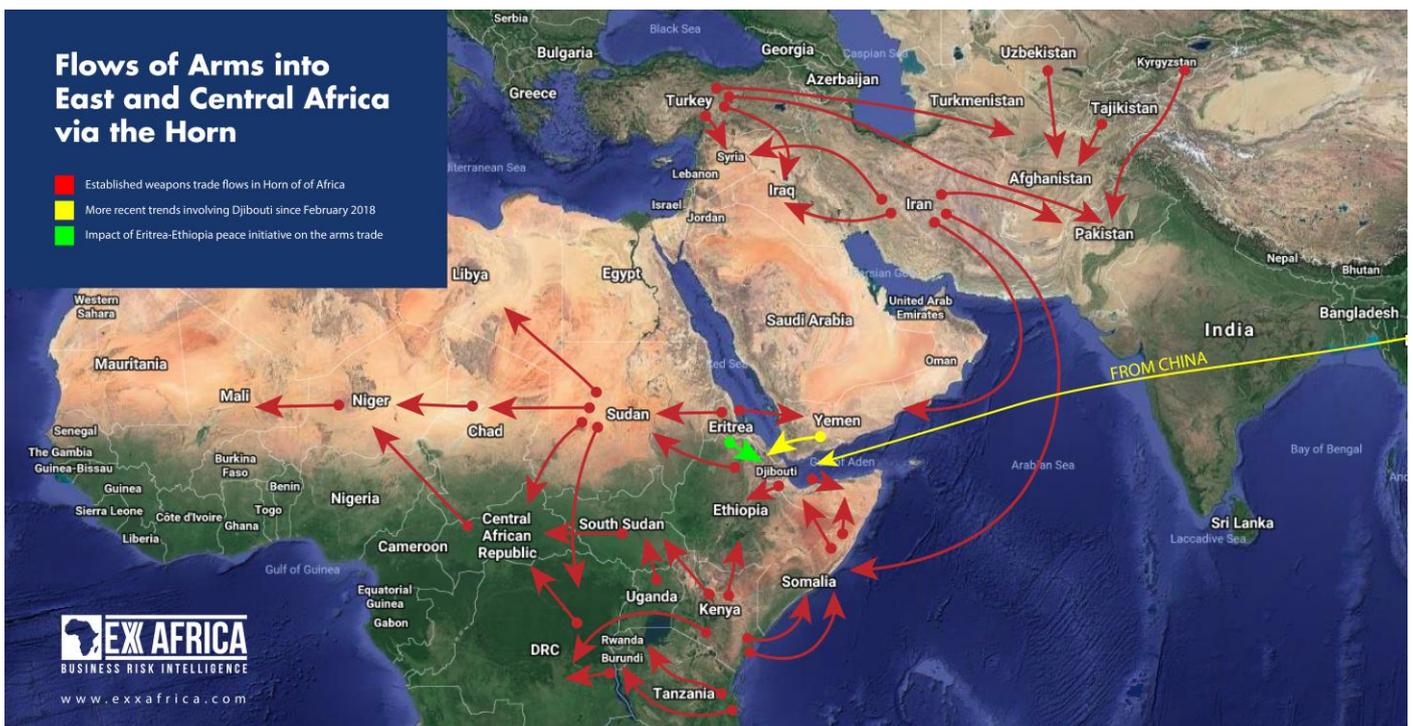


## KEY JUDGMENT

China is actively positioning itself as a major supplier of arms to the African continent. Beyond the commercial objective of increasing sales of Chinese manufactured weapons and military equipment, China also seeks to control a greater share of the weapons trade in Africa in order to protect its extensive infrastructure investments on the continent. On the back of the One Belt, One Road initiative, China has made massive investments in East Africa, including railway lines, hydropower dams, and new port projects in countries such as Kenya, Sudan, and Ethiopia.

Central to this strategy is China's military logistics base in Djibouti, which China is preparing to facilitate large-scale shipments of weapons and military equipment to African countries, in particular Sudan and South Sudan. Djibouti's own strategically important port, which lies in a major shipping lane, is also set to move towards the centre of the regional arms trade.

Following a new investigation that included collection of intelligence from well-placed security sector sources in the Horn of Africa, we have found evidence that Chinese weapons are making their way from the Chinese PLA Support Base in Djibouti and the commercial Port of Djibouti towards African conflict zones that have been placed under an arms embargo.



