Weapons-for-Oil Exchanges in Contemporary Sino-African Relations

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Abstract

Since 1949, China has gradually increased the scope of its weapons sales overseas to include 40 countries, 23 of which are located in Africa. With Chinese weapons sales in 2009 reaching 946 million U.S. dollars, the global community cannot help but pay attention to China’s overseas weapons sales model. Over the past few years, resource-rich African nations have become the center of China’s new geopolitical strategies and the starting point for oil development and extraction programs. With decades of cooperative experience in the energy sector, Africa has become an important area through which China is able to further diversify its energy resources. While China helped Africa develop an oil market, many other forms of aid and investment were also necessary. The most important form of aid can be best seen through “goods for goods” bartering transactions, especially in the form of Chinese weapons for African oil. This article will examine the realities of weapons-for-oil transactions as well as other Chinese involvement in Africa’s natural resources and domestic economies, paying particular attention to how China is defining its interactions with African nations as those of a socialist leader. Through research and analysis of both historical and contemporary Sino-African relations, this article will illustrate the implications continued weapons-for-oil exchanges have for the future of Sino-Africa relations as well as for the international community.

China’s Weapons Sales to Africa: Historical and Existing Circumstances

The People’s Republic of China (PRC) began to pay attention to and work alongside the countries of Africa much earlier than the 21st century. Contemporary Sino-African relations can be traced back to the late 1950s when China signed bilateral trade agreements with Algeria, Egypt, Guinea, Morocco, and Sudan. From the very beginning of China’s relations with African countries, China also offered developmental aid to support the socialist governments or anti-colonialist movements of these African states (Bitzinger, “Arms to Go”). According to research from the Stockholm International Peace Research Institute (SIPRI), from 1961-1971 China carried out a number of small light weapons sales to Africa (e.g., weapons that can be carried by an individual soldier), with sales totaling approximately $2.34 million during this first decade (SIPRI Yearbook, 1960-1975). By 1976, however, China had quickly expanded the scope of its

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1 All numbers in this article are adjusted for inflation.
weapons sales to Africa, and sales profits increased to $537 million within five years alone (SIPRI Yearbook, 1976-1980).

Early weapons sales were heavily limited by restrictions on the timing of such sales as well as the numbers of weapons that could be sold. China was initially only able to supply basic light weapons as well as patrol boats, small tanks and fighter planes to African nations because of Chairman Mao Zedong’s demands. Because Mao did not want China to be perceived by Western countries as a “Merchant of Death” (死亡商人), China chose to provide African countries with the most basic and affordable low-priced weapons and no-strings-attached military aid (Bitzinger, “Arms to Go” 92).

While Mao certainly hoped China could profit from weapons sales to Africa, the potential damage to China’s international reputation from becoming a “Merchant of Death” at a critical point in the country’s history outweighed the benefits of material gain. Mao knew quite well that weapons sales would provide a means to spread Chinese socialist ideology and further strengthen relations with developing African countries. But because China could not afford to damage its reputation in the eyes of Western powers, Mao chose to avoid weapons sales to African nations in the mid-1960s and early 1970s (Bitzinger, “Arms to Go” 93).

However, within a few years’ time, China began to feel pressed for capital domestically and thus opted to increase weapons sales from just Egypt, Algeria and Sudan to include Tanzania, Zaire, Tunisia, Zambia, Sierra Leone and the Republic of Congo (Bitzinger, “Chinese Arms Production and Sales to the Third World” 28). These added sales included a small number of Soviet-style patrol boats, fighter planes, and tanks in addition to light weapons and ammunition (SIPRI Yearbook, 1955-1980). Several countries among those receiving weapons from China did use these Chinese weapons in domestic or transnational conflicts, while others restricted the use of Chinese-bought weapons to military training, a trend that has continued to the present (Bitzinger, “Arms to Go”).

Contemporary Chinese weapons sales to Africa began in the 1980s during the era of Deng Xiaoping’s “Four Modernizations,” a set of goals designed to make China a great economic power vis-à-vis development in domestic industry, national defense, agriculture and science and technology (Downs 31). For China’s overseas weapons sales, the “Four Modernizations” paved the way for the redevelopment of weapons export policies. China not only increased the number of overseas weapons sales but also began to diversify the kinds of weapons it sold in foreign markets during this period; these changes are discussed later on in this paper. However, despite the changes in weapons sales policies, China became more interested in developing new markets in the Middle East and Southeast Asia, resulting in a decrease in the number of weapons exports to Africa (Bitzinger, “Arms to Go” 96). The weapons China sold to Africa in the 1980s were similar to those of the last decade, with only an increase in the numbers of weapons manufactured and minor improvements in technology (Bitzinger, “Arms to Go” 96).

Research from the Brookings Institute shows that Chinese and African interactions as well as China’s domestic politics were highly interrelated. Even if China was ostensibly placing equal importance upon domestic and international affairs, domestic interests always took priority as China’s own development continued to remain the basis of Chinese foreign policy (Downs 31).
For example, China’s continued ability to access energy resources continues to be a top priority in order to ensure sustained domestic economic growth. Even at a time when the “Four Modernizations” were really just beginning to kick into action, it is clear that domestic interests fueled China’s endeavors at the international level (Downs 31).

As a result of the Tiananmen Square incident in June 1989 and changes in the Chinese domestic political environment, the period from 1990 to 2002 witnessed a turning point in China’s weapons sales to Africa (Bitzinger, “Arms to Go” 97). Ross, Whiting and Harding note that the sanctions imposed by Western countries on China after the Tiananmen incident generally involved the suspension of official visits, development assistance and export credits, and sales of military and police equipments. Ross, Whiting and Harding also found that the sanctions spurred by the events of June 1989 re-defined China’s foreign relations, having a substantial “net impact ... on China’s foreign relations ... and China [was] forced to look elsewhere in developing substantial and profitable military relations” (12).

