) handle issues and challenges that may arise in the course of co-operation through friendly consultation in keeping with China-Africa friendship and the long-term interests of the two sides."

China and Africa adopted the sector-specific Beijing Action Plan (2007-2009), based on the shared imperative to "promote friendship, peace, co-operation and development," and to "advance the new type of strategic partnership between China and Africa in keeping with" the FOCAC Beijing Declaration.

Visit to South Africa by Premier Wen Jiabao

In preparation for the visit of Premier Jiabao to South Africa in June 2006, Assistant Foreign Minister He Yafei stated that it was "erroneous and one-sided" to believe that it (China) is only interested in Africa because of its energy resources, arguing that it had comprehensive ties with the continent.

The visit by Premier Wen Jiabao from 17 - 22 June to Egypt, Ghana, the DRC, Angola and South Africa following a five-nation African tour by Chinese President Hu Jintao in April 2006 which was highlighted by a series of oil deals reflecting China's rising demand for energy to power its booming economy

"Boosting China Africa friendship and all round co-operation is a long-term and strategic decision China made, and it is a natural choice for the two sides in pursuit of common development and prosperity. Strengthened consultation and closer co-operation between the two sides will uphold the legitimate rights and interests of developing countries and advance democracy in international relations. I am convinced that with the concerted efforts of China and Africa, we will surely make a greater contribution to the building of a harmonious world of enduring peace and common prosperity."

In October 2006 Chinese State Councillor Tang Jiaxuan stated: "China is committed to helping Africa and hopes to see Africa grow and become stronger. The economic co-operation and trade between China and Africa are mutually beneficial. China's development has created more development opportunities for Africa.

First China's development has created a growing export market for Africa. In 2005 China-Africa trade volume reached US\$39,8 billion. It included US\$21,1 billion in imports from Africa, which exceeded China's exports to Africa.

Second China's total investment in Africa has reached US\$6,27 billion. China has launched over 800 non-financial investment projects in 49 countries, covering trade, manufacturing and processing, resource development, communications and agriculture. China will develop new forms of co-operation, expand the scale of investment, upgrade co-operation and provide quality service to promote common development of both China and Africa.

Third, over 720 major projects have been completed in 49 African countries with Chinese assistance, and 58 projects have been launched in 26 African countries with preferential loans from China. China has exempted 10,9 billion yuan (US\$1,34 billion) in debts of 31 heavily indebted poor countries and least developed countries in Africa. China has also trained over 14 600 African personnel in various fields."

A further indication of the Chinese approach to Africa is reflected in President Hu Jintao's 8 point plan:

1. Double its 2006 assistance to Africa by 2009.

2. Provide US\$3 billion of preferential loans and US\$2 billion of preferential buyer's credits to Africa in the next three years.
3. Set up a China-Africa development fund which will reach US\$5 billion to encourage Chinese companies to invest in Africa and provide support to them.
4. Build a conference centre for the African Union to support African countries in their efforts to strengthen themselves through unity and support the process of African integration.
5. Cancel debt in the form of all the interest-free government loans that matured at the end of 2005 owed by the heavily indebted poor countries (HIPC) and the least developed countries (LDC) in Africa that have diplomatic relations with China.
6. Further open up China's market to Africa by increasing from 190 to over 440 the number of export items to China receiving zero-tariff treatment from the least developed countries in Africa having diplomatic ties with China.
7. Establish three to five trade and economic co-operation zones in Africa in the next three years.
8. Over the next three years, train 15 000 African professionals; send 100 senior agricultural experts to Africa; set up 10 special agricultural technology demonstration centres in Africa; build 30 hospitals in Africa and provide RMB 300 million of grant for providing artemisinin and building 30 malaria prevention and treatment centres to fight malaria in Africa; dispatch 300 youth volunteers to Africa; build 100 rural schools in Africa; and increase the number of Chinese government scholarships to African students from the current 2000 per year to 4000 per year by 2009.