## THE ARMS TRADE IN THE HORN OF AFRICA

### PATTERNS AND TRENDS IN THE AFRICAN ARMS TRADE

**China's military logistics base in Djibouti is set to play a central role in China's strategy of increasing sales of weapons and military equipment to African countries, including those currently under sanctions or embargo.**

China is actively positioning itself as a major supplier of arms to the African continent. On 26 June 2018, Beijing hosted its first China-Africa Defense and Security Forum that brought together representatives from 50 African countries and the African Union. The conference was officially aimed at promoting Sino-African collaboration in counter-terrorism, anti-piracy, and regional security initiatives. China has also been looking to increase sales of weapons to African countries, including to geographies which have been placed under international trade embargoes or other multilateral sanctions that have curtailed supply within the legal arms trade.

According to the Stockholm International Peace Research Institute, China's arms exports to Africa increased by 55 percent from 2013 to 2017, relative to the previous five-year period, from 2008 to 2012. According to the same research, China's share in African arms supplies has increased from 8.6 percent to 17 percent, even though total arms imports fell by 22 percent over the same period. As a result, China has outpaced the US, which accounts for just 11 percent of weapons exports to Africa. China now seeks to displace Africa's traditional sources of supply of weapons, especially former colonial powers and former Soviet countries in Eastern Europe.

Beyond the commercial objective of increasing sales of Chinese manufactured weapons and military equipment, China also seeks to control a greater share of the weapons trade in Africa in order to protect its extensive infrastructure investments on the continent. On the back of the One Belt, One Road initiative, China has made massive investments in East Africa, including railway lines, hydropower dams, and new port projects in countries such as Kenya, Sudan, and Ethiopia.

Central to this strategy is China's military logistics base in Djibouti, which China is preparing to facilitate large-scale shipments of weapons and military equipment to African countries, in particular Sudan and South Sudan. Djibouti's own strategically important port, which lies in a major shipping lane, is also set to move towards the centre of the regional arms trade. Cross-border security is weak, which already facilitates weapons trafficking. Moreover, with the violent conflict in Yemen raging just 32 kilometres across the Bab el-Mandeb Strait, Djibouti is now comprehensively entwined in the geopolitical dynamics of the volatile region.

In July 2018, media reports revealed evidence of large-scale weapons smuggling from China to Djibouti. Our subsequent investigation into these reports initially uncovered little evidence substantiating such claims by international media. Indeed, the general view from our local contacts found that such long-distance smuggling routes would be unnecessarily complicated and risky, given the readily available high quality weaponry in the Gulf of Aden. However, following a new investigation that included collection of intelligence from well-placed security sector sources in the Horn of Africa, we have found evidence that Chinese weapons are making their way from the Chinese PLA Support Base in Djibouti and the commercial Port of Djibouti towards African conflict zones that have been placed under an arms embargo.

## **THE ROLE OF DJIBOUTI IN CHINESE ARMS SUPPLIES TO THE HORN**

### **CHINESE ARMS SHIPMENTS TO SUDAN**

**The removal of US economic sanctions on Sudan has facilitated a new acquisition spree by the Sudanese government of Chinese weapons that are trans-shipped in Djibouti in order to prepare for an upcoming Sudanese military offensive against armed rebel groups in Darfur.**

Intelligence collated by EXX Africa indicates that Chinese weapons and military equipment destined for Sudan, including the war-torn Sudanese region of Darfur, are more frequently being shipped into the Port of Djibouti and China's military logistics base on an increasingly regular basis. Local sources in Djibouti have reported that Chinese weapons destined for Sudan are being shipped through Djiboutian territory. So far in 2018, sources at the Port of Djibouti have witnessed shipments of WS-1302mm Multiple Rocket Launchers, Red Arrow-8 Anti-tank missiles, and large quantities of Chinese Type-54 12.7mm ammunition. According to regional security sources, the end destinations for these weapons are likely to be Sudanese government forces operational in Darfur.

Since March 2005, all arms transfers to Sudan have been subject to restrictions based on UN Security Council Resolution 1591 which imposes an arms embargo on all parties in the conflict in Darfur, including Sudanese government forces. However, Chinese weapons have continued to be procured by government forces, as the embargo allows for the provision of arms and military equipment to the government of Sudan outside Darfur. However, UN experts continue to find newly procured Chinese weapons in Darfur, which indicates that the trade is continuing through previously unmonitored channels, like Djibouti.

There is also evidence of Chinese weapons indirectly ending up with Sudanese anti-government rebels who in the east are made up mainly of the Beja Rebels and in the west of various militias in Darfur. Funding for arms by Sudanese rebel forces is scarce compared to Somalia's spending. As a result, rebels in the east often rob cargo coming from Port Sudan, while rebels in Darfur rely on a combination of foreign remittances, aiding-and-abetting with animal and human trafficking from the Central African Republic (CAR) and the Democratic Republic of Congo (DRC), and fighting as paid militias in the DRC and CAR.

