Research Article

GIGA | Africa Spectrum

Africa Spectrum
1–25

DOI: 10.1177/00020397211042384
journals.sagepub.com/home/afr
SAGE

A Marriage of Convenience on the Rocks? Revisiting the Sino–Angolan Relationship

Paulo de Carvalho[1], Dominik Kopiński[2], and Ian Taylor[3,4]

Abstract

China's relationship with Angola – which is both the region's top oil exporter to China and recipient of the highest amount of Chinese loans – represents a critical case when it comes to studying Sino–African relations. The Sino–Angolan relationship, forged for purely pragmatic reasons at an opportune moment of mutual need in the early 2000s, has been labelled a 'marriage of convenience'. A variety of factors have, however, altered the environment in which China first made inroads into Angola; most notably a decline in oil prices, and the 2017 political transition. These have provided fresh impetus to the Angolan political economy and relations with China. Based on interviews we show that although oil remains a central ingredient, China's role has substantially evolved. The marriage of convenience is experiencing a period of rocky introspection, one in which the notion of China having sway in Angola can finally be laid to rest.

Manuscript received 27 January 2021; accepted 9 July 2021

Keywords

China, angola, oil, bilateral trade, political economy

[1]Faculdade de Letras e Ciências Sociais, Universidade Agostinho Neto, Angola
[2]Institute of Economics, University of Wroclaw, Poland
[3]School of International Relations, University of St Andrews, Scotland
[4]University of Stellenbosch, South Africa

Corresponding Author:
Dominik Kopiński, Institute of Economics, University of Wroclaw, Wroclaw, Poland.
Email: dominik.kopinski@uwr.edu.pl

Introduction

The Angolan economy was long regarded as a star performer in Africa due to its sustained economic growth (Kyle, 2007), which amounted to c. 11% during 2001–2010. An ‘Africa Rising’ narrative, which posited a radically changed and emerging continent, seized on countries such as Angola to announce that ‘The Fastest Billion’ consumers were in Africa (Robertson, 2012) and that ‘Lions [were] on the move’ (McKinsey, 2010). Though this appraisal clashed with actual realities (Carmody, 2011; Taylor, 2014), the narrative was resilient. Setting aside the short-lived turbulences surrounding the 2008–2009 global financial crisis, oil prices rose from \$28 per barrel in 2002 to \$115 in 2014. Within a decade of Angola’s civil war ending in 2002, the country’s economy had increased by 100% and was ‘flush with cash and confidence’ (Soares de Oliveira, 2015a).

Such confidence proved to be misplaced. In 2014, oil prices plummeted to \$49 per barrel, wreaking havoc on the Angolan economy – with 90% of oil earnings, 60% of budget revenues and 30% of GDP derived from crude, the country’s reliance on oil is legendary. A further problem was posed by the fact that a large part of Angola’s debt is linked to oil prices through so-called ‘oil-backed loans’, with China being Angola’s largest creditor, having provided \$22,441 billion worth of loans as of 2019 (CEIC, 2020). Lower oil prices meant more barrels had to be shipped to China, further reducing Angola’s revenues. Moreover, this overlapped with Angola’s maturing oil fields passing their production peak. As a consequence, the attitude of many Angolans towards China –

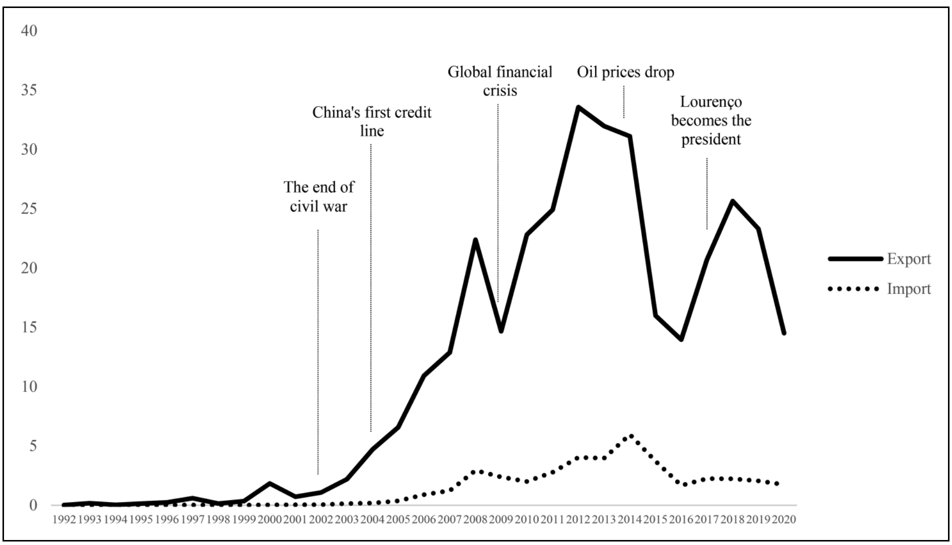

Figure 1. Angola–China bilateral trade (US\$, billion).
Source: UN Comtrade.

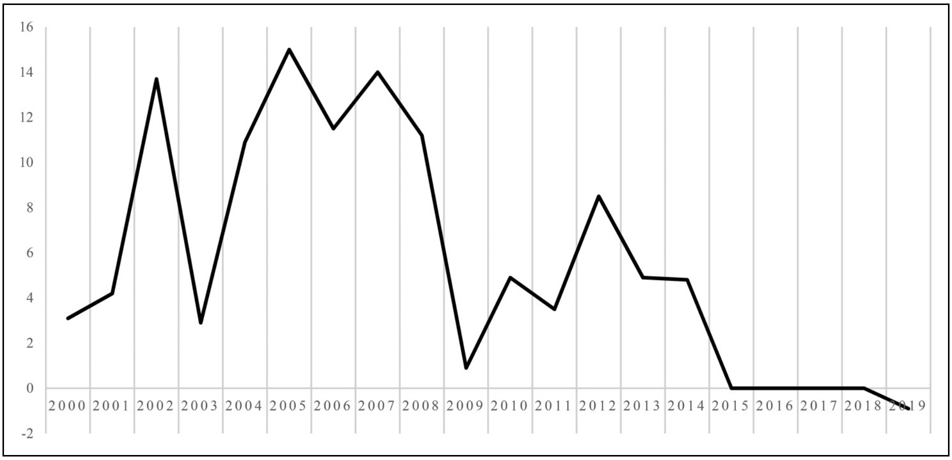

Figure 2. Angola GDP growth (annual %), 2000–2019.
Source: World Development Indicators, World Bank.

never particularly amical – turned increasingly sour, with elites becoming ever more outspoken about the hazards of an unbalanced relationship with China.

Such discussions became particularly animated following President José Eduardo Dos Santos decision to relinquish power in 2017 after 38 years at the helm. His replacement, João Lourenço, took many by surprise by moving to swiftly and decisively tackle the *Futungistas* – members of the presidential circle (after *Futungo de Belas*, the old presidential palace).[1] Though his actions can be seen as representing no more than an internal

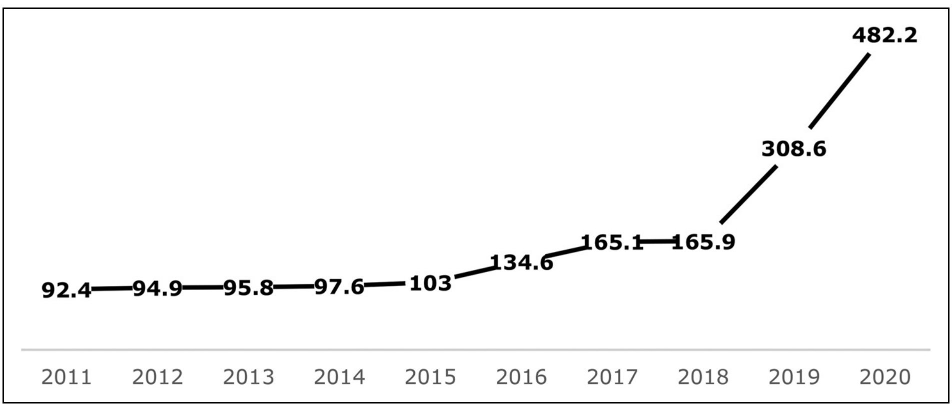

Figure 3. Official kwanza exchange rate vs. $US, 2011–2020 (as of 1 January each year).
Source: XE, https://www.xe.com/currencycharts/?from=USD&to=AOA&view=10Y.

