

Hydrocarbon rich Mozambique a future military base for China?

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Synopsis

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Hydrocarbon rich and strategically located <u>Mozambique</u> in South-eastern <u>Africa</u> is emerging as an important country for <u>China</u> in the <u>Indian Ocean</u> Region.

Mozambique has a very long coastal line along the Indian Ocean region and China enters Zambia and Zimbabwe through the Mozambique Channel. To have access to the latter land locked

countries where China has massively invested in various projects, rail and road infrastructure are airlifted to Mozambique with the purpose of transporting these equipment and material eventually to & from these countries, according to Africa experts.

Keeping the importance of access in mind, the <u>Chinese Exim Bank</u> financed US\$ 300 million for a road construction project whose total worth was US\$ 315 million though the length of the road was a little more than 74 km. 'Maputo Ring Road' is considered to be as one of Mozambique's main national highways, having 6 bridges and 3 interchanges.

China has been promoting its construction firms in Africa and within this framework major developmental projects are handed over to Chinese companies and funded by Chinese banks. In this case, the Chinese Exim Bank Another high-tech Chinese firm Maputo AFECC Gloria Hotel (Costa do Sol) was granted permission for construction activities in collaboration with the Mozambique government and the AFECC group (Anhui Foreign Economic Construction Group, Ida), a Chinese entity, it has been learnt.

In this project, \$300 million was invested for a 14 storied tower which is heavily influenced by Chinese architecture, consisting of a high-tech conference centre, gaming rooms, and a supermarket meant exclusively for Chinese products, according to experts who follow Chinese presence in South-Eastern Africa.

Similarly, Anhui Foreign Economic Construction Group (AFECC) also won a project worth 100 million Yuan to construct the modern office building of the Ministry of Foreign Affairs and the Cooperation of Mozambique. This was meant to house high-tech Chinese-built office complexes, conference rooms and international facilities which serve as centres of espionage and surveillance for China, it has been learnt.

Apart from these construction activities, China is also in the process of developing the Xai- Xai Chongoene Airport in Chongoene City involving an investment of about \$ 60 Million. This project in Mozambique too has been handed over to a Chinese firm, China Aviation International Construction and Investment Co Ltd. The company has also been given the responsibility of constructing the terminals, access road to the airport as well as the landscaping to be done in the outer part of the passenger terminal such as the car park/gardens where advertising and marketing endeavours can be undertaken by Chinese entities.

China might just build a military base in the country to cater to the Chinese military prospects while facilitating its economic control over the African continent.

Pradeep Mehta, Secretary General CUTS International (which has an extensive network in Africa through its local chapters) told ET, "Beijing looking for more naval bases in Africa shows its attempt to expand its strategic reach in the Indian Ocean and the African continent. By having a second naval base in Africa, China can be prepared for any contingencies in the Suez canal and can have a prescription for the 'Malacca Dilemma' phrased by Hu Jintao. The African countries should note that such bases can pose big risks for them like grass getting crushed when two elephants fight."

To transport valuable titanium from Mozambique to the Chinese mainland,

China is considering building ports and railways in the area where a heavy sand processing plant exists in Chibuto district, ET has learnt. China's mining company Dingsheng has invested about \$ 400 million in this project and is looking to export at least two tons of titanium from the plant in near future. Dingsheng International Investment Co. Ltd. is essentially a subsidiary of China Anhui Foreign Economic (Group) Co. Ltd., which has been given the responsibility for the construction, management and operation of the Manga-Mungassa Special Economic Zone in the suburb of Beira, which is a bustling economic hub.

The planned area for the first phase is 217 hectares, which is expected to be expanded to 1,000 hectares by influencing Mozambique's leadership. It entails an investment of about US\$ 500 million to build an economic and trade cooperation zone integrating processing and manufacturing, packaging and logistics.

With the aim of buying the Portuguese banks in Mozambique, China has also started purchasing shares of Barclays Africa [soon to be ABSA Group]. A Confucius Institute (CI) depicting Chinese architecture was built at Mozambique's prestigious University Eduardo Mondlane (UEM).

Mozambique is the first African country to sign a Global Strategic Partnership Cooperation and Agreement with China & is a member of the Maritime Silk Road.

China exercises enormous influence over Mozambique as its largest bilateral creditor at \$2.2 billion, a trend that applies to practically the entire African continent.

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