

Sino-African Oil Relations in Angola and Nigeria: A Comprehensive Analysis of the Strategic Oil Trade Partnerships and the Anticipated Goals for Future Engagement

Eleanor Dawn Dehaas Reiffenstein

In the past few decades globalization as well as the expansion of industry and technology has incentivized trade relationships between industrializing economies who are at varying stages of economic growth. The authority of western order is being increasingly challenged by the rise of China as the newest influential hegemonic power, despite having been considered a developing country not too many decades beforehand. Its recent Belt and Road Initiative (BRI) to expand trade partnerships beyond what it has already developed will enhance China's goal for expanding its geopolitical influence and guarantee the security of their strategic investments. Before the BRI, China took the initiative to engage economically with African countries to help stimulate more development opportunities, and to present themselves as alternative sources for investment than democratic promoting western entities. This has resulted in Sino-African oil trades in both Angola and Nigeria where China has bought their oil and in return provided Foreign Direct Investments (FDI's) and loans to stimulate more economic growth. The nature of the

Sino-African oil relations to Angola and Nigeria has benefitted the common political interests in the two countries, but it has also created an increased dependency on Chinese investments, whereas China's oil relationship to these countries does not show the same vulnerability. Due to its expanding geopolitical power with the emergent BRI, this paper will argue that Angola and Nigeria continue to act as strategic partners for enhancing China's international energy reserves and for increasing influence in geopolitical relations, but they are also sustaining a growing asymmetrical partnership with augmenting repercussions.

China's BRI and their Increasing Role on the African Continent

China has exponentially grown its market influence in the 21st century. It can now provide on its market advanced technology, including renewables, military technology and software that is highly valuable to many states and thus encourage their entry into trade relations.¹ In 2013 Chinese President Xi Jinping announced the inauguration of the Belt and Road

Initiative. This was to be a new economic expansion strategy that would fortify China's influence over geopolitics by linking its trade and development plans with over 147 nations and providing over \$8 trillion in funding.² Its fortification of this plan involved engaging with nations who could provide them with materials and services it did not already have and to create more economic zones that could exclude the influence of western ideological policy enforcements.³ The BRI has extended more partnerships to the African continent in which China has provided mass funding to various countries to fuel the growth of their economies, their infrastructure, and their technology. Although China has been invested in African oil and the export of many raw materials since the 1990's, its BRI policies have recently raised questions about China's larger incentives for engaging in Africa. Scholars have been considering its increasing role in African economic relations from two perspectives: a realist outlook and a constructivist one. Realism theory would articulate that China is securing alliances with various African nations beyond the west's influence to gain more geopolitical security.⁴ This is to assert more dominance by fostering these countries' dependencies on the new partnerships. Constructivism on the other hand will make the case that these relationships are not asymmetrical but mutually beneficial, because China is asserting its identity as a global power that is willing to help spur developmental growth. Hence it shares similar goals to many African states who seek a future of security and prosperity.⁵ China has

undoubtedly strengthened its security through these integral trade relationships to other nations, but it has also enabled development projects in various countries that have given them many benefits and agency within the deals.⁶ This paper will continue to consider these two theoretical perspectives, along with other contemporary frameworks such as political economy, to form a proper analysis of the benefits and consequences associated to the ongoing partnerships with Angola and Nigeria.

Sino-African Economic Partnerships: The Shifting Angola Model

Over the years the dynamic for Angola's oil trade to China has been one of rent-seeking, but the global oil environment has shifted this relationship, and it has become increasingly unsustainable. As leadership has changed course in the country, Angola has since become aware of a need for alternative bargaining and resource exchange options to remain a contributor to China's energy goals. Oil and gas have been Angola's prime resource and the source of its economic growth potential, but this has caused a natural resource curse as the *only* export to generate substantial revenues. Cold war politics limited Chinese intergovernmental relations to African states, so it was not until the 2000's that Chinese state-owned enterprises (SOEs) began to engage in oil imports. Angola has struggled with a weak governance system, facing issues of corruption and poor services for citizens which led to a long civil war that destabilized the nation's economy

among other issues. When this came to an end in 2002, the president at the time, Dos Santos, refused to accept IMF assistance in exchange for fiscal transparency on an unaccounted for \$4.22 billion reserved for state funding and the industry pivoted its focus to China who was already offering them more in loans.⁷ At the time China was engaging in a “going out” strategy, where it was working to expand its energy sector to grow its industrial capacities. Thus, the two countries established what is now referred to as “marriage of convenience” to help each other work through improving their industrialization.⁸

