# ASIEGE FROM WITHIN

ON CHINESE COMPANIES' OPERATIONAL STRUCTURE – CASE PAPUA NEW GUINEA



CHINA LABOR WATCH | APRIL 2024

\*Research for this report was completed amidst the COVID-19 global pandemic.

## TABLE OF CONTENTS

Executive Summary	l
Introduction	2
Methodologies	6
An Overview of Chinese Immigration in Papua New Guinea	7
A Case Study on "Ramu Nico Management (MCC) LTD"	14
Conclusion	23
Appendices	25

#### **EXECUTIVE SUMMARY**

Since the implementation of the Belt and Road Initiative in 2013, Chinese investment into Papua New Guinea (PNG) has burgeoned. Resulting from China's deepening economic relations with the island country, a new wave of Chinese migrants to PNG has occurred since 2012-13 and thousands of guest workers now participate in the construction of new harbors, highroads, and residential compounds.

Chinese investments in PNG primarily cover the country's retail, construction and mining sectors, with the majority of funding being provided by state-owned enterprises. Overshadowed by the prominence of the geopolitical and economic relation between the two governments were the living conditions of Chinese guest workers in Papua New Guinea and their complicated relationships with the local communities. The COVID-19 pandemic also negatively impacted Chinese guest workers in PNG. While thousands of these guest workers were compelled to stay in PNG due to pandemic policies, interviewees told China Labor Watch (CLW) that the Chinese embassy and the local government in PNG only undertake parsimonious actions to mitigate the workers' crises.

This report first provides a brief on the overall labor rights social conditions in PNG as well as the background of economic partnerships between PNG and China. Second, through case studies, the report seeks to offer a preliminary look into the everyday lives of Chinese guest workers. Findings from these case studies show that the organizational structure of Chinese SOEs provides a fertile ground for corruption and the lack of accountability, both issues that could breed further labor rights abuses and exploitations. These potential labor issues should be further studied beyond this preliminary case review.

<sup>&</sup>lt;sup>1</sup> Graeme Smith, "Beijing's Orphans? New Chinese Investors in Papua New Guinea", *Pacific Affairs*, V. 86.2, *Global Perspective on Chinese Investment*, (June, 2013), pp 331, https://www.jstor.org/stable/43590664.

#### INTRODUCTION

Papua New Guinea (PNG) is an island country north of Australia, located in the southwest region of the Pacific Ocean. It encompasses the eastern half of the island of New Guinea and outlying islands including New Ireland, New Britain and Bougainville. Situated along the Pacific Ring of Fire, the tropical country has several volcanoes and is prone to natural disasters such as earthquakes and tsunamis.

With a population of close to 10 million, Papua New Guinea houses a variety of natural resources that are used to sustain economic development. Over 85 percent of its population lives in the rural area and the economy primarily relies on the agricultural, forestry, fishing, and the mineral and energy extraction industries—all sectors that account for most of the country's export earnings and GDP.<sup>2</sup> With prosperity dependent on these natural resources, the government of PNG has been in search of avenues for national development. In this sense, China is an attractive partner that can boost PNG's industry growth and further infrastructure development.

The nation has long established diplomatic relations with China since its independence from Australia in the 1970s. Largely adopting a national policy of neutrality after its independence in 1975, the government of PNG began to take a more assertive national development impetus. This includes the "Looking North Policy," which sets PNG to, aside from the ongoing collaboration with its traditional partners such as New Zealand and Australia, open up to the nation's Asian neighbors and emulate their economic success.<sup>3</sup> The PNG government considers China a major partner in this development policy.<sup>4</sup> To date, PNG signed 14 memorandums of understanding with China, covering areas such as visa exemptions for diplomatic and official passport holders, grant aid for economic and technical cooperation, and trade promotion.

Today China is among the largest export destinations for the country, contributing significantly to PNG's economy.<sup>5</sup> Since President Xi Jinping's inauguration of the Belt and Road Initiative in 2013, Chinese investments in PNG have soared.<sup>6</sup> In 2017, PNG formally signed on to the Belt

https://thepeoplesmap.net/country/papua-new-guinea/#:~:text=People%2Dto%2Dpeople%20links%20between,in%20any%20Pacific%20Island%20nation.

<sup>&</sup>lt;sup>2</sup> The World Bank. "Papua New Guinea Overview." *World Bank*. https://www.worldbank.org/en/country/png/overview

<sup>&</sup>lt;sup>3</sup> Imbun, Benedict. (2010). Look North Policy, Asian investment, and Papua New Guineans: A development trinity?. <a href="https://www.researchgate.net/publication/294669243">https://www.researchgate.net/publication/294669243</a> Look North Policy Asian investment and Papua New Guineans A development trinity.

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Center For Collective Learning. "OEC - Papua New Guinea (PNG) Exports, Imports, and Trade Partners." *Center for Collective Learning*, 2017. <a href="https://oec.world/en/profile/country/png/">https://oec.world/en/profile/country/png/</a>.

<sup>&</sup>lt;sup>6</sup> Zhang, Denghua. "Papua New Guinea." The People's Map of Global China, 29 June 2021,

and Road Initiative, with Prime Minister Peter O'Neill asserting that "China is one of our strongest development partners." Chinese investments in Papua New Guinea have expanded noticeably, reaching an annual sum of \$4.46 billion by 2021. The scale of economic cooperation between China and Papua New Guinea continues to grow as the two countries are set to sign a potential free-trade agreement.

Specifically, a major part of the BRI in PNG was a project signed with China Railway Group to invest a total of \$4 billion USD for new roads which run along the spine of PNG from the towns of Rabaul and Milne Bay in the east to the border town of Vanimo in the west. The transnational pathway is said to boost the transportation and sale of agricultural products, helping the PNG government to provide additional services such as universal education and more.<sup>9</sup>

However, PNG's close economic ties with China are not without its drawbacks. The PNG owes hundreds of million dollars to Chinese banks for telecommunication projects throughout the nation. Additionally, years since the initiation of such projects hundreds of towers have been broken and data centers are reportedly ripe with poor design choices. Meanwhile, as the PNG government is paying off these debts, further investments are needed to fund maintenance. Chinese companies' unreliable conduct in foreign medical aid has also raised issues in medical supply in PNG. In the mining sector, the US\$2 billion Ramu nickel mine located in the Madang province was repeatedly criticized for alleged visa, labor rights, and safety violations. Accordingly, when the previous Secretary of Labor David Tibu visited the site, local workers were paid rice and tinned fish in lieu of overtime pay. Finally, the project has also been the

https://www.thechinastory.org/yearbooks/yearbook-2017/forum-all-i-have-to-do-is-dream/dreams-of-prosperity-in-papua-new-guinea/.

 $\underline{https://www.thechinastory.org/yearbooks/yearbook-2017/forum-all-i-have-to-do-is-dream/dreams-of-prosperity-in-papua-new-guinea/.}$ 

<sup>&</sup>lt;sup>7</sup> Smith, Graeme. "Dreams of Prosperity in Papua New Guinea." *The China Story*, 2017,

<sup>&</sup>lt;sup>8</sup> Sarah O'Dowd, Bridging the Belt and Road Initiative in Papua New Guinea, *The China Alternative – Changing Regional Order in the Pacific Islands*, ANU Press. (2021), <a href="https://www.jstor.org/stable/j.ctv1h45mkn.17">https://www.jstor.org/stable/j.ctv1h45mkn.17</a>.

