



## China – Sudan Briefing Paper August 2008

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China's current engagement with Sudan predominately consists of bilateral trade relations including arms transfers and investment in the extractive sector and its sideline industries. China's position as the main investor and aid donor in Sudan means that China wields significant influence in regards to Khartoum government policy. The Chinese involvement in the Darfur conflict is predominately related to China's lucrative oil investments in Sudan and its arms trade with the Sudanese Government.

### Oil

Through one of its national oil companies, CNPC, China has invested over US \$10 billion in Sudan's oil sector to date. CNPC controls 60-70% of Sudan's national oil production and owns the largest single share (40%) of the Greater Nile Petroleum Operating Company (GNPOC), Sudan's national oil company. CNPC has a near monopoly (95%) over a vast block in Darfur (Block 6) and participates directly in four development zones (Blocks 3,7,15,13) and indirectly via GNPOC in three other blocks (1,2,4).<sup>1</sup>

The role of oil in the Darfur conflict is crucial since oil revenue has given Khartoum the means to expand its military. Oil revenue in 2007 accounted for approximately 80% of Sudanese government income (USD 7.8 billion out of USD 9.7 billion).<sup>2</sup> The same year, the government allocated 42.9 % of Sudan's oil revenue to military spending. Oil revenues resulted in an enlargement of Sudan's attack helicopter fleet from six to twenty-two in 2002 and has maintained the fleet since.<sup>3</sup> Furthermore, between 1999 and 2001, governmental oil revenues increased by some 875.7% from USD 61 million to an estimated USD 596 million and up to 80%<sup>4</sup> of these profits went into procuring and producing weapons.<sup>5</sup> Military equipment, training and vehicles remain the government of Sudan's main expenditures, with the increase in revenue from oil, the government has been able to update and modernise their offensive capabilities.

The presence of oil in Darfur is another important factor that has helped exacerbate the conflict in the region. However, the geographic location of oil, and its role in shaping the conflict in Sudan, has received relatively little media and academic attention. Mohamed Siddiq, spokesman for the Sudan's Ministry of Energy and Mining told Reuters that the drilling in Darfur proved the presence of oil in abundant quantities.<sup>6</sup> One of the main oil blocks in Sudan is Block 6, divided between Southern Darfur and Western Kordofan. Moreover, Sudanese sources claim that the regions of Kordofan and Darfur may be Sudan's most oil-rich regions.<sup>7</sup> Consequently, the aims of the Sudanese government to increase national oil production have almost certainly played a part in instigating and exacerbating the conflict in Darfur.

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<sup>1</sup> For updated Oil maps see the European Coalition on Oil in Sudan

<sup>2</sup> UN, 'UN: Create Darfur Recovery Fund for Sudanese Oil', <http://hrw.org/english/docs/2007/03/19/sudan15517.htm>, (Accessed 21st July 2008), 19 March, 2007.

<sup>3</sup> Matthew E. Chen, 'Chinese National Oil Companies and Human Rights' *Orbis*, Foreign Policy Research Institute, Winter 2007, pp.41-54

<sup>4</sup> This estimation belongs to former SPLA official Lam Akol, Sudanese foreign minister since 2005.

<sup>5</sup> 'Arms, Oil and Darfur' The Evolution of Relations between China and Sudan' *Sudan Issue Brief* Small Arms Survey, Human Security Baseline Assessment, N.7, July 2007, pp.1-12

<sup>6</sup> Kajee Ayesha, "The Regional and International Dimensions of the Crisis in Darfur", in Raftopoulos and Alexander (ed), *Peace in the balance. The crisis in Sudan*, pp.71-102

<sup>7</sup> Afrol News, 'Sudan, Now Africa's third largest oil producer', <http://www.afrol.com/articles/21889>, (accessed 21<sup>st</sup> July 2008), 11 October, 2006.

Block 6 is owned almost entirely by CNPC.<sup>8</sup> While it is not entirely clear that oil exploration was the main reason behind the massive forced displacements in Block 6, it is known that the populations besides which CNPC currently operates have been bombed and terrorised by government-funded militias.<sup>9</sup>

## Arms

Over the last two decades, the Government of Sudan has gained access to significant quantities of arms transferred from China. The first reported shipment of Chinese arms to Sudan appeared under the rule of Sadiq al-Mahd (1986–89).<sup>10</sup> Since then, arms deliveries from China to Sudan have included ammunition, high altitude bombs, tanks, military trucks, helicopters, and fighter aircraft. This has allowed Sudan to greatly increase its military capabilities. For example, UN Comtrade data shows transfers of military weapons and small arms from China to Sudan were valued at USD 1 million in 2002, rising to USD 23 million in 2005. In addition, USD 57 million worth of aircraft equipment was transferred to Sudan between 2003 and 2005.<sup>11</sup> China appears to have become Sudan's largest seller of weapons just prior to the onset of the Darfur conflict.

Arms sales from China, along with Russia, have also continued despite the 2004 UN embargo on weapon sales to Sudan. Chinese arms sales to Sudan since 2004 account for 90% of small arms present in the country, and China's provision of training, transport vehicles and aircraft have also added to the Sudanese arsenal.<sup>12</sup> The Chinese provision of weapons has had two major consequences on the Darfur region: firstly, it has given the Sudanese military the means to conduct brutally efficient counterinsurgency operations and, secondly, it has given Khartoum enough military stockpiles to provide the Janjaweed militias with the capabilities to wage a war against Darfur's indigenous population. China's growing economic clout and its veto at the UN Security Council has given it a strong hand to protect its interests in Sudan. As such, the effectiveness of international institutions in bringing peace to the region has been seriously undermined.

