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# BRIEFS





**Indonesia**

View of Indonesia Morowali Industrial Park from the sea, July 2020. Source: Unknown.

## Labour Rights and Environmental Concerns over Indonesia's Nickel Industry

Labour and environmental controversies continue to plague Indonesia's nickel industry; nickel is a critical input for long-range electric vehicle (EV) batteries, raising questions about how green or just is the purported green transition. Data collected by the Jakarta-based environmental nongovernmental organisation (NGO) Trend Asia show that at least 57 workers died in the operations of nickel smelting facilities in Indonesia between 2015 and 2020. Two major incidents related to Chinese-invested companies in the first half of 2023 further highlight the role of China's globalising capital in these problems.

In January, violence broke out at PT Gunbuster Nickel Industry (GNI), a Chinese-owned nickel-based industrial site in North Morowali Regency of Central Sulawesi, leading to the death of two workers, one Indonesian and one Chinese. Several company vehicles and about 100 dormitory rooms were damaged. Hundreds of security personnel were deployed to the site. The clash took place in the wake of a strike led by Indonesian workers belonging to the National Workers' Union. The protestors were complaining about GNI's neglect of workplace safety, which in December 2022 led to an explosion that killed TikTok star and worker

Nirwana Selle and her co-worker Made Detri Hari Jonathan. The workers were also demonstrating against wage deductions and dismissal of union members. GNI's parent company is Jiangsu Delong Nickel Industry, a privately owned Chinese ferronickel and stainless-steel manufacturer whose tainted labour rights record in Indonesia includes confiscation of Chinese workers' passports, long working hours, and payment arrears, among others. In February, three Chinese workers at another Chinese nickel company, PT Indonesia Morowali Industrial Park (IMIP), filed a complaint with Indonesia's human rights commission over poor workplace conditions, including a lack of proper safety gear, long working hours, pay cuts, and the seizure of passports belonging to Chinese employees. PT IMIP, which manages IMIP, an industrial complex in Morowali Regency of Central Sulawesi, is majority owned by the private Chinese stainless-steel giant Tsingshan Holding Group. Indonesia holds the world's largest known reserves of nickel, which has inspired a national strategy to leverage the supply of the critical mineral to establish the country as an EV-manufacturing giant. However, these labour disputes highlight the hazards in this industry. This is in addition to the environmental consequences of the sector, as much of Indonesia's nickel deposits are low-grade laterite ores, the mining, processing, and smelting of which are highly polluting and carbon-intensive. Nickel extraction and

processing have caused health concerns such as eye irritation and respiratory discomfort, river and ocean pollution, deterioration of fisherfolks' livelihoods, and land grabs. Indonesia also relies on cheap domestic coal as a source of fuel to make the nickel industry cost-competitive. *PHY*

### Xi's Visit to Moscow Reaffirms China's Pro-Russian 'Neutrality'

In March, 13 months after Russia launched its invasion of Ukraine, Chinese President Xi Jinping made a three-day visit to Moscow to meet with his Russian counterpart, Vladimir Putin. China has attempted to publicly portray itself as a responsible, mediating power in the war, and the visit was supposed to 'show China's efforts at promoting peace', but instead it was widely viewed as underscoring China's pro-Russian 'neutrality'. Putin rolled out the red carpet for Xi, who called him a 'dear friend' and praised his 'strong leadership', and the two leaders toasted their 10 years of friendship over an elaborate meal. Just days earlier, the International Criminal Court issued an arrest warrant for Putin over alleged war crimes. Both leaders referred to the war as only a 'crisis' or 'issue', and Putin praised China's position paper about the war, which did not criticise Russia's invasion and called for measures that the United States believes would consolidate Russian territorial gains in

Ukraine. Ukraine reportedly welcomed China's diplomatic involvement but said Russia must pull out its troops and emphasised the importance of Ukraine's territorial integrity. The joint statement at the end of Xi's visit to Russia barely mentioned Ukraine, called for deepening Sino-Russian ties in eight fields, accused the United States of undermining international security, and criticised the global expansion of the North Atlantic Treaty Organization (NATO). Numerous analysts and journalists agreed that the priority of the trip was to assert a shared opposition to American dominance rather than find a solution to the war. Chinese state media also underscored China's pro-Russian stance, as the *People's Daily* published an article by Putin praising Xi's efforts to grow their friendship, which, along with other pro-Russian articles, hemmed in the paper's first mention of Ukrainian President Volodymyr Zelenskyy since last October. Censors also curated coverage of the trip on Chinese social media to ensure the promotion of only state media, verified accounts, and hashtags praising Sino-Russian friendship. Just before Xi bid farewell, he told Putin: 'Right now there are changes—the likes of which we haven't seen for 100 years—and we are the ones driving these changes together.' *AK*