<sup>&</sup>lt;sup>9</sup> Smith, Graeme. "Dreams of Prosperity in Papua New Guinea." *The China Story*, 2017,

<sup>&</sup>lt;sup>10</sup> Potter, Robert. "Papua New Guinea and China's Debt Squeeze." *The Diplomat*, 2 Feb. 2021, https://thediplomat.com/2021/02/papua-new-guinea-and-chinas-debt-squeeze/.

<sup>&</sup>lt;sup>11</sup>Smith, Graeme. "The Belt and Road to Nowhere: China's Incoherent Aid in Papua New Guinea." *The Interpreter*, 23 Feb. 2018, <a href="https://www.lowyinstitute.org/the-interpreter/belt-road-nowhere-china-s-incoherent-aid-papua-new-guinea">www.lowyinstitute.org/the-interpreter/belt-road-nowhere-china-s-incoherent-aid-papua-new-guinea</a>.

<sup>&</sup>lt;sup>12</sup> Imbun, Benedict. (2010). Look North Policy, Asian investment, and Papua New Guineans: A development trinity?.

https://www.researchgate.net/publication/294669243 Look North Policy Asian investment and Papua New Guineans A development trinity.

<sup>13</sup> Ibid

target of a series of violent strikes by PNG workers and was shut down as a result of a horrific industrial accident. Concern over the environmental impact of some Chinese projects also rose.<sup>14</sup>

Negative sentiments towards Chinese migrant workers and the PNG officials brew among the locals too, as locals refer to them as 'kong kong', a Tok Pisin expression (likely derived from Hong Kong) that covers all Asians. Anti-Chinese riots and murders targeting Chinese retailers occurred sporadically over the past decade. Various sources also documented locals' dismay towards PNG officials for alleged bribery and corruption among PNG government officials—high and low—involved in Chinese investments.

Tensions exist in the realm of geopolitics too. A member of the non-Aligned Movement (NAM) states, PNG was caught in the power rivalry between China and the West—Australia, in particular. In 2018, Australian Prime Minister Scott Morrison and PNG President Peter O'Neill signed a bilateral arrangement committing both countries to building a joint naval base on PNG's northerly island province of Manus, <sup>17</sup> a move that observers regard as PGN "taking sides." Moreover, in 2022, after China signed a security treaty with the neighboring Solomon Islands, PNG began discussion of a security treaty with Australia. <sup>19</sup> Researchers in international relations

https://news.mongabay.com/2020/05/locals-stage-latest-fight-against-png-mine-dumping-waste-into-sea/.

https://www.thechinastory.org/yearbooks/yearbook-2017/forum-all-i-have-to-do-is-dream/dreams-of-prosperity-in-papua-new-guinea/.

https://www.researchgate.net/publication/294669243 Look North Policy Asian investment and Papua New Guineans\_A\_development\_trinity.; Pryke, Jonathan. "The Risks of China's Ambitions in the South Pacific." *Brookings*, 20 July 2020.

https://www.brookings.edu/articles/the-risks-of-chinas-ambitions-in-the-south-pacific/.

 $\frac{https://www.theguardian.com/australia-news/2018/nov/01/scott-morrison-and-papua-new-guineas-pm-agree-to-joint-naval-base-on-manus-island?CMP=share_btn_fb&fbclid=IwAR1KmkAgbgVL6Gxqm0A17-SyJuHfHa7df6Gp5iWz1-_RG8A0YzQ7E28AZx4.$ 

https://thediplomat.com/2018/11/non-aligned-amid-great-power-rivalry-the-case-of-papua-new-guinea/.

https://www.bloomberg.com/news/articles/2022-11-19/xi-never-asked-for-military-base-papua-new-guinea-leader-says Reuters. "After China-Solomons Pact, PNG Wants a Security Treaty with Australia." *South China Morning* 

<sup>&</sup>lt;sup>14</sup> Morse, Ian. "Locals Stage Latest Fight against PNG Mine Dumping Waste into Sea." *Mongabay Environmental News*, 22 May 2020,

<sup>&</sup>lt;sup>15</sup> Smith, Graeme. "Dreams of Prosperity in Papua New Guinea." *The China Story*, 2017,

<sup>&</sup>lt;sup>16</sup> Imbun, Benedict. (2010). Look North Policy, Asian investment, and Papua New Guineans: A development trinity?

<sup>&</sup>lt;sup>17</sup> Remeikis, Amy. "Scott Morrison and Papua New Guinea's PM Agree to Joint Naval Base on Manus Island." *The Guardian*, 1 Nov. 2018.

<sup>&</sup>lt;sup>18</sup> Kaiku, Patrick. "Non-Aligned amid Great Power Rivalry? The Case of Papua New Guinea." *Thediplomat.com*, Aug. 11AD,

<sup>&</sup>lt;sup>19</sup> Engle, Stephen, and Ben Westcott. "Xi Never Asked for Military Base, Papua New Guinea Leader Says." *Bloomberg.com*, 19 Nov. 2022,

and security studies also tend to interpret the upsurge of Chinese presence in PNG as a sign of China's geo-political ambition to reshape its own energy infrastructure and to implement its "Grand Strategy" in the global power arena. <sup>20</sup> PNG's economic relations with China, however, continued. PNG's leaders are now more careful—according to the Lowy Institute, and no Pacific nation except Vanuatu has taken on new debt from China since 2018. <sup>21</sup>

In this sense, Chinese investment not only brought the development-eager PNG economic growth, but exacerbated the country's social, environmental, and political issues. Among these issues, however, labor rights concerns are rarely raised. To bridge this gap, this report presents a preliminary case review of a Chinese SOE's operation and Chinese workers conditions in PNG. This provides grounds for future research. This report first establishes an overview of PNG and China's economic cooperations. Second, through a case study, we offer a look at the structural and organizational idiosyncrasies of a Chinese SOE operating in PNG. Third, we offer two workers' testimonies highlighting some of the issues faced by Chinese workers in the island country.

This report is based on document review and contacts with six Chinese workers in PNG. Among these six workers, we focus on two of them as case studies for understanding Chinese SOE workers' experiences and developing interpretations of current layouts. Our report hopes to offer a preliminary look into the general conditions of Chinese capital investment in PNG, and Chinese guest workers' conditions under this institutional background. Based on this preliminary case study, Chinese SOEs' organization structure appears to breed corruption and lack of accountability. It establishes the need for a more in-depth look into the more general conditions among other workers closer to the ground.

*Post*, 31 Aug. 2022, www.scmp.com/news/asia/australasia/article/3190788/after-china-solomons-pact-papua-new-guinea-says-it-wants?module=perpetual scroll 0&pgtype=article&campaign=3190788.