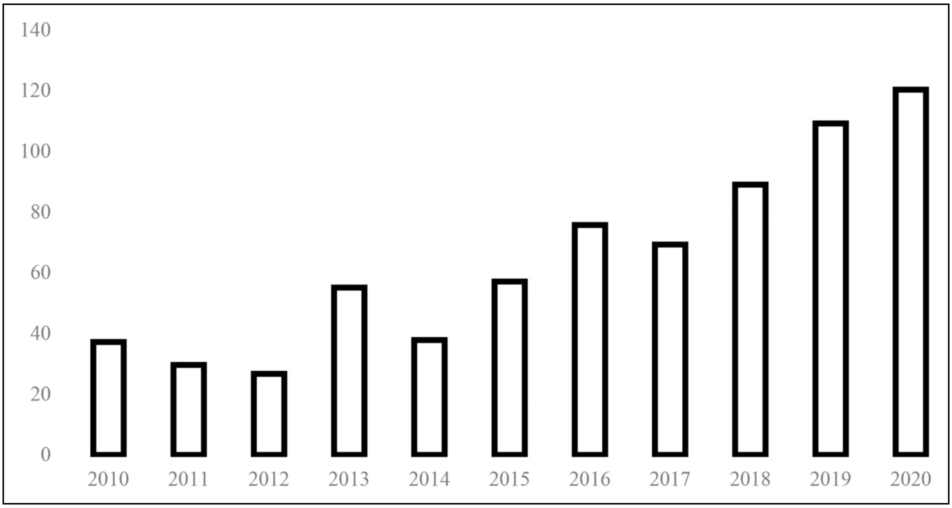

Figure 4. Angola government debt to GDP, 2010–2020.
Source: IMF Datamapper.

reshuffle of the MPLA, with the party retaining all reins of power, an impetus to change the status quo in several areas seemed apparent. Alongside tackling rampant corruption and fixing the ailing economy, the problem of unbalanced relations with China appeared high on the new president's political agenda.

In this article, we argue that Lourenço's ascent to power has negatively affected Angola's relations with China, and that this development goes beyond any periodic 'prickliness' ties have suffered in the past (Shinn and Eisenman, 2012: 343). In retrospect, this is unsurprising given that Beijing placed all its 'bets on Dos Santos' (Africa-Asia Confidential, 2012). Our interviews show that recent events have provoked a great deal of uncertainty among the Chinese business community, who fear the cosy relations guaranteed by the Dos Santos clique may prove to be a thing of the past given the volatility of oil prices and the allegedly corrupt nature of many of the deals in place, the so-called 'Angola model' – whereby loans are secured using oil as collateral – is now regarded not only as unsustainable, but as posing an existential threat to the stability of the Angolan economy and, by extension, the Angolan regime. Given such high stakes, Angola – famous for its jealous guarding of sovereignty – is once again attempting to do what in the past it has proven itself so adept at - maintaining the regime by diversifying foreign partners and exploring new options.

In terms of African agency, our findings have potential implications both for other African countries and broader Africa–China relations (Brown and Harman, 2013; Mohan and Lampert, 2013). Luanda has continuously sought to balance the leverage that China might have over the Angolan economy with the hope that Chinese credit lines can serve as catalysts to attract finance from other countries (Corkin, 2013: 169).

Moreover, restricting or outright denying Chinese firms access to oil fields offers clear evidence that Angolan elites are not mere passive 'terms-takers', and cannot be bullied into a framework that could pose an existential threat to regime longevity. Instead, they have skilfully managed relations with China on their own terms, using a plethora of institutional fixes, such as the *Gabinete de Reconstrução Nacional* (GRN) (Mohan and Lampert, 2013). The real question, though, is whether recent developments have confirmed the vitality of the Angolan agency or instead exposed the problems of agency at the margins (Kragelund and Carmody, 2016), with the regime lacking the capacity to effect any real structural change beyond controlling the negotiating process.

The discussion presented in this article is based primarily on empirical material collected during two rounds of interviews: one in the United States in the first half of 2016, and the other in Angola in May 2019. The first round of fieldwork (14 interviews) was geared towards gathering preliminary data regarding Chinese investment in the Angolan oil sector and the perception of China by various industry stakeholders. Interviewees consisted mostly of oil industry experts based in Washington DC, academics specialising in Angola, and African diplomats. The second round of fieldwork took place in Luanda (18 interviews) and Benguela (8 interviews), with the objective of capturing perspectives on Chinese engagement in Angola held by: (1) the Angolan elite and state institutions; and (2) Chinese entrepreneurs.

The article is organised as follows. First, we look at the Sino–Angolan relationship in retrospect, which leads to an exploration of the economic fallout of the 2014 oil price drop. Next, we discuss what Lourenço's ascent to power means for relations with China, before proceeding to look at the critical ingredient of China–Angola relations: oil. Finally, a future outlook is offered, along with a set of conclusions.

The Sino–Angolan relationship in retrospect

In order to understand the ongoing shift in Sino–Angolan relations, it is necessary to contextualise the two critical game changers mentioned above – the dramatic fall in oil prices drop and Lourenço's ascent to power – within the broader Angolan political economy. Previous analyses have viewed Angola as a 'successful failed state' (Soares de Oliveira, 2007a, 2007b), whereby elites oversaw a major oil-producing economy, despite the country being one of the worst-governed states in the world. Though weak in terms of service delivery to its citizens, and riven by widespread corruption and incompetence, the Angolan government was paradoxically 'strong' in the sense that it was able to penetrate society and extract and appropriate resources (Corkin, 2013). Fortuitously, the ending of the civil war in 2002 coincided with the beginning of a commodity supercycle, which provided the capital for the triumphant *Movimento Popular de Libertação de Angola* (MPLA) to firmly establish its hegemony in a post-war Angola (Aralma, 2002; Carvalho, 2009). Having been in power since the country's independence in 1976, an entrenched and powerful politico-economic clique, centralised around José Eduardo Dos Santos (President of Angola 1979–2017), and known as *Futungo,* had dominated the country, albeit hidebound by the protracted struggle with off the *União Nacional* *para a Independência Total de Angola* (UNITA) (Vidal and Pinto de Andrade, 2008). This clique, now free from military concerns, extended its tendencies to sidestep the state in decision-making processes and moved to side-line most of the bureaucracy, replacing them with cronies to sensitive positions (Soares de Oliveira, 2007a, 2007b). While some characterised Dos Santos as the 'Arquitecto da Paz' (Gouveia, 2011) (architect of peace), for its role in ending the civil war in 2002, in fact, the logic of disorder, characterised by the ubiquity of corruption, the malfunctioning of state institutions, the dependence of the judiciary on the executive and a cult of personality towards the supreme chief, became endemic (Chabal and Daloz, 1999).

The steady flow of oil receipts helped *Futungo* 'uncover its agency' (Corkin, 2013) and enabled them to project their interests in the global arena. This was most famously demonstrated by Luanda's decision to turn down the assistance of the International Monetary Fund (IMF) in 2002 after the body had demanded greater transparency and reform in its accounts management (Campos and Vines, 2007; Power and Alves, 2012). This was after the organisation had discovered that $4.22 billion were unaccounted for by the government during the period from 1997 to 2002. Total social spending in the country during that same period was $4.27 billion. In essence, Luanda had mislaid an amount more than was disbursed on the needs of the population. In conflict with the IMF (i.e. 'the West') *Futungo* implemented an 'Easternisation' of its foreign policy, turning towards China in particular (Alves, 2010; Corkin, 2011; Vines, 2015).

However, despite the strong links that developed, Angola declined to become a part of the African 'followship' sought by China and maintained a certain distance (Alves, 2007; Soares de Oliveira, 2015b). That China sought to block the MPLA's accession to power after independence must not be forgotten (Silva, 2007; Taylor, 1997). Thus the Sino–Angolan connection has always been a 'marriage of convenience' – an 'uneasy' alliance forged for pragmatic reasons at an opportune time of mutual need (Corkin, 2011; Power and Alves, 2012: 53). China was not – and is not – first choice: as one informant from the Ministry of Industry in Luanda noted, 'When China came to Angola, it came after we failed to hold a conference to support the Angolan economy after the war. Then the Chinese arrived in Angola'.[2] In other words, 'China's investment came in when [Angola] didn't have much of a choice, the state had no other doors to knock on'.[3] Cold calculations and strategic interests have bound the two countries together, but nothing more (Pautasso, 2009). As opposed to often amical and supposedly fraternal relations with Portugal and Brazil, ties with China have not been particularly warm (Ennes Ferreira, 2005), characterised rather as simply 'focused on loans, public works and the importation of Chinese goods' (Soares de Oliveira, 2015b). However, on the economic front, it is true that China assumed an important position in Angola; in 2018, China overtook Portugal as the leading trading partner, with 14.6% of total imports and an increase of 62.3% (moving Portugal to the second position, with 13.7% of total imports (Instituto Nacional de Estatística, 2019)).

The aforementioned logic of power, centred around *Futungo*, has largely been replicated in Sino–Angolan relations. As a result, other arms of the government have played only a limited role or been marginalised by two powerful bodies: *Ministro de Estado* and

Chefe da Casa de Segurança do Presidente da República. The Ministry of Urbanism and Housing, for example, has been crudely bypassed when it comes to reconstruction and housing, including the Kilemba project (Cain, 2014), while Soares de Oliveira goes as far as claiming that the Ministry of External Relations is 'irrelevant in decision-making' (Soares de Oliveira, 2015b: 170). Meanwhile, the Angola–China Chamber of Commerce plays an ambiguous role that appears to go beyond merely being 'a partner of the government, consulted on the implementation of trade agreements with China'[4]. Our Chinese informants claim, for instance, that in operating as a 'facilitator' of various deals, the Chamber is responsible for what Schmitz refers to as 'creating problems in order to sell solutions' (Pt. *Criam dificuldades para vender facilidades*) (Schmitz, 2021).

