

CHRONOLOGY-Chinese-African trade relations

14 December 2005

Reuters News

Dec 14 (Reuters) - Across Africa, China's economic and diplomatic presence is expanding in an accelerating push that is raising both hopes and hackles far beyond African shores. Here is a chronology of some major Chinese-African trade deals in the last two years.

Dec 2003 - African businesses or local authorities sign agreements setting up 17 ventures estimated to be worth \$680 million with Chinese companies in sectors from cement to pharmaceuticals.

-- The agreements were signed on the sidelines of a two-day Sino-African ministerial conference in Ethiopia.

Jan/Feb 2004 - Total Gabon signs an oil contract with China's Sinopec under which Gabonese crude will be sold to China for the first time. The deal was signed on the eve of Chinese President Hu Jintao's arrival in Gabon, the first by a Chinese head of state since the two countries established diplomatic ties in 1974. June 2004 - Chinese Vice-President Zeng Qinghong ends a tour to Tunisia, Togo, Benin and South Africa, saying Beijing was committed to doing its part to ensure Africa's political stability and economic development.

-- Zeng's visit to South Africa was marked by agreements including a deal opening the way for the export of South African citrus to the Chinese market and letters of intent for two big trade and investment projects. July 2004 - Jinchuan Group, China's largest nickel producer, says it has established an office in Johannesburg as part of efforts to buy cobalt, copper, nickel and platinum group metals from across southern Africa.

November 2004 - China's biggest telecoms equipment maker, Huawei Technologies, wins a series of contracts in Africa worth more than \$400 million in total. Huawei says the contracts came from Kenya, Zimbabwe and Nigeria.

January 2005 - Angola says it plans to use a \$2 billion loan from China in a deal signed in March 2004, to repair its infrastructure, which was wrecked during the civil war that ended in 2002.

July 2005 - China and Nigeria sign a \$800 million crude oil sale deal between Petrochina International and the Nigerian National Petroleum Corporation (NNPC) to supply 30,000 barrels of crude per day to China to help power its expanding economy.

August 2005 - China gives Kenya 2.6 billion Kenya shillings (\$34.32 million) in aid, mainly to modernise its ailing state-run Kenya Power & Lighting Company (KPLC).

-- Kenyan President Mwai Kibaki made a five-day state visit to China, where he met President Hu. Under the deals with Kenya, Beijing offered to grant national carrier

Kenya Airways landing rights in several cities in China, and to give technical assistance to Kenya's broadcasting and quality standard agencies.

Hopes, fears rise as China quickens Africa push

By Andrew Quinn

14 December 2005

Reuters News

JOHANNESBURG, Dec 14 (Reuters) - At Johannesburg's bustling Oriental Plaza, the Chinese are ruffling feathers.

Established under apartheid for South Africa's Indian traders, Oriental Plaza has in recent months seen an influx of Chinese businessmen selling goods so cheap that long-established shops cannot compete.

About 3,000 km (1,900 miles) away in the oil-rich seas off Angola, the Chinese are busy bidding for concessions to power their economic boom, while Chinese-made jet fighters swoop over Zimbabwe in exercises that are a reminder of Beijing's support for President Robert Mugabe.

Across Africa, China's economic and diplomatic presence is expanding in an accelerating push that is raising both hopes and hackles far beyond African shores.

Since China's President Hu Jintao used a visit to Gabon last year to announce a new drive to strengthen relations with Africa, the Chinese have been working to cement the gains of the past several years.

Chinese diplomats feature at African summits, flying the flag of Third World friendship and offers to cancel some \$1.3 billion in bilateral debt.

Chinese businessmen snap up commodities, while Chinese doctors treat Africa's sick under assistance programmes that win friends among people often forgotten by the rest of the world.

"China's move into Africa is displacing traditional Anglo-French and U.S. interests on the continent," said Martyn Davies, director of the Centre for Chinese Studies at South Africa's Stellenbosch University.

"The United States, and the British, are particularly concerned about increased Chinese movements."

