

South Sudan puts Beijing's policies to the test

The safety of its expatriate workers in the world's newest nation is a worry for the Chinese, writes **Katrina Manson**

Lu Zhifang's mother was horrified at the prospect of her leaving China for the first time to take up a job in South Sudan, and she tried to stop her getting a passport. So when 29 Chinese workers were kidnapped north of the border by South Sudan-aligned rebels within a month of Ms Lu's arrival this year, her mother's worst fears appeared to be justified.

"My parents are really very worried. I have to call every day to say I'm safe," she says.

For the manager of the Eastern Pearl restaurant, part of a year-old Chinese complex offering rooms, buffets and night-time karaoke, the view on the ground in Juba, the South Sudanese capital, is anything but dangerous. "It's just like a miracle. Before I had only seen Africa and Africans on TV," she says. "South Sudan maybe itself is a little pearl."

Its bright red lanterns in sharp contrast to Juba's dusty streets, the complex is one of many burgeoning Chinese businesses in the capital. The Chinese not only dominate the new country's oil industry but also have interests in hotels, restaurants, telecommunications and construction.

But China's interest in the world's newest nation now faces a test.

As Ms Lu's mother illustrates, Beijing is facing a domestic outcry about the safety of expatriate workers following the January abductions. Perhaps more importantly, however, it is now also caught in a wrangle over oil between longstanding ally Sudan and the year-old South Sudan that threatens its economic and diplomatic relations with both. Casting a shadow over it all is the historic mistrust bred by years of war between the two Sudans and what many southerners see as China's role in it.

"Old memories die hard – it is common knowledge the Chinese were the ones helping the Arabs to kill us," says Henry Odwar, chairperson for South Sudan's parliamentary committee on energy and mining, referring to China's supply of weapons to



Oil workers in the Upper Nile, Sudan, and a Chinese worker (below) freed by rebels arrives in Beijing



Khartoum throughout years of war, claims of which continue today.

Ever since the 2005 peace deal between southern Sudan and its former warring foe Sudan that paved the way to last year's referendum on secession, however, China has sought to court South Sudan and its oil.

Three-quarters of the oil is produced in the south but exported via Chinese-built infrastructure in the north, including a refinery and pipelines. Chinese-led consortia produce oil from what is now the independent south, and the pair agreed new contracts last month.

But a decision last month by the south to shut down its oil production after it failed to reach a deal with Khartoum over transit fees has renewed fears of hostilities and threatened Chinese investment and its oil supply.

It has also put China in a spot diplo-

South Sudan facts

● Total population	8.3m
● Total area	644,329 sq km
● Percentage of the population under the age of 30	72
● Percentage of population that depends on crop farming or animal husbandry for their livelihoods	78
● Percentage of adult population that are literate	27
● Percentage of population who live below the poverty line	51
● Percentage of population with access to improved sources of drinking water	55

Source: South Sudan National Bureau of Statistics

matically. South Sudan hopes the closure will force China, which draws 5 per cent of its oil imports from the two Sudans, to convince Khartoum to reduce its demand for transit fees. "Instead of just sitting there they should pressure their friends in Khartoum. The onus is still on the Chinese," says Mr Odwar.

"That they haven't done more upsets the South Sudanese," says one senior western diplomat of Beijing, arguing it has the greatest leverage of all foreign capitals.

The dispute tests China's longstanding policy of not interfering in the domestic affairs of trade partners. Daniel Large, research director at the Africa Asia Centre of the School of Oriental and African Studies, says policy these days is more "a doctrine of intention rather than effect". But "the problem for China is that [Sudan and South Sudan] are trying to use it for their own purposes," says Mr

Large. "China has ultimately very limited room to manoeuvre."

In December, China sent a mediator to help negotiate because the two sides were locked in a dispute over oil payments and began sending peace-keeping forces to South Sudan this year, including a small number of infantry – a first for China.