<sup>&</sup>lt;sup>20</sup> See, Peter Connolly, The Belt and Road comes to Papua New Guinea, *Security Challenges*, 2020, *Vol. 16*, *No. 4*, *Geo-Economics in the Indo-Pacific (2020)*, <a href="https://www.jstor.org/stable/10.2307/26976257">https://www.jstor.org/stable/10.2307/26976257</a>, pp 45; Terry Mobley, "The Belt and Road Initiative", *Strategic Studies Quarterly*, *Vol. 13*, *No. 3 (FALL 2019)*, pp. 52-72

<sup>&</sup>lt;sup>21</sup> https://pacificaidmap.lowyinstitute.org/

#### **METHODOLOGIES**

This report incorporates online archival research with interviewing. China Labor Watch retrieves official data from the Chinese government's annual reports, the statement of the Chinese Foreign Ministry, and the official documents from the Papua New Guinea government. Aside from these, media reports and writings from various civil society organizations are referenced, too. This collection of archival records, complementary news articles, and relevant academic journals constitutes the primary source for our research. Additionally, China Labor Watch has interviewed six formally contracted workers who have experience working in Chinese companies during the pandemic in PNG. We inquire interviewees about their companies' managerial cultures, organizational structures, demographic compositions, and gender ratios. Moreover, we associate workers' feedback with the broader political contexts in China to establish a complete and in-depth narrative of workers' experiences in a Chinese SOE in PNG.

# AN OVERVIEW OF CHINESE IMMIGRATION IN PAPUA NEW GUINEA

With a population of about 20,000 ethnic Chinese, Papua New Guinea is home to the largest Chinese diaspora among Pacific Island nations. According to Asian studies scholar James Chin, ethnic Chinese living in Papua New Guinea can be categorized into two groups. The first group, the "old" Chinese, are descendants of Chinese immigrants who left China between the late Tsing dynasty and the Chinese Civil War. The majority of this group of immigrants has since relocated to Australia, while the remnants have acquired strong Papua New Guinean national consciousness and fluency in English and Tok Pisin.<sup>22</sup> In comparison, the "new" Chinese in Papua New Guinea refer to Malaysian, Singaporean, and Indonesian ethnic Chinese merchants pursuing wholesale trade and lumbering businesses. The "new" Chinese are later joined by Chinese immigrants—mainly from the Fujian province—and Taiwanese immigrants who came to PNG in the 1990s.<sup>23</sup> Chin further noted that because of insufficient language training and cultural differences, the "new" Chinese tend to develop hostile relationships with locals.<sup>24</sup> Interestingly, Pacific Affairs studies scholar Graeme Smith also argues that the "new" Chinese, especially immigrants from Fuging County in Fujian Province, have been stereotypically associated with organized crimes.<sup>25</sup> China Labor Watch's interview with one guest worker from Shandong Province also testifies to the relatively impaired reputation of Fuqing immigrants in PNG.

However, the most recent influx of Chinese immigrants in PNG – the Chinese guest workers encouraged by China's grand national project, the Belt and Road Initiative – has not been systematically studied by scholars. The absence of precise data makes it difficult to study recent Chinese guest workers in PNG. China Labor Watch telephoned the Chinese Embassy in PNG on November 16, 2022, to discuss the total number of Chinese workers in PNG. Unfortunately, the embassy failed to offer a precise answer and alleged to be clueless about the current situation. "Approximately a few thousand compatriots are still working in Papua New Guinea, but we don't know the exact number," says one staff member to China Labor Watch.

Despite the lacuna in scholarships and public discourse, the conditions of Chinese guest workers in PNG have wider implications. First, comparing the Chinese guest workers in PNG with guest workers in other parts of the world, for example, Filipino guest workers in Hong Kong<sup>26</sup> and

<sup>&</sup>lt;sup>22</sup> James Chin," Contemporary Chinese Community in Papua—New Guinea: Old Money versus New Migrants", Chinese Southern Diaspora Studies, Volume Two, 2008 南方华裔研究杂志,第二卷, 2008, pp 118

<sup>&</sup>lt;sup>23</sup> Ibid, 123

<sup>&</sup>lt;sup>24</sup> Ibid, 124

<sup>&</sup>lt;sup>25</sup> Smith, Graeme. "Beijing's Orphans? New Chinese Investors in Papua New Guinea." *Pacific Affairs*, vol. 86, no. 2, 1 June 2013, pp. 327–349.

<sup>&</sup>lt;sup>26</sup> "Seen as heroes at home, Filipino workers feel 'abandoned' amid Hong Kong's COVID surge", March 17, 2022, NPR, <a href="https://www.npr.org/sections/goatsandsoda/2022/03/17/1086988103/seen-as-heroes-at-home-filipino-workers-feel-abandoned-amid-hong-kongs-covid-sur">https://www.npr.org/sections/goatsandsoda/2022/03/17/1086988103/seen-as-heroes-at-home-filipino-workers-feel-abandoned-amid-hong-kongs-covid-sur</a>.

Turkish guest workers in Germany, 27 there seems to be an absence of an assimilation process with the local community. The underlying assumption is that Chinese workers in PNG neither have the intention nor action to join the local community. Instead, they thoroughly perceive the locals as an alien group with whom only limited contact is expected. Moreover, while locals hold negative perceptions toward Chinese workers, Chinese workers also hold similar negative views against local Papua New Guineans. Chinese workers in PNG stigmatize the local population with derogatory vocabularies like "monkeys"(猴子), "dirt people"(土人) and "black ghosts" (黑鬼). Instead of seeing them as Asians, most of the Chinese workers we interviewed associate Papua New Guineans with blacks or Africans. It is, therefore, important to highlight that Chinese guest workers in PNG should not be categorically defined as "victims" of overseas labor abuses or "accomplices" against the local Melanesian, Papuans, Micronesians, and Polynesian communities. The reality demands nuanced studies on individual cases to understand these complex relations. As we shall explain in this report, it is quite common that a worker is simultaneously the victim of autocratic management and an abuser against local Papuan employees.

#### **Major Forms of the Labor Right Violations**

Based on archival research and in-depth interviewing, China Labor Watch synthesized the following major forms of labor rights infringement experienced by Chinese guest workers in Papua New Guinea.

- 1. Autocratic and abusive management in Chinese State-owned Enterprises
- 2. Prolonged working hours
- 3. Restriction of personal freedom
- 4. Coercion and physical violence in the hands of private business owners against unprotected workers
- 5. Ethnic and economic conflicts with the native population

Some of the institutional issues that structured Chinese workers' experiences include:

- 1. Cultural segregation from the local community
- 2. Lack of legal and diplomatic support from the Chinese Embassy
- 3. Restrictions of freedom and exacerbation of existing abuses during the COVID pandemic
- 4. Corruption and nepotism in the leadership of Chinese State-owned Enterprises
- 5. Corruption in the PNG police and state authorities

The following pages are detailed reports from China Labor Watch. The first section reviews the structural composition and statistics of Chinese firms in Papua New Guinea with a focus on

<sup>&</sup>lt;sup>27</sup> Stefan Luft, "Die Anwerbung türkischer Arbeitnehmer und ihre Folgen", *Bundeszentrale für politische Bildung*, 05.08.2014, <a href="https://www.bpb.de/themen/europa/tuerkei/184981/die-anwerbung-tuerkischer-arbeitnehmer-und-ihrefolgen/">https://www.bpb.de/themen/europa/tuerkei/184981/die-anwerbung-tuerkischer-arbeitnehmer-und-ihrefolgen/</a>.