OLD FRIENDS, NEW PARTNERS

Reminders of China's ties to Africa stand in many African capitals where Chinese-built stadiums echo an era from the 1950s and 1960s when Chairman Mao's engineers forged anti-Imperialist solidarity with Africa's independence leaders.

But the current Sino-African business boom is unprecedented, driven by China's increasing hunger for raw materials to power a market-driven economy growing at over 9 percent per year.

In 2004, China's total exports to Africa hit \$13.82 billion, up 36 percent over the previous year while imports -- largely raw materials -- surged 81 percent to \$15.65 billion, according to Chinese statistics.

Chinese diplomats, while recognising African concerns over competition that has all but destroyed some low-tech industries such as textiles, say the two are ideal partners.

"China now finds herself in a position to offer what African countries need, namely, sophisticated technology appropriate to African conditions at relative low cost," Liang Guixuan, an economic expert at China's embassy in South Africa, said at a recent trade meeting.

OIL HUNGER

Beneath the diplomatic veneer, however, it is clear that China's immediate interest in Africa is oil and Chinese state companies are moving fast to sew up deals in key producers such as Angola, Nigeria, Sudan and Congo.

In Angola, China stepped in with a \$2 billion credit line secured by future oil deliveries to upgrade war-damaged Angolan infrastructure after talks between Luanda and western lenders stalled over issues of transparency.

China has since displaced the United States as Angola's biggest oil customer -- buying an estimated 323,000 barrels per day in 2004 against 306,000 barrels per day in U.S. sales -- and close political ties promise an increasing flow.

"Angola needs China for its reconstruction efforts. When donors and the IMF were turning their backs, China was the only way for Angola to get funding to rebuild the country," one Luanda-based energy source said.

China has also become a key supporter of Zimbabwe's President Robert Mugabe, who has increasingly highlighted his government's "Look East" policy after Western powers imposed sanctions on his government.

Davies of Stellenbosch University said China's activities in Angola and Sudan, where China has ignored concerns over atrocities in lawless Darfur to become the biggest foreign investor with \$4 billion in projects, showed Beijing was adept at exploiting political openings.

"In key countries, China is becoming the new IMF of Africa without the strings, or at least only with strings that tied to Chinese national commercial interests," he said.

China's deep-pocket strategy is showing political pay-offs for Beijing by limiting the activities of their rivals on Nationalist-ruled Taiwan. Senegal in October switched diplomatic recognition to China, reportedly with the curt reminder to Taipei that "states have no friends, they have only interests".

MOVING DEEPER

But China's influence in Africa extends beyond oil fields, and is moving deeper into the continent.

China is busy improving one of its 1960s era political gifts to Africa -- the Zambia-Tanzania railway -- which is now proving useful as a conduit for Zambian copper that China uses to make telephone lines, electronics and construction materials.

Chinese tourism to Africa is a fast-growing market, while environmentalists blame China's appetite for ivory for a new round of elephant poaching across the continent.

Peter Draper, a trade analyst at South Africa's Institute for International Affairs, said Chinese competition was visible across Africa, particularly in construction projects as Chinese firms win key contracts for everything from Rwandan roads to an Algerian airport terminal.

"From a long term perspective, if we engage China the potential for them to become partners increases. If we confront them, we will probably come off second best," he said. (additional reporting by Hannington Osodo in Johannesburg, Karen Iley in Luanda, Shapi Shacinda in Lusaka)

China muscles in to Africa oil scramble

By Pascal Fletcher

15 December 2005

Reuters News

DAKAR, Dec 15 (Reuters) - With a booming economy to match its global ambitions, China is elbowing its way in to join the scramble for Africa's untapped oil riches.

On the same continent where Cold War enemies the United States and the Soviet Union once sparred through proxy regimes and armies, Chinese oil executives now jostle with western counterparts to win exploration, output and supply contracts.

From the rock-strewn deserts of Sudan and Mauritania to the deep waters off Angola and Nigeria, Chinese energy companies are aggressively hunting for new oil reserves to power the world's fastest growing major economy.