China remains a staunch supporter of Sudan's government and has crucial commercial assets in the country, which limits China's interest in directly arming Sudanese rebel groups. However, evidence of Chinese weapons being used by Sudanese rebel groups is coherent with patterns of uncontrolled weapons trafficking by Sudanese army officers, which eventually allow weapons procured by the Sudanese military to end up with Sudanese rebel groups.

Several sources in the African Union (AU) have also suggested that Djibouti's small contribution of police officers to the AU/UN Hybrid operation in Darfur, which is a joint AU and UN peacekeeping mission in the restive region, has been involved in trafficking of small arms to pro-government forces in Darfur, although we have found no evidence to support such claims.

In October 2017, the US removed economic sanctions on Sudan that had been in place for nearly two decades. The removal of the sanctions had been hoped to allow Sudanese banks to complete dollar transactions and reconnect to the international financial system. It is expected that the Sudanese government will now step up acquisitions of arms from China in order to prepare for another campaign in Darfur. Security sector sources in Khartoum report that new financing facilities are being installed to fund fresh Chinese weapons procurement by the Sudanese military and allied armed groups. The same sources report that such weapons could be transported through Port Sudan, as well as through Djibouti where there is less scrutiny at China's military logistics facility.

These developments come as the government of President Omar al-Bashir is planning a new offensive against Darfur rebels. The offensive is expected to focus on western Darfur, where government forces have been conducting operations against the rebel SLM-AW. The objective of the upcoming offensive seems to be to target the SLM-AW, which was already uprooted from its traditional stronghold at Marra Mountain two years ago. If the offensive is successful, which is likely given the overwhelming superiority of government forces, the SLM-AW rebels await the same fate as the JEM and SLM-MM groups. Moreover, al-Bashir would be able to claim that the insurgency in Darfur is over and that UNAMID's deployment is no longer required, let alone any further peace negotiations.

#### CHINESE ARMS SHIPMENTS TO SOUTH SUDAN

**Following the imposition of a US arms embargo on South Sudan, the SPLA has been looking for new avenues of weapons shipments to avoid detection at usual ports of entry. The SPLA is currently considering a purchase of Chinese manufactured weapons and Chinese-financed weapons via Djibouti.**

Based on local intelligence collected by EXX Africa since the start of 2017, similar observations have been made of Chinese weapons destined for South Sudan passing through Djibouti. The most prolific type of Chinese weaponry on route to South Sudan has been Red Arrow-73D Anti-tank missiles and its launchers. Initially such weapons were supplied by Chinese state-owned arms manufacturer NORINCO via the Kenyan Port of Mombasa. When South Sudan's civil war broke out, China said it halted weapons sales to South Sudan. However, security sector sources in Juba report that Chinese shoulder-launched rocket systems continue to be delivered to South Sudan's military and allied armed groups and that these weapons are being shipped through new routes, such as the Port of Djibouti.

Ugandan companies, affiliated to the Ugandan military, such as Bosasy Logistics, have played a crucial role in financing Chinese weapons purchases, including those of small arms like automatic rifles, grenade launchers, pistols, machine guns, and Type-69 anti-tank rockets. In addition, neighbouring Sudan has supplied Chinese weapons to South Sudanese rebel groups. Most of the ammunition supplied to the armed rebel opposition group SPLA-IO has been manufactured in either Sudan or China. Security sources in both Juba and Khartoum report that supplies of ammunition are increasingly being sent through Djibouti to avoid detection at Port Sudan or other facilities that are monitored more frequently than Djibouti's port.

Chinese arms passing through the Port of Djibouti are distributed to both government and anti-government factions alike. The funding for these weapons comes mainly from misappropriated foreign monies invested into South Sudan by aid organisations and foreign governments and other international bodies. Local intelligence suggests that Chinese supplied weapons are increasingly making their way into the South Sudanese conflict. However, the demand for Chinese manufactured weapons is low due to quality concerns, particularly due to the type of fighting in South Sudan that is often exposed to severe weather and terrain elements. Instead, various sources in South Sudan's security sector report that Chinese companies are providing financing for the purchase of weapons, especially non-Chinese manufactured weapons, which are being shipped through nearby Eritrea and Djibouti.

South Sudanese General Gabriel Jok Riak recently travelled to China for the Africa-China Defense and Security Forum, despite UN targeted sanctions banning his travel. In May 2018, Riak was made the Sudan People's Liberation Army (SPLA) General Chief of Staff after Paul Malong was dismissed and his successor died of health complications in Cairo. In 2014 he was at the helm of SPLA operations in Unity State, which is the so-called 'gateway' to South Sudan's oil blocks, for which he was placed under UN sanctions in 2015. Riak hails from Jonglei and is considered to be loyal to its pro-government ethnic Dinka leadership, represented by Kuol Manyang - the Defense Minister and former governor of Jonglei.

