

# CHINA AND SUDAN

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## CHINA'S RELATIONSHIP WITH SUDAN

**Arms Dealing:** The Nimeiri government (1969-85) bought weapons from China. In the 1990's weapons purchases increased because of the war within Sudan, but also because oil revenue allowed more expenditures on weapons. Weapons supplied by the Chinese include tanks, helicopters, fighter aircraft, anti-tank and anti-personnel mines and ammunition. For the past decade China has been the leading supplier of weapons to Sudan. China also has helped establish three weapons manufacturing facilities in Sudan. This cooperation continues despite a UN-imposed arms embargo which has been in place since 2005.

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**Oil:** China is the most significant international player in Sudan's oil industry. China's oil purchases account for ~50% of Sudan's exports. In 1996 CNPC acquired a 40% interest in a Sudanese oil project. In 1998 the China National Petroleum Engineering & Construction (Group) Corporation, which is owned by CNPC participated in the construction of a 1500 km pipeline to the Red Sea and built a refinery near Khartoum (having refining capacity of 2.5 million tpy).

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**Foreign Investment:** China is the largest foreign investor in Sudan. While most of that foreign investment is in the oil industry, there are also significant investments in hydropower and other infrastructure developments. CNPC is the largest stakeholder in Sudan's largest energy company, the Greater Nile Petroleum Operating Company.

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**Trade:** China is Sudan's largest trading partner. It purchases 71% of Sudan's exports and supplies 21% of its imports. Sudan is China's third largest trading partner in Africa. In 2007 alone bi-lateral trade more than doubled.

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**Aid:** China offers significant aid to Sudan in the form of loans, debt relief and some humanitarian assistance to Darfur.

**Political Ties:** China and Sudan maintain an active bilateral relationship with regular visits by Chinese officials to Khartoum and by Sudanese officials to Beijing.

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**How China Operates:** China's economic relationship with Sudan follows a familiar pattern for the Chinese in Africa. Infrastructure development (primarily to develop natural resources) is financed by the Chinese through loans to the government. The loans are very often disbursed by the Chinese lender to Chinese companies who have obtained contracts with the host government to carry out the infrastructure development. The loans are then paid off through the sale of the natural resource to China.

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## World Opinion Turns Against China

China National Petroleum Company's proposed \$10 billion U.S. IPO ran into stiff opposition around the world after it was announced in 1999. In order to make the IPO possible investment bankers spun off the domestic Chinese assets and operations of CNPC into PetroChina and proceeded with an IPO of PetroChina.

Many groups have tied China's active role in Sudan with the Beijing Olympics. This has been an opportunity for groups to make Beijing pay a price for its continued support of the Sudanese regime. The high profile resignation from an official role in the Beijing Olympics, has motivated Beijing to be more aggressive in its diplomacy with respect to Darfur.

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## China's Attitude Toward Sudan, Darfur and China's Role

**It's about economics:** China is pursuing its own economic interests in Sudan.

**Pride of Accomplishment:** The Chinese were proud of their technological and economic accomplishments in erecting the long pipeline and oil refinery in record time. This was achieved in part by bringing in 10,000 Chinese laborers to work on the pipeline and refinery project.

**The Role that China Wants to Play in Resolving the Darfur Situation:** None.

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**Non-Interference in the affairs of other states:** China has long taken the position that countries and international bodies should not interfere in the sovereign affairs of other countries. The “basic principal” which the Chinese government pursues is “respect for the sovereignty and territorial integrity” of Sudan.

**Condemning the attacks of Darfur rebel groups:** On May 11th the Chinese Foreign Ministry Spokesman Qin Gang made a point of condemning the attacks on Khartoum by the Justice and Equality Movement (JEM). This gives the opportunity for Beijing to appear even-handed in its dealing with the government of Sudan and the rebel groups.

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**The Role that China Will Agree to Play:** The Chinese government will continue to use its “influence” to “put forward proposals” to Sudan’s government to “persuade” the Sudanese government to “make a greater effort’ on the issues of deployment of a “ hybrid peacekeeping force” and the “political process” and to “show flexibility” in “certain areas”. This approach by the Chinese government will be beneficial in “ending the suffering” of the Sudanese people “as early as possible” and will be beneficial in the development of the Sudanese state.

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## China's Attitude Toward Sudan, Darfur and China's Role

**Resolve Political Disputes Through Dialogue:** Ambassador Liu Guijin, the special representative of the Chinese government on the Darfur question expounded on China's position at a news conference held on February 21, 2008 in London: China "has consistently" advocated resolving "political disputes" through "dialogue on the basis of equality" and "patient consultations and negotiations". China does not "agree with" resolving "regional conflicts" through the "application of pressure" or through the use of "coercive means". Not applying pressure at the "slightest provocation" avoids the "further complication of the situation".

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## China's Attitude Toward Sudan, Darfur and China's Role

**The Role that China Believes the World Community Should Play:** Political progress is lagging behind deployment of peacekeeping and so that the international community should step up its promotion of political progress by continuing to urge those opposition factions to join the political process and reach a peace agreement with the Sudanese side. The international community should help Sudan to improve the humanitarian and security situation in the Darfur region and bring about peace and stability in that region as soon as possible.

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**The Role That China is Increasingly Forced to Play:** In the summer of 2007 China helped facilitate the passage of UN Security Council Resolution 1769 (creating the UNAMID--the UN African Mission In Darfur--peacekeeping force) and encouraged Sudan to agree to other potential steps towards peace. On October 27, 2007 Special Ambassador Liu Guijin lead a delegation that attended the Darfur peace talks conducted in Libya, which were jointly sponsored by the African Union and the U.N. and attended by the Sudanese government and seven opposition political parties. On November 23, 2007 a squad of 135 Chinese engineers, which was part of the first Darfur U.N. peacekeeping force, left Zhengzhou, Henan Province and went to Darfur to undertake peacekeeping duties. On February 21-23, 2008 Ambassador Liu visited England to discuss the Darfur problem with the British Foreign Minister. On February 24-27, 2008 Ambassador Liu lead a delegation, which visited Sudan.

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## China's Attitude Toward Sudan, Darfur and China's Role

China's Preferred Approach is Time Consuming: Ambassador Liu also said in the February 21, 2008 news conference that "resolving the Darfur problem" is a "complex comprehensive project" which requires that "joint effort" be expended "on at least five sides": first is the government of Sudan; next is on the side of the resistance movement, which (the Chinese government) hopes will be able to return to the "bargaining table" as soon as possible; third is the effort of the international community; fourth is the necessity of neighboring countries to make an effort; and fifth is the assistance of the African Union and the U.N.

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**Darfur and the Beijing Olympics:** Ambassador Liu expressed that “linking the Darfur problem and the Beijing Olympics” is “utterly unjustifiable”. “Speaking long-term”, it is “very dangerous” to “politicize the Olympics”, said Ambassador Liu.

**The role that China continues to refuse to play:** Participating in any coercive actions directed at the Sudanese government.

**The counterproductive role China continues to play:** China has not put pressure on Sudan to facilitate the deployment of UNAMID, reduce violence towards Darfur and ameliorate the humanitarian crisis in Darfur. China also has blocked additional efforts to pressure Sudan.