

## BRIEFINGS

## NIGERIA/CAMEROON/CHINA

## GOOD NEIGHBOURS

Addax, a British-listed oil and gas company controlled by China's Sinopec, may benefit from this month's decision by the Nigerian and Cameroonian governments to collaborate in the Bakassi Peninsula after resolving their long-standing dispute over the area. The Nigerian delegation at the Yaoundé talks was keenest on the idea of expediting the handover of exploration acreage to Addax, the company bought by Sinopec in June 2009. Yet Cameroonian negotiators said that Addax's participation was simply a possibility.

On 11 March, the United Nations' Cameroon-Nigeria Mixed Commission, set up to resolve the two neighbours' issues, reached an agreement in principle on the sharing of oil and other resources in Bakassi. Despite the negotiators' claims that drilling could start this year, the two sides have yet to finalise the stakes that each will take. Prince Bola Ajibola, a former President of the Nigerian Bar Association who led the delegation, said that he would 'not hesitate to suggest that Addax, which is operating both in Nigeria and Cameroon, should be entrusted with this exercise.'

Both sides argued that it would be less expensive and faster to cooperate in Bakassi. The proposal was backed by Said Djinnit, the Commission Chairman and Special Representative of UN Secretary-General Ban Ki-moon. Many international oil companies, including Royal Dutch Shell, France's Total, the United States' Chevron and ExxonMobil, operate in both Cameroon and Nigeria. Nevertheless, it seems that the Nigerians favour Addax.

The Nigerian government handed over Bakassi to Cameroon in 2002. Since then, the peninsula has seen unrest and increasing pirate attacks. Some groups would prefer the territory to rejoin Nigeria and Nigerian opposition parties have made Bakassi a campaign issue for April's national elections. Etubom Nya Eyoma Asuquo, the Congress for Progressive Change's candidate for Cross Rivers State, said in mid-March that his manifesto includes the recovery of Bakassi.

Cameroonian plans to offer acreage in Bakassi in 2010 have stalled due to the insecurity caused by the militants and pirates. The Mining Ministry says that prospecting has indicated strong commercial potential in Bakassi East and Bakassi West. Yet, as President Paul Biya's regime creaks towards presidential elections in October 2011, the security situation is deteriorating, with more attacks in Bakassi and in the economic capital, Douala. ●

## MALAWI/ASIA

## ROAD BUILDERS

Japan and China both want to get their hands on Malawi's transport infrastructure. The Chinese are building roads, while the Japanese announced in February their US\$18 million rehabilitation of Kamuzu International Airport in Lilongwe. While its projects and funding are small-scale, the Japanese government argues that its initiatives over the last 40 years are intended to foster economic development. In contrast, the five-year diplomatic relationship between Malawi and China is characterised by large investments in major projects that are more about serving particular interests. In some areas, Japan and China share common practices: in road construction, for example, the consortium in charge of projects is Japanese, not Malawian.

In its first project, China built a redoubtable \$40 mn. building for Parliament, which is now in use by the Malawian government. A few metres away, Chinese contractors are now constructing Lilongwe's first five-star hotel and business centre, designed to

host major conferences and events. The \$90 mn. project will be complete by next year. The Chinese government is also financing the construction of new schools, but opposition politicians note that a university and new secondary school have been selected for President Bingu wa Mutharika's home district of Thyolo.

In less than three years, China has become Malawi's largest foreign investor. Exports from Malawi to China shot up from less than \$1 mn. in 2007, when the diplomatic relationship began, to \$16.29 mn. in 2009. Then their most important investment in Malawi, with an input of \$25 mn., was the Balaka cotton growing and processing project.

Malawi has approached the governments of Japan and China, among many others, for help with improving the road network that connects major towns in the mostly rural country. The Japanese investors have concentrated on urban areas. In Lilongwe, the Japan International Cooperation Agency completed a study in 2010 that was essentially a master plan for the city, which for the last 18 years has been developing without an overarching zoning scheme. The master plan is a guide for city planners on how to rearrange roads that are highly congested.

In Blantyre, the commercial capital, the Japanese government is widening eight kilometres of a major road in a \$20 mn. project. They are also replacing a bridge in northern Malawi and conducting a feasibility study for upgrading the rail system, which could potentially carry goods to and from the Mozambican ports of Nacala and Beira.

The Chinese government is building a 106-km. road at a cost of \$70 mn. in the far north. The road, which will connect a lakeside town with one on the border with Zambia, was being constructed by the Taiwanese in 2006 when the Malawian government chose to recognise Beijing. There is little to see in the trajectory of those 106 km. Perhaps the most well-known landmark is the turn-off to the Kanyika Niobium-Uranium project, a mining enterprise started by the Australian company Globe Metals and Mining. In November 2010, the state-owned East China Mineral Exploration and Development Bureau offered to buy a 51% stake in the mine, which is scheduled to begin producing ferro-niobium in 2013. Globe Metals will hold a meeting in April to approve a revised takeover deal with an increased share price. ●

## SOUTHERN SUDAN

## A NEW NATION

Once an opponent of South Sudanese secession, then diplomatically agnostic, China is now making up for lost time in shoring up relations with the soon-to-be-independent Government of Southern Sudan to protect its current interests and develop new ones. The formation of a new state is a rare opportunity for Taiwan to win a new diplomatic ally, but such an alliance is unlikely. On 22-23 March, Jiang Jianhua, of the International Department of the Chinese Communist Party's Central Committee, arrived in Juba to strengthen links with the ruling Sudan People's Liberation Movement. Jiang is a former Deputy Director-General of the Foreign Ministry's Department of West Asian and North African Affairs.

At China's Juba consulate, Jiang held separate talks with SPLM Vice-Chairman Riek Machar Teny Dhurgon (and GOSS Vice-President), SPLM Deputy Secretary General Anne Itto (Agriculture Minister), SPLM Politburo Senior Member Deng Alor Kuol (Minister of Regional Cooperation) and Education Ministry Under-Secretary George Justin Achor. The meeting was the latest in a series of high-level visits from Chinese officials, most recently that of Assistant Foreign Affairs Minister Zhai Jun, who called on GOSS President Salva Kiir Mayardit on 22 February.

Ambassador Li Zhiguo has led the Juba consulate since October 2010. Li is a former envoy to Bahrain and was an observer of the April 2010 elections in Khartoum. His task is to protect China's petroleum assets—most of which will fall inside