

Could China and Japan Work Together in East Africa?

Despite troubled relations at home, the two countries have a shared interest in Africa.

By **Clint Richards**

CHINA, July 10, 2014 (Diplomat) --- On February 25 China joined the U.S., France, and Japan in [signing a security and defense agreement](#) with Djibouti, as it seeks to further integrate with regional naval operations. Combined Chinese and Japanese inroads into the strategic port of Djibouti could be another exercise in antagonism, or a rare showcase of cooperation. They are both seeking to combat piracy in the Gulf of Aden and protect their burgeoning assets in East Africa. This is a rare instance in which both countries have a shared security interest, and could provide instructive for other points of tension.

Both countries rely on the trade and energy exports that transit this narrow passage between the Red Sea and Gulf of Aden, yet neither has the naval capacity or mandate to project power in the area. The threat of Somali piracy has led to some astonishing international naval cooperation in the region. But as both [Chinese and Japanese interests in East Africa grow](#), the close management and strengthening of this cooperation will be necessary to help prevent further conflict between the two.

The Chinese security agreement was at the behest of [Djibouti's Defense Minister](#) Hassan Houffaneh, who said it was due to significant Chinese funding of local infrastructure projects. The minister said Djibouti was ready to allow Chinese naval ships access to its ports in order to enhance military cooperation. He added that the Djiboutian Air Force would soon acquire Chinese aircraft, and [called for](#) "assistance with surveillance, including radar, and additional places at China's military training centers."

Japan's military has since 2009 had a presence in Djibouti near the U.S. base at Camp Lemonnier. [By 2011 its base](#) hosted 600 members of the Maritime Self Defense Forces, who rotate between the camp and two Japanese destroyers in the port as part of its anti-piracy mission. Prime Minister Shinzo Abe visited Djibouti on August 27, 2013, and promised to

[provide patrol ships](#)

to help Djibouti's coast guard improve maritime security. Abe also promised "to develop geothermal power generation and secure stable electricity supplies."

Both China and Japan have contributed to, and benefited from, the sharp decrease in Somali-based piracy since 2012. Their ability to work within an internationally coordinated framework has given them the chance to work toward a shared objective in a security setting, no small feat for these two increasingly belligerent neighbors. The scope of the international anti-piracy campaign around the Horn of Africa has broadened as pirates moved further afield into the Arabian Sea and the western Indian Ocean. This has in turn also broadened the reach of Chinese and Japanese naval vessels.

This increased security role in the region is a natural outgrowth of China and Japan's investment in East Africa, and their dependence on nearby sea lanes for trade and energy. There is little chance of conflict while neither country has a true blue-water navy. However, their ever-increasing involvement in Sub-Saharan Africa will lead them both, especially China, to desire greater control over regional security.

Investment

Both countries' investments in East Africa are substantial, yet [Chinese investment significantly outweighs Japanese](#) . To

understand the difference, just look at each country's foreign direct investment (FDI) numbers for 2012 in Africa as a whole. Chinese FDI was

[\\$25 billion](#)

while Japan's was around

[\\$6 billion](#)

. Even as Japan last year declared it would spend \$32 billion on investments and loans for Africa over the next five years, that is still less than China plans to spend in East Africa alone. For Japan the scale of investment is smaller, yet by no means less strategic. For now, however, there is little overlap in their large-scale projects, specifically in infrastructure, which means that both countries may be able to benefit from the other's investments with little chance for friction.

Auditing firm [Deloitte estimates](#) that of current East African construction projects, China is funding 17 percent while Chinese firms are building 19 percent. Of these construction projects, 42 percent are in the transport sector. China is a major financier of the LAPSSET transport and

infrastructure project designed to link the port of Lamu in Kenya to South Sudan and Ethiopia through a series of pipelines, refineries, and port facilities estimated to cost up to \$29.5 billion. China is also financing the [\\$10 billion Bagamoyo Port](#) project in Tanzania as well as a [standard gauge railway project](#) set to link Kenya's port of Mombasa with Uganda, Rwanda, Burundi, and perhaps South Sudan and Ethiopia. The rail project is estimated to cost roughly \$14 billion.

In Sudan and South Sudan [China had already invested \\$20 billion](#) before their separation, with another \$8 billion pledged toward energy infrastructure in South Sudan after the split. China accounts for two-thirds of South Sudanese oil exports, which go through Port Sudan on the Red Sea. This will remain the case until the above LAPSSET project comes online, which means Sudan, South Sudan, and China all have a vested interest in Chinese participation in securing Djibouti's surrounding waterways.

Japanese investment isn't as focused as Chinese investment in East Africa, yet its latest pledge of \$32 billion has important implications for the region. Japan is Kenya's second largest creditor and has issued grants to [develop four new](#) geothermal energy sources in the country. Japan is a world leader in geothermal energy and Kenya is planning to bring 5,000 megawatts of this type of electricity online by 2030. Japan also imports copper and cobalt from Zambia and plans to invest \$700 million in the [Nacara Corridor](#) to bring minerals from the interior to market.

In Tanzania, Japan is investing in a new central line railway and expanding the port of Dar es Salaam as well as investing [\\$550 million](#) in the textile industry. According to STRATFOR, Japanese Mitsui Group has a 20 percent stake in developing Mozambique's Rovuma-1 offshore gas field. Japan is also [investing](#) "\$700 million to develop Nacala port near the Rovuma field and the railway to central Mozambique's coal fields via Malawi, where, incidentally, Japan hopes to mine rare earths." Japan also accounted for 15% of Sudanese and South Sudanese [oil exports](#) in 2012.

Security Implications

Despite the heightened rhetoric between China and Japan over the last year and a half, they

have a significant interest in cooperating in East Africa and providing joint security for the region's sea lanes and infrastructure in places like South Sudan. Their animosity is palpable at times and threatens to interfere with well laid plans. That was seen in January as Abe visited the region amid plans for further investment. The Chinese ambassador to the African Union warned the organization of an impending "resurrection of Japanese nationalism" and called Abe "[the biggest troublemaker in Asia](#)."

However, atmospherics like this are unlikely to alter either country's investment plans or security arrangements in the region over the short term. Their dual deployment of security forces in South Sudan is another example of how both countries subsume nationalist arguments in the face of protecting significant investments. Japan has about 350 troops in country and China has an undisclosed amount estimated to be several thousand, yet neither country has allowed recent tension to affect their mission or the protection of key assets.

The trade facilitated by Chinese and Japanese investment in infrastructure will benefit them both, but the largest contributor to cooperation is the fact that neither country can secure its interests on its own. So they must both contribute to multinational forces like the UN troops in South Sudan and international maritime defense operations near the Horn of Africa to protect their investments. Even as [China increases its military budget by 12.2 percent](#) this year and makes plans to expand its carrier fleet, its ability to build a blue-water navy capable of projecting power across the Indian Ocean is a generation away at best.

While this cooperation is by no means overt or systematic, it provides an important basis for future interaction in the region. As their involvement in infrastructure projects and ultimately issues like peacekeeping to secure assets grows, the potential for conflict grows with it, especially once Chinese and Japanese investors start bidding to build competing infrastructure projects. This is already happening in Kenya, Uganda, and in South Sudan where Japan's Toyota Tsusho East Africa Ltd. is helping to finance [a \\$16 billion pipeline project](#) to connect the countries and their oil fields with the port of Lamu. Such a pipeline would be in direct competition with the LAPSSET project heavily funded by the Chinese.

To prevent nationalist issues from spilling over into their East African projects, China and Japan will need to build on relationships already in place, and avoid bringing tension into areas that have proven to be mutually beneficial.