While Africa was not China’s largest weapons buyer at the time, African weapons purchases increased exponentially during the 1990s as compared to sales levels of the previous decade (Bitzinger, “Arms to Go” 98). According to statistics from the U.S. Department of State, from 1989 to 1999, China exported more than $1.6 billion worth of weapons to Africa, including $260 million worth of weapons to Northern African countries, $777 million to Central African countries and $647 million to Southern African countries (SIPRI Yearbook, 1980-2010). Weapons sales during the mid- to late-1980s were comprised mainly of patrol boats, tanks, older fighter plane models and light arms; in the 1990s, China began to sell fighter planes, transport aircraft, helicopters, military trucks, newer models of tanks and light arms, bombs, land mines and other similar weapons (Bitzinger, “Arms to Go” 99). Not only did the 1990s see a dramatic increase in Chinese weapons sales, but this era clearly signaled an increase in heavy armaments and aircraft sold overseas. It is also worth noting that China also began to invest increasing funds in Sudan (now known as the Republic of Sudan and South Sudan) during the 1990s and conducted large transactions of bombs and land mines to Sudan in addition to building three weapons manufacturing plants in Khartoum (Bitzinger, “Arms to Go” 101).

At the same time, while Chinese weapons sales to Africa increased dramatically during the 1990s, Russian and American weapons sales to African nations were both higher than those of China. Russian weapons sales to Africa, mainly to Egypt, totaled around $2.6 billion, whereas American weapons trade and related military agreements were valued at $9.8 billion (Shinn, “Military and Security Relations” 180).

According to a New York Times report, China supplied $1.5 billion in weapons sales to countries around the world between 2003 and 2006, representing only 2.9% of the global level of weapons sales during those years (Shanker). During this same time, China was ranked third in the list of countries selling weapons to Africa, moving to first place by 2008 (Zhang, “Analysis of Chinese Aid to Africa”). Most weapons sales were comprised predominantly of light weapons; however, China did supply numerous armored transport vehicles, tanks, frigates, artillery, fighter jets, training and transport aircraft and other heavy weapons to some African countries (“An Incomplete Record of Chinese Weapons Sales”). As recently as 2010, Chinese weapons
sales to Africa have also been rumored to include other types of jet aircraft, warships and/or spy planes (“Weapons Gone Wild”).

As Chinese weapons sales to other nations have developed, the Chinese have actively sought out more cost-effective opportunities for continued transactions. One frequently debated change in Chinese aid to Africa is the decision to construct and staff weapons manufacturing plants near the Sudanese capital of Khartoum. Weapons made locally could thus be transferred directly to use in the Sudanese North-South Civil War or Darfur region without China bearing the logistical burdens of overseas transport (Shinn, “Chinese in African Conflict Zones” 7-8). With the recent formation of South Sudan, future relations between China and the new South Sudanese government will determine whether weapons are manufactured and shipped domestically or are imported.

While the Chinese-made weapons seen in overseas sales have undergone moderate changes, for the most part, they still remain outdated as near-replicas of Soviet weapons. Shinn, for example, points out that African countries possess a large number of Chinese-made weapons (mostly small armaments) dating to the 1960s and 1970s—weapons that imitate former Soviet technologies of the 1950s and 1960s (“Chinese Involvement in African Conflict Zones” 8-9). In its November 2010 online edition, People’s Daily, the official Chinese Communist Party newspaper, notes America’s increased attention to China’s comprehensive weapons support for African countries that includes the copying and manufacturing of outdated Soviet-style armaments (“China Sells Old Weapons to Africa”).

While developed countries would refuse to purchase older and outdated weapons, for many African nations, older weapons remain an advantage as these past technologies are simpler to use and repair (Luo). Chinese-made weapons are highly reliable and easy to operate in comparison to weapons made by other countries (Bitzinger, “Arms to Go” 84-85). Moreover, older, low-tech weapons technologies are more suited to meet the demands of developing countries that often lack military specialization or training (Bitzinger, “Arms to Go” 85). In recent years, African countries have also received more comprehensive weapons support from China that includes the copying and manufacturing of outdated and low-tech Soviet-style armaments (“China Sells Old Weapons to Africa”).

On a continent of 57 countries, a total of 23 countries are currently active in purchasing a majority of their weapons and military equipment from China (“Africa”). Bitzinger points out that Chinese weapons are not only exceptionally easy to purchase due to the strong Chinese presence on the African continent, but are also an affordable alternative to weapons imported from Western powers. Therefore, African nations are able to purchase Chinese-made weapons and replace their more costly Western or Russian-imported counterparts (“China’s Re-emergence as an Arms Dealer” 6). African nations buying Chinese weapons are not the only ones benefitting, as China continues to reap the economic and political benefits from such transactions (Kohli 1-2).
A Basic Survey of Chinese Weapons Sales to Africa

Chinese weapons exports to Africa originally began in 1955. These initial weapons transactions were more a reflection of Chinese political ideology than an embodiment of the Chinese desire for economic and financial gains (Bitzinger, “Arms to Go” 86). China perceived the opportunity to export weapons to Africa as a means of spreading socialism, a condition that took precedent to earning profits, ultimately resulting in a deficit from these early weapons sales to Africa (Michel and Beuret). Amongst all the African nations, China first established diplomatic relations with Egypt prior to signing numerous weapons and other trade agreements. Due to the length of Sino-Egypt relations and annual weapons deliveries, Egypt is thus the biggest buyer of Chinese weapons in Africa. China and Egypt signed their largest military and weapons treaty in February 1999, in which China agreed to provide 80 K-8 fighter planes for training, a deal worth $4.49 billion (“Weapons Gone Wild: Chinese Weapons Sales in Africa”). Comparatively speaking, while Egypt does not have huge domestic oil reserves, China and Egypt have developed their relations beyond basic weapons exchanges to the point that China has played a significant role in helping Egypt to develop its oil and natural gas industries, a trend that can be seen in China’s relations with many other African nations (Voice of America).

