China and Angola made a historic breakthrough in their relations on 20 November 2010, symbolized by the release of the Joint Communique on the Strategic Partnership between the People’s Republic of China and the Republic of Angola during Chinese Vice President Xi Jinping’s state visit to Angola. China has established a strategic partnership with many foreign countries, but few in Africa. The release of the communique indicates that China-Angola relations have been elevated to a new status in terms of strategic cooperation.

During recent decades, a number of bilateral interests have been developed between China and Angola and the contents of their strategic mutual cooperation have expanded rapidly. It can be classified according to three aspects: initially, relations were developed around mutual political support; this was followed by closer economic and financial cooperation, and finally, relations have also evolved into the mutual protection of energy security.

These three pillars of the strategic partnership — politics, energy, and economic and trade relations — lay a solid foundation for continued bilateral relations between China and Angola. In the new century, increased energy relations have played an increasingly important role and, indeed, have become the key factor in propelling the development of the strategic partnership.

Political cooperation
Developing countries such as Angola form the basis of China’s diplomacy. Supporting African national liberation movements and establishing diplomatic relations with newly independent African countries is an important part of China’s diplomatic strategy. China’s support for Angola’s national liberation movement forged a deep political friendship and mutual trust between the two states.

Oil cooperation
Oil cooperation has played a crucial role in promoting the development of political relations between China and Angola, and has added new and important content to their bilateral relations. In November 2010, when Chinese Vice President Xi Jinping paid a state visit to Angola, he signed the Joint Communique on the Strategic Partnership between the People’s Republic of China and the Republic of Angola in Luanda. It is true that both sides are willing to implement cooperation projects and continue to encourage and support the enterprises and financial institutions of the two countries, as well as to expand trade and investment that will strengthen mutually beneficial cooperation in key sectors, including agriculture, industry, construction, urban construction and exploration for energy and mineral resources.

In 1996, China changed from a net exporter of oil to a net importer, as its domestic oil output could no longer meet the demands of rapid economic development. Consequently, seeking out oil suppliers is of great importance to China’s economic security. Angola, as an emerging oil exporter, has provided good opportunities in this regard due to the concerns of China’s import security strategy. For Angola, oil exports are a crucial source of revenue. China’s oil imports have provided a powerful impetus for Angola’s oil industry, which has contributed to the country’s economic growth.

In 2002, the 27-year-long civil war ended in Angola and the country started rebuilding its economy and society. Consequently, Angola’s top priority in the post-war period is to rebuild its infrastructure. This includes the restoration and reconstruction of transportation facilities as well as social public service institutions such as hospitals and schools. China embarked on overseas construction and engineering businesses in the late 1990s and it has an experienced overseas construction team capable of providing general contracts and complete sets of equipment, as well as providing low-cost labor and management after more than 20 years of practice in regions such as the Middle East and Africa. China has since become a major contractor in the international construction and engineering market. The huge demand for post-war infrastructure construction provided new business opportunities for Chinese engineering companies.

To take advantage of opportunities for cooperation, Chinese companies immediately moved into Angola and became the backbone of Angola’s post-war reconstruction. The war had led to enormous damage to infrastructure projects such as airports, harbors, roads, housing and railways. The participating Chinese companies also incurred huge losses, but in the face of the sweeping financial crisis, most of the Chinese companies chose to pull through the hard times together with the Angolans. In the most critical period of the Angolan economic recession, none of the large Chinese state-owned enterprises walked out of their original contracts. Just like cooperation in the oil industry, construction and engineering has become an important part of the strategic partnership between China and Angola in the new century.

It is worth mentioning that the financing model supporting China’s large-scale participation in Angola’s post-war reconstruction is closely related to oil. To a large extent, oil is the pillar that safeguards China’s participation in Angola’s post-war reconstruction and many of the projects are financed by loans from the Export-Import Bank of China. Providing favourable loans is a fundamental form of Chinese government support to Angola. These loans are guaranteed by Angola’s oil income. The China-Angola loan model has some new features, including that the loan is secured, protected against capital abuse, guaranteed by government and under rigorous supervision.

To date, China has already provided loans to Angola in three phases. Angola welcomes Chinese loans as they have no political strings attached. Meanwhile, there has never been an issue of Angola-related bad debts for the Export-Import Bank of China as the loans are guaranteed by oil income. Both sides are very pleased with this model. As Wang Dahai, Vice Premier of the State Council of China, has stated, cooperation between China and Angola is the backbone of bilateral relations.

In recent years, both China and Angola have been very active in promoting their bilateral relations. By bringing their advantages to full play, have cooperated in the fields of economy and trade, investment, energy and finance, making enormous contributions to the national construction and economic development of both countries, and promoting regional peace and prosperity. As Joao Bernardo, Ambassador of Angola to China, said, China has participated in developing Angola’s resources and brought development to Angola, and it was mutually beneficial in that the Angolans were able to enjoy the rich natural resources of their own country. The significance of energy as a new element of bilateral relations in the new century lies in that it expands the base of political and economic cooperation and plays a key role in promoting strategic bilateral relations.

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