## International Relations

Sudan's importance to China reflects a global shift in oil production and consumption. States with high demand for oil such as China have begun to distance themselves from perceived "unstable" sources such as the Middle East and instead have begun looking to African nations for reliable sources of oil. China in particular has invested significant resources in fostering its relations with oil-rich African nations.<sup>13</sup> In the current climate of rising oil prices, negotiating power has shifted towards oil-producing countries, forcing nations such as China to create "package" deals.<sup>14</sup>

China has also made it increasingly difficult for the international community to take action in Darfur or to apply pressure on the Sudanese Government. With China using its power as a permanent member of the Security Council, it managed to weaken UN efforts to deploy a peacekeeping force to Darfur and gave the Khartoum government an opportunity to break an

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<sup>8</sup> CNPC, 'CNPC in Sudan', <http://www.cnpc.com.cn/eng/cnpcworldwide/africa/Sudan>, (accessed July 21, 2008).

<sup>9</sup> Amnesty International, 'Appeal by Amnesty International to the Chinese government on the occasion of the China-Africa Summit for Development and Cooperation', <http://asiapacific.amnesty.org/library/Index/ENGAFR540722006?open&of=ENG-SDN>, (accessed July 21, 2008), November 11, 2006

<sup>10</sup> HSBA, 'Arms, Oil and Darfur The evolution of relations between China and Sudan', [http://hei.unige.ch/sas/files/portal/spotlight/sudan/Sudan\\_pdf/SIB%20%20Arms.pdf](http://hei.unige.ch/sas/files/portal/spotlight/sudan/Sudan_pdf/SIB%20%20Arms.pdf), (accessed July 21, 2008), July 2007.

<sup>11</sup> *ibid.*

<sup>12</sup> ABC news, 'China definitely propping up Sudan Govt: BBC', <http://www.abc.net.au/news/stories/2008/07/13/2302298.htm>, (accessed July 21, 2008), July 13, 2008.

<sup>13</sup> African Press, 'China signs Sudan dam deal', <http://africanpress.wordpress.com/2008/04/30/sudan-china-sign-396-dollar-dam-project>, (accessed July 21, 2008), April 20, 2008.

<sup>14</sup> Erica Downs, 'The fact an fiction of Sino-African energy relations' in *China Security*, Vol.3, No.3, 2007, p.52.

arms embargo that covered whole of Sudan.<sup>15</sup> For example, in September 2004 China weakened Resolution 1564, which would have created sanctions against Sudan if the government failed to disarm the Janjaweed. Under Chinese pressure, the final Resolution read that the council would “consider taking additional measures” instead of directly sanctioning Sudan. Even in face if the adoption of the resolution 1769, China still insisted that it should particularly emphase that the purpose of this resolution is to authorise the launch of the hybrid operation, rather than to exert pressure or impose sanctions.<sup>16</sup>

China has continuously upheld a position of non-intervention in other countries’ affairs, despite being a signatory to the principle of the ‘Responsibility to Protect’.<sup>17</sup> China promotes a distorted image of the humanitarian situation in Darfur. For example, Beijing’s envoy for Darfur, Liu Guijin, declared at a media briefing following his 2008 May trip to Darfur that, “I didn’t see a desperate scenario of people dying of hunger.” Rather, Liu said, “the people in Darfur thanked him for the Chinese government’s help in building dams and providing water supply equipment”.<sup>18</sup> China has been attempting to maintain relations with Sudan, whilst at the same time weathering any international criticism garnered from ignoring the crisis in Darfur. This highlights a growing problem for China with its international economic interests sometimes conflicting with international expectations on human rights issues.

Since 2007 China has attempted to appease international criticism for its role in the Sudanese conflict by playing a more active role in peacekeeping in Sudan. China’s repeated watering down of UN sanctions against the government of Sudan has led to substantial international criticism that it was ignoring the atrocities occurring in Darfur in favour of business. In response, China helped broker a deal in late 2007 with the Sudanese government to allow 26,000 UN-AU troops, including Chinese soldiers, to enter Sudan on a peacekeeping mission.

Throughout the lead up to the Beijing Olympics, China felt increasing international pressure and criticism over human rights. In the past China “addressed” the disaster in Darfur simply by avoiding questions about Sudan’s domestic affairs or downplaying the gravity of the problem. However, China recently began applying some pressure on the government of Sudan. This was shown in its recent statement to the Sudanese government pressuring them to finalise a peace deal months before the Beijing Olympic games.<sup>19</sup> China attempted to keep the Olympics “non-politicised” and saw the maintenance of its image for the Olympics as being of greater value than maintaining its promise of non-interference in African domestic politics. The current international focus on the Olympics represents a time when leverage can more effectively be gained from China over the crisis in Darfur whilst China tries to minimise further tarnishing of its international human rights reputation.

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<sup>15</sup> <http://www.atimes.com/atimes/China/1125Ad02.html>

<sup>16</sup> Clough, M., ‘Darfur: Whose Responsibility to Protect?’, *Human Rights Watch*, January 2005, Accessed: 02 July 2007, Available: [http://hrw.org/wr2k5/darfur/1.htm#\\_ftnref1](http://hrw.org/wr2k5/darfur/1.htm#_ftnref1)

<sup>17</sup> Chris Alden, ‘China in Africa’, *Survival* 47:3, 2007, 155.

<sup>18</sup> Reeves, E. ‘Darfur Remains Aclit: A sceptical assessment of UN resolution 1769’, *Sudan Tribune* <http://www.sudantribune.com/spip.php?article23913>

<sup>19</sup> The New York Times, ‘China Presses Sudan Over Darfur’, <http://www.nytimes.com/2008/06/12/world/asia/12SUDAN.html?partner=rssnyt&emc=rss>, (accessed July 21, 2008), June 12, 2008.