The relationship that has since developed is known as the Angolan model. This is a method in which “funds usually for infrastructure development... are secured using natural resources,” in this case oil.⁹ The system cultivates rentier politics, in which a state seeks foreign fiscal assistance or ‘rents’ to stabilize its economy, but this exchange is what can foster relations of increasing rent dependency. After negotiations in 2003, China’s state-owned enterprises began loaning money to the government, with the Exim Bank issuing the initial oil credit line of \$4.5 billion and then an extra \$6 billion in 2010 to stimulate public investment.¹⁰ Thus, China became heavily involved in building up the Angolan nation and in turn Angola’s oil was a critical element of China’s quick economic growth. Chinese SOE Sonangol Sinopec International Limited continued to fund state projects and soon over \$40 billion had been invested into the Angolan economy.¹¹ The Angolan model seemed to be a stable deal for both parties. Though Angola was accumulating substantial debt

form the loans, it had no worries for paying it back through oil in future years because it was China’s main oil trading partner on the continent. Yet when the global recession hit in 2008, the price of oil dropped significantly on the global market while at the same time Angola started experiencing oil shortages. This led to a growing debt crisis as Angola has struggled with finding other methods to pay off China’s loans. It was also later revealed that much of the investment money had been funneled to elites rather than the state because of ongoing systemic corruption and weaknesses within the government.¹² Angola has since been trapped in a \$64.8 billion debt to China and is working to pay it back despite China’s gradual decrease in buying Angolan oil, having switched to purchasing more in oil from fellow BRICS nations and the Middle East.¹³ When President Lourenço came into power in 2017, his colder attitude towards China, as opposed to that of his predecessor, may have contributed to China’s slight withdrawal, but Lourenço also asserted that the Angolan Model was no longer a sustainable relationship. Angola still received \$16.8 billion in revenue from crude oil exports to China in, but the new government recognizes that the country needs to implement some alternative negotiating strategies to continue its own economic growth.¹⁴ The initial marriage of convenience is now falling apart because China no longer has the necessity to sustain Angolan oil relations to grow its energy sector. Angola is now increasingly aware that they have remained partners from the motive to uphold a strong presence in

Africa and keep China's geopolitical reputation apparent.

Nigeria: The Transactional Dynamic of Oil for Infrastructure

Like Angola, Nigeria began full engagement in bilateral trade relations with China in the 2000's, generating a similar system of foreign aid, including many more FDI's funneled into Nigerian infrastructure in exchange for oil and mineral exports. China's role in the relationship has generated substantial economic growth for Nigeria, and the BRI has continued these interactions with the country because of Nigeria's abundant crude oil reserves. Yet over time this relationship also reflects an increasing dependency towards China, which has resurfaced issues of corruption and a future of a mounting debt.¹⁵

Oil relations were primarily western driven before China expressed interest in investment in drilling in the oil wells. In 2001, China and Nigeria signed an Agreement on Trade, Investment Promotion and, and the Nigerian President Obasanjo explained the foreign policy campaign to be similar to the oil for infrastructure relationship in Angola.¹⁶ This narrative was later revoked for an alternatively worded agreement that would diversify China's interest in Nigerian socio-political relations beyond oil rents.¹⁷ In 2004, China's oil projects in Nigeria began with the SOEs establishing properties in the country and commencing oil drilling operations.¹⁸ China established its first free trade zone in Lagos, gaining a foundation in the country where it could promote over