Bilateral trade flows mirror the development of China–Angola ties, which accelerated after 2004, when the first Chinese credit line was extended to Angola. Trade continued to surge until 2014, aside from a short dip due to the global financial crisis in 2008–2009. As a result of the decline in oil prices that began in 2014, exports to China have decreased. In 2020, 60.6% of Angolan exports were sent to China (though only 18.7% of Angola's imports came from China). Importantly, 97.6% of Angolan exports to China were petroleum products (Instituto Nacional de Estatística, 2019).

Oil remains, therefore, central to understanding Sino–Angolan relations: though the Chinese presence in Angola does not always end with oil, it often starts with it. For instance, rehabilitation efforts in the post-war period were financed exclusively through, mostly Chinese, oil-backed loans (Corkin, 2013; Soreide et al., 2019). Housing projects, such as the Kilamba development, followed the same pattern (Cain, 2014; Croese, 2012, 2017). Even Chinese immigration (Schmitz, 2020, 2021) was initially spurred by construction companies (Corkin, 2013; Schmitz, 2014: 46) whose presence in Angola was directly linked to oil collateralisation. More recently, however, due to the deteriorating economic situation (particularly the currency crisis), rising crime rates, uncertainty regarding Dos Santos's stepping down, and now Covid-19, there has been an outpouring of the Chinese migrants. The number of Chinese in the country is now estimated at only 50,000 (Euronews, 2020), a fall of 300,000 from the peak years.

Economic crisis

Due to its extremely heavy reliance on oil, the drop in oil prices had a devastating effect upon the Angolan economy (Corkin, 2017), bringing its growth trajectory to a halt and having deep implications for Luanda's relationship with China.

According to IMF data, Angola is the second least diversified economy in the world, after Iraq (IMF, 2019). This makes Angola's growth (i.e. its 'success') intimately related to external developments in the global oil market. The falling price of oil seriously affected the local currency, kwanza, which started to depreciate in 2018, placing the official peg to the dollar under stress and adding to inflationary pressures. After resisting the move for political reasons, in January 2017 the Angolan government unpegged the kwanza and eased currency controls. This resulted in the kwanza depreciating by 40% against the dollar in 2018.

The national budget, which had already been rather weak, has suffered severe cuts since; fiscal revenues declined by more than 50% between 2014 and 2017, and foreign reserves fell by 65% since 2014, reaching only 5 months of import-coverage (ADB, 2020). As a result, both fiscal and current-account deficits are now large (5.3% and 4.5% of GDP respectively), which has complicated policy-making in multiple ways (IMF, 2019). The room for manoeuvre of the government has been further constrained by an already huge – and still growing – public debt (mostly external), which has climbed from 32.9% of GDP in 2013 to over 120% in 2020.

Within this context, Angola's debt exposure to China has been particularly startling. Angola tops the list of the highest African debtors to China (Angola owes $25 billion to Beijing, Ethiopia ($13.5 billion), Kenya ($7.9 billion), the Republic of Congo ($7.3 billion), and Sudan ($6.4 billion) (Takudzwa, 2020).

The serious condition of the Angolan economy was publicly laid bare during loan negotiations with the IMF in 2018, which agreed to loan (IMF 2019). What is significant is that Angola had been one of the very few African states that had never adopted (or rather been forced to adopt) a structural adjustment programme (previously, only a short-term stand-by agreement from 2009 to 2012 had been signed with the IMF). High oil prices and loans from China had previously combined to insulate Angola from IMF supervision, which had worked in the Luanda regime's favour given that after the rejection of its loan in 2002, IMF officials had been remarkably tolerant of malgovernance in Angola, including off-balance accounts and other opaque vehicles used by the government (Soares de Oliveira, 2015b). Asked why this time around an IMF programme was preferred over further Chinese loans, Bank of Angola officials asserted that the volatility of the oil price, which served as a benchmark for oil-backed loans, was too unstable, that further vulnerability to China was not a positive thing for Angola, and that the IMF was concerned about the sustainability of Angola's debt.[5] What will influence Chinese positions on the matter will be doubts as to whether Angola has the capacity to repay what it has indebted itself:

> I think that the driver of the change will be the Angolan debt. They [the Chinese] do not trust us now that we are producing less oil. In 2008, 2009, we had eight, nine million barrels a day; now we have 1.4. So, I think this will be the driver of the relations between Angola and China.[6]

The IMF programme in Angola is a significant development given that it is the largest programme the IMF has ever had with any sub-Saharan African country. This deal is likely to severely impact Luanda's future borrowing policies and as a consequence limit the likelihood of further debt being accrued to China. Due to IMF conditionality, it also provides a lock-in mechanism for Angola's fiscal transparency (this is the first time the official Chinese debt data was published) and apparently ends oil-backed loans, which amount to some two-fifth of the country's international debt. Furthermore, because the terms offered by IMF are highly favourable (a 3% interest rate, a four-and-a-half-year grace period, and the loan period being over 10 years)

Angola's new dealing with the IMF can be seen as an attempt by Luanda to obtain international approval from global institutions as the post-Dos Santos government seeks to draw a line between it and the previous regime.[7]

The reinvigoration of relations with the World Bank after years of relatively lukewarm dealings is indicative of Angola's effort to diversify its finances away from Chinese credit lines, which it now sees as a threat. Moreover, it highlights a general shift in how international financial institutions are 'handling' Angola, which previously had been routinely cast as a corruption and malgovernance poster child. Whereas between 2003 and 2013, the Bank approved $712 million worth of projects, since 2015 almost $4 billion of fresh loans have been committed, of which $2.91 billion came after Lourenço's ascent to power (World Bank project databank).

Lourenço's new broom

The economic meltdown in Angola coincided with the stepping down of José Eduardo Dos Santos after 38 years as the head of state (Pearce et al., 2018). The end of Dos Santos' power and indeed the entire transition has been much less traumatic than some experts previously predicted (Soares de Oliveira, 2015b). The new president since 2017, João Manuel Gonçalves Lourenço, was later elected at the MPLA sixth extraordinary congress on 8 September 2018 and, taking many by surprise, swiftly and decisively moved to tackle the *Futungistas*. A number of major public institutions were restructured and some of the most controversial figures of the Dos Santos period were tackled. Isabel Dos Santos (the previous president's eldest daughter, coincidentally the richest African woman in the world and the head of the state-owned oil parastatal, Sonangol) was removed (Shepard et al., 2017), as was José Filomeno Dos Santos (Dos Santos' son, who headed the *Fundo Soberano de Angola* (FSDEA), Angola's sovereign wealth fund). The latter was jailed, although he is now under house arrest awaiting trial for corruption. The former Vice-President, Manuel Vicente, was side-lined by Lourenço, although to date has been left alone, despite an investigation in Portugal which alleges that Vicente sought to corrupt Portuguese officials. Local economists have calculated that over $100 billion of state resources were diverted into private companies between 2002 and 2017, when Dos Santos exited his position; less than $100m has thus far been identified in foreign accounts (Africa Confidential, 2019).

With the economy in turmoil, the new Lourenço government has sought to diversify its international ties, arguably at the expense of closer ties with China. João Baptista Borges, Angola's minister of energy and water, has admitted that Angola is now planning to 'receive loans from other countries in order to cut back on credit from China' (Sato, 2018). Much of this is to do with the previous nature of the Sino–Angolan relationship:

> The Dos Santos government's preference for opaque Chinese deals continues to hurt Angola. Diplomatic sources put total Chinese financing since 2002 at around $60bn. Officially, the finance ministry acknowledges that the government currently owes China $23bn. Important details about these finance deals – including interest rates, repayment timetables and the

> amount of oil exported to China as payment – are unknown outside of small circles in government. A single project, the new Angola International Airport, which is being built in Luanda by China International Fund, has cost more than $6.3bn. And more than a decade after construction started, it is not yet completed (Figueiredo and Gama, 2018).