China had already blazed a diplomatic trail across Africa in the 1960s and 1970s, offering its support to newly independent states and throwing its weight behind liberation movements and the fight against apartheid.

Today, with its expanding economy ever more thirsty for oil and raw materials, Beijing is working to turn that history of diplomatic goodwill into concrete energy and investment deals.

"China has had an engagement with Africa for years, originally driven by diplomacy, but now there are real commercial imperatives ... the concern is to secure long-term oil," said Antony Goldman, Africa analyst at London-based Clearwater Research Services.

U.S. experts say China now receives 28 percent of its oil imports from Africa, mostly from Angola, Sudan and Congo.

Chinese companies are charging into Africa's oil sector, snapping up partnerships in Nigerian and Angolan offshore blocks, building facilities and pipelines in Sudan and prospecting in Mali, Mauritania, Niger and Chad.

"They're everywhere, they're really going for it," said Catriona O'Rourke, Africa analyst for Wood Mackenzie.

CONTEST FOR SUPPLIES

This newest scramble for Africa's oil resources more than a century after the continent's colonial carve-up puts China in direct competition with the United States, the world's single biggest energy consumer.

The United States already gets around 15 percent of its oil imports from the Gulf of Guinea, which groups sub-Saharan Africa's major producers like Nigeria, Angola and Equatorial Guinea.

Analysts predict this share could rise to 25 percent by 2015 as Washington looks for alternate diversified supplies outside the volatile Middle East and currently hostile Venezuela.

U.S. experts warn this contest for African oil supplies by the world's No. 1 and No. 2 petroleum guzzlers could become an open conflict of interests between Beijing and Washington.

China, they say, is far less choosy about its partners and offers aid, trade and investment unencumbered by demands for transparency, good governance and accountability.

"As China is not a beacon of any of these, the Chinese government's practices in Africa can be expected to undermine U.S. goals," Carolyn Bartholomew of the U.S.-China Economic and Security Review Commission said in a July 28 report.

The Commission, which reports to the U.S. Congress, says that while the United States and other Western countries try to use the leverage of assistance or investment to encourage reform in African countries, "the Chinese government is prepared to fill the investment hole without constraints".

SWEETER OIL DEALS

Analysts point to the cases of Sudan and Angola, both pillars of Chinese energy investment in Africa.

In Sudan, which is under international scrutiny for what Washington calls "genocide" in Darfur, Chinese state firms have taken a major stake in the oil sector, building a refinery in Khartoum and heavily involving themselves in production.

In Angola too, where some international lenders have balked at putting up funds, China has weighed in with a \$2 billion infrastructure loan programme linked to oil deals in what Chinese diplomats call "a model of cooperation".

"I think they come with more offerings," said Wood Mackenzie's O'Rourke, saying the Chinese were able to sweeten their investment bids with state aid and cooperation projects, such as rebuilding Angola's war-ravaged railway network.

China's Sinopec company has been allowed to buy into two Angola blocks previously held by European oil majors.

Although U.S. giants like Chevron and ExxonMobil have huge investments in Angola, where their deep-water expertise is still much needed, China has now displaced the United States as the country's biggest oil customer.

"It's much more difficult for ExxonMobil to say 'we'll build you a railway'," said Clearwater's Goldman.

In Nigeria, the China National Petroleum Corporation (CNPC) is in talks over a possible deal to take over a refinery and get preferential terms in return on some oil exploration blocks.

In Equatorial Guinea too, western companies' dominance over the oil sector may not last forever. The country's president, Teodoro Obiang Nguema, offered China investment opportunities during a visit to Beijing in October. (Additional reporting by Karen Iley in Luanda and Estelle Shirbon in Abuja)

Flip-flops and football help China's Africa drive

By Nick Tattersall

17 December 2005

Reuters News

DAKAR, Dec 17 (Reuters) - China is winning African hearts and minds by offering the world's poorest continent everything from cheap flip-flops to new sports stadiums, but the West is wary of the Asian giant's methods and motives.