Behind Chinese weapons sales to Africa lies the Chinese desire to further prevent Western imperialism and hegemony on the African continent. In the early years of China’s diplomatic relations with African countries and weapons sales, China perceived the opportunity to deepen relationships with African states as a means to legitimize the newly-formed People’s Republic of China at the international level (Rotberg). Growing closer to African countries was perceived as a means to prevent Taiwan (Republic of China) from becoming the representative of China (PRC) in international organizations (Meidan). Deeper relationships also provided a way for China to check the influence of Western countries in Africa and counter the possible future threat of Western nations on Sino-Africa relations (Meidan).

In addition to basic weapons transactions, China began a variety of lavish programs constructing infrastructure on African soil in hopes of further supporting the African desire for economic development. Rotberg detailed some of these infrastructure projects in his book, China into Africa, projects that range from building hospitals and educational institutions to constructing railroads and hydroelectric power plants in African nations. Not only do such projects foster domestic development in many African countries, but China’s willingness to help Africa build much-needed infrastructure is a step towards further strengthening Sino-African relations (Rotberg). Furthermore, China has also supplied Africa with knowledge and technology in numerous fields to date, such as agriculture, forestry, natural resources and textiles (Rotberg). While China originally hoped that its involvement in African nations would provide a means to check Western development in the same regions, China has yet to recognize the negative side effects of their own presence on the African nations it has helped, an involvement that has fostered what Western media often labels a “neo-imperialist relationship” between China and African nations (Tan).

In 1978, as China embarked upon the new gaige kaifang (“Reform and Opening Up”) policies under the leadership of Deng Xiaoping, the Chinese economy began to change at a rapid
pace, and military development was gradually deemed secondary in importance (Downs 31). However, with Iraq looking to China for weapons supply and armaments during the first Gulf War, China’s military industry was quickly revived. In his research on China’s weapons sales to the Third World, Bitzinger notes that China continued its traditional weapons sales to Egypt, but an increasing number of weapons and military equipment that arrived in Egypt were actually being secretly transported to Iraq and Iran for use in the Gulf War (“Chinese Arms Production to the Third World” 38). China was also able to supply fighter planes to Iran by first transferring these aircraft through North Korea (Bitzinger, “Arms to Go” 90). Despite the circuitous delivery routes of Chinese weapons sold during the Gulf War, China benefitted from the conflict both by continuing to sell its weapons and by making a profit from the sales, thus contributing to the revival of China’s military industry and domestic economic development (Bitzinger, “Chinese Arms Production to the Third World” 32).

Throughout the late 1970s and well into the 1980s, many third world countries were quickly becoming aware that using outdated weapons technologies and armaments was insufficient in contemporary military conflicts (Bitzinger, “Chinese Arms Production to the Third World” 36). This new awareness led to a sudden and abrupt decrease in Chinese weapons exports to developed countries during the early 1990s. At the time, a majority of African nations had grown especially close to Western powers and turned more frequently towards America and Europe to purchase weapons. Yet because of the developmental patterns of African nations in the 1990s, numerous African countries realized that the Western developmental model, a model that was trying to attach specific governance conditions to development, would not meet their own needs (Bezlova). For many African nations, China’s fast, efficient, “no strings attached” bilateral development model was much more appealing (Broadman 38). Thus China and its lightening-speed economic development and strong military presence became the new choice for African countries in their search overseas for weapons dealers. In addition to providing an alternative model for domestic development, China was willing to provide no-strings-attached aid, more reasonably priced weapons and military training to African countries (Butts and Bankus 7-10).

At present, China continues to sell weapons to Africa not only because of an interest in continued, long-term access to natural resources, but also because armaments have become an important guiding direction in the development and maintenance of Sino-African relations (Butts and Bankus 11-13). China’s Africa policies and direct involvement in African nations have been shaped by China’s domestic long-term strategic interests and desire to continue its so-called “Peaceful Rise” to the status of a world power (He 28). The need for and importance of Sino-African relations is further solidified by the ongoing partnership between China, as one of the largest developing countries in the world, and Africa, a continent with a significant number of developing countries (Alden). Weapons-for-oil transactions not only benefit China’s national interests but also have lasting reverberations for developing countries in Africa and elsewhere around the world.

Friendly relations between African states and China are well established and have developed further in recent years with increased economic and trade cooperation between the two. The relatively stable nature of Sino-African relations can be attributed to the importance placed upon the Five Principles of Peaceful Coexistence in the development and maintenance of Sino-
African relations. These principles are manifested in: mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit and peaceful coexistence (People’s Republic of China, “China’s African Policy”). Western foreign policy experts, such as Brautigam, Downs, Hanson and Hartung, argue that China’s continued weapons sales to Africa are a direct contradiction to this foreign policy foundation because such sales inevitably lead to China’s involvement in another country’s internal affairs.

In understanding the extent of contemporary Chinese weapons sales to Africa, it is important to first examine and discuss the primary means through which Sino-African weapons transactions take place. Over the past few decades, China has pursued a very progressive and comprehensive foreign aid plan, particularly in Africa. Because China’s low-interest, restriction-free loans “do not necessitate the market liberalization requirements that the International Monetary Fund (IMF) and World Bank stipulate,” African countries are able to use Chinese loans toward more project-based objectives, such as building infrastructure or military development and arms acquisition (Tan). In 2010, for instance, Ghanaian President John Atta Mills visited China to sign a 20-year loan agreement worth $155 billion for use in construction of domestic infrastructure (“Ghana”). This hefty loan not only signifies China’s perception of Ghana as an overseas investment target but also as a continued oil supplier. Moss and Rose of The Center for Global Development note that other African countries are no exception, as China continues to support other resource-rich countries with loans of all sizes in the hope that the African states will in turn use such money to invest in Chinese companies or purchase Chinese-made weapons. These loans (as well as the no-interest loans discussed below) are granted by China’s Export-Import (ExIm) Bank, a state-owned bank charged with the responsibility of regulating Chinese loans to foreign countries and tracking the debt owed by other nations to China (Moss and Rose).

