

Capitalist Loans are Nothing but Exploitative Traps

News:

The government of Tanzania and Standard Chartered Bank signed a \$1.46 billion (Sh3.3 trillion) loan agreement for financing the second phase of the standard gauge railway (SGR).

Comment:

This infrastructure project of Tanzania Standard Gauge Railway finally would link the country to the neighboring countries of Rwanda and Uganda, and through these two would reach Burundi and Democratic Republic of Congo, replacing the old, inefficient metre-gauge railway system.

The construction of this project undertaken by Turkish firm Yapi Merkezi, in partnership with Portuguese firm Mota-Engil Africa began in April 2017, partial funding first phase, amounting to US\$1.2 billion, which was borrowed from the Export Credit Bank of Turkey. As of February 2019, 42 percent of this section was reported as complete. In mid 2019, it was announced that November 2019 would be the deadline for the first phase of the 300km-long \$1.9 billion railway between Dar es Salaam and Morogoro.

The reality of this sort of expensive infrastructure projects could blindly seem to be useful for promoting economic incentives, however experience indicates in most cases they turn out to be bitter fruit and purely economic exploitation partially benefited by corrupted politicians while lion share consumed by capitalist multi-national companies.

The neighboring project of The Mombasa–Nairobi Standard Gauge Railway in Kenya of 470-kilometer (292 miles) rail is vivid example, built by China at the cost of US \$3.6 billion, the Kenya's most expensive infrastructure project since independence connecting the large Indian Ocean city of Mombasa with Nairobi, in November 2018, African Stand reported Kenya was at high risk of losing strategic and lucrative port of Mombasa over huge Chinese debt, it was to risk its port while the Exim Bank of China would take over the port authority's "escrow account" to regain revenues.

A similar case experienced in Zambia, by China's takeover of its Kenneth Kaunda International Airport should Zambia Government by failing to pay back its huge foreign debt on time. The list of developing countries with similar fate goes on.

The truth of the matter is that loans in all cases are being used as brutal weapons to subjugate and exploit developing nations through the blessing of greedy politicians at the cost of majority ordinary poor, who are the major sufferers and bearers of the debt burden via taxation and other exploitative means to repay the loans to capitalist firms.

It is high time for the people of developing nations to wake up that capitalism would never stop its exploitative agenda towards developing nations, the only way that can stop them is to uproot their evil capitalist ideology, replacing it by the humanitarian ideology of Islam. Under its Khilafah leadership, it would save the world and humanity in general from all exploitative shackles.

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