300 000 job opportunities in the industry and funnel investments and loans into the state.¹⁹ By 2008 the inflows of Chinese FDI's reached \$1631.14 billion, even while this only accounted for 6% of China's overall FDI distribution.²⁰ As crude oil was being exported to China, they were in turn building roads, ports, and bridges to contribute to the National Integrated Infrastructure Plan while also providing foreign aid and to incentivise growth in the various economic sectors.²¹ The BRI has since emphasized the mutual benefit of Nigerian oil exports to China as one of the world's largest oil consumers and this policy has helped to increase the export capacity of Nigerian raw materials across the world.²² There have been many opportunities generated from the oil relationship to China, because although it is also rent based in its policies, these oil rents have given Nigeria more foreign currency in \$USD to grow its influence in the international market.²³

Yet, when observing the longer-term impacts of the initial trade protection agreements and the BRI, it is becoming clearer that the benefits are becoming increasingly one-sided. The Sino-Nigerian relations allowed Nigeria to build sustainable infrastructure and to engage in developing more exports of agricultural and raw materials, but the loans that allowed this growth now reach over \$14.5 billion that the Nigerian government owes back to China.²⁴ Nigerian oil exports can work to make up this amount but the additional costs of importing advanced technological goods from China and other manufacturers versus the decreasing cost of Nigerian raw material exports will

prolong this debt. Additionally, there is an increasing movement of Chinese investors and industrial projects into Nigeria, but this is not reflected vice versa with Nigerian companies investing and settling into China.²⁵ Like in Angola, Sino-Nigerian oil relations emerged to build up China's energy deposits and to stimulate growth to help fix domestic issues that were inhibiting its ability to become a bigger economic contender. The BRI has sustained this economic growth for longer than the loans have in Angola, but it has generated a similar debt entrapment which sequentially formalizes another asymmetrical relationship of dependency. For China, this is not an issue it needs to solve, for the BRI extends to countless other countries and is expanding its industrial and foreign policy connections. The mounting debts these countries owe will keep China in the advantageous position for further bilateral agreements. Nigeria on the contrary is left in a binding economic rent agreement that may over time decrease its chances for opportunity in the international environment.

Further Challenges to the Foreign Trade Relationship

Sino-African oil-for-infrastructure partnerships have spurred capital growth in Angola and Nigeria at different periods of time with both having aided the governments in funding development projects while subjecting them to debt dependency problems. What has altered these trade dynamics further and remained a prominent issue through both cases has been the ongoing corruption and human

rights disputes caused by this relationship dynamic.

In Nigeria, there have been emerging complaints from labour unions regarding the payment of Nigerian workers by the Chinese SOEs. While Chinese involvement in Nigerian and Angolan oil was supposed to generate more employment opportunities in parts of the countries, the complaints have been directed towards lower paying wages and poor working conditions.²⁶ Furthermore, China has been increasingly bringing its own migrant labour force to build the infrastructure projects it promised to Angola and this has also limited the scale of African employment and involvement.²⁷ The BRI sustains nationalist goals for economic cooperation, but it as well as previous SOE involvement with the two states has "the potential to undermine good governance...due to the fact that they lack conditions for anti-corruption and accountability."²⁸ Corruption has been causally related to oil rent-seeking countries and this notion is sustained in the SOE relationships to Angola and Nigeria, with many bureaucrats keeping the money for themselves rather than dividing it between public sectors.²⁹ Despite the economic cooperation, it is now being increasingly questioned if China's involvement is benefitting the local people or if its state elites are holding the cards while the people are subjected to conditions for work and living that Chinese SOEs control.