In 2006, the Chinese government published a white paper entitled “China’s African Policy,” a report that stressed the importance of Chinese corporations’ expansion at the international level. This report recommended and supported continued investments and expansion of current Chinese state-owned enterprises in Africa, a policy move that encouraged continued loans and export credit from the Chinese government (People’s Republic of China, “China’s African Policy”). In conjunction with the release of this white paper, President Hu Jintao also announced that Chinese loans to Africa would gradually change to become interest-free loans by 2009, a promise that he ultimately did fulfill (“China Promises Billions in Aid”). China thus began to feed funding into African countries in other ways. While nowhere near complete, recent reports published by the Center for Global Development show Chinese aid to Africa in the following forms:

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
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<tbody>
<tr>
<td>Angola</td>
<td>$2.16 billion in credit, a base rate likely to increase to $9.7 or $10.7 billion in the next five years</td>
</tr>
<tr>
<td>Ghana</td>
<td>$1.29 billion in zero-interest loans, including $600 million for construction of the Bui Dam on the Black Volta River</td>
</tr>
<tr>
<td>Mozambique</td>
<td>$2.48 billion in aid for various infrastructure programs (two dams, hydroelectric power stations etc.)</td>
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The financial aid provided by China’s ExIm Bank to African states is based on the overall condition and economic development of the countries in question. For example, from 1997 to 2002 China’s ExIm Bank supplied around $2.5 billion in zero-interest loans to Angola alone (Moss and Rose). In 2006, China National Petroleum Corporation (CNPC) signed an agreement with the government of Angola allowing Chinese access to and development of new oil fields, an agreement valued at approximately $1.56 billion (Kang 41). On top of this agreement, as a state-owned corporation, CNPC was able to encourage the government (and thus the ExIm bank) to continue to supply loans to Angola, bringing the total per annum amount of loans to Angola nearer to $3.35 billion (Kang 41). China’s ExIm Bank has continued to financially support developing African nations like Angola because such development is advantageous to domestic Chinese interests in the long run.

While Chinese financial assistance to African nations may have ultimately resulted in a maldistribution of loans, the underlying incentives for granting such loans remain the same regardless of the amount and distribution of financial aid on the African continent. Monetary aid, as granted by China’s ExIm Bank, gives African nations opportunities to diversify their economy and trade through economic development at the domestic and international level while also simultaneously promoting continued social development (Brautigam). Because such financial aid comes from China without any political, environmental or human rights prerequisites attached, the Chinese government expects that countries receiving support will abide by the “One China” principle, thereby acknowledging the People’s Republic of China as the legitimate representative of all of China (Brautigam).

In response to the complex nature of loans and credit regulations, China has adopted easier terms for the sale of weapons to African countries. First, Sino-African bilateral transactions frequently include notions of “friendly pricing,” a discount for African states on weapons in exchange for their continued recognition of China (PRC) and mutually beneficial diplomatic relations (Luo). The frequency of such discounts and the amount African states save on Chinese weapons purchases is unknown, however, as the Chinese government does not publish such information.

Second, China also remits the debt of African countries. Along with the publishing of China’s white paper on African policy in 2006, the government also announced that, “China is ready to continue friendly consultation with some African countries to seek solution to, or reduction of, the debts they owe to China. [China] will urge the international community, developed countries in particular, to take more substantial action on the issue of debt reduction and relief for African nations” (People’s Republic of China, “China’s African Policy”). Within a year, at the annual meeting of the African Development Bank (ADB) Board of Directors, China announced that it would “relieve African countries of $12.2 billion worth of debt owed.” Yet the reality of debt relief in Africa is perhaps much higher than what China initially stated. In 2010 at the United Nations...
Nations Summit on the Millennium Development Goals, Premier Wen Jiabao made known the fact that China has since remitted over $22 billion in African debt (“China Cuts African Debt”).

Lastly, China has most recently pursued a “goods-for-goods” method in weapons sale transactions to Africa. This form of bartering is a business move by the PRC that has ultimately helped to somewhat alleviate the pressures of funding and military development faced by many developing African nations. “Goods-for-goods” transactions also began formally with the release of the white paper on African policy in 2006: “China will promote high-level military exchanges between the two sides and actively carry out military-related technological exchanges and cooperation. It will continue to help train African military personnel and support defense and army building of African countries for their own security” (People’s Republic of China, “China’s African Policy”). A moderate statement originating directly from the Chinese government, this component of the white paper insufficiently describes the extent and current state of China’s military involvement and weapons sales on the African continent. China is truly only willing to provide loans, conduct weapons sales and deliver weapons to African states because such actions ensure continued goods-for-goods transactions and protection of China’s biggest interest in Africa: energy.

China has relied heavily upon oil in its domestic development to date. In the mid-1990s, China was importing 11% of its oil per annum, with 46% of these imports coming from oil-rich Middle Eastern countries. By 2005, however, a noticeable change in oil imports is seen, as African oil exports to China increased to 31%, placing African oil second only to Middle Eastern oil (Downs 31). According to a 2010 report by the U.S. Energy Information Administration (EIA), China produces approximately 423 million barrels of oil per day domestically, while consuming just shy of twice this amount at around 835 million barrels per day (“China Energy Data, Statistics and Analysis”). With consumption levels far surpassing domestic production levels (Figure 1), China’s high and consistent rate of oil consumption contributes to its status as the world’s third largest importer of oil (behind the U.S. and Japan)

In the wake of China’s high-speed economic development and the popularization of cars in contemporary Chinese society, one of China’s most immediate concerns is ensuring accessibility to overseas oil supplies. The Chinese government has continued, like other global powers, to look abroad for additional oil supplies and other forms of energy. African oil, with prices lower
than oil from the Middle East and a lower sulfur level that makes refinement easier, promises to help meet Chinese domestic oil demand (Hanson, “Vying for West Africa’s Oil”).

