

## INDIA, AMERICA AND CHINA'S OIL POLITICS IN AFRICA

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### **Abstract**

The Continent of Africa has become an important source of petroleum oil in recent times as there are new discoveries of oil reservoirs. The continent is producing more than 10% of world's crude oil. This has started a big rush of the major oil importing countries for African crude oil. In this, the United States of America and China have moved to the African oil fields to get maximum share for their own countries. This has resulted in intense competition for oil in Africa. The US and China are even trying to use their economic and technical advantage to secure maximum benefit. The US is also directly using its military power to influence or coerce the African countries to secure its oil supplies. India, which is also an important importer of 70% of its oil needs, cannot afford to remain isolated from African oil. It has been adopting several policies and programmes to secure its oil imports from Africa. India does not have economic and technical resources as compared to China or the United States to allure African countries. India has adopted a different approach to get its oil needs fulfilled from African sources. Its approach is based on mutual benefits and friendship. The purpose of the paper is to examine and analyse India, America and China's efforts and policies in Africa to secure their continuous oil supplies. The paper has come to the conclusion that India avoids American coercive policies and China's economic imperialism in Africa.

**Key Words:** Africanisation, Al-Qaeda, Conclave, Cooperation, Darfur, Defence, Imperialism, initiative, NEPAD, Peacekeeping, Rebels, Strategic, Team-9, Terrorists, Transportation

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**Introduction:**

Today African petroleum oil and gas have become important sources of energy for all the petroleum importing countries of the world. All oil importing countries want to maintain a secure supply of oil in order to keep their industries and transports running. In this perspective, the recently explored oil reserves of the African countries have become new hope for all the major oil importing countries of the world. This is also due to the fact that the oil reserves of the West Asian countries are depleting. Due to this every major oil importing country wants to secure continuous supply of oil from Africa. India was importing around 24% of its crude oil imports from Africa including North Africa in 2010. Now in March 2013 it is importing 17% of its crude oil from Africa. India's 16% of crude oil imports are from the African countries – Nigeria, Liberia, Sudan and Egypt. By early 2009, United States of America (US) started importing even more crude oil from Africa than the Gulf countries. By 2003, 15.3 percent oil import of United States came from Africa. In 2009, US imported 769,000 barrels oil per day from Nigeria and 400,000 barrels per day from Angola. In early 2010, the US was importing one million barrel oil per day from Nigeria. China imports 25% of its crude oil imports from Africa. China imported nearly 701,000 barrel crude oil per day (bpd) from Africa in 2005, which was approximately 30% of its total oil imports. Due to this India, United States and China have become competitors for African oil. They have adopted various policies and programmes to secure the smooth availability of African oil but their policies fundamentally differ from each other. Especially between America and China there is a new cold war for African oil.

**African Oil Sources:**

There is a huge possibility of oil deposits in Africa on land and offshore especially in West, Central and North Africa which need to be explored. Recently huge oil deposits have been found in Nigeria, Equatorial Guinea, offshore Cote d'Ivoire (Ivory Coast), Liberia and some other countries like Sudan and Angola. As a result, Africa held 9.7% of world's oil reserves which were 117.2 billion barrels in 2006<sup>1</sup>. African oil reserves have reached up to 11% of the world and it could even be larger as most of the areas are unexplored. The country wise confirmed oil reserves in Africa in December 2006, and 2011 have been listed in Table-1. The African oil is of very high quality and eco-friendly as it is having very low content of sulphur and it is easy to refine. This has resulted in the rush of big powers to secure supply of oil from the African countries and buy stakes.

