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Mischief-Making in Pretoria-Moscow-Washington Foreign and Trade Policies



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Has the South African government unequivocally sided with Russia, as witnessed not just in February's joint military exercises (alongside China) but also in allegedly selling weapons to Moscow late last year? Will the relationship prevent President Cyril Ramaphosa from having Vladimir Putin arrested at the Johannesburg summit, in late August, of the Brazil-Russia-India-China-Johannesburg bloc – as the International Criminal Court arrest warrant (for abuse of captured Ukrainian children) requires? And will any of these factors threaten the single largest component of South Africa's export trade, the African Growth and Opportunity Act duty-free imports to the United States, worth several billion dollars last year alone?

During the current fog of war, with its accompanying military profiteering racket, it is entirely predictable for South African politicians to have a go at seeding the clouds of doubt. Finance Minister Enoch Godongwana was among the most evasive, on May 14, when deflecting the furious U.S. State Department claim that South Africans loaded weaponry destined for Russia on the ship Lady R, at a Cape Town naval base in December 2022: “If it did happen as the Americans claim, it could be a conduct of people who were mischief makers.”

Who would make mischief from lethal arms dealing, and what are the broader economic implications?

The world’s leading military profiteer remains the United States. And in spite of White House and State Department rhetoric about the “battle between democracies and autocracies,” the latter are favoured arms customers by President Joseph Biden’s administration. As *The Intercept’s* Stephen Semler concluded last week after reviewing official 2022 trade data, Biden “has helped increase the military power of a large number of authoritarian countries... The U.S. sold weapons to at least 57 percent of the world’s autocratic countries in 2022.” The likes of Saudi Arabia, Israel and Egypt top the list. In the process, reported Axios, “The U.S. accounted for 40% of total [arms] exports from 2018-2022, up from 33% in the previous five years, while Russia declined from 22% to 16%.”

Other military mischief makers include South Africa’s own arms dealers, led by the parastatal agency Denel and the Paramount Group. But Obed Bapela, the deputy head of the African National Congress foreign policy committee which has insisted on abstentions when the United Nations votes on Russia’s invasion, recently claimed on SAfm national radio, “I was with the management of Denel, I was there last week Friday. Denel has not been in production for the past three years.”

In reality, Rheinmetall-Denel Munitions (RDM) is a major joint venture in Somerset West which has been producing and selling quite a bit of deadly weaponry, including in recent weeks. While the firm denies providing Putin with ammunition (as RDM’s are apparently non-compatible with Russian guns), according to DefenceWeb there has been “an uptick in business, most likely due to the war in Ukraine. In December 2022, for example, RDM announced a NATO country order for 155 mm Assegai ammunition.”

Bragged RDM managing director Jan-Patrick Helmsen, “We’re very pleased that two customers – including a NATO member state and a non-NATO country – have again placed their trust in our globally proven Assegai indirect fire technology.” Düsseldorf-based Rheinmetall is a long-standing ally of repressive regimes; it was once Adolf Hitler’s number two arms supplier, and also had no misgivings about selling to the apartheid regime.

Today, “RDM exports over 80% of its production, mainly to Saudi Arabia and the United Arab Emirates, both of which are notorious for abuses of human rights,” anti-militarist campaigner Terry Crawford-Browne reminded in the wake of a 2018 explosion at the firm’s

Cape Town plant that killed eight workers due to RDM managerial sloppiness. He continued, “To evade German arms export regulations, Rheinmetall deliberately locates much of its production in countries where the rule of law is weak.”

In addition to repressive Middle East oligarchies, there have been prolific South African military sales to NATO countries, including seven major recent buyers including the United States, as the military-procurement parastatal Arm Scor concedes in last year’s annual report. Its chairman Phillip Dexter is explicitly committed to “commercialization” of arms acquisition services and while the parastatal has oversight duties with the National Conventional Arms Control Committee (NCACC), the system is profoundly flawed.

Ironically, Dexter is among South Africa’s most openly pro-Putin political figures, having tweeted in late April, “We look forward to hosting and protecting the President of the Russian Federation. Imperialists and their joke of an ICC be damned. They must first arrest all their war criminals before we take them seriously. Even then we will defend Putin.”

Yet Arm Scor confirmed major South African arms sales to Germany and Britain, including materiel that may well find their way to the Russia-Ukraine battleground, *on the West’s side*. That would not be surprising, because in 2021, the Profiting from Misery report by the NGOs Open Secrets and Lawyers for Human Rights included a depressing list of NCACC fails, including allowing SA weapons into Yemen via Saudi Arabia and the United Arab Emirates.