To give concrete expression to this 8-point plan, during the FOCAC Summit, China offered a package of measures in support of African development, namely to:

- * Provide US\$5 billion in preferential loans (US\$3 billion) and preferential buyer's credits (US\$2 billion) over the next three years.
- * Double aid to Africa by 2009 from 2006 levels.
- * Set a target of US\$100 billion in Sino-Africa trade by 2010, up from the current US\$39,7 billion in 2005 (expected to reach US\$50 billion in 2006).
- * Extend Approved (Tourist) Destination Status (ADS) to a further nine African countries (Algeria, Cape Verde, Cameroon, Gabon, Rwanda, Mali, Mozambique, Benin and Nigeria), bringing the total to 26 African countries with ADS status.
- * Encourage Chinese firms to invest in Africa. At the end of 2005, Chinese investment in Africa totalled US\$6,27 billion. To this end, China will establish a US\$5 billion China-Africa Development Fund to encourage and support Chinese firms to make investments in Africa.
- * Construct a Conference Centre for the African Union in Addis Ababa.
- * Cancel debts in the form of all interest free government loans that matured at the end of 2005 owed by the heavily indebted poor countries (HIPC) and least developed African countries (LDC) that have diplomatic relations with China (US\$1,4 billion in debt of 31 countries had previously been cancelled).
- * Further open up China's markets by increasing from 190 to more than 440 the number of export items enjoying zero-tariff treatment from the 28 least developed countries in Africa having diplomatic relations with China.

* Set up 3 to 5 economic and trade co-operation zones in Africa over the next three years.

* Over the next three years, train 15 000 African professionals, send 100 senior agricultural experts to Africa, set up 10 special agricultural technology demonstration centres, build 30 hospitals, build 30 malaria prevention and treatment centres and provide US\$38 million in grants for the provision of artemisin, send additional medical teams to Africa, build 100 rural schools, double the number of Chinese government scholarships to African students to 4000 per year by 2009, dispatch 300 youth volunteers to Africa, and build more Confucius Institutes in African countries to meet the needs in Chinese language teaching.

* Continue to support Africa in the implementation of NEPAD and increase co-ordination and co-operation of the Beijing Action Plan (2007-2009) with NEPAD.

During the FOCAC Summit in Beijing, November 2006, Chinese companies signed 16 contracts with 11 African countries to buy minerals and build infrastructure.

During November 2006 it was announced that the West African Development Bank, BOAD, had signed two co-operation agreements worth 46 billion CFA francs with the People's Bank of China and the Chinese Export-Import Bank.

Officials of the three banks signed the accords during the two-day China Business Days, organised by BOAD in collaboration with the Central Bank of the West African States (BCEAO) and the West African Economic and Monetary Union (UEMOA). The first agreement is for a technical co-operation fund of about US\$1 million or 550 million CFA francs to support Chinese technical assistants working with the BOAD, as well as for investment projects, study visits, and business studies.

The second accord is for a credit line of 70 million, about 45,92 billion CFA francs, signed between BOAD and the Chinese Export-Import Bank.

This will support the funding of projects, as well as goods and services using Chinese technology in the West African Economic and Monetary Union (UEMOA) member countries. The credit line will also support development of infrastructure, exploitation of energy resources and construction projects.

Culture and Tourism

There are currently six Confucius Institutes and 20 Chinese teaching posts in 11 African countries.

China now grants tourist destination status to 26 African countries, according to an action plan endorsed during the 2006 FOCAC Summit.

The number of Chinese tourists to Africa reached 110 000 in 2005, doubling the 2004.

China's trade with Africa

Since 2000, China's trade with Africa has nearly tripled to US\$39,8 billion in 2005. China is now Africa's third largest commercial partner after the US and France, and second largest exporter to Africa after France.

President Hu Jintao furthermore pledged to double aid to Africa in three years by extending more credit and waiving tariffs on more of its exports, to strengthen economic and political ties. The Chairman of the China Council for the Promotion of International Trade said that a China-Africa Joint Chamber of Commerce had been established to promote trade. Premier Wen Jiabao

expressed the belief that China Africa trade might rise to US\$100 billion by 2010. It was expected that the trade statistics for 2006 would reflect a rise in trade between China and Africa of 26% to US\$50 billion.

*TBA =The Beijing Axis ? The China Analyst for Africa Nov 2006

Chinese officials believe Beijing can increase its oil and gas imports from Africa, which currently supplies 30 percent of China's total imports. Angola now has become China's largest supplier, shipping Beijing 522 000 barrels of oil per day, and Chinese oil companies have taken stakes in 20 African nations; over just the last five years, Chinese oil firms have spent \$15 billion buying up oil fields and local companies.