Table-1: African Oil Reserves Region &amp; Country Wise

North Africa	Oil (billion barrels In 2006)	Oil (billion barrels on 1 <sup>st</sup> Jan 2011)	West Africa	Oil (billion barrels In 2006)	Oil (billion barrels on 1 <sup>st</sup> Jan 2011)
Algeria	11.350	12.200	Benin	0.008	0.008
Egypt	3.700	4.400	Cote d'Ivoire (Ivory Coast)	0.100	0.100
Libya	39.126	46.420	Ghana	0.017	0.660
Morocco	0.001	0.00068	Mauritania	---	0.100
Sudan	0.563	5.000	Nigeria	35.876	37.200
Tunisia	0.308	0.425			
<b>Central Africa</b>			<b>Southern Africa</b>		
Angola	5.412	9.500	South Africa	0.016	0.015
Cameroon	0.400	0.200	Madagascar		3.9 billion barrel (Est.)
Chad	1.500	1.500	Mozambique		Confirmed by Key Petroleum*
Congo (Brazzaville)	1.506	1.600	Namibia		Confirmed by Duma Energy (25.10.2012)**
DR Congo	0.187	0.180	<b>East African Region</b>		
Equatorial Guinea	0.012	1.100	Ethiopia	0.0004	
Gabon	2.499	2.000	Uganda	---	1.000
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Source: based on CIA-The World Factbook,<sup>2</sup> and various sources. \*IPP media.com.<sup>3</sup>,\*\*

Oil Review Africa.<sup>4</sup>

### Indian Policy:

A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories Indexed & Listed at: Ulrich's Periodicals Directory ©, U.S.A., Open J-Gate, India as well as in Cabell's Directories of Publishing Opportunities, U.S.A.

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India produces only 30 percent of the oil required for consumption in India and imports rest 70 percent oil from outside. Due to this in the past few years India has been playing a major role in Africa to secure the supply of oil required. In case of gas India has sufficient production. The gap in oil production and consumption in India since 1990 to 2013 has widened a lot. It is also visualized that in near future India's oil consumption will increase enormously due to the rapid industrialisation and economic growth. This would further increase the need for more import of oil from outside. India had imported 2,090,000 barrel oil per day in 2006 and its rank was ninth. India's oil import has kept on increasing as in 2010 it came to fifth rank, and in 2011 and 2012 at fourth rank in world's oil import. In 2012 India imported 3,450,000 barrel of oil per day.<sup>5</sup> ASSOCHAM President Rajkumar Dhoot informed that in the financial year 2011-12 India spent \$160 billion for crude oil import which was equivalent to more than half of the country's total earning from exports during the same period.<sup>6</sup> In case of Africa, India imports largest amount of crude oil from Nigeria, followed by Angola, Egypt and Algeria etc. In 2011-12 India's oil import per day from Nigeria was 283,000 barrel, from Angola 181,000 barrel, from Egypt 57,000 barrel and from Algeria 42,000 barrel. Equatorial Guinea and Sudan also provided large quantity of oil 18,000 and 14,000 barrels per day to India in the same year. Table-2 provides the figure of crude oil import year wise by India from various African countries from 2001-02 to 2011-12.

**Table-2: India's Crude Oil import from African countries, 2001-2012 (in '000 barrels per day)**

Country	2001 - 02	2002 - 03	2003 - 04	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011 - 12
Algeria	0	0	0	0	5	13	6	5	42	56	42
Angola	8	0	48	49	33	52	87	107	181	194	181
Cameroon	0	2	0	7	4	0	2	2	6	6	10
Congo	0	5	0	3	0	0	0	5	29	18	11
Egypt	80	62	72	43	39	39	38	45	61	37	57
Eq.	0	3	8		11	8		6			18

Guinea				33			35		25	30	
Gabon	0	9	13	6	8	3	0	8	3	8	3
Ivory Coast	0	0	0	0	0	3	3	3	3	0	3
Libya	22				18	3					3
		22	34	29			41	18	19	22	
Nigeria											
	235	235	222	303	272	262	199	215	270	318	283
Sudan	0	0		7	5	3					14
			16				19	16	22	24	

Source: Reuters.com.<sup>7</sup>

For oil imports India turned towards Africa during the Prime Ministership of **Atal Bihari Vajpayee** (1999-2004). As India was buying most of its oil imports from the Middle East countries, there was more alarming and vulnerable situation at the time of Iraq War (Gulf War) in 2001, when oil supplies got severely affected. India began to import large amount of oil from Nigeria which emerged as the second largest supplier of oil to India reaching to 11.6 million tons in 2002-2003, only after Saudi Arabia's 18.8 million tons. Emphasising this diversification then Petroleum Minister **Ram Naik** said: "the Iraq and Afghanistan war has shown the government that it needs to tie-up alternate sources soon."<sup>8</sup> Angola was another country of Africa from where India started to boost its oil imports. The Government of India launched an integrated **Focus Africa Programme** in 2002-03 to enhance India's trade with Africa through integrated efforts of the Government and its various agencies. Indian oil companies projected to invest \$ 3.3 billion in oil fields in ten countries of the world including Sudan in Africa.