State-owned Enterprises. In this section, we will examine labor abuses in State-owned Enterprises with reference to testimonies provided by their employees. The second section studies the working conditions and labor rights violations in Chinese private business sectors in PNG. These violations include physical violence, coercion, restriction of freedom, and verbal harassment. The third section focuses on the ethnic and economic conflicts between Chinese workers and Papua New Guineans. The title of our report – "a Siege from Within" – suggests two major hardships of Chinese workers: 1. Their isolation from the local society in PNG; and 2. China's strict detainment and quarantine policies prevent workers from returning home.

#### Section I. The Structure and Management of Chinese Investments in PNG

According to the "2021 Investment Instruction" issued by the Chinese Ministry of Commerce, Papua New Guinea has become China's largest trading partner among Pacific Islander countries. Major Chinese exports to PNG include 1. electronic and machinery products; 2. textiles and apparel; and 3. Steels. As an exchange, China imports from PNG: 1. liquefied natural gas; 2. raw lumber and wood products; and 3. raw nickel and nickel products. <sup>28</sup> In addition to international trade, Chinese investments in Papua New Guinea are heavily focused on the construction and mining industries. Moreover, the instruction indicates that Chinese investments in PNG are predominantly funded by the Central State-owned Enterprises, which are exclusively commanded by the CCP's Central Committee. Below is the list of major Chinese corporations in Papua New Guinea. <sup>29</sup>

Chinese Official Name	English Translation	Website
中国中铁国际南太平洋公司	China Railway International. Group South Pacific Branch	http://www.crecgi.com/
中国港湾(巴布亚新几内亚)责任有限公司	China Harbour (Papua New Guinea) Engineering Co. Ltd	https://www.chec.bj.cn/

<sup>&</sup>lt;sup>28</sup> Chinese Ministry of Commerce, "Investment Instructions in Papua New Guinea" 对外投资合作国别(地区)指南, 巴布亚新几内亚, <a href="http://www.mofcom.gov.cn/dl/gbdqzn/upload/babuyaxinjineiya.pdf">http://www.mofcom.gov.cn/dl/gbdqzn/upload/babuyaxinjineiya.pdf</a>, pp15

<sup>&</sup>lt;sup>29</sup> Ibid, 44

中国江苏国际经济技术 合作集团有限公司巴新 分公司	China Jiangsu International PNG Branch	http://www.zjgj.com/
中铁建工集团巴新有限公司	China Railway Engineering Corporation PNG Branch	http://www.crecg.com/
中铁建设集团有限公司	China Railway Construction Group Corporation	http://www.crcc.cn/
中国建材投资有限公司巴新分公司	CNBM Investment Company. Limited PNG Branch	http://www.cnbm- i.com/
中国江西国际经济技术合作公司巴新工程有限公司	China Jiangxi International Economic and Technical Corporation. Ltd PNG Branch	https://www.cjic.cn/
葛洲坝集团巴布亚新几 内亚有限公司	China Gezhouba CO. LTD	http://www.cggc.ceec.n et.cn/
中国武夷巴布亚新几内亚分公司	China Wuyi Group PNG Branch	https://www.chinawuyi. com.cn/
中国沈阳国际经济技术 合作有限公司巴新分公司	China Shenyang International Corporation (PNG) LTD	https://www.csyic.com. cn/intro/3.html
中铁国际集团有限公司巴新分公司	China Railway International, Group.	http://www.crecgi.com/

	(PNG)	
中国水电巴布亚新几内亚分公司	Sinohydro Group Limited	https://www.chinafec.c om/Default
华为技术有限公司巴新 代表处	Huawei Technologies CO.	https://e.huawei.com/cn
瑞木镍铬管理(中治)有限公司	Ramu Nico Management (MCC) LTD	https://www.ramunico. com/
中国十九冶集团有限公司	China 19th Metallurgical Group Corporation Limited	http://www.19mcc.com .cn/
中建科工巴新分公司	China Construction Science and Industry Corporation LTD	https://sstr.cscec.com/g ywm31/gsjj31/202206/ 3546808.html

(Table 1, Chinese Major Investments in PNG<sup>30</sup>)

One distinctive feature of China's state capitalism is the central role of SOEs controlled by the state-party's government organs, especially in critical industries such as crude material, steel, telecom, and transportation.

Aside from Chinese capital and manpower, these SOEs also import Chinese management culture and CCP's party organizations to PNG. For one thing, these state-owned enterprises are managed by a top-down model with its management having little or no democratic participation from the rank-and-file workers. Normally, the top executive positions are filled by persons directly "parachuted" from company headquarters in Beijing. Often connected to other SOEs with a shareholding or joint relationship, each company's majority shareholder core (parent) company coordinates the group's activities and transmits business policy to group members, who are contractually bound to promote the policies of the state. Moreover, the management apparatus of

<sup>&</sup>lt;sup>30</sup> Ibid, 45-46, Note: the complete chart lists 37 companies, China Labor Watch selects 17 companies to present in the report.

these corporations incorporate political education/indoctrination through various Party-building work [党建工作] (PBW). Embedded in various Chinese SOEs are Chinese Communist Party (CCP) apparatus such as Party branches (党支部) and corporate Party committee (公司党委). These CCP organs within companies set up routine practices to ensure personnel's loyalty to the Party and that corporate activities of said companies align with CCP central economic or political interests and goals. These CCP branches follow set templates and major corporate decisions need to be approved by Party committees (公司党委) that are embedded in Chinese SOEs. This effectively renders corporate decision-making one that centers CCP politics. According to Guangming Daily, a propaganda organ of the CCP, Chinese SOE (State-owned Enterprises) have two major political objectives: 1. Adhering to social responsibility (承担企业社会责任); and 2. Following the Party's leadership (听党指挥). In other words, with Party organs embedded in corporate structure and CCP goals and interests guiding corporate management and corporate daily activities, Chinese SOEs are not mere private business entities, but rather state-affiliates following the Chinese government's centralized leadership. The political-oriented corporate management became more dominant when Xi Jinping began to stress Party building work as an expressed policy focus, coupled with far-reaching implementation measures across virtually all forms of civil society and corporate entities as early as in 2012. In a show of Xi's Party-focused resolution, he explicitly decrees in a speech that "Insisting on the Party's leadership and strengthening the Party-building are glorious traditions of the State-owned Enterprises in our country. They are also the "root", "soul", and the unique institutional advantages of our SOEs". 31 The top-down bureaucracy of Chinese SOEs is further strengthened when Xi replaces "Collective Leadership" (集体领导制) with the "Prime Respondent Norm" (第一责任人制), which aggrandizes power and responsibility associated with SOEs' top leaderships—who are, incidentally, CCP officials by law-by offering them a seemingly dictatorial power.<sup>32</sup>

Xi's vision of the Party's leadership as the "root" and "soul" of "our" SOEs suggests a strong inclination toward an aesthetic value judgment in addition to the CCP's formal bureaucratic ethics. The top-down organizational and managerial structure common among all corporate businesses is, in essence, governed by what German sociologist Max Weber calls the "iron cage of bureaucracy", a mechanized petrification of bureaucracy where rationality and pure functionality predominates. By contrast, in China's case, the political and ideological influence of the Party determines the ends and telos of all actions executed by SOEs. What's more important to note is that the rhetoric of "root" and "soul" not only suggests the nature of SOEs but also, more importantly, it signifies the one-dimensional power relationship that centers the power of the

<sup>&</sup>lt;sup>31</sup> "坚持和加强党的领导是国有企业董事会建设的特色所在", 光明日报, 03.09.2019. http://www.sasac.gov.cn/n2588025/n2588134/c12138060/content.html: "坚持党的领导、加强党的建设,是我国国有企业的光荣传统,是国有企业的'根'和'魂',是我国国有企业的独特优势"

<sup>&</sup>lt;sup>32</sup> "一图看懂全国国有企业改革三年行动动员部署电视电话会议, 国务院国有资产监察委员会", 01.10.2020, http://www.sasac.gov.cn/n4470048/n13461446/n15390485/n15390500/c15823765/content.html#2.

party-state in corporate affairs. This rhetoric suggests an irreversible genitive possession where the Party and its unwavering leadership become the genesis, whereas the day-to-day business routine occupies a secondary and derivative status.