From a 20,000-seater soccer stadium in coup-prone Central African Republic to a huge parliament building in war-hit Ivory Coast, China is opening diplomatic doors with attention-grabbing gifts for the state and cheap goods for the people.

Even in the fabled Saharan trading towns of Agadez and Timbuktu, the moped of choice for young men is a Chinese "Jin-Cheng".

"We have gained the confidence of African countries," said Tongqing Wang, political affairs advisor at the new Chinese embassy in Senegal's capital Dakar.

"We have the same impulses. We understand African countries well; what they want, what they do," he said as workmen wrestled a telecoms mast onto the roof of his new office.

Senegal is the latest African country to be wooed by China, resuming diplomatic ties in October after a 10-year break. In doing so it ditched links with Taiwan and recognised Beijing's claim to sovereignty over the island.

The move left Taiwan -- which immediately accused China of luring Senegal with "threats and inducements" -- with only 25 allies, many of them small Caribbean and Pacific Island nations.

"States have no friends, they have only interests," Senegalese President Abdoulaye Wade wrote in a blunt letter to Taiwan's Chen Shui-bian, informing him of the decision.

With China seeking a home for its current cash surplus and Senegal looking for cheap ways to develop its infrastructure, there were interests on both sides: Sino-Senegalese trade hit \$105 million in the first three quarters of 2005, up by more than a third on the previous year.

HUMAN RIGHTS, CORRUPTION

But the rewards for China's diplomatic push go beyond trade.

Chinese oil executives may be winning contracts to hunt for new reserves, vital to sustain the world's fastest growing economy, but building diplomatic clout is equally important.

Gaining support on the world stage from one of the few corners of the globe where the influence of the United States and of former European colonial powers is on the wane is seen as a goal worth pursuing by China.

"Beijing seems to be very much aware of the difficulties which a late-industrialising nation faces in competing with established players for influences in the world," said Xuewu Gu, chair of East Asian Politics at Bochum University in Germany.

"They believe that China would only have the chance to establish itself quickly in areas where the positions of other powers were yet weak," he wrote in a study published earlier this year.

That worries Western politicians who fear China's coziness with corrupt rulers undermines international efforts to promote good governance: when the West threatens sanctions by curbing investment, China is all too ready to plug the gap.

"China's propping up of corrupt regimes hinders the United States' ability to stop rogue states and to help create stable, prosperous and open societies," said Carolyn Bartholomew of the U.S.-China Economic and Security Review Commission.

"China is willing to provide economic, military and diplomatic assistance to undemocratic African regimes in direct opposition to political forces that spent years attempting to encourage change in these regimes," she told Congress in July.

She cited an order placed by the government of Zimbabwe's President Robert Mugabe -- shunned as a pariah by much of the West -- for 12 fighter jets from China in late 2004 at a time when the country faced economic collapse.

BROTHERS IN ARMS

Chinese diplomats and businessmen are quick to point out that their nation's political interest in Africa is nothing new.

Beijing supported African revolutionary movements struggling for independence in the 1960s and 70s, some of whose leaders have since come to power and are ready to repay the favour.

The entry of the People's Republic of China into the United Nations in 1971 was supported by many Third World nations who hoped it would play an active role in the Non-Aligned Movement.

"China never forgets that," said Wang in Dakar.

"The friendship between China and Africa goes back a long way," he said, adding the heads of state from every African country which recognises China -- all but six of them -- would be invited to a summit in Beijing next year.

Chinese traders living in Africa pride themselves on having a closer relationship with the man in the street than their Western counterparts, a friendship they see as born of a common struggle to earn a decent living in a developing nation.

"The biggest challenge for Beijing has been to open the door of Africa without repeating the mistakes made by the 'American imperialists' and 'European colonialists'," Bochum's Gu wrote.

"Arrogance and ... patronising feelings are at the top of the list of warnings for government officials and entrepreneurs involved with sub-Saharan Africa."