China has also courted South Sudan. The president, Salva Kiir, senior members of the cabinet and of the South's ruling party, even junior civil servants have been flown to China at Beijing's expense. "As each other's neighbour, Sudan and South Sudan can only achieve common development through peaceful co-existence, which is also conducive to regional peace and stability," Liu Weimin, a Chinese foreign ministry spokesman, told reporters last week.

However, China has failed to keep the oil flowing, its primary concern. It has also left the leadership of a fledgling nation of only 8.3m people feeling in a rare position of strength over the emerging superpower.

"It's a good indication of the dilemma they are in: it's their prob-

'[Sudan and South Sudan] are [using the situation] for their own purposes. China has ultimately very limited room to manoeuvre'

lem more than ours," says Elias Nyamlell Wakoson, South Sudan's deputy minister for foreign affairs, although oil makes up 98 per cent of the country's revenues and it may need massive loans from China to survive.

As the diplomatic games unfold, boredom and the heat are chief complaints for many Chinese in Juba.

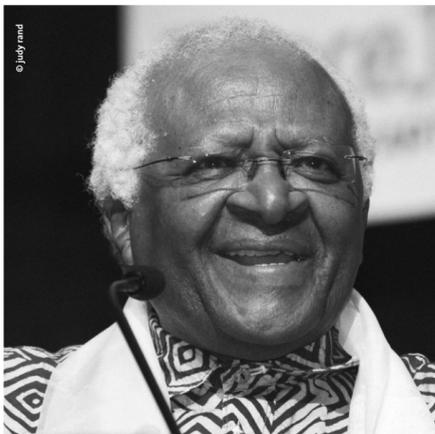
"It's just too hot," says Dong Hongmei, who doesn't like to leave the compound of the Beijing Juba Hotel where she works as a receptionist. She left home for the first time to join her husband, a pastry chef at the same hotel, until fire damaged a wing of its prefab complex housing the restaurant.

Whatever the teething tensions, however, there is no question the Chinese are here to stay. Beijing Juba Hotel is rebuilding its restaurant in brick.

Additional reporting by Leslie Hook in Beijing

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Eight Nobel Peace Laureates

— including Archbishop Desmond Tutu —

want to keep dirty oil out of Europe

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A LETTER SENT TO EUROPEAN HEADS OF STATE

We — a group of Nobel Peace Laureates — are writing today to ask you to do the right thing for our environment and support the European Commission's proposal to force highly polluting oil from tar sands to clean up, or be excluded from Europe.

Climate change is the gravest threat to the wellbeing of our planet. We now stand at a turning point. The Fuel Quality Directive proposed by the European Commission is an example of a policy that, if implemented properly, can move us away from our destructive dependence on oil, coal and natural gas to renewable energy sources and clean transportation sources. It is designed to help Europeans make cleaner fuel choices.

Tar sand development is the fastest growing source of greenhouse gas emissions in Canada, and threatens the health of the planet. As the tar sands have contributed to rising emissions, Canada recently stepped away from the Kyoto Protocol. Europe must not follow in Canada's footsteps.

Dr. James Hansen, at NASA's Goddard Institute for Space Studies, has said that unrestricted exploitation of high carbon tar sand oil would mean "game over for the climate".

Large reserves of tar sands exist in Canada, Madagascar, Russia and Venezuela. In Canada, production of tar sand oil is not only contributing to climate change, but is also causing widespread environmental damage and harm to local people and aboriginal communities. The production process has polluted the Athabasca River, poisoned the air with toxins and turned farmland into wasteland. Large areas of the boreal forest have been cut down to make way for tar sand mining.

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For these reasons we commend President Obama's decision to reject the proposal to build the Keystone XL pipeline, which would have dramatically increased the amount of tar sands oil produced and transported from Canada to the United States.

We urge you to support the European Commission's proposal and say no to highly polluting tar sands oil—in favor of cleaner fuels.

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