Johannesburg-based Ivor Ichikowitz runs the Paramount Group, whose Mbombe armoured vehicles found their way into war-torn Libya via Jordan in 2019. He apparently believes in pleasing all sides engaged in war, writing last year, “Russia, long a player in Africa through its military and political support of liberation movements, and latterly through providing defence materiel and military advisers to many independent countries, embarked on a deliberate charm offensive in July in the wake of its disastrous invasion of Ukraine.”

And this year, Ichikowitz enthused further in *New African*, “despite the worldwide condemnation of his country’s current invasion of Ukraine, Russia’s top diplomat places priority on Russian-African ties. Last year’s \$20 billion in trade between Russia and Africa would suggest as much; it is a marked 17% increase over the previous year, but still a fraction of the commitment other powers are making, and with fewer strings attached.”

Last week, Ramaphosa and Putin had a friendly call to “intensify mutually beneficial ties in various fields.” Days earlier, foreign policy spokesperson Clayton Monyela likewise applauded the “mutually beneficial and cordial relationship that exists between the United States of America and South Africa,” while at the same time expressing “utter displeasure” with U.S. Ambassador Reuben Brigety’s May 11 outburst about the Lady R’s cargo: “We are confident that weapons were loaded onto that vessel and I would bet my life on the accuracy of that assertion.”

Brigety's assuredness reminds of U.S. Secretary of State Colin Powell, who bet (and lost) one million Iraqi lives on a confident claim that Saddam Hussein's prolific Weapons of Mass Destruction justified the 2003 U.S. invasion. No, Washington's occupying troops never located those WMDs.

Likewise, the fog of war requires Godongwana to reiterate, as he did in Parliament last week, that "our policy is not to sell arms or ammunition to any party in the Russia-Ukraine conflict," for he fears South Africa's imminent exclusion from the Africa Growth and Opportunity Act (AGOA).

But if that happens, we can anticipate major *Western Multinational Corporations* having to dramatically cut back export-oriented production at their South African branch plants, especially of AGOA-vulnerable products: automobiles (of which the U.S. imported \$1.6 billion duty free under AGOA in 2022), metals and minerals (\$463 million), agricultural products (\$458 million), and chemicals (\$360 million).

These are South Africa's most capital-intensive sectors, and their outputs are greatest in terms of CO2 and methane emissions, contributing to crises such as the April-May 2022 Durban Rain Bombs that killed 500, or Cyclone Freddy that felled more than 1000 Malawians a few weeks ago. Regardless of AGOA, these firms will soon attract European climate sanctions under the Carbon Border Adjustment Mechanism because of their extremely high embedded CO2 emissions.

Moreover, the Energy-Intensive Users Group's 27 companies guzzle 40% of South Africa's electricity mostly for these exports. In the process of smelting minerals, they deplete the natural resource wealth of South Africa – to the extent the net economic costs of mining outweigh benefits – and create prolific pollution.

In some cases, especially BHP Billiton's South32 aluminium smelter in Richards Bay, the electricity price charged the Australian firm is only a small fraction of what ordinary South Africans pay. That smelter alone uses at least 5% of the national grid's supply, but calls to redistribute the electricity to the rest of the economy – made even by Standard Bank chief executive Derek Cooper during the initial Eskom blackout crisis of 2008 and by *Business Day* columnist Michael Avery last year – have not been heeded given prevailing power relations.

So if Washington ends AGOA and the result is less smelting and thus more electricity available for small businesses and ordinary households, it would be an economic blessing in disguise – in the same way the grey listing of South African banks by the Financial Action Task Force in February has already had a positive impact on legislation and regulation against money-laundering.

Or in another case of combined financial-and-climate sanctions, Xi Jinping's September 2021 divestment announcement – that Belt & Road Initiative projects could no longer include

coal-fired power plants – soon reverberated into South Africa's Musina-Makhado Special Economic Zone (and may spell its death-knell).

But obviously beneficial processes for the majority of South Africans – such as reducing output by guzzling smelters as well as other long-overdue financial and trade sanctions against, especially, extractive-industry capitalists – continue to be disguised by war-mongering mischief-makers. Especially for those located in Pretoria government headquarters and at the offices of Johannesburg and Cape Town arms manufacturers, neutrality is a convenient fiction, as they continue to sell weapons to *both sides* in a terrible conflict zone.

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