It appears to have paid off.

Gaudily coloured Chinese flip-flops are ubiquitous in West Africa, adorning the feet of everyone from Senegal's taxi drivers to Liberia's rebel fighters, and outselling more expensive African leather sandals in the region's markets.

"The Chinese and their goods are welcome in Africa," said Edvige Ettien, shopping in a Chinese grocery store in Abidjan. "But we still have some problems reading the labels." (Additional reporting by Peter Murphy in Abidjan)

Africa fears "tsunami" of cheap Chinese imports

By John Chiahemmen

18 December 2005

Reuters News

JOHANNESBURG, Dec 18 (Reuters) - South Africa's union federation COSATU planned to use a rally marking its 20th birthday earlier this month to promote a "buy local" campaign.

But as some 20,000 unionists marched and chanted "Proudly South African" slogans in a Durban stadium, word went round that the bright red T-shirts each wore were made in China.

Thousands of noisy members of the SACTWU textile union, which is spearheading a campaign against a flood of cheap Chinese textile imports, removed the shirts and hurled them into a pile in the middle of the stadium.

"People's reaction to those T-shirts is a clear indication that they've had enough of these cheap products from abroad," SACTWU President John Zikhali told Reuters later.

"South African retailers need to come to the party and buy products that are made here because we cannot afford to lose any more jobs," Zikhali said.

From South Africa to Lesotho, to Zambia and Nigeria anger is mounting over what one union leader called "a tsunami of cheap Chinese goods" that many say is choking off local industries and wiping out jobs.

Leonard Hikaumba, president of the Zambian Congress of Trade Unions, bemoaned what he called the dumping of cheap textiles and electronics goods by Chinese exporters.

"The beneficiaries of these are the exporters, not us," he told Reuters.

In no sector is this more critical than in textiles, one of the first industries that took root as many sub-Saharan African countries became independent in the 1960s.

The Textile, Garments and Tailoring Senior Staff Association of Nigeria estimates some 350,000 jobs had been lost directly as a result of Chinese competition and 1.5 million indirectly after more than 50 textile industries were forced to shut down over the past five years.

FACTORIES SHUT

"Most warehouses in Lagos have been converted to churches because there are no manufactured goods to warehouse," the union's secretary-general, Issah Aremu, told Reuters.

The South African textile union estimates 800 manufacturing units and 60,000 jobs have disappeared in the country since 2001 as a result of what it calls unfair competition from China.

"It's not just about South Africa, the whole continent is concerned, the whole world is beginning to suffer," said the union's Zikhali.

China's surging economy and manufacturing muscle have confounded even economic superpowers like the United States. Washington has found no easy barrier against a flood of Chinese textiles since World Trade Organisation (WTO) quotas on Chinese imports lapsed earlier this year.

Pretoria has imposed anti-dumping duties on a number of Chinese products such as face cloths, door locks and handles, and blankets.

But some analysts called these token measures, perhaps reflecting a desire by South Africa not to antagonise the giant Asian economy that is growing in leaps and bounds.

Chinese diplomats in Africa are quick to note that their country is becoming a major source of direct foreign investment for the continent. Analysts say these are increasingly to extract minerals to fuel China's awesome growth.

TRICKY TRADE FIGURES

In 2004, China exported goods to Africa worth a total of \$13.82 billion, against imports from Africa of \$15.65 billion, but these figures mask a fundamental imbalance, experts say.

China imports mainly raw materials, with hardly any added value for industrial growth in the African countries.

"What Chinese and other investors need to do is to set up manufacturing industries here with new technology to produce quality products," Zambia's Hikaumba said.

African countries have for decades faced a dilemma of how to deal with China on trade issues because of Beijing's solidarity with Africa in its fight against colonialism in the 1950s and '60s and its support of liberation movements in Southern Africa.

This has only been complicated by China's charm offensive on the continent aimed at containing the influence of Taiwan, which Beijing claims as a rebellious province of China.