It is clear that rethinking the nature of the Sino–Angolan relationship is part of Lourenço's moves to distance himself (and Angola) from the Dos Santos period. While in Beijing in October 2018, the president on several occasions suggested that the 'Angola model' of Chinese loans guaranteed by oil would be discontinued: 'We are now taking steps to avoid taking on oil-guaranteed debt in the future. Therefore, we will renegotiate with the countries with which we have contracts of this kind' (China's Recent Financial Support to Angola Totals US$6 billion, 2018). While China is not the only country from whom Angola has secured oil-backed loans (others include Brazil and Israel), it is, as noted, by far the largest creditor. Awareness of the dangers of being too exposed via debt to China is an important new development under Lourenço, though this realisation is not unique to Angola:

> I think that in Angola and other countries, the Chinese, at one point, I think they somehow underestimated the problems. They rushed, they took the money, they took the resources and they had their companies. They were not interested in anything. And now, there is a big debt. They are already afraid to send more money without conditions. For example, they agreed to restructure the debt with the Republic of Congo, Brazzaville, because the Fund, one of the conditions the Fund set for doing a programme with Congo-Brazzaville, was that they would ensure debt sustainability. The Chinese have been unwilling to do it for a long time; finally, they made the deal. It is not known what the terms of the deal are. So that's the theme of the future: it's a kind of club, it's not the Paris Club, it's the Beijing Club, how the Africans are going to deal with the issue and them and the forgiveness that China is going to have to do. That's a problem.[8]

Given the large volatility of oil prices and the allegedly corrupt nature of much of the deals, oil-backed loans pose an existential threat to the stability of the Angolan economy. An economist from the Ministry of Labour indeed noted that 'Three problems came to prevent the development of Angola. First, it was the war. The second problem was oil. And the third is Chinese credit, Chinese money, which has really complicated our country's life'. The President of the Angola–China Chamber of Commerce in fact admitted that 'we are indebted to China today. Indebted in every way' and that this has become a major policy issue for Luanda.[9] This now seems to be driving a new approach to China.

Although the specific terms of the loans remain obscure, many observers believe that they are linked to the price of oil. If, as likely, this is the case, the Angolan government has been obliged in recent years to ship ever more oil to compensate for the fall in prices – classic depreciating terms of trade scenario. One source claimed that '65% of current oil revenues are used to pay the debt' to China.[10] Another report notes that

10,000 barrels of oil are due for payment every single day (Soreide et al., 2019). However, given the drastic decline in oil production levels at the Angolan offshore rigs, after servicing its debt in oil, Luanda is left with little oil to sell on the global market (Ganga, 2019). This then compounds a wider problem: a shortage of dollars in the country, which has led to a further depreciation of the kwanza.

As an aside, those interviewed from the wider Chinese business community in Angola are generally not optimistic about the future, seeing discontinuity from the previous close ties as most likely. According to one Chinese informant, the representative of a provincial chamber of commerce, 'the smart companies have left Angola and those who have stayed have lost money'. The companies that have stayed are largely state-owned and have a significant amount of capital sunk into the country.[11] Reflecting on the changes since Lourenço assumed power, other Chinese informants complained that the new government was now 'unstable' and 'unpredictable' in its dealings with them.[12] In practical terms, this has meant that the Angolan government has sought to revisit existing contracts signed under the Dos Santos regime, often unfavourably from the Chinese perspective. This has particularly affected the Chinese state-owned companies given that these had developed close personal links with various ministers and state officials, who have now been removed.[13]

The demand side: China's interest in Angolan oil

Angola has been portrayed as an example of Africa's economic and political exposure to China and a place where the Chinese demand for oil has been acutely felt (Burgos and Ear, 2012; Corkin, 2011; Taylor, 2006a; Vines et al., 2009; Weimer and Vines, 2012). Before China became an importer of Angolan oil in the early 2000s, the United States was the leading consumer of Angolan crude. American energy ties with Angola began in the Cold War when Washington provided huge support for UNITA against the MPLA (Wright, 1997). Ironically, however, the MPLA funded its military operations against the American-backed UNITA with funding from its oil, courtesy of Gulf Oil Corporation, a part of American Chevron. While Chevron was pumping Angolan oil under the protection of Cuban and MPLA soldiers and thus providing the Soviet-supported regime in Luanda with the means to combat UNITA, Ronald Reagan was inviting Jonas Savimbi, leader of UNITA, to the White House and hailing him as a 'freedom fighter'. This rather bizarre period is elegantly described by Nicholas Shaxson: 'during the hottest battles of the Cold War, the US-operated oil rigs exploited oil in collusion with the Marxist MPLA, were guarded by Cuban troops against US-funded guerrillas, and the oil revenue was used to purchase Soviet weapons' (cited in Corkin, 2013: 16).

With regards to China, what was rather moderate cooperation at best as the civil war came to an end, turned into a full-fledged partnership in the 2000s (Malaquias, 2011: 17; Taylor, 2006b). Politically, both the end of the Angolan civil war and the adoption of China's going-out strategy, in 2002, were instrumental in this fresh start. The headline-grabbing \$2-billion oil-backed loan pledged by the Export-Import Bank of China

(EximBank) on March 2, 2004, to fund the reconstruction of the country's infrastructure marked the symbolic start of intense Sino–Angolan economic ties (Campos and Vines, 2007: 3). By 2006 Angola had (temporarily) surpassed Saudi Arabia to become the number one supplier of oil to China. A surge in demand for Angolan crude at the time was driven in part by China's adoption of stricter environmental standards, which favoured lower-sulphur African crudes (IEA, 2006: 98).

Chinese imports have also been determined by its domestic refining capacity. Historically, refining capacity in China was built to process domestic output emanating from the Daqing oilfields, which produces medium-to-heavy sweet crude and the Shengli oilfield, which produces moderately sour crude (0.9% of sulphur content), relatively easily sweetened by blending with other sweet crudes. Thus, China has been slowly able to adjust to handle other types of crude, such as Middle East oil, which is almost exclusively sour and relatively heavy. In geopolitical terms, this had its consequences and cumulated in 'growing ties with sour producers', which Angola is not (Kim, 2016: 370). With respect to Angolan oil, demand for specific grades within China is often in flux and depends on a variety of factors, such as freight rates, refineries' margins, size of product inventories, etc.

For example, in November 2015, Saturno blend, which is a medium sulphur (0.8%), low gravity (around 27 API) and medium acidity crude oil extracted from British Petroleum-controlled Block 31, gained particular popularity within China, whereas normal grades favoured by Chinese trading companies are Hungo (medium heavy), Mondo (medium heavy, sweet) and Cabinda (light and sweet). The point is that demand changes within China and cannot be easily forecast. It is thus important to look at China–Angola oil ties not only from the perspective of oil supplies to China, but also from the perspective of Chinese companies seeking to gain assets in Angola's oil industry.

The supply side: Chinese in the Angolan oil sector

Chinese companies began to flex their corporate muscles in the Angolan upstream petroleum sector in the early 2000s, trying to secure a presence alongside the well-established international oil companies (IOCs), such as Chevron, Total or Exxonmobil. Supplied with cheap credit from state-owned banks and supported politically by Beijing, Chinese companies moved aggressively – at least by the standards of that time – to purchase stakes in Angolan oilfields. As mentioned, the beginning of this significant engagement in the Angolan oil sector by Chinese corporations can be traced back to the loan extended to Angola through the EximBank. This financial arrangement paved the way for Chinese oil deals and effectively kick-started the involvement of Chinese companies in the field of oil production (Downs, 2007). Amortisation of the Chinese loan – used for oil exploration funding and the reconstruction of the economy after decades of civil war – was to be made in crude oil exports to China.

Initially, none of China's big three state-owned oil companies (Sinopec, CNPC, CNOOC) were a part of the oil extraction equation. As China had difficulties penetrating oil sectors in countries such as Angola, investment was kick-started with the help of a then largely unknown firm named Beiya (now Dayuan) International Development Limited (BID), part of the 88 Queensway Group and responsible for oil, mining, and infrastructure deals worldwide. This operation formed two joint ventures with Angola's national oil company Sonangol: China Sonangol International Holdings (CSIH) and China Sonangol International (CSI), previously a subsidiary of the former (Burgis et al., 2014: 6; Levkowitz et al., 2009; Mailey, 2015). Sonangol at that time was looking for a financial partner in China to join it in obtaining a stake in the profitable Block 18 (Weimer and Vines, 2012), which had been previously owned by Royal Dutch Shell. The block was promised to ONGC-Videsh, the international branch of India's state-owned Oil and Natural Gas Corporation (ONGC), but the deal did not go through due to Sonangol's preference for a Chinese bidder, something which was clearly politically motivated and inspired by Dos Santos.

The next move involved creating a joint venture named Sonangol Sinopec International (SSI), with Sinopec Overseas Oil & Gas (SOOGL), a Sinopec subsidiary registered in the Cayman Islands, holding 55%, the above-mentioned CSIH 13.5% and Beiya International Development the remaining 31.5%. Both SSI and CSIH are now based in Hong Kong. Besides Sinopec, which provided a pre-completion guarantee and Sonangol, which itself raised $3 billion for a corporate deal in September 2005 and CSIH, the deal included a Chinese crude trader China International United Petroleum and Chemicals (Unipec), a subsidiary of Sinopec with whom China Sonangol had a corollary offtake agreement. It is important to stress that Sinopec was hardly driving the process from the outset. Manuel Vicente, the former head of Sonangol, told the *Financial Times*: 'They got the loan, we paid Shell […] It was, let's say, 800-something [million dollars]. And after that, later on…we called Sinopec' (Burgis et al., 2014: 6).