Although China's primary interest in Africa is energy, it has major interests in other natural resources, particularly metals, food and timber. China has supplied peacekeepers ? to the DRC and Liberia ? and election observers to Ethiopia.

China plans to establish a free trade agreement with Africa. In 2004, China spent approximately US\$10 billion on African oil, accounting for nearly one-third of its total crude imports (this is the equivalent to twice as much of what was imported from Saudi Arabia). It is estimated that between 15 to 20 percent of Chinese energy needs are sourced from Africa.

Egypt

Egypt was the first country in Africa to recognise China and the two countries celebrate their 50th anniversary of establishing diplomatic relations in 2006.

During the FOCAC Summit in Beijing, November 2006, it was announced that Citic Group, China's biggest state-run company, will build a US\$938 million aluminium smelter in Egypt. China and Egypt also agreed to strengthen co-operation in the peaceful use of nuclear energy. In late September Egypt had announced that it was re-launching its civil nuclear programme after a suspension of 20 years following the Chernobyl disaster in 1986.

The next ministerial-level Forum on China Africa Co-operation (FOCAC) meeting will be held in Cairo, Egypt, in late 2009. President Hu Jintao and Premier Wen Jiabao visited Egypt in January 2004 and in June 2006, respectively. Bilateral trade hit US\$2,145 billion last year, up 36,1 percent over the previous year.

Egypt was one of the first African countries to launch Chinese language courses. Three Egyptian universities have Chinese language departments. Cairo University has also established a Confucius Institute. Another 11 universities are preparing to set up Chinese language departments. The Egyptian Ministry of Education has acknowledged Chinese to be the second most popular foreign language in high schools.

Ethiopia

Chinese companies have become a dominant force in building highways and bridges. Power stations, mobile phone networks, schools and pharmaceutical plants. Recently, the Chinese began exploring for oil and building at least one Ethiopian military installation.

Chinese companies run a major timber operation and are trying to gain influence in the oil sector. The president describes China as its main development partner.

Gabon

China has announced its commitment to \$3 billion for port, rail and a mining investment in Gabon.

Ghana

China has announced its commitment to invest \$600 million for a hydroelectric dam in Ghana. During the FOCAC Summit in Beijing, November 2006, it was announced that the ZTE had signed two US\$30 million contracts to provide phone equipment to Lesotho and Ghana, while Huawaei Technologies will help Ghana set up village phone networks for US\$30 million.

Guinea

Agricultural development co-operation

Lesotho

During the FOCAC Summit in Beijing, November 2006, it was announced that the ZTE had signed two US\$30 million contracts to provide phone equipment to Lesotho and Ghana.

Liberia

It has been reported that China has medical workers and agricultural experts working in Liberia. During the January 2006 visit by the Chinese Foreign Minister an agreement was concluded to provide US\$25 million towards Liberia's reconstruction programme as well as an interest free loan of US\$5 million over 10 years.

Mali

China cancelled the Mali debt of about US\$68 million in 2001. During the Chinese Foreign minister's visit in January 2006, he announced an economic and technical co-operation agreement worth US\$3,7 million.

Namibia

During December 2006 it was reported that an interest-free loan of R18,2 million had been granted by the People's Republic of China (PRC) to Namibia. In terms of their agreement, the money will be used for projects and programmes identified by the Namibian Government as per national development objectives. The visit to Namibia by a Chinese Commerce Ministry delegation and the interest-free loan is a follow-up on the FOCAC Summit that was held in Beijing at the beginning of November 2006. During the visit it was further decided that the Namibian Government also make use of the already offered in 2005, interest-free loan of R44,9 million to implement small industries projects and small-scale farming units. The Chinese also offered to provide financial assistance for the construction of primary schools in rural areas. Discussions also focused on granting of tariff-free access for Namibian products into the Chinese market.

Nigeria

China is rebuilding Nigeria's railroad network. Nigeria is China's third-largest African trading partner after SA and Egypt and has announced its commitment to \$8,3 billion for infrastructure development projects in a range of sectors, including oil.