Since the year 2004, the present Congress Party led Indian government of Prime Minister **Manmohan Singh** has not only intensified the oil imports from Nigeria, Angola and other African countries but is trying to boost more investment in these countries. India has been emphasising on **economic cooperation and investment measures** geared to gain friendship of African countries. India is acquiring assets in African countries in hydro-carbon sectors. On 14 January 2010, the Indian Cabinet Committee on Economic Affairs allowed government company ONGC Videsh Ltd (OVL) to invest \$359 million in undertaking oil and gas exploration in two deepwater blocks in Nigeria.<sup>9</sup> Joint Venture ONGC-Mittal Energy Ltd (OMEL) is the operator of two deepwater blocks in Nigeria which had signed production sharing contract in 2007. The

Minister of Petroleum and Natural Gas, **Murli Deora** said in Nigeria on 1<sup>st</sup> February 2010 that as part of bilateral investment package India was ready to partner Nigeria's NNPC through ONGC for the establishment of Greenfield Refinery in Nigeria.<sup>10</sup> The joint venture ONGC-Mittal has a target to invest \$6 billion in Nigerian oil sector to extract 650,000 barrels of oil and gas per day for the next 25 years. ONGC-Mittal has also committed to build an export oriented refinery in Nigeria to process 180,000 barrels a day of high quality oil. Private companies like Essar Energy Overseas has procured exploration and production blocks in Nigeria. In October 2010 Essar planned to invest \$2 billion in Nigerian power plant to generate 2000 megawatts electricity which was much required as Nigeria was having acute power shortage.<sup>11</sup> India's public sector company Bharat Heavy Electricals Limited (BHEL) is exploring the possibility of investments in Nigerian power sector.

Indian Minister of Petroleum's delegation to Angola in January 2010, signed agreement of ONGC with Angolan company to boost cooperation in the areas of exploration and refining, and India's Flagship gas company GAIL was also searching possibilities of investment in Angolan gas sector.<sup>12</sup> Essar has procured oil blocks in Madagascar and also invested to acquire stakes in Kenya and Egypt. Reliance has invested in equity oil in Sudan. Indian firms have invested in refineries as well. In Sudan, recently India's ONGC OVL has constructed a \$ 200 million project of laying 741 KM pipeline from capital Khartoum to Port Sudan on the Red Sea. ONGC-OVL has also invested in equity assets in Ivory Coast (Cote d'Ivoire), Gabon, Libya, Egypt and Sudan. India's present Petroleum Minister **Veerappa Moily** has also emphasised the need for large scale foreign acquisition of oil fields in African countries by Indian companies for India's self reliance in oil.<sup>13</sup> The oil imports from West Africa and investments there have enormously increased India's trade volume which stood at \$3.061 billion with the region in 2012.

To boost oil import and investments, India has initiated various other measures such as organizing annual Project Conclave, Team-9 Initiative, Line of Credit and Defence Cooperation etc. India has started **India - Africa Project Partnership Conclave** in New Delhi since 2005 almost annually, to provide platform for decision makers of African countries and funding agencies to meet heads of Indian companies involved in turnkey projects, engineering consultancy, transport sectors and supply of goods etc. The Government of India adopted **Team-9 Initiative**, a techno-economic approach to especially boost commercial relations, transfer of technology and sharing of resources with eight West African countries - Ghana, Cote d'Ivoire,

Equatorial Guinea, Guinea Bissau, Burkina Faso, Senegal, Mali and Chad. The TEAM-9 initiative would also put in **place \$ 500 million Line of Credit** (LOC) provided by India. For strengthening ties with African countries, India has established **defence cooperation** with 13 African countries. It is also engaged in **peace-keeping operations** in various parts of Africa. India's defence cooperation in Africa is oriented for security, including high sea security of African vessels by Indian Navy. On the other hand, it is geared to provide training and capacity building. Indian defence cooperation differs from American interventionist and coercive approach or stationing of American forces in African countries.