Since 2004, SSI explored a number of opportunities in the Angolan oil industry beyond a 50% stake in the very lucrative Block 18, which started pumping oil in 2007. The whole operation was conducted under heavy political patronage, facilitated by connections at the highest level with *Futungo* and sweetened by various inter-governmental and business deals, such as signing a long-term supply contract with Sinopec and jointly developing the Sonaref refinery project (both deals eventually collapsed) (Alves, 2010). Other examples of the Chinese making inroads into Angola were acquisitions of Block 3/05 and 3/05A, previously known as Block 3/80, which Sonangol requisitioned from Total in 2004 amid worsening relations with France after the 'Angolagate' scandal surrounding French arms sales to Luanda. These acquisitions were handed to CSIH only to be returned to SSI in 2007 (Vines et al., 2009: 33; Weimer and Vines, 2012: 90). The confusion provoked by this type of back and forth movement signified that SSI and CSIH are in fact two separate entities with different governing bodies and decision centres (Levkowitz et al., 2009).

Sinopec-controlled SSI also moved to acquire concessions for exploration licences in some of the most disputed, newly available, ultra-deep water blocks in Angolan waters, which Sonangol put up for sale in bidding rounds in 2005 and 2006. After some to and fro, which signalled strained relations between Angola and China (Alves, 2013: 110), SSI ultimately won the rights to a 20% stake in Block 15/06 operated by ENI, paying $750 million, further increased to 26.32%. SSI also made a record $2.2 billion signature bonus payment for the relinquished offshore block 17/06 operated by Total (27.5%) and 18/06 operated by Petrobras (40%) (Weimer and Vines, 2012: 89), which was at the time the highest ever offered for oil acreage anywhere in the world (Alves, 2010: 19). Further, in the same to and fro style and effectively using CSI as an intermediary, SSI bought into BP-operated Block 31, paying $983 million for a 5% stake previously owned by Total. According to Caixin, this otherwise would have cost Sinopec $393 million (Ning and Kaixi, 2015). In 2013, the 5% stake was increased to 15% as a result of purchasing a 10% stake from Marathon Oil. Under the pre-salt round in 2011, CSIH moved to acquire new shares of oil equity stakes in Block 19 operated by BP, in Block 20 (Cobalt, later shed to Sonangol), Block 36 (Conoco Phillips) and Block 38 (Statoil), but those acquisitions have yet to yield results.

Importantly, all stakes held by China, except SSI's participation in Block 18, are minority stakes. Also, in all four blocks, Chinese companies feature as non-operators. In fact, there is not a single block in Angola actually operated by a Chinese company. Moreover, the production that can be attributed to China hinges to a large extent on BP-operated Block 18 which produces nearly 7 out of 10 barrels of Chinese oil equity in Angola. Su Shulin, Sinopec's general manager between 2007 and 2011, once called Block 18 'Sinopec's best overseas asset' (Ning and Kaixi, 2015).

A cursory glance at Angola's oil concession map might suggest that Chinese-controlled subsidiaries have made significant progress in operating in Angola, but this is not correct. Altogether, Chinese firms (CSI/CSIH and SSI) hold small minority stakes in 9 out of the 29 new exploratory blocks. If, for the simplification of the argument, all blocks are treated equally in terms of oil assets, the Chinese hold 6% of the entire percentage of blocks currently under exploration. Moreover, there are no Chinese companies nor Chinese-related companies on board in any upcoming crude oil projects in Angola listed by Energy Information Administration (EIA Database). Indeed, a Chinese investigation of Sinopec revealed that most of these acquisitions are either 'running losses', have 'exaggerated reserves', or their drillings 'have yielded a minimal amount of oil'. In the words of one report, '[t]hese investments are likely to become Sinopec's most painful lesson overseas' (Ning and Kaixi, 2015).

This situation is corroborated by interviews with oil industry insiders and Angolan experts. Most of the interviewees played down the importance of the Chinese in the Angolan oil industry. One representative of a major American oil company, for example, not only claimed that Chinese oil companies were irrelevant for the business of main IOCs, but was not aware of any significant operations conducted by Chinese firms in Angola. This may be partly explained by the fact that Chinese firms indeed tend to operate somehow below the radar and/or because through a complex ownership structure, their 'Chinese' status is not particularly clear-cut or conspicuous. Either way, issues such as ease of doing business or security in Angola are of far greater concern than any putative Chinese operations in Angola.[14]

In fact, numerous sources in Angola dismissed the idea that the Chinese had some sort of controlling stake in the oil industry, with comments such as 'oil is a domain reserved for Westerners',[15] and 'China is only Angola's third partner in the public sector and the fourth in the non-oil sector'.[16] This belies the claim that some sort of geopolitical struggle over African oil is taking place between China and the United States, something which reared its head when Chinese companies first appeared in 2004. That moment did indeed catch the IOCs off-guard and raised alarm among them, mostly due to the ambition and speed with which Chinese firms were moving in.[17] Today, the IOCs are much more relaxed: 'No matter how deep their pockets are or how ambitious, Chinese companies know that they are not in a position to compete with the usual suspects'.[18]

The future

First of all, with most onshore fields in Angola maturing and gradually being relinquished, the future of oil production lies with deep water and ultra-deep water blocks. This is where Western companies clearly outstrip their Chinese counterparts and feel very confident in how they are positioned. It will be a long time until Chinese firms are able to 'control' and operate blocks located in deep and ultra-deep water, and until production coming from these blocks amounts to any significant volume. Chinese companies have no choice but to partner with Western companies simply because they do not have the technological capacity to go alone: 'They are coming with money to support the partnership, not the technology or risk-taking that the Western companies take for granted'.[19] Even in current operations, Chinese companies are technologically dependent on more experienced Western firms, including major IOCs whose technological prowess is unparalleled in many areas. According to Maria de Cruz, Executive Director of the US-Angola Chamber of Commerce, 'time has shown that because of their lack of know-how and their lack of proper procedures, in the end, they needed US companies to assist them in making sure that they were attaining predetermined levels of production'.[20]

This reality needs to be understood within the 'marriage of convenience' notion regarding Sino–Angolan ties in the oil sector. Even Dos Santos never meant to replace the IOCs with Chinese oil companies or seriously undermine the interests of the established players in Angola's oil industry. In the words of a Sonangol official, it was not the intention of the government to give the Chinese 'more than they can swallow'.[21] Rather, diversifying partners, navigating new options and – undoubtedly – exploring new opportunities for illicit accumulation for the *Futungo* clique,[22] drove policy.

Claims about an ongoing geopolitical competition over Angolan oil fail to acknowledge the composition of the sector. The local oil industry, despite being relatively young, is extremely diversified by regional standards and populated by a colourful mosaic of foreign companies, such as Exxonmobil and Chevron (United States), Total (France), British Petroleum (United Kingdom), Maersk (Denmark), Swenska (Sweden), Galp Energia (Portugal), Repsol (Spain), Petrobras (Brazil), Ecopetrol (Colombia), Statoil (Norway), Petrobas (Malaysia), Ajoco (Japan), not to mention indigenous private companies, such as Somoil and Falcon Oil. This is largely a result of the diversification policy the government pursued in the aftermath of the civil war through several bidding rounds. Diversification was ‘the name of the game’ and should be understood in a broader policy of ‘persistence and constant recalibration’ (Vines, 2015). In this context, the arrival of SSI and China Sonangol, as a result of a ‘shifting attention eastward’, should be seen as an addition to the already complex structure, rather than any challenge to the status quo (Malaquias, 2011: 17).

Against this backdrop, the diversity of players in Angola, combined with a well-established, long-term presence of American companies in the country (that ‘goes beyond just numbers’),[23] makes the claims of geopolitical competition even more problematic. According to Mona Seghal, Assistant Director at the US Government Accountability Office, who was in charge of the first comprehensive study of China–US business interactions in Africa, interviews with American companies revealed that ‘if they compete with anyone in Angola it would be European companies, even Brazilians, rather than Chinese firms’.[24] This also leads experts to argue that, in fact, U.S. and Chinese companies play in different leagues, or as put by one interviewee, ‘fish in different waters’.[25]

The Chinese presence in Angola, in any case, is complicated given the peculiar entry strategy and ownership structure of Chinese players. Although Sinopec has often been credited for its role as the pioneer of Chinese interests in Angola’s oil quest, formally speaking, none of China’s big three (Sinopec, CNOOC, CNPC) have invested in Angola on their own or through fully-owned subsidiaries. All production and exploration licenses have been granted to either China Sonangol International Holding or SSI, both of which are complex and obscure financial structures. While Chinese partners essentially provided funding, Sonangol, as sector regulator, concessionaire and market actor, acted as a business facilitator. Having said that, there is a legitimate question as to whether CSIH or SSI can be called ‘Chinese’ in the same way Chevron can be called American or BP British, if they are partly controlled by the Angolan government, and have headquarters in Hong Kong or Singapore. The state component of Chinese-led businesses is also subject to debate, with analysts asserting that they are in fact ‘a state-backed instrument with the power of the government of Angola and, more ambiguously, sections of the PRC behind it’ (Soares de Oliveira, 2015b: 192). On the other hand, rival factions within China reportedly warned the Angolan government that ‘it wasn’t a serious company’ and that ‘Angola should not be dealing with them’ (Soares de Oliveira, 2015b: 191). This is the myth of China Inc. laid bare.