The Party's leadership being the "root" and "soul" also means that there is a lack of reciprocal and interactive power relationships between different hierarchies in SOEs. While the lower-ranking bureaucrats and workers adhere to the orders of higher-level authorities, they are left little leeway to determine how to act and reflect their opinions. In the following section, Ramu Nico Management is examined as a case study to dissect how this centralized power functions in a Chinese SOE operating in a foreign country in reality.

### A CASE STUDY ON "RAMU NICO MANAGEMENT (MCC) LTD"

China Labor Watch conducted a case study on Ramu Nico Management to offer a nuanced observation of the ground-level functionality of Chinese SOEs in PNG. On the one hand, we choose Ramu because its major business practice — nickel/cobalt excavation — is one of the major areas of Chinese state-owned investments in PNG. Ramu is one of the biggest Chinese investments in PNG and arguably the most important project undertaken by the Road and Belt Initiative in the South Pacific. The mining sites and refinement facilities are all located in non-residential areas of Madang Province and are far away from urban centers. The company's Chinese website claims that Ramu is China's largest overseas investment in nickel/cobalt mining, and China's overall largest investment in the South Pacific region thus far. <sup>33</sup> As the flagship project, Ramu is renowned among Chinese investments in PNG. Like most other SOEs, the working conditions in Ramu were intensive and workers were insulated from the local society. Many interviewees tell China Labor Watch that working for Ramu is safer and better paid than other jobs in construction companies or retail businesses. However, the project also has a long-standing troubled relationship and negative reputation in the local community due to its alleged environmental impact and labor abuses.

In our case study, Ramu's organizational structure and its draconian management suggests that rank-and-file workers at Raum lack credible healthcare, had limited space for free speech and movement, and witnessed systematic corruption of the management teams. As labor and organizational structure scholars Guang Yang and Lixin Yang argued in reference to their observation about Chinese lean manufacturing industries, SOE's structural reforms since the 1990s have abolished the socialist ideal of reciprocal employment relations. Instead, the management of the Chinese manufacturing industry is characterized by centralized commands given by managers and factory directors. The centralized management culture turns employment with SOE prone to changes and managers' discretionary power. For rank-and-file workers, the socialed "three old irons" that was once associated with SOE no longer protest them under new regulations.

Ramu's organizational structure incorporates both the traditional "three irons" and the short-term contract works and outsourced labor. However, unlike the old "three irons" that are jointly shared by managers and workers alike, Ramu only offers lifetime employment and associated welfare benefits to its higher- and middle-level managers, leaving the majority of contract workers vulnerable to layoffs and personnel changes. As a overseas subsidiary of China Minmetals

<sup>&</sup>lt;sup>33</sup> "企业简介" (Company Overview),瑞木镍铬管理(中冶)有限公司, https://www.ramunico.com/introduction-of-red-wood/.

<sup>&</sup>lt;sup>34</sup> Guang Yang and Lixin Yang, "Ingrained interests and path-dependency", *Pluto Journals, Work Organisation, Labour & Globalization*, 2022, *Vol. 16, No.* 2 (2022), pp 88

<sup>&</sup>lt;sup>35</sup> "Three Irons" is a term to describe the life-time employment and the associated welfare provided by SOEs. Initially implemented during the Maoist Era, the three irons respectively refer to "iron bowl" (complete welfare), "iron wage" (stable incomes), and "iron seat" (life-time employment and retirement stipends)

Corporation (中国五矿集团公司), Ramu's management team are transferred from the parent company and has signed life-long contracts with said parent company. By comparison, rank-and-file workers are often recruited directly by Raum through short-term contracts, or through third-party labor recruiters.

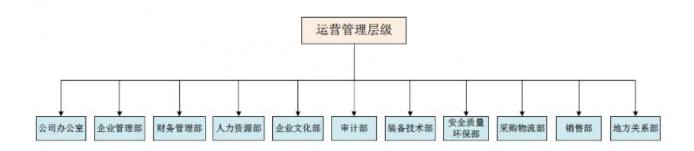


Figure 1The Organizational Framework of Ramu, downloaded from Ramu Website<sup>36</sup>

The above graph shows Ramu's management structure. The top Operational Management Team (运营管理层) holistically commends all branches of the company without intermediaries. This top-down structure first suggests that the functionality of each specific department is contingent on the centralized top management team. Departments are not required to understand or possess a complete picture of the company's function, but only process the specific functionality and tasks assigned from higher management. Second, this structure indicates the lack of feedback mechanisms and reciprocal power relationships. The downward-pointing arrows signify Ramu's bureaucratic hierarchy — a one-dimensional process with little to no feedback and interactions. In such regard, Ramu's management structure is rather archaic, if not anachronistic, since this structural layout reveals no elements of overlapping networks (the indication of cross-team work) or reciprocal weak-ties (the indication of grass-root democracy). This tead, this system adheres more to what George Simmel describes as "social symmetry," the ruling of many from a single point. Such despotism expresses an idea that an institution as a whole should become a work of art in which every single element attains its meaning by its functionalities to wholeness. In Ramu, unified plans directed by the Beijing headquarter and the management team determine the

<sup>36 &</sup>quot;组织框架" (Organizational Framework), https://www.ramunico.com/organizational-structure/.

<sup>&</sup>lt;sup>37</sup> Note: it remains possible that non-institutional and interpersonal network and feedback mechanisms exist in Ramu

<sup>&</sup>lt;sup>38</sup> George Simmel, *Sociological Aesthetics — Essays on Art and Aesthetics*, Austin Harrington, trans, (EBSCO Publishing, 2020), 100

company's production. Moreover, as Ramu is a subsidiary of a central state-owned company— Chinese state-owned companies that are monitored by Chinese Communist Party's (CCP) central organs—the company's major decision-making also needs to follow CCP's leadership and fulfill the company Party committee officials' political responsibilities to the central government. In other words, in this hierarchical structure of corporate management, decision-making centers the heads of the company, and they in turn follow the CCP's lead. For example, the homepage of Ramu's Chinese website is perfused with news reports on the speeches and actions of Wang Zhou (王洲), the company's Chair and Party Committee Secretary. Ramu updates news on its website biweekly. We examined the website's news reports between September 20 and November 4, 2022, and found that two-thirds of the reports are reserved for Wang Zhou alone.<sup>39</sup> Among the news releases on Wang Zhou, most of them record his conferences and meetings with state and provincial leaders in PNG or his speeches at the company's Party committee. The question is how workers and their daily lives are represented by the factory. At least on the official website of Ramu, the only information about individual workers are some photo collections of sports games to celebrate the 70th anniversary of the People's Republic of China and the company-organized feasts on Papua New Guinea's independence day and the New Year.