The African continent, with arguably the largest number of politically unstable regimes, civil wars, border wars, ethnic conflict, genocides, uprisings and rebellions in the world at present, is an ideal market for any weapons seller. Yet by opting to sell weapons to countries already plagued by domestic instability and conflict, China is further contributing to the instability. In recent years, Chinese weapons have emerged in the Somalia Civil War, Darfur conflict, Egyptian and Ugandan uprisings, Rwandan genocide, Nigerian revolution and other large-scale armed conflicts. One cannot deny that if China were to discontinue weapons sales to African countries, onlookers would likely see a decrease in the scope of conflicts on the African continent as a whole, since African nations would ultimately be forced to look elsewhere for new weapons suppliers (Michel and Beuret 152). Because few nations besides China produce the outdated weapons technologies African nations require, weapons sales to the African continent would thus decrease dramatically in the short-term while weapons manufacturers would scramble to come up with suitable armament options for the African market (Shinn, “Chinese Involvement in African Conflict Zones” 9).

For African countries lacking the financial capital necessary to purchase weapons, trading domestic oil reserves for Chinese weapons continues to be a very viable transaction method. Moreover, with low-technology weapons, little training is needed upon purchasing and African military forces (or rebels, in some cases) are able to get the weapons into the hands of their soldiers in a shorter period of time. As soon as the weapons leave China, the Chinese government argues that how the weapons are used in African countries is beyond their control. China firmly believes that weapons sales are by no means an interference with the domestic politics of any one African nation but rather just plain business (Brautigam). Regardless of how one evaluates the extent to which weapons sales reshape the domestic climate of African countries, continued weapons-for-oil transfers between China and African countries will influence the domestic development of African countries and their ability to build diplomatic relationships with other foreign powers.

The Weapons-for-Oil Dilemma

Africa is the largest oil-producing region in the world, with a majority of the oil reserves located either in Northern and Western African countries or offshore in these regions (“Africa”). Traditional oil-producing African nations include Nigeria, Angola, Libya, Congo, Algeria, Egypt and Tunisia. In the course of the past ten years, Equatorial Guinea, Sudan, Chad and Mauritania have all become important oil-producing nations as well. Oil exploration efforts have also increased exponentially in countries like Uganda, Guinea, Sierra Leone, and Liberia, thereby further contributing to the African continent’s oil production levels. At the end of 2009, oil reserves in Africa totaled 1.28 trillion barrels, 150% higher than the 847 billion barrels estimated to be in African oil reserves ten years earlier (“BP Statistical Review of World Energy”). Predictions estimate that the coming 10 years will see the fastest development of the African oil industry to date, resulting in additional increases in the number of domestic African oil reserves (“Ten Years Later”).
Statistics published by the U.S. Energy Information Administration in online analysis briefs indicate that China is currently the fastest growing energy-consuming country in the world. As early as 2003, China surpassed Japan to become the second largest consumer of oil. Ranked directly behind the United States, some experts predict that China will surpass the U.S. and rise to the title of largest oil consuming nation within the next 50 years (Wonacott 1). In the early stages of China’s development, domestically produced and refined oil was sufficient in fulfilling Chinese demand. In recent years, however, with its demands for oil increasing at a rate of 13% annually, China was left with few alternatives but to look overseas for additional energy supplies (“China Energy Data, Statistics and Analysis”).

To better ensure China’s continued access to oil and other resources overseas, the Chinese government and energy-rich African countries reached a double-win consensus in the form of weapons-for-oil exchanges. Such exchanges ensure that African countries are never without arms for military use and China is never without oil to fuel its economy.

In the early 1990s, China and African nations formally began a cooperative relationship in the energy sector (Alden 63). With the arrival of the 21st century, and the continued growth of Sino-African economic relations, “Chinese and African cooperation in the energy sector is growing closer on a daily basis, expanding from oil trade to energy exploration and development” with many successful examples to date (Deng, “Sino-American Competition” 11-12). At present, China imports one-third of its oil annually from African countries, a mere 9% of all oil reserves on the African continent. The oil exported from Africa to China comes mainly from five countries: Angola, Equatorial Guinea, Nigeria, Congo and Sudan (Hanson, “China, Africa and Oil”). Sudan discovered domestic oil reserves as early as the 1970s but did not begin exporting for nearly twenty years. In hopes of developing these newly-discovered oil reserves, the Sudanese government quickly began to welcome overseas investment and offered loans and domestic assistance to countries that were interested in exploring and developing Sudanese oil fields. However, due to varying degrees of domestic conflict and political tensions, Sudanese infrastructure remained comparatively underdeveloped and posed a great risk to overseas investors looking to break into the Sudanese oil industry. For the Chinese, who saw Sudan both as a diplomatic ally and cooperative partner, it made sense to begin investing in development of the Sudanese oil industry. The Chinese involvement in aiding Sudan to explore domestic oil reserves marks the first time China began to help an African nation develop its oil industry and thus can be said to be an example of Chinese successes in this field. If China had not stepped in to provide the investments and logistical support necessary to build an oil industry from scratch, it is very likely that Sudan would not have been able to export any oil until the turn of the millennium (Lee and Shalmon).