China's "friendship" with African countries has led to an influx of its citizens who now run everything from grocery stores and building materials shops to restaurants and corner stores in even remote provincial towns of the continent.

The Chinese are increasingly visible on the streets of Zimbabwe, whose President Robert Mugabe, shunned by the West for alleged misrule, is pursuing a "look East" policy.

In Lesotho, an impoverished nation dependent on textiles for 90 percent of export earnings, the garment industry collapsed dramatically this year after the end of WTO restrictions on Chinese exports killed off Lesotho's U.S. orders.

Chinese and Taiwanese investors set up factories there in 1999 to take advantage of Washington's Africa Growth and Opportunity Act, which gave textile exports from qualified African countries duty-free access to American markets.

They simply closed shop and walked away when the U.S. orders dried up, leaving thousands of workers, mostly women, jobless in a country with a 40 percent unemployment rate. (Additional reporting by Shapi Shacinda in Lusaka, Tume Ahemba in Lagos and Ntsau Lekhetho in Maseru)

China's Africa railway is engine of trade growth

By Shapi Shacinda

19 December 2005

Reuters News

LUSAKA, Dec 19 (Reuters) - The Tazara railway was one of China's biggest aid projects during the Third World solidarity campaigns of the 1970s as Beijing proved it was ready to help Africa throw off the shackles of colonialism.

Thirty 30 years later, the 1,860 km (1,160 mile) rail link between Tanzania's port of Dar es Salaam and Zambia's Copperbelt region is busier than ever -- part of China's fast-expanding web of economic interests across Africa's mineral-rich heart.

Wagon-loads of Chinese products, ranging from home electronics to textiles, travel via the Tazara line to Zambia's capital Lusaka and smaller markets beyond, bringing cheap goods to consumers often written off as too poor or too isolated to be of interest to major Western exporters.

In the other direction, copper, cobalt and other minerals are moved for shipment back to China -- keeping the Asian giant's economy humming.

"When it was proposed, the West saw the Tazara project as uneconomical, but China was looking for friends at the time," said Chileshe Mulenga, head of the Institute for Economic and Social Research, a Lusaka think-tank.

"Today they are gaining economically from Tazara."

Built with an interest-free Chinese loan of \$500 million between 1970 and 1976, the Tazara railway was at the time one of the most ambitious of China's overseas engineering projects, which also included sports stadiums, roads and dams.

Envisioned as a way to help the black-ruled states of central and Southern Africa bypass the ports of white-ruled apartheid South Africa, the railway became a Chinese showpiece with its major railway stations built in the heavy concrete style favoured by Chinese communist planners.

While the project paid diplomatic dividends -- Zambia and Tanzania, unlike some other African countries, never wavered in their support of Beijing over its rich rivals in Taiwan -- it was not the immediate economic watershed some had hoped.

THE LITTLE RAILWAY THAT COULD

But in recent years Tazara's importance has increased particularly as it emerged as the main overland shipping line for the 20-member Common Market for Eastern and Southern Africa, the continent's largest trading bloc.

Tazara data seen by Reuters indicate that the railway can carry 5 million tonnes of cargo each year, although sometimes creaky infrastructure has kept actual shipments lower.

Tazara's management says the railway will be more important as stability returns to Africa's Great Lakes region centred on the vast and resource rich Democratic Republic of Congo.

Officials say the railway's influence already stretches as far north as Burundi and Rwanda, which are using it to import goods via Kasama in northern Zambia.

"Imports can be moved by rail from Dar es Salaam to Kasama, Zambia, where they will be transshipped and moved by trucks to Mpulungu port (on Lake Tanganyika), destined to Great Lakes countries," a railway statement said.

Chinese companies, particularly in the mining sector, are also benefiting as they seek efficient ways to deliver raw commodities to the home market as well as to bring in the heavy equipment needed to more fully exploit their African mining concessions.

"We use the Tazara to transport mining equipment. It is cheaper compared with the road haulage and our plans are to start using it for carrying copper cathode," said Xu Ruiyong, administrative manager at Chinese-owned Chambishi Mining Plc, which produces copper.