Furthermore, after several years of relatively good relations, recent events in Angola have demonstrated that China’s leverage in terms of oil acquisitions is actually quite limited. Several efforts by Sinopec to move on its own outside of its partnership with Sonangol have been largely unproductive (Alves, 2012), proving that Chinese involvement in Angola hinged on a cosy relationship with Sonangol – in other words, *Futungo* (Alves, 2013). This is in relative contrast to the well-established position of major American companies who have been present in Angola since the 1970s, although no doubt these too had to make ‘accommodations’ to the realities of Angola’s political economy. Involvement with *Futungo* in fact highlights the changing circumstances within Angola that Chinese interests will have to navigate, and have already caused consternation among the Chinese business community in the country. This will likely be particularly problematic for the Chinese companies given that in earlier bidding rounds these corporations paid outlandishly high prices for oil equity, often overpaying by an enormous margin.[26] Perhaps the most striking example (albeit outside of Africa) was the acquisition of Canadian Nexen Energy by CNOOC for $15.1 billion, whereas the company was reportedly worth only $6.5 billion (Stephens, 2012). Today, 'China now has slower growth, less cash and more experience' but past contracts are still in existence.[27] And given that these were signed under the previous Dos Santos regime and are now under review, problems for Chinese interest in Angola's oil sector may emerge moving forward. Within China itself, investigations by authorities into Chinese oil companies' alleged corrupt behaviour in Angola continues. Whatever the outcome of the probes, it would be naïve to expect that Chinese oil companies will wish to – or be able to – continue doing business as usual in Angola.

It is fair to say that China may have found itself overexposed in Angola, leading to an intention to reduce its engagement (Vines, 2016: 1235). China seems to have factored in lessons learnt from its involvement to date, and is now looking for greater diversification and – in future – less oil supplied from Angola and the African region more widely. Instead, it is increasingly turning to Middle Eastern and Latin American countries for oil, with Russia and the US as additional partners. While Angola remains among China's top suppliers, oil shipments have been falling recently due to the nature of previous oil-backed loans and debt renegotiations with China, as well as pressure by OPEC to cut production, which Angola appears to have complied with, if somewhat bitterly (El Gamal and Ghaddar, 2020).

More generally, China's voracious appetite for crude (and other commodities) has its limits, which in the medium- to long-term will be determined by the ongoing rebalancing of the Chinese economy away from being resource intensive, export-driven and reliant on smokestack manufacturing industries, towards a more consumption-based and sustainable approach (Roach, 2019). With the increasing role of services in China and a shifting of the fuel sources it demands, there will be less – not more – oil pouring into the country, something that Angola most come to grips with.

Conclusion

Various dynamics are currently buffeting the China–Angola relationship, particularly where it involves the oil industry. Two, in particular, stand out: the evolving nature of Chinese oil companies' involvement in Angola, and the process within Angolan politics whereby actors associated with the former Dos Santos regime are being confronted. Because the *Futungistas* were inherently corrupt, yet Chinese companies signed contracts with such office-holders (as did all other investors in Angola at the time), this is likely to affect some Chinese operations. If Angola is moving beyond its past governance model of mixing 'Afro-Stalinism' with 'Petro-Diamond Capitalism' (Hodges, 2001) to something arguably more ‘normal’, those who profited from the previous dispensation may have cause for concern. The revisiting and/or cancellation of contracts signed under the former government, if they are found to have been corrupt in nature, may well see oil actors, including possibly Chinese ones, losing their positions in Angola – or at least having to engage in protracted and costly renegotiations. Recent developments also point to a certain continuity in how Luanda approaches foreign policy, and how diversification of finance sources and international partners remains the bread and butter of Angola’s conduct in global affairs.

Analysis of Sino–Angolan relations offers important insights for the agency literature, which Kragelund and Carmody call ‘salutary and obscurantist’ (2016: 22). Angola illustrates that the notion of agency should not be confined to the capacity of state elites to control negotiating process (see Vickers, 2013). Instead, it should encompass the ability to create structural change (Kragelund and Carmody, 2016). While it may be hard to deny that, in terms of the former notion of agency, there have been some formidable successes in Angola (Corkin, 2013), any form of structural transformation has largely been absent. Angolan elites are now facing the glaring consequences of this failure as the country slides towards economic disaster, ultimately challenging the benefits of the ‘marriage of convenience’.

With regard to the evolution of Chinese oil interests, various factors will influence matters. Not least of these is the way in which the state in China is becoming much more cautious about its lending practices vis-à-vis supporting business ventures and infrastructure deals. The 2004 loan in Angola was one of the first major examples of this practice in Africa, thus giving the label the ‘Angola model’ to similar agreements elsewhere across the continent as Sino–African relations burgeoned in the 2000s. Yet such lending practices have now become routinely criticised and Beijing has responded by introducing a new degree of caution to its activities. The days of wildly generous lending to African countries, with little concern for their sustainability and political side-effects, are over. As CARI figures demonstrate, ‘countries where China reprofiled, restructured or refinanced existing debt between 2015 and 2019 … received far less Chinese finance in subsequent years’ (Pilling and Schipani, 2021). While there have been claims that China’s so-called ‘debt diplomacy’ is merely a meme constructed by opponents (Brautigam, 2020), the fact remains that the reputation of China *has* taken a battering with regard to such perceived practices – and Beijing has reacted accordingly. And in any case, an intensification of dependency on China by African economies through the vector of large-scale lending activities cannot possibly be a good thing, as Pádraig Carmody correctly notes (Carmody, 2020). The dependent nature of African economies has long been noted and bemoaned, and is not specific to Sino–African relations.

Furthermore, as Chinese companies have become embedded in the oil sector in Angola and elsewhere they have learnt new techniques, developed cooperative relations with other corporations (including the IOCs), and become more sober in their approach to contractual endeavors. This is entirely normal and the irrational exuberance that perhaps marked some Chinese activities in the 2000s, whereby uneconomic deals were signed and the potential political problems ignored, seem to have come to an end. This is a positive development. Equally, the overblown claims of geopolitical competition for the natural resources of Africa, pitting 'China' versus 'the West' in a supposed new Cold War are, upon close examination, without substance (Grabowski, 2011). Chinese companies are in Africa – like all other corporations from whatever country – to make commercial transactions and (hopefully) generate profits. While the relatively cheap credit extended by state-owned banks gave the Chinese ventures a degree of advantage, subsequent developments have shown that these arrangements did not make good business sense.

Finally, the ongoing situation in Angola, whereby Lourenço seems to be targeting the *Futungo* clique may play out in interesting ways. Criminal investigations are, at the time of writing, seemingly pursuing the very top echelons of the former regime, including Isabel Dos Santos. Already, the 'Luanda Leaks', revealing the allegedly corrupt way Dos Santos amassed her reported $2 billion fortune, mentions the involvement of Chinese companies in a complex web of illicit transactions and dubious contracts. China's overall reputation in Angola is not high, at least according to the numerous informants we spoke to. One connected this to the way that Beijing had tried to cultivate a too-cosy relationship with the Dos Santos regime, which is now discredited:

> The government was desperate because it stole all the money … They stole all that money from the oil. If these people were patriots, at that moment, this country would have had no need to get into debt, it had money in sufficient resources. That is why the Europeans did not accept the Brussels Conference. Angola had plenty of resources. Those Angolan rulers were unpatriotic. They appropriated, they stole the money, then they sold the country to China. That's why they couldn't demand anything from the Chinese, they accepted everything the Chinese wanted, because they didn't have enough political and moral strength. The only counterpart we had was oil, we didn't have any cash to pay them.[28]

In the minds of numerous Angolans, China took advantage of Angola's weak economic state post-war and the corrupt nature of *Futungo*. Now that that regime is out of office, Chinese interests may be exposed. This development within Angola's politics once again highlights the dangers, long warned about, of Beijing and its various public and private actors fostering close relationships with highly personalised and intrinsically dishonest regimes in Africa (see Taylor, 2006b). In Luanda, there is a broad realisation that the relationship with China had got to a point where the price to be paid was too steep. Where this may end is open to question, but certainly China's marriage of convenience with Angola is likely to face, if not a trial separation, then at least a period of rocky introspection.

Acknowledgements

The authors wish to extend their thanks and appreciation to all the persons who willingly accepted to participate in the interviews conducted in Luanda, Benguela and Washington DC for their time, kindness and valuable comments. They would also like to thank the two anonymous reviewers for their suggestions and constructive feedback. The contents of this publication are the sole responsibility of the authors.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: This work was supported by the Narodowe Centrum Nauki (grant number UMO-2017/26/M/HS4/00150).

