

China, Sudan and South Sudan Relations

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Introduction

The arrival in the old Sudan^① of Chinese oil companies in the 1990s and the signing of the Comprehensive Peace Agreement (CPA) between President Omer al Bashir's government and the Sudan People's Liberation Movement/ Army (SPLM/A) in 2005 greatly shaped the relations between China, Sudan and South Sudan. With expanding investments, and increasing demands to secure them, China upped its relations with the old Sudan.

Three phases of relations are discernible: the first was a period of low key ties before the arrival of Chinese oil companies; the second was characterized by substantial ties with al Bashir's government; and the third was marked by continued expansion of ties with al Bashir's government and cultivation of relations with the leaders of SPLM/A. It is argued that Chinese relations with the old Sudan as well as Sudan and South Sudan blossomed mainly due to mutual interest in development of oil resources. Given that the development of oil resources is a political matter, China's oft-stated policy of non-interference and no-strings attached has been questioned. In this article, the reasons for this will be analyzed.

Low Key Relations

The old Sudan was among the first countries to recognize the People's Republic of China in 1959. Relations increased after President Jaafar Nimeiri (1969-1985) visited China in 1970. During the visit, he asked for help in several areas but was reportedly advised to turn to the US for assistance with oil prospecting as China did not have the right technology.^②

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① Old Sudan refers to the united Sudan before the secession of the Southern region on 9 July 2011.

② Ali Abdalla Ali "The Sudanese-Chinese Relations: Before and After Oil", Khartoum, Sudan, 2006, p. 47.

Trade and assistance increased. In 1973, for example, 26 percent of old Sudan's cotton exports went to China, representing 13.6 percent of total exports.^① Besides cotton, the old Sudan sold gum arabic, oil seeds and other goods. It imported textiles, building materials and light industry machinery. Moreover, China gave loans to the old Sudan on easy terms, which led to the establishment of a number of projects, such as the Friendship Palace, Hassa Heissa Friendship Textile Mill and Bridge on Blue Nile. Its ties had no-strings attached. However, they were really more "symbolic than politically consequential".^②

President Nimeiri turned to US companies for support with the search for oil. In 1978, Chevron discovered oil in the Unity State of Southern Sudan. At that time, Nimeiri was building ties with Middle Eastern countries close to the US, which was keen to contain the regime of Gaddafi of Libya and that of Mengistu of Ethiopia. Chevron rapidly built infrastructure to exploit the oil. It planned for pipelines from the oil fields to Port Sudan. By 1986 oil was supposed to reach international markets. However, this was thwarted by SPLA attacks. In 1985, Nimeiri was overthrown.

In 1992, Chevron wound down its activities under US pressure and SPLA threats. The US banned engagement by American companies with the oil sector in 1997, accusing the government of Al Bashir, which came to power in 1989, of abusing human rights and supporting terrorists, including Osama bin Laden. This was to mark a new pace of Chinese involvement in the old Sudan.

Expanding Relations

China's relations with the old Sudan grew. Like Nimeiri, al Bashir travelled to China in 1995 to request help with development of oil resources. This time around China accepted as it had the technology and interest. It needed oil from abroad to sustain economic growth. In 1993 China had gone from being a net exporter of oil to a net importer.

In 1996, despite the SPLA threat, China National Petroleum Company (CNPC) acquired interests in the old Sudan. Petronas from Malaysia, where al Bashir

^① Ibid, p.14.

^② Dan Large, "China's Sudan Engagement: Changing Northern and Southern Political Trajectories in Peace and War," *The China Quarterly*, 2009, p.613.

attended military school, also entered into the country. Indian companies later joined. Together, they took over oil operations and continued from where Chevron left off. The atmosphere of conflict, which discouraged risk-averse Western companies, worked in their favor as competition was low.^①

In 1999, the old Sudan exported oil for the first time. Six years later, production reached nearly 500,000 barrels per day. In 2007, oil revenues were estimated at 4 billion US dollars, and economic growth exceeded 10 per cent. China also reaped huge benefits. It satisfied eight percent of its oil needs with supplies originating from Sudan.^②

This achievement had to be protected from the SPLA and other threats, however. China supported Sudan to secure oil flow. It used its veto to protect al Bashir's regime in the UN Security Council from sanctions. It also supplied arms, which were used to secure oil installations.^③

Clearly, relations were characterized by mutual benefit for al Bashir's regime, China and its oil companies.^④ However, the move towards peace within the country, which was being pushed by the US and other Western countries, could destabilize them.

Balancing Relations

In 2005, the regime of al Bashir and the SPLM/A signed the CPA. Without US pressure this agreement would not have been reached. China quickly established ties with SPLM/A leaders as they were going to control most of the oil fields from which Chinese and other companies extracted oil.

Broadly, this experience raised questions about China's policy of dealing only with governments. Traditionally, the state in China is strong and the driver of social

^① International Crisis Group "God, Oil and Country: Changing the Logic of War in Sudan," *Africa Report*, No. 39, 2002.

^② Leben Nelson Moro, "Oil, Conflict and Displacement in Sudan," DPhil thesis, University of Oxford, 2008.

^③ S.L. Field, "The Civil War in Sudan: The Role of the Oil Industry," IUD Occasional Paper, Braamfontein, South Africa.

^④ Daniel Large and Luke Patey, "Caught in the Middle: China and India in Sudan's 'Transition'" DIIS Working paper, p.6.

change. The big companies are owned by the state and work closely with the government. There are no significant NGOs. Accordingly, China focuses on building relations with other states.

The case of the old Sudan, Sudan and South Sudan posed challenges for this policy. China built good relations with al Bashir's regime which was pursuing devastating wars in the south and later in Darfur. China avoided establishing relations with the rebels in the south who were to become the leaders of South Sudan. Other countries dealt with the SPLM/A before coming to power. So, China was to play catching up when the SPLM/A came to power after 2005.

China has been trying hard to build equal relations with the leaders of the South and North, which separated in 2011. It has been doing well in this respect. However, China might learn from the past and not limited its future engagement only to government leaders, particularly unpopular ones like al Bashir, but also engage with other players, such as civil society actors and opponents of those in power. Dissidents or rebels of today might become the leaders of tomorrow!

Conclusion

China's relations with the old Sudan evolved from low to high engagement since the 1950s. Crucial in this transformation was the role played by oil companies that helped President al Bashir's regime to exploit oil resources. However, this development posed a significant challenge to China's oft-stated policy of non-interference in the internal affairs of other countries. In fact, development of oil resources has always been a political issue with close links to internal political developments.

The conclusion of the Comprehensive Peace Agreement in 2005 meant that China had to deal with SPLM/A leaders who were to rule the Southern region, which broke away in 2011 to form the Republic of South Sudan. Belatedly, China forged relations with the new leaders so that oil companies could continue their operations. It is trying to balance relations with Sudanese leaders and South Sudanese leaders. However, it should consider engaging with other actors such as civil society leaders.