China's top offshore oil and gas producer, CNOOC, announced a US\$2,7 billion overseas acquisition for a 45 percent stake in a major offshore field in Nigeria early in 2005. A further 21 Chinese firms plan to invest in a Nigerian industrial park following favourable tax holidays and the commencement of the Free Trade Zone recently announced by Nigeria.

It has furthermore been reported that Nigeria has approached a Chinese company, Great Wall Industry Corporation, to launch a satellite for it next year. The deal will reportedly be worth US\$200 million.

During the FOCAC Summit in Beijing, November 2006, it was announced that China Civil Engineering will build a US\$300 million highway in Nigeria.

Rwanda

Chinese companies have paved more than 80% of the main roads. Chinese companies are searching for oil and gas and rebuilding electricity grids and telephone networks.

Senegal

During his visit to Senegal in January 2006, the Chinese Foreign Minister announced the cancellation of US\$18,5 million in debt, and offered US\$3,7 million in funding for hospitals, roads, and other infrastructure, as well as a grant of US\$200 000 to the victims of flooding of last year. This visit was the first high-level visit since the resumption of diplomatic relations between Senegal and China ? Senegal cut its diplomatic links with Taiwan in October 2005.

Sudan

China invested more than \$2 billion in Sudan's oil industry. Sudan provides China with nearly 5% of its annual oil imports. China National Petroleum Company has acquired a 40 percent stake in one of Sudan's major oil exploration projects and Chinese workers built a 1 600 kilometre long pipeline in Sudan in just 11 months.

Zambia

In Zambia, Chinese contractors have won a contract worth \$600 million to build a hydroelectric plant at Kague Gorge.

Chinese companies own one of Zambia's largest copper mines. During the FOCAC Summit in Beijing, November 2006, it was announced that China Nonferrous Mining will build a US\$200 million copper smelter in Zambia. The venture, at the Chambisi mine, will turn copper concentrates into 150 tons of copper annually for export to China.

Zimbabwe

Last year, Zimbabwe bought three passenger planes, six trainer jets, and nearly 400 commuter buses from China, in a deal reportedly worth US\$200 million. Trade and tourism ties between China and Zimbabwe have been flourishing in recent years and China is now its second largest trading partner, after South Africa (Up from 11th in just three years). A growing number of Chinese citizens are now travelling to Zimbabwe to enjoy the many tourist attractions that the country has to offer. The increased trade and tourism ties between Zimbabwe and China have resulted in the announcement of twice-weekly direct flights between Harare and Beijing. China is already the largest buyer of Zimbabwe's tobacco. Chinese companies are also looking at Zimbabwe's lucrative mineral extraction industry.

A Chinese trading company owned by two large Chinese aerospace concerns recently signed a \$300 million contract to rebuild Zimbabwe's electricity grid.

China also owns a cement factory in Zimbabwe.

In June it was announced that Zimbabwe had signed a US\$1,3 billion deal with China to set up coal mines and three thermal power stations. All the projects will be located at Dande, 200 kilometres west of Harare. In exchange, Zimbabwe will provide China with chrome.

During November 2006 it was reported, according to the Zimbabwean Herald newspaper, that a takeover of Zimbabwe Iron and Steel Co. (ZISCO) is possible by Metallurgical Corporation of China (MCC) as they have reportedly offered US\$3billion to buy a 60 percent stake in ZISCO.

South Africa ? China Bilateral Relations

Premier Wen Jiabao's official visit to SA (21-22 June 2006)

At the invitation of President Thabo Mbeki of the Republic of South Africa, Premier Wen Jiabao of the State Council of the People's Republic of China paid an official visit to the Republic of South Africa from 21 to 22 June and held talks with President Thabo Mbeki.

The two sides reviewed the principles guiding the bilateral relationship set out in the Pretoria Declaration on the Partnership between the People's Republic of China and the Republic of South Africa in 2000 and the strategic partnership established by the two countries in 2004.