At present, approximately 10% of the oil China imports annually comes from Sudan. Chinese investment in Sudanese oil fields is a unique method in and of itself; China not only buys oil extracted domestically (often via weapons-for-oil transactions) but also is responsible for the process of extracting and transporting oil. China National Petroleum Corporation (CNPC) decided in 1995 to participate in the development of Sudan’s domestic oil industry, a move signaled by a loan granted by the Chinese government for CNPC use in Sudan. From that point forward, China agreed to supply Sudan with $2.5 billion in preferential loan agreements, and
CNPC signed a production sharing agreement with the Sudanese Energy Department to begin developing Block 6, one of the oil concessions in southeast Sudan. Within one year, CNPC won exclusive rights to the development of Blocks 1, 2 and 4 in the Muglad Basin of Southern Sudan as well as 40% ownership in the newly-formed Greater Nile Petroleum Operating Company (GNPOC). In addition, China built infrastructure necessary to the success of Sudan’s newly formed oil industry, such as a 1,500 kilometer pipeline linking central Sudan with the Port of Sudan, where boats await oil for export to destinations around the globe (Rotberg). Sino-Sudanese energy cooperation has most recently taken on a new dimension when, at the start of 2011, the two nations began working on bioenergy in hopes of finding a substitute for traditional energy forms and encouraging Sudan to acquire more environmentally-friendly alternatives (“China-Sudan bio-energy project launched”).

In order to ensure the security of Chinese investments and energy development programs in Sudan, China has since established a complete oil industry – including “extraction, refining, transport and retail” – a decision that has earned China the distinction as key player in the Sudanese domestic oil development (Deng, “Strategic Study” 52). However, China has also taken steps to further strengthen bilateral relations with Sudan in other areas by starting infrastructure programs to provide Sudan with hydroelectric power stations, airports, a domestic textile industry, and beyond. More importantly, China has continued weapons sales to Sudan and the Darfur region amidst China’s growing dependency on the local oil resources. Despite China’s investment in other areas of Sudan, it appears that China believes the best means for securing continued access to Sudanese oil is in developing stronger military relations with Sudan, especially through the medium of weapons sales. According to the UN Security Council Sudan Committee, 88% of the light arms currently in the Darfur region alone come from China. These weapons include, but are in no way limited to, Norinco-made 86S rifles (based on the Soviet-era AK-47), 122mm howitzer cannons, Type-59I 130mm cannons, 122mm missiles and 57mm antiaircraft guns (Kristof). China has supplemented light armaments with heavy weapons sales to Sudan, specifically Type-7M fighter planes, Y-8 transport aircraft, T-62 light tanks, and F-7/FC-1/J-6/J-7 fighter jets in recent years (Human Rights First; Figure 2). Lastly, China is currently making weapons in Sudan, but due to the covert nature of such manufacturing, research can substantiate only that these locally produced weapons include helicopters, ammunition, frigates and military transport vehicles (Human Rights First).
China continues its main methods of selling the aforementioned weapons to Sudan, namely via loans and bartering. According to Human Rights First, China ExIm Bank has provided more than $1.27 billion in low- or zero-interest loans to Sudan over the past ten years. Normally, such large loans are reserved for impoverished and underdeveloped nations, but due to Chinese investments in and profits from Sudan’s oil industry, Sudan is less dependent upon direct financial aid from China than other neighboring African countries. However, continuing loans are a means for China to safeguard its overseas interests, investments, and access to precious natural resources.

In recent years, Sudan has only been able to increase the amount of Chinese weapons it can purchase because of an increase in domestic profits from the oil industry. The Sudanese Minister of Industry, Dr. Awad Ahmed Al-Jaz, admitted that “Around 70% of domestic oil revenue is transferred directly to use by the Sudanese army,” a statement suggesting that certain resources (including weapons) are likely be transferred directly to the army’s hands and into the Darfur region (Human Rights First). One cannot overlook the fact that Sudan also has three weapons manufacturing plants opened and operated by the Chinese outside Khartoum (Human Rights First). China’s move to produce weapons within Sudanese territory is a means for avoiding international sanctions which ban such sales to Sudan, while at the same time Sudan continues to supply China with oil in exchange for weapons.

Due to the extent of Chinese economic and military investments in Sudan, it is fair to conclude that the Sudanese government has been re-shaped by the Chinese presence. Therefore, even if the Darfur conflict is peacefully resolved, it is highly probable that China will still continue to sell weapons to Sudan in exchange for oil because this transaction method is time-tested and proven to be mutually beneficial. As the President of China’s ExIm Bank, Li Ruogu, pointed out, “In the long term, regardless of the form Chinese investments to Sudan take, all such investments will be helpful in resolving the Darfur situation” (Bezlova). Here Li is referring to other Chinese aid to Sudan (such as infrastructure building programs) that will assist continued economic and political development, which in turn will ostensibly aid in resolving the Darfur conflict. Li’s comment, however, blatantly overlooks the impact of Chinese weapons sales and transfers to the region. These points aside, Sudan will undoubtedly continue to receive Chinese investments and allow Chinese complete access to unrestricted development of the domestic oil industry. With many Sudanese currently viewing the Chinese as a people “of kind hearts... [and] a desire to remain separate from political problems,” the Sudanese believe firmly that the Chinese investments are “a result of attractive business opportunities rather than a desire to reform the Sudanese political structure” (Goodman).

Without a doubt, continued Chinese weapons sales in exchange for Sudanese oil have triggered opposition at the international level. From a statistical perspective, 60% of oil reserves from the entire African continent are exported directly to China, a number that other nations have quickly begun to scrutinize (Hanson). Western superpowers – including the U.S., England, France and Russia – have openly criticized China’s investments and weapons transfers on the African continent. Such a response is rather contradictory for many Western countries, since the U.S. and other militarily strong countries also sell weapons to developing African nations (Shanker). Due to the lack of set investment standards and transparency in the battle for energy
resources, it is difficult to account for any differences between the operations methods of state-owned Chinese corporations and their Western counterparts (Oliveria 293).

International organizations, most notably the United Nations Security Council, have responded even more strongly to continued weapons-for-oil exchanges between China and Sudan. In 2006, the UN Security Council confirmed not only that China was intervening in domestic African political problems but also that Chinese-made weapons were being actively used in domestic conflicts. In 2009, the UN Sudan Committee released a report at the Security Council regarding the use of Chinese-made weapons in Sudan. This report elaborated ways in which China was found to be violating an earlier UN arms embargo, namely in transferring weapons secretly through the capital into the Darfur region. The report from the UN Sudan Committee also proved the prevalence of Chinese-made weapons and their continued use in the Darfur conflict. The Chinese assistant foreign minister at the time, Li Zhaoxing, refuted such claims by saying that “China is not the only country selling weapons to Africa, [China] has no ability to control how the weapons are used after the sale is made. These weapons were likely to have been sold prior to the start of the Darfur conflict and we bear no responsibility for their arrival to the conflicted region” (United Nations, Report on Resolution 1591).