Figure 2 Basketball Competition for the 70th Anniversary of P.R. China, downloaded from Ramu Website.

Legal scholars Li Wen-Lin and Curtis J. Milhaupt raise a similar critique in a keen article *We are the Champions*. They state that the administrative structure of Chinese SOEs can be defined as a "networked hierarchy" where vertically integrated hierarchies within a company are strategically

<sup>&</sup>lt;sup>39</sup> "瑞木要闻", 9-11 月, <u>https://www.ramunico.com/ramu-news/</u>.

linked to other business groups and institutions, facilitating information flow-from the bottom-up as well as from the top-down. While this hypothesis captures the structural layout of Chinese SOEs on the strategic level, it has ignored the ground-level operations of overseas SOEs, which are desperately lacking in bottom-up information flow. Unlike their parent companies in China, the management culture in overseas SOEs tends to be more autocratic. For example, in Ramu, although the company establishes business and management networks with the local PNG capitals, these multi-centered and interrelated networks primarily occupy the funding aspect of corporate management. By contrast, the management and executive power are holistically entrusted to Ramu itself. The following diagram is downloaded from Ramu's website. It demonstrates the fact that RNML (Ramu Nickel Mining Leadership) is entrusted by its strategic shareholders in both China and PNG to manage the mining business.

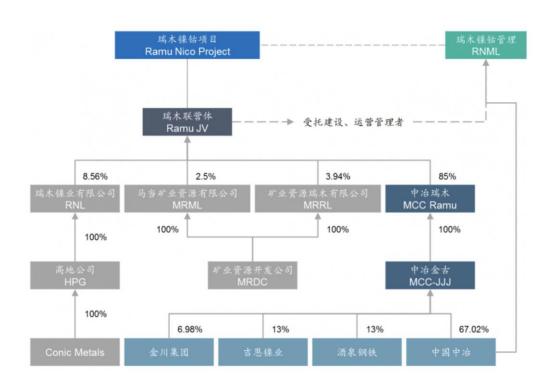


Figure 3Ramu's Funding Sources, downloaded from Ramu Website<sup>41</sup>

Despite the seemingly "networked hierarchy" in Ramu's superstructure, one of China Labor Watch's interviewees, Doctor Hang, told us that "there were absolutely no official channels to act in a bottom-up way at Ramu." Doctor Hang worked for Ramu as a physician at the mining sites in

<sup>&</sup>lt;sup>40</sup> Li Wen-Lin and Curtis J. Milhaupt, "We Are the (National) Champions: Understanding the Mechanisms of State Capitalism in China", *Stanford Law Review Vol.* 65, No. 4 (APRIL 2013), pp 707

<sup>41 &</sup>quot;企业简介" (Company Overview), https://www.ramunico.com/introduction-of-red-wood/.

Madang Province between the summer of 2019 and the spring of 2022. Growing up in Heilongjiang Province, a northern borderland with Russia, Doctor Hang lived a socialist childhood with both parents working at a steel factory in Jiamusi City. Doctor Hang described his life in Jiamusi as "poor but peaceful." He spent his childhood and adolescence in schools affiliated with the steel factory and later on was admitted to a medical university in the provincial capital, Harbin. When the party-organized economic structural reform finally reached his parent's factory, leading to its bankruptcy in early 2000, Doctor Hang had already moved to Harbin. He finished undergraduate studies in five years but couldn't find a tenured job in a hospital. Instead, Doctor Hang worked at a local clinic in Harbin. In 2019, Doctor Zhang was hired by Ramu and worked there until 2021. He is currently preparing to pursue an M.D. Degree in Nuremberg, Germany.

Doctor Hang told China Labor Watch that although parallel networks exist in Ramu, most rank-and-file miners from China are only at the bottom of Ramu's hierarchy. He said Australian engineers at Ramu had privileges such as free movement, free speech, and complete legal protection from overwork. By contrast, Ramu's management team had zero tolerance for protests and criticisms among Chinese miners.

In addition to the typical "top-down" model, Doctor Hang revealed in his testimony that decision-making in Ramu–ranging from production quotas to COVID policies—were solely determined by the company's CEO and two vice CEOs. Even the intermediate-level managers—such as managing directors and team leaders—did not have the power to make their own decisions. At the bottom of this hierarchy were Chinese miners who were not allowed a voice to protest the company's strict COVID policy or to rally to demand higher salaries. He tried to organize a rally with fellow miners and demand better food and pay during the COVID lockdown at the mining site in Madang. However, the company's response was repressive. After the brief protest, Doctor Hang was immediately discharged from all duties and transferred to the company's central office in Port Moresby, where he was put into solitary confinement in a dormitory. He told CLW that the security guards at the central office were veterans of the People's Liberation Army, who threatened him to shut his mouth. Other participants of his rally were also individually summoned by their managers and forced to swear that they would never join rallies again.

Repressions did not end there. The company required all employees to "volunteer" for COVID vaccination shots after the outbreak. Having received two doses of the Sinovac COVID-19 vaccines, Doctor Hang was soon diagnosed with Hives and Angioedema. He was, again, transferred from the company's central office to a hospital in Port Moresby. Due to the hospital's lack of preparation, Doctor Hang did not receive any proper treatments until he flew back to Shenyang, China, in 2021. He told CLW that he had to cover all of the medical expenses himself while the company only offered him two baskets of fruits as a condolence. Although his contract with Ramu specified that the company will pay for potential injuries and illnesses occurring at work in PNG, Ramu refused to cover Doctor Hang's medical expenses because he "volunteered" for the COVID vaccines. In reality, according to Dr. Hang, as the company demanded for all employees to "volunteer" for the vaccine before entering work, meaning these dubious vaccination shots could hardly be considered volunteer shots.

Dr. Hang contacted the Chinese embassy in Papua New Guinea, and he did not receive any feedback.

The picture painted by Dr. Hang was not a stand-alone case. Our contact with Mr. Shi, a worker at a state-owned construction company, also suggests that the management of Chinese SOEs in Papua New Guinea was despotic and corrupt. Unlike Doctor Hang, Mr. Shi had served in the Chinese People's Liberation Army before coming to PNG. His speeches revealed a strong inclination toward nationalism and patriotism. His WeChat ID pictures, for example, show a PLA commando soldier and an F-35 fighter jet. Mr. Shi told CLW that while PNG has beautiful natural landscapes, the safety of Chinese workers is constantly under threat. When asked what had caused the safety concerns, Mr. Shi said: "Many reasons. Western countries had agitated hatred against China. But some Chinese in PNG also lack self-discipline". Mr. Shi thought the locals disliked Chinese workers because of, in his mind, Western media's "stigmatizations" against China. This thought roughly represents the dominant beliefs shared among Chinese guest workers.

When Dr. Hang posted his experiences in a group chat on WeChat, someone replied: "This netizen is a psycho; he did not follow the medical team's instructions. Please don't be misguided by him. Otherwise, you will bear all responsibilities for any consequences incurred." Another worker said: "I am sympathetic to your misfortune. You should seek help from the leaders of the Chinese embassy. We are all compatriots; they will not witness your tragedy but offer no help. Don't exaggerate or dramatize things, don't give the rival powers an excuse to attack our country."