The two sides agreed to increase co-operation in the following priority areas:

The political field

1. The two sides will keep high-level contacts and exchange views on bilateral relations and international and regional issues of mutual interest in an in-depth and wide-ranging way.
2. The two sides will give full scope to the role of the Bi-National Commission as the pre-eminent structure in advancing their bilateral relationship, in promoting exchange and co-operation between China and South Africa in all fields and conduct regular review of such co-operation to ensure the full implementation of bilateral co-operation agreements. New sectoral committees may be set up as necessary.
3. The two sides will strengthen the exchange and co-operation between the two countries' legislative bodies, explore the possibility of establishing a mechanism for such exchanges on a regular basis and work to put this mechanism in place as soon as possible.
4. The two sides reaffirmed that they share common views and positions in promoting multilateralism and democracy in international relations and upholding the common rights and interests of developing countries. They called for greater international attention to African issues. The two sides will make full use of the diplomatic sectoral committee of the Bi-National Commission between China and South Africa to hold regular strategic dialogue and strengthen consultation and co-ordination in the United Nations System, wider international organisations and at major multilateral events.

Both countries confirmed their commitment to strengthening the role, capacity, effectiveness and efficiency of the United Nations as well as to improve its performance in order for it to realise its full potential in accordance with the purpose and principles of the UN Charter.

They expressed their support for those proposals of the Secretary-General that would help to strengthen the ability of the United Nations to implement its mandates and effectively deliver on all its programmes. Both countries also undertook to work with the Secretary-General and the President of the General Assembly to achieve the reform of the United Nations within the inter-governmental framework that the organisation provides.

The two sides furthermore remain committed to the implementation of the outcomes of all the major UN conferences and summits, including the 2005 World Summit Outcome and expressed concern at the slow progress in the implementation of those decisions relating to development and the strengthening of the Economic and Social Council.

Both countries also noted that the reform and enlargement of the United Nations Security Council to make it more representative was long overdue and stressed the need for Africa to be represented in a permanent category. They agreed to continue to exchange views and work together on this important matter.

5. In this regard, the Chinese side undertook to support the work of the African Union Peace and Security Council.

6. The Chinese side valued and supported the New Partnership for Africa's Development and will strengthen co-operation with Africa, and in particular the NEPAD Secretariat, in priority areas identified in NEPAD and under the framework of the Forum on China-Africa Co-operation to help Africa achieve independent development.

Science and technology

7. The two sides will strengthen co-operation in key areas such as communications technology, agricultural technology, information technology, nanotechnology, new materials, renewable energy, clean technology, mining technology, and mining safety technology. The two sides encourage companies from both countries to undertake bilateral co-operation projects on science and technology. They encourage the relevant institutions and companies from both countries to attend exhibitions on innovation in science and technology held in both countries and enter into Research and Development (R&D) co-operation at a higher level.

8. The two sides encourage bilateral co-operation in technology and investment in coal liquefaction, peaceful use of nuclear energy, mineral resources, and safety management of mines. They encourage mutual investment and technology exchanges between companies from both countries.

9. The two sides resolve to enter into co-operation in order to ensure the protection of intellectual property rights.

Cultural and other exchanges and social development

10. The two sides will promote exchange and co-operation in public health and medical sciences in the following priority areas: public health service and bio-medical research, primary healthcare and family medicine, quality control of healthcare and standards for practising medicine, education in traditional medicine, training and research, healthy way of life, pharmaceuticals management and particularly management of traditional medicine, first aid and AIDS treatment, recruitment of medical personnel and human resources development.

11. They will share experience of holding major sports events such as the Olympic Games and the World Cup.

12. China is ready to provide assistance to the best of its ability in human resources development, including skills training, capacity building and Chinese language teaching. The Chinese Government will continue to provide special assistance in human resources development for priority areas in the human resources development identified in AsgiSA. It will give active consideration to providing more government scholarships to South African students for studying in China and setting up a skills training centre in South Africa. It will continue to invite South African government officials and technical personnel to China for training. Over the next

three years, China will train 300 personnel for South Africa in economic and administrative management, civil engineering and Chinese language tour guides.

13. The government labour regulation and social society departments of the two countries will share experience and expand co-operation in training, job creation, labour market development, fostering harmonious employment relations and improving social security systems.

Bilateral Economic Relations

Since the establishment of diplomatic relations in 1998, trade between China and South Africa has grown significantly, with China becoming South Africa's 2nd largest import trading partner in 2005, comprising 9% of total imports and 8th largest export partner, comprising 3% of total exports from South Africa.