Chambishi currently produces copper concentrate. The concentrate is sold locally, but plans to start producing finished copper in 2006 will see Chambishi use the Tazara more often for exports, particularly to China.

While Tazara is now jointly owned by the Zambian and Tanzanian governments, China in 2004 gave the two countries a new \$10 million loan to finance improvements to the rail track.

Plans are now under way to either partially privatise the railway or sell management rights to a foreign firm.

Data indicates that Tazara, which operates passenger and cargo trains, has carried 40 million passengers since inception and 30 million tonnes of cargo -- numbers which China's increasing African interests are pushing ever higher.

China's embassy in Lusaka said Beijing provides assistance to Tazara to purchase spare parts, rails, locomotives, telecommunication equipment, rescue cranes, training of staff, machinery and other equipment.

"It is our sincere wish that this great UHURU (independence) railway will continue to grow healthily," the embassy said in a written statement.

Chinese flock to Africa on new voyages of discovery

By Mohamed Ali Bile

20 December 2005

Reuters News

MOGADISHU, Dec 20 (Reuters) - When Chinese seafarer and "Admiral of the Western Seas" Cheng Ho made landfall on Africa's east coast in the early 15th century he took home a strange long-necked beast as a gift for his emperor.

Six centuries on, Chinese tourists are more likely to view the giraffe through the window of a luxury coach before stuffing their bags with carved ornaments and catching a plane home.

"Of course, he was the first person to introduce us to this country. Now there are more and more Cheng Hos," said Hendrick Zeng, a telecommunications engineer with ZTE who has spent the past four months living in a hotel in Somalia's war-ravaged capital Mogadishu, where Cheng first set foot in Africa.

"These days the Chinese people are getting richer and richer. They want to go outside, they want to see what goes on outside China. This continent is so spacious ... there are wild life, wild animals and also, of course, business," he said.

Most of Zeng's compatriots in Mogadishu are, like him, on contracts installing telecommunications or other equipment.

But following Cheng's footsteps down Africa's east coast, more and more Chinese are coming as tourists, taking in the breathtaking scenery and game parks of Kenya, Zanzibar and South Africa thanks to their government's gradual relaxation of travel rules and naming of African countries as approved destinations.

"Chinese tourism to Kenya is still relatively new ... but it is growing very fast," said Jake Grieves-Cook, chairman of the Kenya Tourist Board.

With around 10,000 tourist arrivals a year to Kenya, China has a long way to go to catch up on more established origins like Britain, at 160,000, and North America with 60,000, but in the ballooning Chinese tourist market, Kenya is holding its own.

"It is growing at 30 percent per annum -- and Chinese tourism as a whole is growing at 30 percent per annum," said Grieves-Cook.

Continent-wide figures are hard to come by but South Africa saw Chinese arrivals soar 20 percent to more than 51,000 in 2004, making it one of its fastest-growing markets, with each visitor spending on average more than 9,750 rand (\$1,500).

UNIQUE MARKET

A tiny proportion of Chinese have full passports allowing unfettered overseas travel. The rest are -- in theory at least -- subject to government control on which countries they visit for leisure purposes, and then only under the auspices of a state tourism body, making Chinese tourists a unique market.

"In London if you are doing marketing, you talk to the travel agent. Here you talk to state institutions," said Manqoba Nyembezi, tourism attache in Beijing for South Africa, one of more than a dozen African countries to negotiate "approved destination status" in recent years.

Chinese tourism is very seasonal, with trips timed around Chinese New Year in January or February, May's Labour Day and China's Oct. 1 National Day, and most trips are planned at short notice meaning countries whose embassies in China can issue visas quickly stand to gain market share.

Added to that most Chinese travel in groups of 15 or more, usually with a guide, and often cram in two or three different countries to make the most of a trip.

"They are not so experienced, so they prefer to be escorted round, mainly with some element of Chinese language," said the Kenya Tourism Board's Grieves-Cook.