ORCID iD

Dominik Kopiński https://orcid.org/0000-0002-5826-7942

Notes

1. The current presidential palace is called *Palácio da Cidade Alta*, located in the upper part of the capital, close to the city centre.
2. Interview with José Sala, Ministry of Industry, Luanda, Angola, 25 May 2019.
3. Interview with Ana Celeste Januário, Secretary of State for Human Rights, Ministry of Justice and Human Rights, Luanda, Angola, 14 May 2019.
4. Interview with Arnaldo Calado, President of the Angola–China Chamber of Commerce, Luanda, Angola, 25 May 2019.
5. Interview with Bank of Angola official, Luanda, Angola, 21 May 2019.
6. Interview with Carlos Rosado de Carvalho, economist, Luanda, Angola, 26 May 2019.
7. Interview with Bank of Angola official, Luanda, Angola, 21 May 2019.
8. Interview with Carlos Rosado de Carvalho, economist, Luanda, Angola, 26 May 2019.
9. Interview with Arnaldo Calado, President of the Angola–China Chamber of Commerce, Luanda, Angola, 25 May 2019.
10. Interview with Carlos Santos, entrepreneur, Benguela, Angola, 20 May 2019.
11. Interview with a Chinese representative of a provincial chamber of commerce, Luanda, Angola, 13 May 2019.
12. Interview, Chinese businessman, Luanda, Angola, 13 May 2019.
13. Interview, Chinese manager of a Chinese company active in Angola since 1999, Luanda, Angola, 14 May 2019.
14. Interview with Raymond Gilpin, Academic Dean at the National Defense University's Africa Center for Strategic Studies, Washington DC, USA, 31 May 2016.
15. Interview with Professor Kianvu Tamu, economist, Universidade Agostinho Neto, Luanda, Angola, 6 June 2019.
16. Interview with Carlos Rosado de Carvalho, Professor at Universidade Católica de Angola and Director of the journal *Expansão*, Luanda, Angola, 26 May 2019.
17. Interview with Stephen Hayes, CEO of Corporate Council on Africa, Washington DC, USA, 11 February 2016.
18. Interview with a Chevron representative, Washington DC, USA, 1 March 2016.

19. Interview with Jennifer Cooke, Director of Africa Program at the Center for Strategic and International Studies, Washington DC, USA, 7 March 2016.
20. Interview with Maria da Cruz, Executive Director of the U.S.-Angola Chamber of Commerce, Washington DC, USA, 11 February 2016.
21. Quoted in Soares de Oliveira (2015b, p. 174).
22. Nowadays, the *Cidade Alta* clique.
23. Interview with a Chevron representative, Washington DC, USA, 1 March 2016.
24. Interview, Mona Seghal, Assistant Director, International Affairs and Trade, at Government Accountability Office, Washington DC, USA, 12 February 2016.
25. Interview with Phillip van Niekerk, Managing Director of Calabar Consulting and former editor of South Africa's *Mail & Guardian* newspaper, Washington DC, USA, 15 March 2016.
26. Interview with Peter Lewis, Director of African Studies Program, School of Advanced International Studies, Johns Hopkins University, Washington DC, USA, 17 March 2016.
27. Interview with Peter Lewis, Director of African Studies Program, the Johns Hopkins University, School of Advanced International Studies, Washington DC, USA, 17 March 2016.
28. Interview with Graça Campos, Angolan journalist, Luanda, Angola, 3 June 2019.

References

Africa-Asia Confidential (2012) *Beijing Bets on Dos Santos*. Vol. Asempa Limited5, No. 12.

Africa Confidential (2019) *Lourenço Woos New York Elite*. Vol. Asempa Limited60, No. 19.

African Development Bank (2020) *African Economic Outlook 2020: Developing Africa's Workforce for the Future*. Washington, DC: World Bank.

Alves AC (2010) *The oil factor in Sino–Angolan relations at the start of the 21st century*. SAIIA Occasional Paper, 55, February.

Alves AC (2012) Africa and China: At a crossroads in Angola. Africa at LSE, 16 January.

Alves AC (2013) Chinese economic statecraft: A comparative study of China's oil-backed loans in Angola and Brazil. *Journal of Current Chinese Affairs* 42(1): 99–130.

Alves D (2007) A Presença Chinesa em África: O Caso de Angola. *Negócios Estrangeiros* February: 56–71.

Aralma J (2002) *A Crise Económica na Primeira República*. Lúcere: Revista Académica da Universidade Católica de Angola, Vol. 1, No. 1.

Brautigam D (2020) A critical look at Chinese 'debt-trap diplomacy': The rise of a meme. *Area Development and Policy* 5(1): 1–14.

Brown W and Harman S (eds) (2013) *African Agency in International Politics*. London: Routledge.

Burgis T, Sevastopulo D and O'Murchu C (2014) China in Africa: How Sam Pa Became the Middleman. *Financial Times*, 8 August.

Burgos S and Ear S (2012) China's oil hunger in Angola: History and perspective. *Journal of Contemporary China* 21(74): 351–367.

Cain A (2014) African urban fantasies: Past lessons and emerging realities. *Environment and Urbanization* 26(2): 561–567.

Campos I and Vines A (2007) Angola and China: A pragmatic partnership. In: Working paper presented at a CSIS Conference, 'Prospects for Improving U.S.-China-Africa Cooperation', 5 December.Washington DC.

Carmody P (2011) *The New Scramble for Africa*. Cambridge: Polity Press.
Carmody P (2020) Dependence not debt-trap diplomacy. *Area Development and Policy* 5(1): 23–31.
Carvalho P (2009) Cidadania e Direitos Humanos na Angola Contemporânea. *Revista Angolana de Sociologia* 3: 73–90.
CEIC (Centro de Estudos e Investigação Científica da UCAN) (2020) Segundo relatório sobre as relações china-angola à luz das 8 iniciativas propostas na cimeira de beijing do fórum para a cooperação China-África (FOCAC 2018). January.
Chabal P and Daloz J-P (1999) *Africa Works: Disorder as Political Instrument*. Oxford: James Currey.
China's Recent Financial Support to Angola Totals US$6 billion. *Macauhub*, 26 November 2018 [online]. Available at: https://macauhub.com.mo/feature/pt-apoio-financeiro-recente-da-china-a-angola-ascende-a-6-mil-milhoes-de-dolares/
Corkin L (2011) Uneasy allies: China's evolving relations with Angola. *Journal of Contemporary African Studies* 29(2): 169–180.
Corkin L (2013) *Uncovering African Agency: Angola's Management of China's Credit Lines*. Farnham: Ashgate.
Corkin L (2017) *After the boom: Angola's recurring oil challenges in a new context*. Oxford Institute for Energy Studies Paper, no. 72, May.
Croese S (2012) '1 million houses? Angola's National reconstruction and Chinese engagement. In: Power M and Alves AC (eds) *China and Angola: A Marriage of Convenience?* Oxford: Pambazuka Press, 124–144.
Croese S (2017) State-led housing delivery as an instrument of developmental patrimonialism: The case of post-war Angola. *African Affairs* 116(462): 80–100.
Downs E (2007) The fact and fiction of Sino-Africa energy relations. *China Security* 3(3): 42–68.
El Gamal R and Ghaddar A (2020). Angola agrees to comply fully with oil cuts after OPEC pressure, sources say. *Reuters*, 7 July. Available at: https://www.reuters.com/article/us-oil-opec-angola-idUSKBN2481HQ
Ennes Ferreira M (2005) Realeconomie e Realpolitik nos Recursos Naturais em Angola. *Relações Internacionais* 6: 73–89.
Euronews (2020) Covid-19: Empresas chinesas em Angola podem perder mais de 460 milhões de euros. 28 April.
Figueiredo P and Gama J (2018) *Lourenço's long road*. Africa Report 18, October.
Ganga A (2019) *A Geopolítica do Petróleo Angolano e Sua Inserção na Relação Sino-Angolana*. Luanda: Departamento de Relações Internacionais, Universidade Autónoma de Lisboa.
Gouveia FA (2011) *Dos Santos: Arquitecto da Paz*. Luanda: Mayamba.
Grabowski M (2011) China and the U.S. in Africa: Conflict or collaboration? *Ad Americam: Journal of American Studies* 12: 63–85.
Hodges T (2001) *Angola: From Afro-Stalinism to Petro-Diamond Capitalism*. Bloomington: Indiana University Press.
Instituto Nacional de Estatística (2019, 2020) Anuário de Estatísticas de Comércio Externo, 2018. Luanda: Instituto Nacional de Estatística.
Instituto Nacional de Estatística (2019, 2020) *Anuário de Estatísticas de Comércio Externo, 2018*. Luanda: Instituto Nacional de Estatística.
International Energy Agency/Organisation for Economic Co-operation and Development (2006) *Angola: Towards an Energy Strategy*. Paris: Organisation for Economic Co-operation and Development.
International Monetary Fund (2019) Angola IMF Country Report No. 19/170, June.

Kim I (2016) Refining the prize: Chinese oil refineries and its energy security. *Pacific Review* 29(3): 361–386.

Kragelund P and Carmody P (2016) Who is in charge - state power and agency in Sino-African relations. *Cornell International Law Journal* 49(1): 1–23.

Kyle S (2007) *Oil, Growth and Political Development in Angola*, Working Paper. Ithaca: Department of Applied Economics and Management, Cornell University.

Levkowitz L, McLellan Ross M and Warner J (2009) *The 88 Queensway Group: A Case Study in Chinese Investors' Operations in Angola and Beyond*. Washington, DC: US-China Economic and Security Review Commission.