In fact both imports and exports grew 30% in 2005 compared to 2004. China still enjoys a massive trade surplus with SA - in 2005 imports from China totalled R31,476 billion, while exports came to R8,763 billion. There is a sizeable trade imbalance in favour of China in our bilateral trade.

During the FOCAC Summit in Beijing, November 2006, it was confirmed that the Chinese parastatal company Sinosteel was committed to investing in a US\$230 (R1,7 billion) ferrochrome mine and smelter project with South Africa's Samancor.

In September 2006 the Chinese Zijin Mining Group (Gold Mining) announced that it was buying a stake in Ridge Mining, with a view to the development of Sheba's Ridge (nickel and platinum), jointly owned by Anglo Platinum and the Industrial Development Corporation (IDC). This represents an investment of approximately R120 million.

South African investments in China amount to US\$400 million including investments by Anglo American (funds from the United Kingdom though), SAB Miller, MIH, and a US\$120 million investment by property group LRPS.

The impact of Chinese exports to South Africa in the clothing and textiles, and leather and footwear industries are the subject of intense debate. Suffice to mention that South Africa had to negotiate a special deal with China to limit their textile exports to South Africa for a period to enable the SA textile industry to restructure. This voluntary restraint will commence in January 2007.

In April 2006 McCarthy, the automotive division of Bidvest Group, announced that they will introduce a range of fully imported Chinese vehicles on to the South African market during 2007.

In June 2006 Mining Weekly reported that an SA-Chinese Consortium had clinched a R2 billion shipyard contract by the National Ports Authority (NPA) to set up a ship repair facility at Richards Bay. The consortium is headed by Imbani Projects of South Africa.

Chinese companies in South Africa

Chinese companies in South Africa have invested in the following sectors: commercial banking, consumer electronics, telecommunications equipment, shipping, light manufacturing, automobiles, mining, mining accessories, and housing construction.

Of the four Chinese banks in South Africa, the China Construction Bank has the largest local operation with almost R1 billion in assets. Both it and the Bank of China have a significant majority of their deposits denominated in foreign currency. The biggest portion of both banks' lending activity is also denominated in foreign currency and is extended to the South African Reserve Bank, non-resident banks and non-resident clients. The remaining two banks,

Export/Import Bank of China, a state-owned trade financing institution, and China Everbright Bank, a commercial bank with some private ownership, have representative offices in South Africa but no formal operations. The Export/Import Bank has made loans totalling approximately US\$2,5 billion in Zambia and Angola over the last two years.

Chinese involvement in the South African light manufacturing sector is through the SOE Shanghai Industrial and its local subsidiary Shanghai Industrial Investment Corporation (SIIC). This company is invested in 14 other enterprises, the majority of which were in KwaZulu-Natal.

The largest joint venture operation involving a Chinese company is ASA Metals in Polokwane. Chinese company Sinosteel, a raw materials supplier and sales agent for major Chinese steel mills, has partnered with the Limpopo Province Development Corporation in a project that is mining 400 000 tonnes of chrome ore per annum and producing 120 000 tons per annum of ferrochrome from an on-site smelter.

COSCO, a Beijing-based global shipping company, and First Automotive Works, a 2005 Fortune 500 vehicle manufacturer, are two examples of Chinese companies using South Africa as a base for their regional activities. COSCO Africa has a 55 percent share in a joint venture with Rennies called Cosren Shipping Agency and also manages COSCO Group's operations in Southern and Western Africa. FAW has an assembly plant in Gauteng where it assembles trucks and buses for the Southern African Development Community (SADC) market. Its sales programme extends as far as Uganda. FAW South Africa's company slogan is "China's Gateway into Sub-Saharan Africa."

During November 2006 South African ferro-chrome producer Samancor Chrome announced that they had signed two finance and production deals with Chinese firms. One agreement was with China Development Bank and state-owned steel and metals trader Sinosteel, inked at the recent FOCAC trade summit in Beijing. The deal created a strategic partnership in which the bank would provide money for future expansions of ferro-chrome production in South Africa. A second agreement was between Samancor and Sinosteel under which Samancor would create a company, Tubatse Chrome, to own a chrome mine that fed five existing furnaces in South Africa, then sell 50 percent of that company to Sinosteel. Tubatse would have ferro-chrome capacity of 280 000 tonnes per year. China has become a big investor in mining and natural resources in Africa as it seeks the raw materials to feed its economic growth.

