



BRI Pulse

Wang Yi's African New Year Visits – Focus on Key Deliverables; Led By Vaccines

There have been several reports by leading financial press/think tanks that the BRI is dead or severely wounded as a result of COVID. We do not believe these claims are supported by facts. Hence we are releasing a triptych involving updates of recently completed projects and new ones pledged across a number of BRI regions. This second BRI Pulse of our triptych (a fraction of Bill Viola's) focuses on Wang Yi's January visits to 5 African countries which also included updates on Chinese vaccines.

Key Highlights

- Nigeria: In December 2020, the Lagos-Ibadan railway built by China Civil Engineering Construction Corporation (CCEC) became operational
- DRC: Also in December, China Molybdenum's (CMOC) announced the acquisition of a 95% share of the Kisanfu copper-cobalt mine in DRC from US-based base metals miner Freeport-McMoRan, for \$550 million
- Chinese vaccine availability for Nigeria?; actual usage in Seychelles
- Debt forgiveness/restructurings in Tanzania and DRC (which also saw a grant)
- Contract signed for construction of fifth and final phase of Tanzania's SGR; an international rail project whose predecessor China funded circa 50 years ago
- South-South cooperation to deal with climate change/MoU with Seychelles
- DRC (139th country to sign) and Botswana (140th country to sign) became the 45th and 46th African countries respectively to sign the BRI MoU

Nigeria

On January 5, Wang Yi met with Nigerian Foreign Affairs Minister Geoffrey Onyeama in Abuja. No new deals were announced; but Chinese vaccines were high on the agenda

The relationship between the two countries experienced a number of "bumps in the road" during 2020, including treatment of Nigerian citizens in China, widely reported in western/USA press and no doubt leveraged accordingly.

There was a 2020 infrastructure success: in December, the (Port of) Lagos-Ibadan (Oyo) railway built by China Civil Engineering Construction Corporation (CCEC) became operational. It was delayed by 7 months due to the effects of the pandemic (over 60 workers contacted the virus); 3 years to build. Journey time is expected to be reduced to 2 hours in the future. The line opened even though a number of stations along it were not completed.

But the key component of these meetings was Chinese vaccines. Nigeria has experienced over 114,000 infections and almost 1,500 deaths since the outbreak began. A molecular biologist who is part of a research team WHO and Africa CDC Reference Laboratory for genomic research in Africa, developed a COVID vaccine as early as October; however, Nigeria did not possess the funding to develop this vaccine.

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By December, Nigeria's health minister said Nigeria expects to receive its first doses of a COVID-19 vaccine in January. Nigeria also stated that it wanted to manufacture 70% of pharmaceuticals locally to reduce dependence on imports to start manufacturing vaccines soon adhering to required global standards, along with India and Thailand.

In January 2021, Nigeria announced that it will receive 100,000 doses of the Pfizer vaccine by early February via Covax. The Pfizer vaccines need to be stored in cold temperatures (about -70 degrees Celsius), so getting them to rural areas will prove difficult. Nigeria currently has Ultra Cold Chain (UCC) equipment on the ground with a total capacity of 2,100 litres thus there is more than enough space for the 100,000 doses of the vaccine that will be brought in the first instance.

Nigeria is also looking for less complex vaccine alternatives which do not require complicated cold chain mechanisms such as the Oxford-AstraZeneca types of vaccine that require +2 to +8 degrees Celsius is a key focus.

Democratic Republic of Congo

On 6 January, Wang Yi met with Marie Tumba Nzeza, with his counterpart of the Democratic Republic of the Congo (DRC) during his official visit. The two countries signed a MoU for cooperation on the BRI, becoming the 45th African nation to do so.

In addition, China agreed to cancel DRC's interest-free loans that matured in 2020 and promised to fund infrastructure projects. Wang Yi said Beijing would write off loans to DRC worth an estimated US\$28 million to help soften the impact of COVID-19. In addition, China agreed provide \$17 million in other financial support; \$15 million channelled towards development projects and \$2 million used to support DRC's mandate as head of the African Union bloc for the next financial year. China also committed to funding refurbishment of the Congolese foreign ministry headquarters.

Wang Yi's visit occurred less than one month after the December 2020 China Molybdenum's (CMOC) acquisition of a 95% share of the Kisanfu copper-cobalt mine in the DRC from US-based base metals miner Freeport-McMoRan, for \$550 million. The local government of Congo owns the remaining 5% of Kisanfu. The DRC is Africa's leading producer of copper and the world's biggest source of cobalt.

DRC's exports to China increased by 30% in 2020 versus 2019.

Botswana

On 7 January, Botswana President Mokgweetsi Masisi met with Wang Yi, who also held talks with Botswana's Minister of International Affairs and Cooperation Lemogang Kwappe. The two foreign ministers signed the MoU on jointly advancing the BRI between the two governments and other cooperation documents, the 46th African country to do so.

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Tanzania

On 8 January, Wang Yi met with Tanzanian Minister of Foreign Affairs and East African Cooperation Palamagamba Kabudi in Chato.

On 6 January, the Tanzanian government awarded a contract for the construction of the fifth phase of the 341km Mwanza – Isaka standard-gauge railway (SGR) to a partnership of China Civil Engineering Construction (CCEC) and China Railway Construction Corporation (CRCC). The north-south line will link the port of Mwanza on Lake Victoria to southern town of Isaka. The \$1.32bn line will be funded by the Tanzanian government.

The railway project is the fifth and last phase of Tanzania's SGR under construction, ultimately connecting Mwanza to the Indian Ocean Port City of Dar es Salaam. Phase 1 of Tanzania's SGR is a 202-kilometre railway connecting Dar es Salaam and Morogoro, and Phase 2 is 348 kilometres connecting Morogoro and Makutupora. Phase 3 is 294 kilometres connecting Makutupora and Tabor while Phase 4 is 130 kilometres connecting Tabora and Isaka. Phase one of the project is at its final stages, slated for trials in April 2021 while Phase two is 50% complete.

The new railway line will replace Tanzania's old meter gauge railway, reduce congestion, and lower transport costs. It is estimated that the Tanzanian SGR will cut freight costs by up to 40%, as each freight train will transport up to 10,000 tonnes per trip. The SGR will also connect Tanzania to Burundi, DRC, and Rwanda, boosting regional trade.

During the meetings, President John Magufuli asked for the cancellation of old debts totalling \$167.7 million. Magufuli's debt-forgiveness request included \$137 million for a housing project for the police, \$15.7 million for an old Tanzania-Zambia railway (988 million RMB loan in 1970) and \$15 million for a textile mill.

Seychelles

On January 9, Wang Yi held talks with Seychellois Foreign Minister Sylvestre Radeconde in Victoria. China proposed to help fully tap the potential of cooperation in green development, blue economy and tourism, strengthen cooperation in clean energy, marine aquaculture and air transportation, and help Seychelles in work resumption and economic recovery.

Both countries signed a MoU between China and Seychelles on the implementation of construction of a low-carbon demonstration zone for South-South cooperation to deal with climate change.

The Seychelles began vaccinating its population against the coronavirus on Jan 10, 2021. The country's president, Wavel Ramkalawan, was the first to receive the jab, an event broadcast on live television at a hospital in the capital Victoria. Several dozen public figures joined him, using the vaccine developed by China's Sinopharm.

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