### **American Policy:**

In the United States of America there is large demand for oil which is largest in the world. While thirty years ago it was importing only 28 percent of oil consumed, in 2008 nearly 60 percent of the oil consumed in US was imported from outside.<sup>14</sup> During George Bush Government America's attention shifted more towards Africa for oil. This was especially after **Dick Cheney Report** in 2001, which recommended that the Bush Administration should adopt a policy to increase the production and import of oil from the regions of West Africa and Latin America. In 2004, **Walter Kansteiner**, the US Assistant Secretary of State for African Affairs declared that the African oil had become a national strategic interest for America.<sup>15</sup> In line of this effort, America formulated several economic and military initiatives to secure oil supply from Africa since 2001, which ended US low involvement in Africa in 1990s after the end of the Cold War.

For securing oil interest, US had to face two big challenges in Africa apart from competition with other major powers importing oil like China and even India. The first challenge was the **poor governability conditions** in the African states due to internal fights, civil wars and rebel activities. The second challenge was the fast growing activities of **international terrorists** in African countries with anti-American campaign. The internal fights and poor economic conditions in most of the African countries had even made it heaven for international terrorists to easily spread their network in Africa in 1990s. In 1998, there were terrorist attacks on US Embassy in Dar-e-Salaam (Tanzania) and Nairobi (Kenya). Further in 2002, Mombasa was targeted by the terrorists. **Douglas Farah** (2001) pointed out that the Al-Qaeda had even got involved in diamond trade from Sierra Leone rebels,<sup>16</sup> and **Ronald Jacquard** (2002) pointed out that Osama Bin Laden (Chief of Al-Qaeda terrorist organization) found safe heaven in Sudan in

1990s.<sup>17</sup> The news of Al-Qaeda's operation in oil rich West Africa and other parts with local operative Al-Qaeda Islamic Maghreb (AQIM) was more alarming for America. Government of **George Bush** decided to secure African oil for America. It adopted concrete and coercive steps to overcome these challenges and threats since 2001. The US policy in 2002 stressed on bilateral engagements and military coalitions with the African countries.<sup>18</sup>

Subsequently, Bush Government encouraged various American and European oil companies to rush to African oil fields, as well as, deployed huge US troops in Africa. It stationed 1800 soldiers in Djibouti saying to counter terror activities in Somalia and prevent infiltration of Al-Qaeda and other groups. America formed Trans-Sahara Counter Terrorism Initiative (**TSCTI**) in 2002, which was converted into counter terror partnership in 2004. Under this Initiative US military got presence across Sahara in Mali, Chad, Niger and Mauritania getting engaged in joint military exercises and military interventions for prevention of conflicts called **Phase Zero Campaign**<sup>19</sup>. In 2004, the US extended military presence in several other African countries like Nigeria, Algeria, Tunisia, Morocco and Senegal and conducted joint military exercises in Africa annually since 2006 named **Exercise FLINTLOCK**. Kenya was already having US military base since 1980 which was further strengthened. American military support and partnership was very timely relief for those African rulers who were facing civil war or rebel threats, however, the American intervention in African countries' local politics could not be justified. The most important action of US in regard to Africa during George Bush administration had been the setting up of a separate **AFRICOM** of its defence force in February 2007.<sup>20</sup> The African Command, by fighting with the **Al-Qaeda** terror and protecting African rulers in civil war situation, has to ensure the regular un-interrupted supply of African oil to US. The US African Command has become an added security advantage for American oil and shipping companies. **General Charles Wald** (2007) who was Deputy Commander of US European Command from 2002 to 2006 also looking after African area, accepted that the United States increased interest in Africa in the decade of 2000, had been shaped by the various factors including global terrorism, oil and growing Chinese influence.<sup>21</sup>