Huawei Technologies, a diversified electronics company and perhaps China's most global, has 30 branch offices in Africa and over the past 2 years in Kenya, Nigeria, and Zimbabwe.

Questions and answers

Question: Deputy Minister Pahad, you say it is becoming an increasing phenomenon of South Africans being deported. What advice would you have for South Africans travelling abroad?

Answer: It is very difficult to advise South Africans on how to proceed since this is not a transparent process. It is now increasingly common that South Africans who have been regularly travelling to the US are now being disallowed entry.

We are not sure on what basis these decisions are taken. We have asked the US authorities, using the Habib case as an example, for more information in this regard. We have not had any response to this matter.

Unless we have a multilateral system in place to deal with this matter, increasing numbers of South Africans may find themselves on some listing.

What I can suggest is that South Africans check with the Embassies of the countries to which they will be travelling.

Question: Deputy Minister, regarding the matter of South African troops to Somalia ? has a decision been taken? There are reports that the Ethiopian forces are withdrawing although the Somali government is denying this.

Answer: We expect that the Minister of Defence, having had discussions and analysed our resources will brief President Mbeki in the next few days on our capacity to contribute forces for the AU Mission.

This will inform Cabinet's decision on whether South Africa will be able to provide troops to the AU Mission or not.

Question: Deputy Minister Pahad, is Somaliland on the agenda of the African Union later this week?

Answer: This is a very complex situation. We do have the report of the AU in this regard. I do believe we should begin to study this AU report and through the AU structures see what the consequences of this report can be.

The Transitional Authority has also made a statement that Somaliland is part of the broader Somalia. This has led to widespread demonstrations in Somaliland.

We will have to deal with this matter within the AU and I do hope this matter can be discussed at a convenient time.

Question: Deputy Minister Pahad, what is South Africa's position regarding the US military build-up in the Persian Gulf and Iraq? Also, Mr Larijani, Iran's chief negotiator was invited by your government to have discussions in South Africa. Is this visit still on? Does it indicate that South Africa will be playing a greater role in this situation?

Answer: We will do a more extensive briefing on the Middle East next week. Mr Larijani was scheduled to visit South Africa ? but as you are aware, our programme is very full at the moment. We are looking for mutually convenient dates for Mr Larijani and President Mbeki. This will be an important visit since we will be able to get a sense of Iran's position regarding the nuclear issue. Only yesterday the European Union has indicated they are considering imposing sanctions even more serious than those imposed by the UN. Yes, we would want Mr Larijani to come at a convenient time and we hope it will be soon.

Question: Deputy Minister Pahad, is Somalia on the agenda of the Cabinet Lekgotla at the moment?

Answer: Somalia is constantly discussed at a government level. We did discuss it at the Lekgotla and during the International Relations Peace and Security (IRPS) Cluster presentation. As I have said, Minister Lekota will brief the President in the next few days.

Question: Deputy Minister Pahad, this "hold" that will be placed regarding the Docrats ? what does this mean, is it indefinite and with whom are you consulting on this matter?

Answer: We must discuss with the US authorities at various levels since the Docrats are being listed at their request. The US has given notice that, irrespective of processes in the Security Council, they will list the Docrats on their own domestic terrorist list. This action will have serious consequences for the individuals concerned.

Lawyers for the Docrats have informed us, through the media, they are submitting documents to Foreign Affairs and to the Minister of Intelligence. We are not in possession of these documents. They may indicate why the Docrats have been listed.

Let me say, South Africa's position on the fight against terror is unequivocal ? we are signatories to most of the UN and AU conventions on terrorism ? we are committed to fighting terrorism where ever it may occur in whatever manifestation.

Our putting a hold on these names does not mean we are soft on terrorism ? we just want to be certain that those listed have been listed legitimately. Listed people, in terms of the 2004 law, could challenge any decisions taken in terms of listings in other countries. We must ensure we are not bogged down by expensive litigation in this regard.