Figure 4 A Ramu staff member asks a sympathizer to recall and delete his supporting message to Doctor Hang



Figure 5 Doctor Hang's chat history with his manager at Ramu. The manager says: "The company did not inject you with the vaccine. You have signed the risk acknowledgement, and you volunteered for it."

Section 130 of the Employment Act of 1978 in Papua New Guinea has specified the medical responsibilities of employers: 1. Medical and other treatment provided by the employer at the place of employment shall be free of charge to the employees. 2. All necessary medical and other treatment required by an employee employed under an attested contract and his accompanying dependents shall be provided by the employer free of charge to the employee. and 3. Where an employer arranges for an employee or accompanying dependent to receive treatment or hospitalization, he shall, if the employee or accompanying dependent so desires— (a) arrange necessary transport and other facilities; and (b) take all reasonable steps to ensure the health, comfort and wellbeing of the employee or accompanying dependent during any travel that is necessary. We witness from the case of Dr. Hang that Ramu did not properly adhere to this

<sup>&</sup>lt;sup>42</sup> INDEPENDENT STATE OF PAPUA NEW GUINEA. Chapter 373. Employment Act 1978, Section 130, pp54, <a href="https://www.ilo.org/dyn/travail/docs/1097/Employment%20Act%201978.pdf">https://www.ilo.org/dyn/travail/docs/1097/Employment%20Act%201978.pdf</a>.

Employment Act. Rather, the company expressly rejected Hang's request for his medical expenses covered by the company.

The quarantine period in PNG was tough for many workers. Mr. Shi, the veteran, told CLW that the management team of his construction company was extremely corrupt. "The leaders and secretaries locked workers in dorms, and they themselves drove to Port Moresby for prostitution", said Mr. Shi to CLW. He told us that some SOE managers feed the workers "pig food"[猪食] while spending over 4,000 RMB (about US\$583) per person for sexual services in Chinese KTVs and nightclubs in Port Moresby. Similar to Doctor Hang, Mr. Shi said physical violence and verbal harassment were occasionally used by the management team to control their workers. He further highlighted the lack of rule of law in PNG. "The Commission for Discipline Inspection [纪季] should really come and see what's happening here in PNG," Mr. Shi said with anger. Deep in his belief, the system and top leadership of the Communist Party and SOEs were good, the only issue was the fact that there were many corrupt officials like those in PNG.

Both Dr. Hang and Mr. Shi, despite not holding Ramu's management positions, were not "low-skilled" workers relegated to the "dirty work" in the construction sites, mines, and forgeries. Their testimonies, however, uncovered important issues of how the company's hierarchical organizational structure breeds lack of accountability and stifles workers' voices. In this way, these two individual's experiences could open greater potential for further research into the struggle of those further down in the company who are considered to be doing the more dangerous and "dirty work."

#### **CONCLUSION**

The testimonies of Dr. Hang and Mr. Shi suggests that Chinese guest workers in PNG are ruled by the discretionary powers of the SOE leaders and the PNG police authorities. "They (the police) would stop your car and demand you pay them tributes once they know you are Chinese," said Mr. Shi. The distance from family life and established social support back home and the strangeness of the local societies put Chinese guest workers under unique conditions. In PNG, workers found themselves to be neither protected by the law enforcement authorities of PNG nor by the civil and criminal laws of China. Indeed, in the eyes of PNG police and governmental institutions, Chinese guest workers belong to an alien group unprotected by the sovereign power of PNG. For example, the Employment Act of 1978 did not explicitly extend its protection to foreign employees and companies. Such lack of law and sovereignty refers to what political philosopher Giorgio Agamben defines as the "state of exception" and "homo sacer" — the suspension of constitutional protection for a particular social group, the bare lives, who are deprived of representations within sovereignty and are subjected to discretional and full-power of the sovereignty. 43

According to the standards of forced labor published by the International Labor Organization, the unfair experience of Doctor Hang and Mr. Shi had violated the international labor protocols. They suffered from isolation and abuses of vulnerability.<sup>44</sup> Moreover, the lack of response or support from the Chinese embassy and other diplomatic institutions also suggests the inadequate attention being paid toward Chinese workers.

The Chinese officials' lack of protection for Chinese workers, despite the Party-state's extensive control apparatus, is telling. As we can observe in Papua New Guinea, it is clear that SOEs such as Ramu implement a centralized, hierarchical management system that consolidates power and control and positions such powers to such corporations' headquarters and, ultimately, Beijing. And it is in such ways that Chinese SOE's foreign ventures also become the Party-state's apparatus of its foreign expansion—in its economic or, otherwise, political influence. Chinese SOEs cannot be conceptualized as independent business bodies, and their actions also cannot be considered as business actions alone. This is because, again, in Chinese SOEs' very organizational structures and in the structure of Chinese business groups is the baked-in centralized decision-making power and control of the Chinese Communist Party over these economic bodies.

The Party has extended its control over its SOEs in their foreign operations not only through their organizational structures, but through practices such as their Party-Building Activities (the legality of such operations in different countries is, undoubtedly, questionable). Geographic distance and national sovereignty, in this sense, has not deterred the Party-state from consolidating its control over its business apparatuses abroad. However, geopolitical contests and the issue of sovereignty

<sup>&</sup>lt;sup>43</sup> Giorgio Agamben, *The State of Exception as a Paradigm of Government*, translated by Kevin Attell, The University of Chicago Press, (Chicago and London, 2005), 7-35

 $<sup>^{44}</sup>$  ILO Indicators of Forced Labor,  $\underline{\text{https://www.ilo.org/wcmsp5/groups/public/---ed\_norm/---}} \underline{\text{declaration/documents/publication/wcms}} \underline{\text{203832.pdf}} \text{ , pp3}$ 

and noninterference is out of scope for this report. What is clear from the Chinese government's extensive control over overseas SOE's operations, however, is that the Party-state should also bear irrefutable responsibilities in the wrong-doings of these companies.

CLW therefore urges the Chinese government to implement effective measures to protect the legal and labor rights of Chinese workers in Papua New Guinea. We also urge the state government of PNG to adopt legal and civil forces to protect and inspect the living conditions of foreign guest workers and examine Chinese companies' activities in accordance with its national interests. Furthermore, CLW calls the International Labor Organization, and the United Nations to push the Chinese government to reform its bureaucratic management cultures in SOEs in PNG.