African countries receiving Chinese weapons and aid have yet another kind of reaction. Since China has actively invested in support of all types to at least 47 of the 57 countries on the African continent, many of these nations are all the more inclined to conduct high-level political dialogues with China. According to a 2010 public opinion survey conducted by Afrobarometer, a majority of Africans acknowledge the positive contributions China has made to the African continent, but remain suspicious of the political and economic impact of the Chinese government (Gadzala and Hanusch), an opinion that contrasts with the Sudanese sentiment previously mentioned. The sheer number of Chinese workers in many African cities exceeds the number of local laborers, exacerbating problems of unemployment plaguing many African countries. Chinese construction companies and contractors displace workers by the hundreds of thousands in stipulating quotas that employ predominantly Chinese nationals; elsewhere, Chinese products have monopolized local markets in outcompeting local manufacturers (Tan). In addition, many African citizens believe that China sees them as subordinates and thus is more prone to manipulate and bully the locals (Ampiah and Naidu 54). Yet Africans realize the extent to which their governments and economies have become dependent upon Chinese aid. Due to the extent of China’s support to African countries – be it in the form of weapons, loans or other aid – discontinuing such aid would severely impact the development of countries across Africa.

Chinese weapons sales to Africa have also resonated within the Chinese government and popular discourse. China’s continued weapons sales overseas are actually a violation of domestic export laws since such sales do not abide by China’s domestic laws on weapons sales, “The Three Principles” (Ampiah and Naidu 173).

From a governmental perspective, Chinese involvement in Africa has also complicated the multidimensional nature of Sino-U.S. relations. First, China regards African countries as important partners in the process of Chinese development. The extent to which China has established partnerships with African nations serves as a model for other third-world countries...
looking to develop closer relations with China. In the long term, due to Chinese demands for energy, the Chinese government will fulfill its promises and continue to support the development of African nations in as many ways as possible. The more of a Chinese presence there is on the African continent, the greater likelihood there is of competition between China and the U.S. over energy resources on the continent and domestic political sway. Second, China and Western nations have emerged as key competitors over African natural resources. In order to further ensure Chinese power at the international level, China will pay increasingly close attention to relationships between African nations and Western powers as well as any attempts by Western powers to further secure access to African oil and other resources. Third, current Chinese government officials have suggested that Sino-African relationships at present resemble a symbiotic colonizer-colony relationship (Alden). Chinese investments and weapons sales to African countries represent a business partnership between the two entities, but help in building infrastructure resembles actions an imperial power usually takes in developing a new colonial territory. Through such complex and multi-level relations, China has been able to replace Western influence and further assert its power and presence on the African continent.

To some extent, the emergence of a semi-colonial relationship between China and African countries is advantageous to the resolution of China’s own domestic political problems, especially the so-called “Taiwan Problem.” Taiwan is currently recognized by a mere four countries in Africa: Burkina Faso, Gambia, Swaziland and the islands of Sao Tome and Principe. The financial aid China is able to provide in Africa far surpasses Taiwan’s own capabilities, a factor that has weighed heavily in the minds of African leadership as they adopt the “One China Policy” in favor of receiving larger aid packages from Mainland China.

China’s investments and weapons sales to African countries have also resulted in two forms of response at the Chinese public level, namely liberal and conservative viewpoints. Liberals believe that China should pay no attention to the “China Threat Theory” that is emerging from Western countries vis-à-vis China’s relations with Africa and rather should continue to place domestic interests as top priority in guiding Chinese foreign affairs. The conservative viewpoint, on the other hand, argues that China needs to be most concerned with preserving its image at the international level and should thus decrease the amount of investments and energy ventures it is currently conducting in Africa (Huang, “China’s Renewed Partnership” 305-310).

In short, Chinese weapons sales and financial aid in African countries are a highly debated matter. Regardless of what perspective one adopts in evaluating these weapons-for-oil transactions, it is clear that Chinese motives extend far beyond using weapons and other aid as a political bargaining chip. Based on the current state of Sino-African relations, it seems very likely that China desires to continue to develop its economic and political dominance on the African continent in hopes of strengthening Sino-African policies and broadening strategic weapons-for-oil transactions.

2 Proponents of the “China Threat Theory” see threats to the dominance of Western powers stemming from China on two levels, namely militarily and ideologically.
The Future of Chinese Weapons Sales to Africa

In recent years, Sino-African relations have entered a new stage as bilateral relations have progressed to the level of a strategic partnership. This new form of diplomacy in Sino-African relations is comprehensive and includes cooperation on issues of political, economic, cultural, security, and international importance. Especially worth noting is the progress China and Africa have made in cooperative efforts within the energy sector. Lacking sufficient domestic resources amidst an ever-growing population, China can only turn to imported oil and other imported energy resources to fulfill domestic demands resulting from continued economic growth and development (Li 16-19).

Due to China’s sustained demand for energy and the resulting expansion of Sino-African trade over the past few years, China’s weapons sales to African nations cannot but continue to increase in the coming years (Meidan 90-93). China and many African nations have developed a form of mutually dependent relations, a state unlikely to change in the near future. China Petroleum and Chemical Corporation (SINOPEC) has invested $7.4 billion in Sudan’s oil industry to date, an investment that includes the construction of a transnational pipeline as well as ownership of 60% of Sudan’s domestic oil fields (Perry 16). Due to the Chinese government’s push for domestic businesses to develop at the international level and China’s continued investments in the African oil industry, Sudan and other oil-rich countries have been transformed from oil-importing to oil-exporting nations, including capabilities in accessing, refining, transporting and selling oil. Indeed, without China’s support and financial investments, natural resources in many African countries are unlikely to have undergone such a comprehensive transformation in such a short period of time. China’s interest in accessing precious energy resources and other overseas investment opportunities has proven to be rather advantageous to the economic development of African nations as well, since such interests often generate financial aid to jumpstart local economies and strengthen international trade.