## Chinese Goldmines Under Attack in Central African Republic

In March, a group of unidentified armed men attacked the Chimbolo goldmine in the Central African Republic (CAR), killing nine Chinese citizens and injuring two others. This marked the deadliest attack against Chinese citizens in the country, adding to a worrying trend of increased violence against Chinese citizens and investments across the region. Following the attack, Chinese President Xi Jinping personally called for 'severe punishment' for the perpetrators, but their identities remain unclear. The CAR Government immediately blamed the attack on the Coalition of Patriots for Change (CPC), an alliance of local rebel forces hostile to the central government. The CPC, however, blamed the Wagner Group of Russian mercenaries who provide security for the CAR Government. Both the CPC and Wagner exploit mining in the CAR and have a history of human rights abuses and raids on artisanal mines for economic gain. The attack occurred one day before Xi travelled to Moscow to visit Vladimir Putin, whose war against Ukraine has made Russia more reliant on China. Should Wagner prove to be the culprit, it would be an embarrassing blemish on the Sino-Russian relationship. Since 2018, at least 17 Chinese miners have been kidnapped or killed in the CAR, sometimes for rumoured ransom by Wagner or after

altercations with locals. The central government's inability to enforce the rule of law in much of the country forces Chinese mining actors to rely on unpredictable local groups for their security. Given the growing number of small, inexperienced Chinese companies in the CAR, their history of human rights abuses, and local actors' political incentives to target Chinese citizens, their security is precarious. Over the past three years, similar incidents of Chinese citizens being kidnapped or killed have occurred in other countries throughout the region. *AK*

## Breakthrough Made in Zambia's External Debt Restructuring

In the first half of 2023, Zambia reached a milestone debt relief deal as the world's indebted countries faced protracted negotiations with their creditors. On 22 June, the southern African country announced it had struck a tentative deal to restructure 6.3 billion USD in debt owed to official creditors, including China (Zambia's largest official creditor), France, the United Kingdom, South Africa, Israel, and India. Zambia has defaulted on its external debt of 18.6 billion USD since 2020.

The amount earmarked for overhaul was lower than previously expected because the 1.75 billion USD in loans owed to the Industrial and Commercial Bank

of China and the Bank of China were re-categorised as ‘commercial’ and thus will be discussed in subsequent talks with private creditors. Only the debt of 4.1 billion USD owed to the Export–Import Bank of China (Exim Bank of China), which co-chaired the Official Creditor Committee, was covered by the treatment. The treatment extends final maturities to 2043, representing an average extension of more than 12 years. The deal involves no haircut on the principal, yet the extensions will result in a 40 per cent reduction of the present value of Zambia’s external debt. The baseline interest rates will be set at a very concessional 1 per cent during the next 14 years.

Created in June 2022, the creditor committee for Zambia was co-chaired by China and France and vice-chaired by South Africa. The agreement was the second made under the G20 Common Framework—a platform that traditional ‘Paris Club’ creditors such as France and the United States and new creditors such as China and India endorsed to streamline debt relief for the poorest countries. The first deal under the framework was struck last year, for Chad, whose main creditors included China, France, India, Saudi Arabia, and Switzerland-based oil giant Glencore. All eyes have now turned to Sri Lanka, where China negotiates debt restructuring separately from other bilateral creditors including India, Japan, and Paris Club members. The South Asian country defaulted on its foreign debt repayment for the first time in April 2022 amid nationwide protests.

Nearly one-fifth of Sri Lanka’s public external debt was owed to Chinese lenders by the end of 2022. The Exim Bank of China, which had lent 2.83 billion USD to the Government of Sri Lanka by the end of 2020, agreed to grant a moratorium on debts due in 2022 and 2023. *PHY* ●