Mailey J (2015) *The Anatomy of the Resource Curse: Predatory Investment in Africa's Extractive Industries*. Washington, DC: Africa Center for Strategic Studies.

Malaquias A (2011) *Angola's foreign policy: Pragmatic recalibrations*. SAIIA Occasional Paper 84.

McKinsey Global Institute (2010) *Lions on the Move: The Progress and Potential of African Economies*. London: McKinsey and Company.

Mohan G and Lampert B (2013) Negotiating China: Reinserting African agency into China–Africa relations. *African Affairs* 112(446): 92–110.

Ning Y and Kaixi H (2015) Businessman linked to Sinopec's Angola deals said to face probe. *Caixin online*, 14 October. Available at: http://english.caixin.com/2015-10-14/100862966.html

Pautasso D (2009) As relações econômicas internacionais entre China e Angola. *Meridiano* 47(105): 27–29.

Pearce J, Péclard D and Soares de Oliveira R (2018) Angola's elections and the politics of presidential succession. *African Affairs* 117(466): 146–160.

Pilling D and Schipani A (2021) China cut lending to Africa in 2019 as debt fears grew. *Financial Times*, 29 March 2021.

Power M and Alves AC (eds) (2012) *China and Angola: A Marriage of Convenience?* London: Pambazuka Press.

Roach SS (2019) Sustainability with Chinese characteristics. *Project Syndicate*, 23 September. Available at: https://www.project-syndicate.org/commentary/china-demonstrating-climate-leadership-by-stephen-s-roach-2019-09?barrier=accesspaylog

Robertson C (2012) *The Fastest Billion: The Story Behind Africa's Economic Revolution*. London: Renaissance Capital.

Sato R (2018) Angola looks beyond China for aid and investment. *Nikkei Asian Review*, 15 December. Available at: https://asia.nikkei.com/Economy/Angola-looks-beyond-China-for-aid-and-investment

Schmitz CM (2014) Significant others: Security and suspicion in Chinese–Angolan encounters. *Journal of Current Chinese Affairs* 43(1): 41–69.

Schmitz CM (2020) Doing time, making money at a Chinese state firm in Angola. *Made in China Journal* 5(3).

Schmitz CM (2021) Making friends, building roads: Chinese entrepreneurship and the search for reliability in Angola. *American Anthropologist*.

Shepard D, Hume N and Pilling D (2017) Africa's richest woman removed as head of Angola state oil group. *Financial Times*, 15 November.

Shinn DH and Eisenman J (2012) *China and Africa: A Century of Engagement*. Philadelphia: University of Pennsylvania Press.

Silva M (2007) *A Independência de Angola*. Brasília: Fundação Alexandre de Gusmão.

Soares de Oliveira R (2015a) Angola's perfect storm. *Foreign Affairs*, 28 October. Available at: https://www.foreignaffairs.com/articles/angola/2015-10-28/angolas-perfect-storm
Soares de Oliveira R (2007a) Business success, Angola-style: Postcolonial politics and the rise and rise of Sonangol. *Journal of Modern African Studies* 45(4): 595–619.
Soares de Oliveira R (2015b) *Magnificent and Beggar Land: Angola Since the Civil War*. Oxford: Oxford University Press.
Soares de Oliveira R (2007b) *Oil and Politics in the Gulf of Guinea*. Oxford: Oxford University Press.
Soreide T, da Rocha A, Pestana N, et al. (2019) Custo de Desenvolvimento de Infraestruturas em Angola. In: *Relatório elaborado como parte da colaboração entre o CEIC e o CMI*. Luanda: OSIS.
Stephens H (2012) China, Canada and oil: A complicated calculus. *The Diplomat*, 2 August. Available at: http://thediplomat.com/2012/08/china-canada-and-oil-a-complicated-calculus
Takudzwa C (2020) The top ten African countries with the largest Chinese debt. *African Exponent*, 16 April. Available at: https://www.africanexponent.com/post/9183-here-are-the-top-ten-countries-in-africa-bearing-the-largest-chinese-debt
Taylor I (1997) Mainland China-Angola relations: Moving from debacle to détente. *Issues and Studies: Journal of Chinese Studies and International Affairs* 33(9): 64–81.
Taylor I (2006a) China's oil diplomacy in Africa. *International Affairs* 82(5): 946–949.
Taylor I (2006b) *China and Africa: Engagement and Compromise*. London: Routledge.
Taylor I (2014) *Africa Rising? BRICS - Diversifying Dependency*. Oxford: James Currey.
Vickers B (2013) Negotiating the rise of new powers. *International Affairs* 89(3): 673–693.
Vidal N and Pinto de Andrade J (eds) (2008) *Sociedade Civil e Política em Angola*. Lisbon: Firmamento.
Vines A (2015) Angolan agency and Chinese and US iil politics, 1975-2014. In: Zweig D and Hao Y (eds) *Sino-US Energy Triangles: Resource Diplomacy Under Hegemony*. London: Routledge, 129–148.
Vines A (2016) Review article continuity and change in Angola: Insights from modern history. *International Affairs* 92(5): 1229–1237.
Vines A, Wong L, Weimer M, et al. (2009) *Thirst for African: Oil Asian National Oil Companies in Nigeria and Angola*. London: Chatham House.
Weimer M and Vines A (2012) China's Angolan oil deals. In: Power M and Alves AC (eds) *China and Angola: Marriage of Convenience?* London: Pambazuka Press.
Wright G (1997) *The Destruction of a Nation. United States' Policy Towards Angola Since 1945*. London: Pluto Press.

Author Biographies

Paulo de Carvalho is an Angolan sociologist, Full Professor at the University Agostinho Neto (Luanda, Angola). His research areas are the social exclusion, citizenship, ethnic relations, higher education, criminality and media audience. Among others, he is the author of the books Social exclusion in Angola. The case of the physically handicapped in Luanda (Luanda, 2008) and Angola. How much time left until tomorrow? Reflections on the political, economic and social crises (Oeiras, 2002); co-author of Events over Endeavors. Image of the Chinese in Zambia and Angola (Cracow, 2015 – with Jaroslaw Jura and Kaja Kaluzynska); editor of

Cross-readings about Angola and Brazil. Identity, memory, rights and values (Jundiaí SP, 2018). Email: paulodecarvalho@hotmail.com

Ian Taylor is Professor in International Relations and African Political Economy at the University of St Andrews and also Chair Professor in the School of International Studies, Renmin University of China. He is also Professor Extraordinary in Political Science at the University of Stellenbosch, South Africa, and a Visiting Professor at the Institute for Peace and Security Studies, University of Addis Ababa, Ethiopia. His recent books include *African Politics: A Very Short Introduction* (Oxford University Press, 2018); *Global Governance and Transnationalising Capitalist Hegemony: The Myth of the 'Emerging Powers'* (Routledge, 2017); with Zhangxi Cheng, *China's Aid to Africa: Does Friendship Really Matter?* (Routledge, 2017); and *Africa Rising? BRICS – Diversifying Dependency* (James Currey, 2014). Email: ict@st-andrews.ac.uk

Dominik Kopiński is Associate Professor in the Institute of Economics at the University of Wroclaw. A cofounder of the Polish Centre for African Studies, he has published extensively on sub-Saharan Africa, development aid, China–Africa relations, natural resource policies and global public goods. He was a Fulbright Fellow at the Elliott School of International Affairs, George Washington University and his work has appeared in *African Affairs*, *Journal of Contemporary African Studies*, *Africa Spectrum*, *Global Governance* and *Third World Quarterly*. He has conducted field research in Angola, Botswana, Ghana, Namibia, South Africa and Zambia. His recent work includes the book G*lobal Public Goods and International Organisations: The Case of World Bank and IMF* (Difin, 2020). Email: dominik.kopinski@uwr.edu.pl

Eine Zweckehe vor dem Aus? Die chinesisch-angolanischen Beziehung

Zusammenfassung

Chinas Beziehung zu Angola, das sowohl der größte Ölexporteur der Region nach China als auch der Empfänger der höchsten chinesischen Kredite ist, stellt ein wichtiges Beispiel für die Analyse der Beziehung Chinas zum afrikanischen Kontinent dar. Die chinesisch-angolanische Beziehung wurde aus rein pragmatischen Gründen in den frühen 2000er-Jahren eingegangen und wird als "Zweckehe" bezeichnet. Eine Reihe von Faktoren, insbesondere der Verfall des Ölpreises und der politische Umbruch im Jahr 2017, hat das Umfeld verändert, in dem China ursprünglich in Angola Fuß gefasst hatte. Diese Veränderungen haben der angolanischen Wirtschaft und den Beziehungen zu China neue Impulse gegeben. Anhand von Interviews zeigen wir, dass Öl zwar nach wie vor ein zentraler Bestandteil ist, sich die Rolle Chinas aber deutlich weiterentwickelt hat. Die Zweckehe durchläuft eine steinige Phase der Selbstbeobachtung, in der die Vorstellung chinesischer Dominanz in Angola endgültig ad acta gelegt werden kann.

Schlagwörter

Angola, Erdöl, bilateraler Handel, politische Ökonomie