In 2003, 15.3 percent oil import of United States came from Africa as per official statistics and US estimated to import 770 million barrels of African oil per day by 2020 according to the Energy Information Administration of US Department of Energy.<sup>22</sup> In 2009, US imported 769,000 barrels oil per day from Nigeria and 400,000 barrels per day from Angola.<sup>23</sup> At present



Nigeria has become the fifth largest crude oil exporter to the United States while Algeria is the seventh and Angola is eight largest exporter of oil to the United States.<sup>24</sup> In such a dire need for oil from Africa, the United States' policy was to gain immediate support of African oil exporting states' rulers to obtain the required share of oil for America. By providing security cover to African rulers through AFRICAN COMMAND the United States has been doing this work. On the other hand, through this the US wanted to show its coercive power to check any anti-US activity or major policy shift in the light of challenges being posed by the other big rivals for oil in Africa, such as China. By 2010, African Command force was involved in almost 38 countries, directly or indirectly, including Chad, Kenya, Mali, Mauritania, Niger, Nigeria, Tanzania and Sierra Leone with its presumed agenda of training anti-terrorist forces.

America has not been leaving any chance to show its coercive power politics in Africa. In March 2010, the invasion of Somalia by Ethiopian forces had been a proxy war in which African Command provided logistic support. **Ba Karang** (2010) has criticised that this was done in ridiculous lies saying that Islamic terrorists had taken over the country.<sup>25</sup> 'Operation Lightning Thunder' in 2008, was another example of American coercive use of military power in Africa in which Bush government pressurized the governments of Uganda, Democratic Republic of Congo and liberated Southern Sudan for military action against rebel Lords Resistance Army (LRA). The US Government and AFRICOM supplied logistic supports and kept on doing arms twisting of African regimes. The military commanders of Uganda have openly accepted that they received logistic support from the Americans. In this operation LRA rebel leader **Joseph Kone** was killed and the LRA was displaced. More than 1000 civilians were dead and the local population fled from the area. In fact this operation was basically intended to clear the oil fields.<sup>26</sup>

Present President **Barak Obama's** policy in regard to African oil has not been different than Bush. In October 2011 Obama deployed huge US troops to march from Uganda to South Sudan, Central African Republic and DR Congo to clear the areas from LRA rebels saying that it was a humanitarian action to save people, but at the same time, he referred the intervention as mission in the line with US 'national security and foreign policy interests'.<sup>27</sup> In fact those interests are the vast oil reserves of central Africa.

Due to all these efforts, by 2007 the US was able to get very large quantity of oil from African countries which increased further in 2008 and 2009. US annual import of African crude oil

country wise from 2007 to 2012 has been provided in Table-3. Some reduction in imports of crude oil by US in recent years of 2010, 2011 and 2012 as reflected in the table-3, is due to the development of Hydraulic fracturing technology by which US has started producing more oil at home and simultaneously it has started using its all domestic oil resources.<sup>28</sup> However, for US still there is very large need of oil import from African countries and other outside sources. So, it is hard to assume that there will be reduction in America's rivalry or use of coercive politics for oil.

**Table-3: US import of Crude Oil from African Countries, 2007-2012** (Annual, in thousand barrels)

Country	2007	2008	2009	2010	2011	2012
Algeria	244,605	200,652	180,018	186,019	130,723	88,587
Angola	185,352	187,790	167,877	143,512	126,259	85,074
Cameroon	10,804	5,341	15,585	19,728	13,921	12,356
Chad	28,400	38,080	25,134	11,312	18,473	11,004
Congo (Brazzaville)	23,849	24,943	23,816	26,276	19,275	11,341
Congo DR	473		3,412	3,225	3,999	137
Egypt	3,290	5,605	3,726	3,537	1,616	11,456
Equatorial Guinea	21,597	28,439	32,310	21,063	8,500	15,100
Gabon	23,577	21,430	23,262	17,022	12,557	16,010
Ghana	422	831	37	215	3,832	463
Ivory Coast	531	3,298	1,259	3,560	1,450	1,634
Libya	42,801	37,834	28,863	25,595	5,542	22,281
Nigeria	413,932	361,659	295,310	373,297	298,732	161,429
Senegal		65	41		22	59
South Africa	2,637	113	611	103	263	541
Tunisia	5,003	3,114	299	260	249	2,442

