



China Reform Monitor No. 1414

April 29, 2020 **Joshua Eisenman**

Related Categories: Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; Corruption; East Africa ; Europe; Southeast Asia; West Africa

HUNGARY TO KEEP DETAILS OF BEIJING-FUNDED RAIL LINK SECRET

Hungary's Prime Minister, Viktor Orban, wants to classify information about the country's largest ever infrastructure project – the 350km, 2.3bn Euro high-speed rail link between Budapest and the Serbian capital of Belgrade. According to draft legislation, all contracts related to the first Chinese-built railway in Europe will be classified for 10 years because they could "threaten Hungary's ability to pursue its foreign policy and trade interests without undue external influence." The proposal was submitted after parliament gave Orban emergency powers for an indefinite period amid the COVID-19 pandemic. Hungary will pay 15 percent of the railway's costs and borrow the rest from China's Eximbank. A large contract has been awarded to a construction consortium owned by Orban's childhood friend (and Hungary's richest person) Lorinc Meszaros. The relationship with Beijing "fits well into the government's strategy that 'we don't need Brussels and the EU; We are strong enough on our own and we have some powerful friends,'" notes Agnes Szunomar of the Centre for Economic and Regional Studies in Budapest. (*Financial Times*, April 3, 2020)

BEIJING TAKES CONTROLLING STAKE IN NIGERIA'S LEKKI PORT

State-owned China Harbour Engineering Company (CHEC) has paid \$221 million for a 52.5% equity stake in the Lekki Deep Sea Port Project for a period of 45-years, Biodun Dabiri, Chairman of Lekki Port LFTZ Enterprise Ltd, has disclosed. CHEC's Du Ruogang will become the new CEO for Lekki Port, and three additional Chinese representatives from CHEC will join the port's Board of Directors. Lekki Port has already taken a \$629 million loan from the China Development Bank for port construction to make it Nigeria's first deep sea port and the deepest such facility in sub-Saharan Africa. (*The Guardian* [Nigeria], April 1, 2020)

TRACK LAYING BEGINS FOR THE CHINA-LAOS RAILWAY

Chinese construction companies have begun laying track for the China-Laos railway, which – once completed – will be the longest rail line in Asia situated outside of China. The railway will run trains at 160 km per hour from the Chinese border to Vientiane for 414 km, including 198 km-worth of tunnels and 62 km of bridges. Construction on the project began in 2016, and is expected to be completed in 2021. The Vientiane-based Laos-China Railway Co. Ltd. joint venture will build and then operate the \$6 billion railway, which Laos hopes will help transform it from a poor, landlocked country into a regional trade hub for continental Southeast Asia. Laos borrowed about 60 percent of the total project cost, approximately \$3.5 billion, from the China Export-Import Bank. (*The Diplomat*, March 31, 2020)

KENYAN PAPER: "BRING HOME KENYANS SUFFERING IN CHINA"

Kenya's largest newspaper has published an editorial condemning the mistreatment of Africans in China amid the COVID19 crisis. "The Ministry of Foreign Affairs has demonstrated callousness and cold-heartedness in responding to the plight of, particularly, Kenyans stuck in China and who are being abused, tortured and racially discriminated against on claims of transmitting coronavirus," Kenya's Daily Nation has written in a hard-hitting editorial. "The least we expected was that the ministry, through the Kenyan embassy in Beijing, would secure the Kenyans and evacuate them. But what we have seen is upsetting and appalling. Kenya and other African states must make a strong statement to China that it cannot allow their nationals to be humiliated and tortured and still expect to have a cordial relationship with the continent. They must protest and let the whole world know that China is becoming roguish and impertinent.

"On this, China should not be handled with kid gloves," the paper continues. "It has to be reprimanded for its excesses and put where it belongs. There is no way it can be treated respectfully and affectionately when its nationals maltreat others. Neither should it be revered when it shows total disrespect for international conventions and protocols. Our governments tend to kowtow to China ostensibly because of economic ties, which fact gives it audacity to become unruly." (*Daily Nation*, April 20, 2020)

CHINA TAKES CONTROL OF JAMAICA'S KINGSTON FREEPORT

China Merchants Port Holdings has purchased a concession agreement giving it 100% control of Jamaica's Kingston Freeport for the next 30 years. Competition is heavy among shipping terminals in the Caribbean, and Jamaica hopes China's investments will improve the port's regional competitiveness. Chinese investors have spent \$250 million to upgrade the port's container terminal facilities and dredge the harbor channel to allow vessels carrying up to 14,000 container units, which can now transit the enlarged Panama Canal. In all, China Merchants has spent \$815 million to acquire stakes in shipping terminals around the world, including CMA CGM Terminals (Iraq, 100%), Odessa Terminal Holdco Ltd. (Ukraine, 50%), CMA CGM-PSA Lion Terminal Ltd. (Singapore, 49%), First Logistics Development Co. (Vietnam, 47%), Rotterdam World Gateway (Holland, 30%), Laem Chabang International Terminal Co Ltd (Thailand, 14.5%). (*Jamaica Observer*, April 24, 2020)