Indeed, the Minister of Foreign Affairs has today indicated that we will place a hold on these names while discussions continue.

Question: Deputy Minister Pahad, you have mentioned that South Africans are increasingly finding themselves the victims of unforeseen deportations. Do you have numbers in this regard? Will you discuss this in any multilateral forum where you can get more answers?

Answer: I am not sure if only South Africans are being targeted in this regard or that this is an anti-South African campaign. I want to believe that in the last few years, there has been a tightening of entry requirements into the European Union, the US and other countries.

We do know that since 9/11 we receive many more reports of South Africans being unceremoniously deported without due cause. We get constant letters from various Islamic organisations. We are not able to collate the number and have asked the organisations to assist with giving us a consolidated report of these instances of deportation.

Clearly, there is a perception that there is a targeted action against South Africans of Islamic Faith. Whether this is true or not, we do not know.

We do not intend raising this in any multilateral forum. It is for us to raise it bilaterally with the countries where this is happening.

As I have said, it is very difficult to understand why an Executive Director of the HSRC, who has been travelling regularly to the US for many years, is now targeted and refused entry.

Question: Deputy Minister Pahad, can you indicate what Presidents Mbeki and Hu Jintao will discuss? Will any agreements be signed?

Answer: Yes, we will sign the following agreements:

- * Protocol on Phyto-Sanitary requirements for the export of pear fruit from China to South Africa
- * Protocol on Phyto-Sanitary Requirements for Export of Table Grapes from South Africa to China
- * Protocol on Phyto-Sanitary Requirements for the Export of Apple Fruit from China to South Africa
- * Protocol on Phyto-Sanitary Requirements for the Export of Tobacco-Leaf from the China to South Africa
- * Agreement between South Africa and the PRC on Co-operation in the Minerals and Energy Sector
- * Memorandum of Understanding regarding the establishment of the South Africa-China Minerals and Energy Sectoral Co-operation Committee
- * Agreement on Economic and Technical Co-operation between South Africa and the PRC.

We will also discuss global matters ? we are now on the Security Council ? we will have to discuss our common approach to many of the issues that will arise during the next few months ? on the African continent, Kosovo, the Middle East.

But most importantly we want to discuss the broader political issues and how to implement the economic agreements to give concrete expression to the commitments undertaken by the Chinese government at the FOCAC. We must develop this developmental approach quoted by the Chinese official. Discussions will be political and economic.

Question: Deputy Minister Pahad, are there any new developments regarding the refuge sought by the Burundian leader in your Embassy in Burundi?

Answer: The leader of the ruling party of Burundi has taken refuge in our Embassy. He said he attended at a meeting at the Embassy and upon conclusion he found that his bodyguards had been changed. Being familiar with the underground structures, he perceived this to mean an assassination on his life was imminent. He therefore took refuge in our Embassy.

It is expected that he will meet with the President this afternoon and the matter will be resolved. But it is also clear that incidents such as these prevent the final touches to be added to the implementation of the peace process.

It is also clear that new dimensions are being added to the Burundian political climate. We must maintain the progress made until now.

Question: Deputy Minister Pahad, I heard your explanation regarding your vote on Myanmar. Will the South African government, outside of this, condemn human rights abuses in Myanmar?

Answer: Before and after we came to government, we consistently called for an approach that would make a break through in finding a political solution in Myanmar.

There are many reports from governments, non-governmental organisations (NGOs), etc, that indicate the levels of violence in Myanmar, the human rights violations, reports of forced labour.

We are quite keen that these matters be addressed.

For example, on the abuse of labour, we hope that the International Labour Organisation (ILO) of which South Africa is the current chair ? will be able take this matter up.

We hope issues of violations of human rights must be taken to the relevant structures with the mandates to deal with these matters so that we can determine a way forward.

We are in contact with Association of South East Asian Nations (ASEAN) countries to try to get a sense of what more they can do to bring more pressure ? and I say pressure in its total manifestations, discussions, etc ? to ensure that ASEAN as the regional body can play an increasingly prominent role in addressing the situation in Myanmar. We will continue to be critical of the situation that has arisen in Myanmar and we will continue to support initiatives through the relevant structures.

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