In short, provided that China will continue to reap the benefits of investment and interaction with African nations, such investments are unlikely to stop. With weapons-for-oil transactions as a central component of Sino-African trade, China will not only continue to ensure its access to oil, but also continue to develop a presence in the domestic weapons market of many African countries. Moreover, with continuing political instability and conflict in Africa, the demand for cheap Chinese-made weapons is very likely to increase. With weapons-for-oil as the preferred transaction method by China and African countries alike, China will most certainly continue to provide a large number of low-technology and affordable weapons for African countries to use.

The future of Sino-African military relations, and thus sustained weapons-for-oil transfers, rests heavily upon three important factors. First, while China has invested and conducted weapons-for-oil transactions in a large number of African nations, China is unlikely to continue to isolate itself from military governments and internal conflicts of African countries. To protect its interests in the long term, China will become even more willing to invest in high-risk economic or political environments that plague many countries on the African continent, a risk that Western countries and corporations are frequently unwilling to take. Second, future forms of Chinese military support to Africa will not just involve weapons sales but are likely to also
include more zero-interest loans. Such loans from China’s ExIm Bank will be used by the receiving African state to further develop its military or cultivate necessary infrastructure. Third, China will continue to develop the military training programs already in place on the African continent. Regardless of linguistic and cultural barriers, continued military training will further expand Sino-African military relations and ensure that African troops are learning to correctly operate the Chinese-made weapons they have acquired. With these three factors in mind, it is clear that military relations between China and Africa in the long run will result in increased benefits for both sides.

Due to the likelihood of continued Chinese weapons sales to developing African countries, other countries and international organizations must consider whether or not such transfers of weapons and energy are likely to result in conflicts at the international level. It is also important to consider the reaction of other world powers and international bodies, since the Chinese weapons sales are mainly targeted at countries in the midst of civil wars, ruled by military governments, or countries with numerous human rights violations. As a whole, European countries and the United States are the loudest voices of opposition to Chinese weapons sales in exchange for oil on the African continent. Yet such opposition carries little weight as China continues to pursue its domestic interests at the international level. China continues to overlook UN sanctions on weapons sales to Africa, while the international community merely voices opposition and utilizes tools of soft diplomatic power rather than pursuing tangible actions and policies in response to continued sanction violations. This passivity in responding to Chinese sanction violations suggests that perhaps Western powers also maintain an interest in weapons sales to Africa or African energy resources (Zhao 24). Regardless, if other weapons manufacturing countries, such as India, Russia, and the United States, embark on large scale weapons-for-oil transactions of their own in Africa, China’s key position and investments will be directly threatened, a change that could ultimately lead to tensions between countries over rights to access energy.

Conclusion

Based on Africa’s current level of dependence upon Chinese support, investments, and weapons sales, it is highly likely that a majority of African countries will continue to encourage Chinese development of the continent. China’s steadily growing demands for oil, the profits that China reaps from weapons sales and the outcome of other Chinese investments in Africa truly do (and will continue to) enhance the mutually beneficial nature of Sino-African relations. The short-term costs of weapons transfers, infrastructure development and loans to African nations are negligible in comparison to the long-term profits China will gain through continued access to African oil and other natural resources. More importantly, China will continue to view itself and its actions abroad as those of a socialist leader rather than actions of a so-called “Merchant of Death.” Although Chinese policies to sell weapons to African countries in exchange for oil receive much criticism from the international community, especially in light of recent events in Egypt and Libya, China remains unlikely to change its current trajectory. With other nations pulling away from unstable and war-torn African countries, especially as domestic conflicts arise, China is facing less competition from Western nations that also initially emerged on the
African continent in search of energy sources. Furthermore, even greater opportunities abound for a sustained Chinese presence on the African continent with ongoing foreign aid packages, infrastructure building, and other forms of goodwill constantly streaming from China into Africa. Thus if any resistance to Chinese expansion in Africa presents itself, it is most likely to come from the international community or Chinese domestic discontent rather than from the African nations that reap countless benefits of Chinese support.

Due to the likelihood of ongoing weapons-for-oil transfers and the continual development of Sino-African relations, the United States must also consider an appropriate response in order to ensure that its interests and relationships with China and African nations alike can be best maintained. The intimacy of Sino-African relations has resulted in much debate within America, a debate that focuses heavily upon how America should approach Sino-American relations with the addition of the new “Africa Factor” into the equation. In the eyes of many American politicians, a stable African continent composed of countries that advocate democracy and democratic rights is most advantageous to U.S.-Africa relations, a goal commonly reflected in U.S. policy towards African countries.

Along with the continued development of Sino-African relations, the United States should pursue three key goals. First, the U.S. should continue to monitor whether Chinese involvement on the African continent (especially weapons-for-oil transactions) is in the best interests of other countries around the world. Second, the U.S. can encourage greater transparency from China about its loans, weapons sales and other support given to oil-rich African nations. If the U.S. is able to understand the larger context of China’s investments in Africa and domestic factors which have spurred China’s search abroad for oil, the U.S. and China should ultimately be able to find more common interests on the African continent. Such shared interests could in turn become the basis for a cooperative relationship in Africa, a step in furthering the peaceful and stable development in Sino-US-Africa triangular relations. Third, U.S. government officials must pay more attention to the opinions and attitudes of Africans in reaction to the increased Chinese presence within their own societies. Through the pursuit of these three goals, the U.S. can help to ensure that its relationship with China remains stable and tensions between the two nations do not emerge on the African continent.

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Works Cited