Source: EIA, U.S. Energy Information Administration, 15.03.2013.<sup>29</sup>

### Chinese Policy:

China is the biggest competitor of US in Africa for oil. The economy of China is growing at a very fast rate of 8 – 10% annually in recent years of post-Maoist period. This has posed a huge demand for oil. As a result, since 1993 China became an energy importer while earlier it was a net exporter of energy items. Further since 2004, China has become the largest importer of oil

only next to the United States of America. It has become extremely dependent on African countries for its key oil imports. In 2005, China imported nearly 701,000 barrel per day (bpd) from Africa, approximately 30 percent of its total oil imports. Cindy Hurst said that China had anticipated an increase in the oil import by 25 percent in the next ten years as reported by Asia News Agency.<sup>30</sup> Due to this China has been out with **huge economic and military help** for Africa. China is providing **development loans at very low interest rates**. It has adopted **non-intervention policy** as regard to the African local / domestic conflicts and issues. At the same time it has intensified **strategic partnership** with African countries on government to government level and more politico-diplomatic efforts to get its oil objectives fulfilled.<sup>31</sup> China is importing oil from Sudan, Nigeria, Algeria, Gabon, Equatorial Guinea Angola and even Chad which is having diplomatic relations with Taiwan. Generally China does not maintain relations with Taiwan friendly countries, as it considers that as part of China.

China has been importing huge oil from Sudan which accounted for 64% of Sudan's total oil exports in 2004 and over 60% in 2012 (Table-4). In case of Angola, by 2009 it became one of the most important sources of oil for China. In the first half of 2010, Angola had become the largest oil exporter to China, as China imported 21.7 million metric tons of crude oil from this country. By February 2012, China imported nearly 40 percent of Angolan oil.<sup>32</sup> As a result 70% of Angolan construction projects were assigned to the Chinese companies which drastically reduced chances for the locals. China even provided monetary help in Angolan ruling party elections. Angola's government of President **Dos Santos**, ruling since 1979 has been considered as the most corrupt. In 2013 daughter of President Dos Santos, **Isabel** has been declared as the first female billionaire of Africa. It was due to the Chinese loan that Angolan dictator was able to undermine international pressure for transparency, democratization and reforms. The Angolan government had preferred to get commercial loans backed by oil than the cheaper loans from the World Bank and IMF which demanded transparency and democratic reforms. China has been selling huge arms and weapons to African countries taking advantage of local conflicts and civil wars in many countries. Many a times, payments are made in kinds (barter) which make heavy cost on local ecology and economy. For example in 2000, Zimbabwe delivered eight tons of ivory (elephant teeth) in exchange for a shipment of small arms. In 2004, again China sold fighter jets and trucks worth US \$ 200 million to Zimbabwe and was investing in minerals, roads and agriculture of Zimbabwe. Zimbabwe's isolation by western countries against President

Mugabe's Africanisation programme and backing to anti-white movement in the country has proved as a boon for China, as now-a-days nearly all major trade of Zimbabwe is with China. Similarly, all major local projects of Zimbabwe are obtained by China under Mugabe's 'Look East' policy. In Gabon, China has been investing in oil fields since 2004. The oil exporting countries, such as Nigeria, Sudan, Algeria and Libya accounted for 54% of the total Chinese investments. The Chinese investment in Africa in 2004 accounted for \$ 900 million which was around 6% of the total investments of \$ 16 billion, as a result Stephen Marks (2006) called it the 'New Imperialism of China'.<sup>33</sup>