To meet that demand Kenya and South Africa are encouraging workers in the industry to take courses in Chinese languages, mainly Mandarin.

Zimbabwe is following suit, driven by President Robert Mugabe's "Look East" policy, designed to offset increasing Western isolation over the country's human rights record and policies like the seizure of land from white farmers.

Zimbabwe won approved destination status in June 2004 and in October that year recorded a 245 percent jump in arrivals from China. Air Zimbabwe has introduced twice-weekly flights to Beijing as part of efforts to boost tourism, although some critics say the route is uneconomical for the airline.

Not so for South African Airways [SAA.UL] and Kenya Airways , which both have direct flights to Hong Kong -- an asset they is essential to attracting Chinese tourists.

"Both Cathay (Pacific) and SAA find this one of their most lucrative routes," said South Africa's Nyembezi, who is talking to various other airlines about opening up new routes from other cities in China to South Africa.

Direct flights are a world away from the fleet of junks led by Cheng -- also known as Zheng He -- which took more than a year to make the round trip to Africa.

According to legend some of his sailors never made it home, shipwrecked off northern Kenya's Lamu archipelago.

To this day visitors say there are traces of Cheng's sailors visible in the faces of some of the people on Pate island, which could help bring in new generations of Chinese visitors tracing their country's travel history and foster an industry in what is now a tourism backwater.

"We've had some expressions of interest from Chinese people wanting to go there," said Grieves-Cook. "There are no flights there, no hotels there -- maybe in the future." (Additional reporting by Alistair Thomson in Dakar, MacDonald Dzirutwe in Harare and Guled Mohamed in Nairobi)

Kenya airline sees China as Africa's shopping mall

By C. Bryson Hull
20 December 2005
Reuters News

NAIROBI, Dec 20 (Reuters) - Airline bosses like Kenya Airways CEO Titus Naikuni love tourists, no matter which direction they're flying.

As head of an airline carrying many travellers into his home base to see east Africa's legendary wildlife and landscapes, Naikuni is also looking the other way: Out.

Kenya Airways pitches its jet fleet to Africans as the best way to go shopping in China, South Africa, Thailand, Mumbai, India and Turkey.

His marketing strategy targets the growing group on the continent with disposable income and the hunger to spend it.

"The middle class is increasing. Surely the time has come for Africa," Naikuni said.

Kenya Airways, 26 percent owned by Air France-KLM's Dutch arm, recently offered an \$800 ticket to fly from Nairobi to Dubai, Guangzhou -- which it bills as a gateway to Shanghai, Hong Kong, Bangkok and back.

The Far East's appeal to Africans, Naikuni said, is that China and India have shaken their reputations for poor quality goods, while keeping the low prices suited for Africa's economies.

In that sense, he said, "We are becoming an important continent."

Jake Grieves-Cook, chairman of Kenya's Tourism Board, said the outbound flow of Kenyans to China provides a separate kind of economic growth in the country.

"There is an interest for Kenyan entrepreneurs, and it is an additional market to us," Grieves-Cook said.

Angling to supplement inbound tourist traffic from China and also India, Kenya Airways is appealing to businesses that import goods into Africa.

China in particular provides many of the goods that stock African shelves, be they in proper stores or laid out on the side of the street to lure customers.

And that is nothing but good news for Naikuni, who sees revenue not only in the cost of a ticket to China but in cargo carriage coming back into Africa, which he predicts will grow at 20 percent annually.

"Passengers don't go and buy feathers, they buy weighty things," Naikuni said.

Located on Africa's eastern edge, Kenya Airways' Nairobi headquarters is an African hub and Naikuni estimates that 80 percent of passengers coming in fly onward. "It's not into Kenya, it's into Africa," he said.

Naikuni said Chinese tourism into Kenya alone is spurring passenger growth he estimates at about 8 percent to 10 percent per year. And that all fits into his larger plan of boosting Africa as a destination.

"We have to get out and sell Africa," Naikuni said.