

Understanding Sudan



TRADE BETWEEN CHINA AND SUDAN HAS MORE THAN DOUBLED IN THE FIRST HALF OF 2007

Total trade volume from January through June was \$2.4 billion, up 124% from 2006.⁷

SUDAN IS CHINA'S 5TH LARGEST OIL SUPPLIER

Sudan provides 7% of China's annual oil imports.

IN 2005, THE TOTAL VALUE OF CHINA'S CONTRACTED PROJECTS IN SUDAN WAS \$1.33 BILLION

This is 83% higher than the 2004 total of \$725.65 million.⁴

THE MEROWE DAM PROJECT HAS DISPLACED OVER 50,000 SUDANESE

Fact Sheet: China and Sudan

Growing Economic Relationship

In the past decade, China has had an increasing interest in developing trade relationships with African nations. China has invested heavily in Sudan.

Trade: Despite Sudan's political turmoil and history of decades of civil war, the lure of oil and other natural resources and access to the third largest country in Africa, has proved irresistible for China. Sudan currently is supplying 7% of China's oil needs. China is Sudan's leading trade partner



purchasing about two-thirds of Sudan's exports and providing one fifth of its global imports.

Infrastructure: With the rise in trade, Chinese companies have received numerous large scale infrastructure projects in Sudan. The largest project is the Merowe hydropower dam project. This

project is expected to cost \$2 billion, and 20% is being financed by China Import Export Bank. The main construction contracts are with two Chinese companies, China International Water & Electric and China National Water Resources and Hydropower Engineering Corporation. When it opens in 2008, the Merowe Dam will provide Sudan with enough energy to meet its domestic needs, and allow it to sell the excess energy to other African neighbors.

In June, 2007, China National Petroleum Company concluded a production-sharing deal with the Sudanese government to develop the country's newest offshore oil block.⁵ And in February, 2007, China Railway Engineering Group and China Railway Erju signed a \$1.5 billion contract to construct a railway line to link the Sudanese capital, Khartoum, with Port Sudan in the east of the country.⁶

CHINA & HUMAN RIGHTS IN SUDAN

China's trade relationship with Sudan has resulted in several severe human rights abuses. The Sudanese government has forced the relocation of a quarter-million of its citizens from the oil-rich land to make room for Chinese oil developers. The Merowe dam project has also resulted in the displacement of people from their homes. The revenue Sudan has received from selling oil to China has been used to bolster Sudan's military and to support the militia causing the genocide in Darfur.

CHINESE FOREIGN AID TO SUDAN⁸

The \$11 million in aid given for Darfur is dwarfed by aid given to the Sudanese government.

- \$13 million interest-free loan to build a new presidential palace
- Zero tariff agreement on 44 Sudanese commodities
- \$77 million loan and \$40 million grant for infrastructure projects
- Cancelled \$80 million in Sudanese debt

Arms Trade: For years, the Sudanese government lacked the arms to win the war against the SPLA in the south. With the dawn of oil production in 1999, Sudan's government began collecting \$500 million a year in revenue, and approximately 80% went to buy weapons.

As the oil began to flow, Chinese arms sales to Sudan rose twenty fivefold between 2002 and 2005. Sudan has relied on Chinese assistance to set up three weapons factories near Khartoum. Human rights groups say oil receipts have helped pay for a government-led scorched-earth campaign to remove mostly ethnic Nuer and Dinka tribes from the south. According to Amnesty International, China has also sold military helicopters and vehicles that have been used in the conflict in Darfur. However, it is thought that China has halted the selling of arms to Sudan since the UN Security Council arms embargo was passed in December 2005.⁴

China and the Conflict in Darfur

China has been criticized by the international community for failing to leverage its relationship with Sudan to persuade the government to halt the violence and allow a UN peacekeeping force. China has consistently advocated a policy of non-interference and argued that the rest of the world should "respect [Sudan's] national sovereignty." However, when President Hu Jintao visited Sudan in February 2007, he advised the Sudanese government to find a political solution for Darfur.

UN Security Council: China has used its veto power to block resolutions that would stop trade or put an embargo on Sudan's oil. However, while China was President of the Security Council in July 2007, UN Resolution 1769 establishing the United Nations-African Union mission to Sudan was passed. China voted for the resolution and claims significant credit for getting Sudan to accept the agreement. Also, after the UN Security Council resolution authorized the dispatch of a peacekeeping force in southern Sudan in 2005, China provided 435 PLA transportation, engineer and medical troops.⁴

1: The Washington Post, A Palace for Sudan, www.washingtonpost.com/

2: Financial Times, China backs Sudan's \$300m Darfur payment, www.ft.com

3: The Washington Post, *China Invests Heavily in Sudan*, <http://www.washingtonpost.com/>

4: China Brief, *China's Darfur Policy*,

http://www.jamestown.org/china_brief/article.php?articleid=2373304

5: Save Darfur, *China in Sudan: Having It Both Ways*, <http://www.savedarfur.org>

6: Sudan Tribune, China wins \$1.15 bln Sudan railways construction contract, <http://www.sudantribune.com/spip.php?article20580>

7: *Xinhua Financial News*, "China's trade with Sudan in June 2007," 29 August 2007.

8: *International Herald Tribune*, "Chinese president tells Sudan counterpart to give U.N. bigger role in resolving Darfur conflict," 2 February 2007.