In Nigeria, China controls 45% of all offshore oil reserves.<sup>34</sup> Nigeria has a Mandarin language newspaper – 'West African United Business Daily' serving 50,000 readers (Chinese). A large number of Chinese have moved to Nigeria and China is buying greater rights in resources in oil and mineral sectors. The Nigeria-China two way trade had reached to \$ 42 billion in 2005. On this **Taipei Times** commented that China was a new colonial power in Africa.<sup>35</sup> Seeing the Chinese offer of investment even Chad switched over to China side-lining Taiwan in 2006.<sup>36</sup> In the first week of November 2006, China hosted a **Forum on China-Africa Cooperation Summit** in Beijing where 48 African countries' leaders and business people were promised by the Chinese President **Hu Jintao** that China would offer \$ 3 billion in preferential loans and \$ 2 billion in export credits over the next three years. At the same time he announced that China would double its foreign aid.<sup>37</sup> The Chinese President even visited the eight African countries in February 2007, mostly oil and uranium rich African countries to give a boost to Chinese energy and investment motives. The African countries visited by President Hu Jintao were Cameroon, Liberia, Sudan, Zambia, Namibia, South Africa, Mozambique and Seychelles. In Namibia and South Africa, China is investing in uranium sector and atomic energy possibilities. China has restarted copper fields in Zambia. It has constructed oil pipeline from Chad to Cameroon linking the Cameroon sea ports. In addition, there is a huge number of Chinese nationals' immigration to Africa for work which is largely reducing the job opportunities for the local Africans in mines and mineral sectors. According to an estimate of **Xinhua**, Chinese official news agency, there were 7,50,000 Chinese nationals working or living in Africa in 2009. Table-4 provides a brief summary of African countries exporting oil to China and receiving its major investments and loans.

**Table-4 : China's major investments/loans in African oil countries and their oil exports to China.**

Country	China's Major Investments and loans	Crude Oil Export to China
Algeria	In 2003 China's CNPC signed a US\$31 million oil and gas contract.	
Angola	*In 2004 China provided US\$ 2 billion loans and aid. *In 2005 China signed nine agreements including long-term oil supply.	40% of Angolan oil goes to China. Angola is largest exporter of oil to China from Africa.
Chad	In 2006 China started diplomatic relations and supported controversial pipe-line project (whose deal was cancelled by the World Bank in 2008).	
Congo (Brazzaville)	*In 2006 China helped to build airport and infrastructure.*In 2010 Chinese Development Bank agreed to build SEZs in Congo.	50% of Congo's oil goes to China. (Third largest oil exporter to China from Africa).
Eq. Guinea	In 2009 China got exploration and drilling rights in Eq. Guinea.	12% of Eq. Guinea's oil goes to China.
Gabon	*In 2004 China signed agreements in oil and mining sector. *In 2009 China agreed US\$ 9 billion deal in oil and mining sector.	
Liberia	*Liberia has oil but at present China focuses on its iron ore. *China has signed agreements of US\$ 10 million of debt cancellation and US\$ 25 million for various development projects.	
Libya	Libya has largest oil reserve in Africa. China's CNPC has invested in the oil sector of Libya.	
Nigeria	*In 2006 China agreed for US\$ 4 billion investment in oil and infrastructure in exchange of drilling licenses. *In 2010 China agreed for US\$ 23 billion to build oil refineries and infrastructure.	Nigeria exports small quantity of oil to China which was 28,000 barrels per day in 2009. But China controls 45% of off shore oil reserves where drilling is going on.
Sudan	*China provided interest- free loans in 1997 and 2007 for building construction. *In 2008 China offered US\$ 2.8 million humanitarian aid.	Sudan's 60% oil goes to China. It is second largest oil exporter to China from Africa.

Source: based on information by Shelly Zhao, (13.04.2011), “The Geopolitics of China-African Oil”, *China Briefing*.<sup>38</sup>

Due to all these investments, aid and oil imports, there has been a great boost in China Africa trade. While the total China-Africa trade was of \$ 01 billion in 1992, it reached to a major height of \$ 115 billion in 2010 and to \$166 billion in 2011. In July 2012 China offered a huge loan of 20 billion to African countries.<sup>39</sup> Even the present Chinese President **Xi Jinping** has recently visited three African countries Tanzania, South Africa and Republic of Congo in April 2013 and announced China’s commitment to \$20 billion loan to Africa. In the back of all this, the main emphasis of China has been to bring maximum oil fields and other sectors under its direct control and occupation.