#### **APPENDICES**

[DL-1] CLW record of CHEC workers' complaint

工人投诉涉及的国企:中国港湾工程有限责任公司 (CHEC), 是世界 500 强企业中国交通建设股份有限公司 (CCCC) 的全资子公司

中交第一航务工程局有限公司(中交一航),是中国交建的全资子公司

工人人数:一个工地有 200 人左右

工程项目:修建公路

情况简介:2020 年以来没有任何航班回国,中国大使馆阻挠包机,没有商业航班中转。 滞留巴布亚新几内亚的中国港湾项目工人为了国家"一带一路"走出国门,危难时刻不让回 国,撤侨包机回国都是领导优先。工人滞留两年不能够休假,向大使馆求助但大使也是以 任期到期为理由不批回国包机,自己已经携带家属回国。

核酸检测在 20 余名工人被测出阳性后被暂停。由于当地单薄的医疗条件和简陋的卫生防护措施,中招工人只能选择自己扛。

2021年5月9日,中国交建下属中交第一航务工程局有限公司(中交一航)的百余名工人集体向领导提出抗议,要求回国,闹事之后工人都被分开关在宿舍里不让出门,禁止彼此之间联系。

有工人向中国劳工观察提供的一份文件显示,巴布亚新几内亚政府对中国港湾在新冠疫情期间仍能出色地完成高速公路升级项目表示感谢。该"一带一路"项目是由亚洲开发银行出资的巴布亚新几内亚高地省高速公路升级改造项目,项目总造价1亿6千万美元。

中国商务部的文件显示,2019年中国和巴新贸易额38.24亿美元,同比增长5.9%。巴新是中国在南太平洋地区岛国中第一大贸易伙伴、第一大投资目的地和第一大工程承包市场。据巴新方统计,2019年,中国是巴新的第二大贸易伙伴,第三大出口目的地和第三大进口来源地。目前在巴新有近40家中资企业,包括中铁国际集团南太平洋公司,中国港湾(巴布亚新几内亚)工程有限责任公司、中国江苏国际经济技术合作集团有限公司巴新分公司、中治集团瑞木镍钴管理有限公司、华为技术巴新有限公司、中铁建设集团有限公司、中建投巴新公司、中国武夷巴布亚新几内亚分公司、中建科工巴新分公司、紫金矿业股份公司等。

中国企业在巴新工程承包项目涉及公路、桥梁、房建、电信、物流园等。据中国商务部统计,2019年中国企业在巴布亚新几内亚新签承包工程合同52份,新签合同额9.37亿美元,年末在巴布亚新几内亚劳务人员2884人。新签大型承包工程项目包括中国建筑集团有限

公司承建巴布亚新几内亚国家石油大厦项目;中国十九冶集团有限公司承建巴布亚新几内亚高地高速公路项目一期第一标段;中国高洲坝集团股份有限公司承建巴布亚新几内亚埃德武水电站项目,中铁建设集团巴布亚新几内亚新爱尔兰省议会大楼设计施工总承包工程、莱城面粉厂一区厂房主体施工总承包工程,中国建筑集团有限公司巴布亚新几内亚太古南岸公寓项目,深圳能源集团巴新水电项目,东方电气集团国际合作有限公司贝美水电站EPC工程等。

中国和巴新政府签署了 2018 年 6 月《关于共同"一带一路"建设谅解备忘录》; 2018 年 10 月《关于加强投资和产能合作的谅解备忘录》和《关于建立 中巴新联合经济贸易委员会的谅解备忘录》; 2019 年 4 月《关于共同推进"一带一路"建设的合作规划》等。

表格来源:中国商务部《对外投资合作国别 (地区) 指南》: http://www.mofcom.gov.cn/dl/gbdqzn/upload/babuyaxinjineiya.pdf

#### [DL-2] Images shared by workers.



Image writes: "Latest message from Papua New Guinea, many foreign workers' heart-felt words. It's such a difficult road to go home as the Pandemic presses. Hope the authorities, foreign or back home, pay attention. Thanks to Kuaishou [social media platform] for providing everyone support and help."





在这这样的工作环境下巴布亚新几内亚中国港湾分包工人已经有七八名工人检测核酸阳性了,而且后续有咳嗽发烧症状不再给检测了领导以检测不准为由欺上瞒下,在商业航班无法转机回国状态下公司领导都以开会为由通过其他渠道回国轮休打完疫苗返回来,有些员工及中国分包工人将近两年没能回家,反而有中奖的啦!

Workers' quote translation: In this kind of working environment in Papua New Guinea, there were seven or eight workers tested positive for COVID in China Harbour, and the others with cough and fever symptoms were no longer tested. The leadership used the reason that the tests are not accurate as a ground of deception, and in the state that we cannot get transfer flights among commercial flights to go back home, the company's leadership all used other channels to have gone back home for a break and now back. Now some [Chinese Harbour] employees and subcontracted workers have gone nearly two years without being able to go home, plus some won the lottery too [coded word for getting COVID]!

Note: In May 2021, we received a complaint from around 160 Chinese workers who were not able to go home due to the Pandemic. The images above were shared by these workers.

[DL-3] PNG Officials' Letters of Appreciation for Chinese Companies' Progress Made during COVID



#### **DEPARTMENT OF WORKS**

SUSTAINABLE HIGHLANDS HIGHWAY INVESTMENT PROGRAM OFFICE OF THE PROGRAM DIRECTOR

P O Box 879 Goroka, EHP Papua New G

Phone: (675) 532 9009 Fax: Email: program.director@shhip.works

Date: 16th December 2020

The General Manager China Harbour Engineering Company Limited P. O. Box 594 KONEDOBU National Capital District

Dear Sir,

SUBJECT

: ADB LOAN 3547, 3548, AND GRANT 0538-PNG –
Sustainable Highlands Highway Investment
Program (SHHIP) – Tranche 1 – CSTB 3776 –
REHABILITATION AND UPGRADING WORKS OF
MANGIRO TO MUNDE (CHIMBU SECTION)
SECTION OF THE OKUK HIGHWAY –
COMMENDATION ON PERFORMANCE

It is almost two (2) years into the four (4) years construction program of the captioned contract. The construction works have progressively improved in quality and the rate of production had increased resulting in the positive progress beyond the approved program.

Considering the restrictions surrounding the impacts of the State of Emergency ("SOE") due to the COVID-19 Pandemic, the Contractor had performed excellently and exceptionally well to attain such positive progress. Although, there were some technical issues of concern initially, however, the Contractor had overcame these issues by working together and cooperating with the Supervision Consultant Engineers and the Engineer, as a team resulting in an excellent progress output to the physical works. Besides the construction works, the Contractor had performed excellently well with establishing outstanding relationships with the Stakeholders and communities along the Okuk Highlands Highway.

On behalf of the Employer, the Program Director of Project Management Office of Tranche I, would like to commend the China Harbour Engineering Company ("CHEC") for an exceptional work performance and positive public relations creating a friendlier working environment.



Ref. Num. Date Attention Subcontract title ADC-CRBC-LTR-CC-20-0011

8th December 2020 Mr. Sha Liang (Project Manager, CRBC). Site Preparation & Earthwork – 1

: HSIA-CC-SC-20-0004-00 dated 28th January 2020

Subject : Letter of Appreciation

: N/A

Dear Sir.

This letter is intended to express our appreciation for the dedicated efforts and the hard work provided by CHINA ROAD AND BRIDGE CORPORATION, and your project team for the job well done on HAZRAT SHAHJALAL INTERNATIONAL AIRPORT EXPANSION PROJECT from the commencement date 1st February 2020 up until now.

The project was challenging and complex in nature, specifically during the COVID-19 pandemic outbreak, CHINA ROAD AND BRIDGE CORPORATION performed their Works diligently and with a dedication to the Area 4 Works area.

We look forward to your continued effort and dedication to the completion of the Works on time in Area 3 and Area 5.

Aviation Dhaka

Yours faithfully

Consortium Janghyuk Kwon Section Project Manager

Aviation Dhaka Consortium (ADC

PAGE 28