Riak's visit to China for a weapons conference was criticised by human rights advocate groups, such as The Enough Project which warned that lack of implementation of Security Council sanctions by UN member states could deal a blow to the new peace agreement signed in Sudan early in August. Well-placed sources who also attended the Chinese weapons conference reported that Riak was negotiating weapons transports to South Sudan's military and that new avenues of import to land-locked South Sudan were being discussed as weapons shipments were being complicated by the US arms embargo on the country. One such alternative import route is Djibouti.

On 2 February 2018, the US imposed a unilateral arms embargo on South Sudan, prohibiting US companies and citizens from providing military equipment or defence services to any parties within the country. The embargo follows US Ambassador to the United Nations Nikki Haley's various attempts to pressure the UN Security Council to impose asset freezes, regional travel bans, and an arms embargo on South Sudanese leaders accused of violating the latest peace treaty, which have been consistently blocked by China and Russia.

The US State Department has amended the International Traffic in Arms Regulations (ITAR) to include South Sudan on the list. The suspension follows mounting evidence on how the government is redirecting fledging oil revenues and foreign aid funds to sustain its offensive in the ongoing civil war. The UK and other partner countries are similarly expected to extend financial sanctions and cut aid budgets. The European Union has imposed an arms embargo on South Sudan since independence in 2011 (and previously).

As a result of the new US sanctions and embargo, South Sudan is seeking new avenues to ship weapons to its military. The SPLA is currently considering purchasing AK-type assault rifles, PKM machine guns, a variety of RPGs, and German HK G3 rifles through financing facilities provided by Ugandan and Chinese companies and shipping these weapons through Djibouti. The SPLA is also seeking a new purchase of Chinese manufactured ammunition that would also pass through Djibouti if it goes ahead. The Conflict Armament Research's iTrace system has in the past identified known suppliers of weapons including Chinese companies and individuals.

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## CHINESE ARMS SHIPMENTS TO OTHER PARTS OF THE HORN

**China has little interest in supplying weapons to armed groups in Somalia. However, Djibouti's government is procuring Chinese and other weapons in order to supply allied armed groups in northern Somalia.**

Chinese arms being supplied for conflicts in the Horn of Africa are mainly targeted at Sudan and South Sudan, where China has substantial commercial and diplomatic interests. However, we have found evidence of Chinese weapons also being shipped to other countries in the Horn of Africa.

Ethiopia's military is a keen purchaser of Chinese HQ-64 Surface to Air Missile System and PL-11/FC-60 Beyond Visual Range Missiles. Ethiopia is set to take a stake in the Port of Djibouti, which has been interpreted by local security sector experts as an opportunity to establish a new entry route for weapons to landlocked Ethiopia, which would open the way for Ethiopia to purchase more weapons from China.

Chinese suppliers that feature prominently as providers to other Horn of Africa nations have not stepped in to fill the gap in the case of Somalia. In Somalia, the arms are distributed to clans and warlords who have the most reliable sources of income, and then often to factions of al-Shabaab, whose ability to buy weapons is entirely dependent on foreign donors, most often belonging to Islamist fundamentalist sects, or terrorist organizations. The clans and their warlords are notorious for stockpiling weapons given the historical difficulties of having reliable supplies when needed. Given that Somalia's national and clan politics are so volatile, it is difficult to anticipate weapons requirements. Local intelligence suggests that China has so far had little interest in supplying weapons to Somali groups.

However, Djibouti has been actively shipping Chinese weapons, procured by its own military and Djibouti-based logistics companies, to northern Somalia. Such weapons are sold directly to official or unofficial entities in Djibouti and from there shipped to the Awdal region of northern Somalia through its peacekeeping deployment in the AMISOM mission. EXX Africa provided further analysis on Djibouti's role in the Somali weapons trade in its recent report entitled 'The Arms Trade in the Horn of Africa'.

In this report, we found that illegal fishing trawlers run by Yemeni and Somali business networks were being used to establish a prominent supply facility of weapons to Somalia. One of these export routes using fishing dhows is to Djibouti via the Somaliland port of Saylac. The Sultan of Gadabuursi (a northern Somalia sub-clan of the Dir clan), based in Awdal region, is receiving financial assistance from Djibouti's government to purchase military hardware in order to support their breakaway state in resisting the Somaliland government.