In Africa China’s aggressive business approach has side-lined it’s ideological or moral stand for oil and business. In 1998, during the Ethiopian-Eritrean war, China sold weapons to both sides. The Sudanese government was suppressing the civil war in Darfur resulting in large scale killing since 2003 and China sold huge arms and helicopters to the Sudanese government which were used in Darfur to terrorise and kill local people resulting in large scale human rights violations. When UN Security Council passed a Resolution 1556 demanding Sudanese government to disarm the government backed Janjaweed aggressors or face severe action, China as permanent member immobilized the Security Council by abstaining from voting. China further assisted Sudan financially and militarily, arguing that its military assistance was for the central Sudanese government and not for suppression in Darfur.<sup>40</sup> The main reason behind this Chinese policy was its oil interest in Sudan. China has also brought 10,000 workers in Sudan who have drastically cut the opportunities of Sudanese getting jobs in their own country.

### **Oil and Militancy in Africa:**

It is a fact that most of the areas, where oil has been discovered or oil exploration is going on have been affected by militancy and violence causing even instability to the governments. At the same time, a large number of people are evacuated from the areas where oil is located or where plants and mines have to be established causing more resentment against governments and oil companies. In case of **Sudan**, rebel Sudan People’s Liberation Army (SPLA) was active in Southern Sudan which held major oil fields. The SPLA had been fighting for liberation of southern Sudan since 1983 and ultimately South Sudan became a separate country in 2011 after

huge bloodshed for several decades. In Darfur region of Sudan rebels of Sudan Liberation Movement/Army (SLMA) and Justice and Equality Movement (JEM) have been fighting armed battle against central Sudanese Government accusing of oppressing non-Arabs. The rebels threaten central region oil fields and newly constructed pipe line from central oil fields to Port Sudan. In **Nigeria**, Niger Delta which concentrates major oil fields has intense terrorist activities of Islamist Boko-Haram and Movement for the Emancipation of Niger Delta (MEND) rebels. Oil companies are frequently attacked and their workers are killed by MEND rebels. The region is also affected by social and inter-communal feuds. Human Rights Watch, a human rights organisation has accused several oil companies like Shell Oil and Royal Dutch of having links in inter-communal violence and spate of killings to control the oil fields.<sup>41</sup> These oil companies have also been accused of distributing arms to some rebels, local Africans and social groups to have control apart from their method of bribing as well. In **Angola** oil operation was affected due to the fighting between ruling MPLA and rebel UNITA forces till 2002 when they reached an agreement for peace after the death of UNITA leader Jonas Savimbi who was fighting an armed struggle since 1966. During Cold War period Angola was having proxy war between United States of America and Soviet Union, as USA was helping UNITA rebels and Soviet Union was helping MPLA Government. At present Angola and neighbouring DR Congo are in dispute over their offshore maritime boundaries and oil zones.<sup>42</sup> At present whole of the oil rich central African region has been disturbed due to rebel activities giving excuse to America to move its forces in huge number in several countries. The foreign powers, outside companies and multi-nationals often take advantage of such local problematic situations to get strong control over the resources.

### Conclusion

India, America and China realize the importance of African mineral resources and especially the oil. They have become conscious of securing the regular supply of much needed petroleum oil. The approach adopted by India is entirely different than the US military presence and action in African countries, arms twisting and coercive politics or the Chinese economic and technological imperialism. India also does not get involved in local politics of African countries like US. India has deviated from adopting the aggressive policies of United States and China to get larger control and share of African oil and other economic sectors. India has adopted a

number of important initiatives and institutional framework to enhance economic cooperation and trade with the oil rich African countries. The new economic initiative launched by the African governments like New Economic Partnership for African Development (NEPAD) has also attracted the Indian investors towards Africa. Indian companies do not bring large number of Indian workers in Africa, as China does. Unlike America, India does not adopt any arm twisting or coercive methods. India neither tries to get involved in African local politics nor tries to have monopoly control over resources. India's approach is to provide maximum job opportunities to local African workers and its emphasis is on mutual benefit and friendship. African countries have challenges due to the political instability and civil wars but Africa also gives great opportunities to Indian investors if they are ready to accept the challenges.

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