It must be noted that even before the BRI, it has become a key priority for western hegemonic political and security institutions to monitor Chinese policies

and its global influence in the developing multipolar world order. China's state capitalism and its lesser engagement in promoting democratic principles including human rights has been a direct challenge to western liberal ideals.³⁰ This has seemingly influenced a greater competition in Sino-American relations, especially as China's revisionist tendencies for the emerging world order is a rhetoric continually used by US President Trump.³¹ The consequent BRI policies have led to a decrease of US oil trade in Angola and Nigeria and the Sino-African partnerships have been increasingly criticized by western nations with many calling these trade relations 'neo-colonial'.³² While these analysts are identifying the emerging realities of these Sino-African relationships, the west must also be careful with this analysis because it could be considered hypocritical. There has been a darker history of western colonial relations on the continent and the impacts from the colonial period are still relevant in ongoing domestic issues within the countries. Now with globalization and market fluctuations, African countries have been subject to increasing trade disparities from the costs of importing manufactured goods versus exporting raw materials, and this has generated a definite economic and political dependency to some western nations. Western countries will continue to be apprehensive of the growing Chinese presence in Africa, but they must also be considerate of African countries' own goals and autonomy when engaging in these agreements.

Analysis and Recommendations for Future Economic Engagement

China has entered economic relations with these two countries in a strategic manner. It was aware of the fortification that the US companies already had on the continent for extracting oil, so it offered the governments a more lenient foreign trade dynamic with the promise of more autonomy for government goals. US and European influence on the continent had been consistent over the past decades with promoting democratic principles, with both sharing an invested goal in guiding more African countries towards democratic transitions.³³ While many African states benefit from foreign relations to western counterparts, there are those who cannot adhere to the funding requirements from being unable to hold their governments or workers accountable to them. This has caused pauses in loan distribution as seen in Angola. China has since expressed interest in trade options that are mutually beneficial while never indicating a requirement for sustainable work practices or democratic progression. Thus, the fostered Sino-African trade dynamic may seem to these African states to be a simpler engagement because there have not been many difficult asking prices.

Though the terms for engagement have been simpler, these ensuing issues have increased discourse on the matter of Angola's and Nigeria's future with China. China has become invariably nationalist-focused in the current decade, and the BRI has been succeeding in establishing the long-run goals for economic-hegemony. The BRI has since diversified its trade options in 2018 and 2022, with China implementing a Digital Silk Road and a Health Silk Road Initiative that has

imported more valuable goods and services to these African communities.³⁴ Returning to the realist view of China's ties to these African Countries, it is indeed clear that China has fostered relations of dependency over the years. This paper argues that these do serve its geopolitical interest for maintaining economic footholds on the continent through soft-power economic alliances. Nigeria and Angola will no doubt keep these good relations with China so they can continue to gain revenue as oil providers – but also because they now have no choice but to slowly attempt to pay off the debts. However, constructivist perspectives of the relationships cannot be counted out either. The engagements with the countries began as a mutually beneficial prospective for national growth and it has contributed some very effective development opportunities for Angola and Nigeria. These countries navigated around stricter trade regulations placed by the IMF to see quick progress within their cities and communities resulting from Chinese investment. Though the relationship has veered more in China's favour for future negotiating power, the rate of growth in human capital and infrastructure implementation cannot be discounted.

Yet the resulting debts, corruption and workers' rights repercussions from the trade dynamic have made it clear to these countries that the dynamic of this relationship must change. Angola and Nigeria have been integrated in the geopolitical environment and increasingly in the global markets for consecutive decades, some of this partly due to China's support but also from their own ongoing desire to uphold their sovereignty as

nations.³⁵ The countries may continue to be reliant on their rentier bargaining power of oil wealth, but they have the self-determination to change certain stakes and develop a goal-oriented approach towards future Sino-African engagements. One strategy could be to build up one of their other industries to take the pressure off the oil dependency perhaps by trying to increase agricultural exports or the tourism industry.³⁶ Another increasingly necessary measure would be to create contracts with the SOEs to ensure there are documented policies for the correct treatment of workers in the oil fields. A third alternative plan could be to diversify their trade and political relations with other large economies, like what the current Angolan President Lourenço is doing with Japan and EU nations.³⁷ There are various other steps the governments could take to leverage their role in helping China maintain this foothold in Africa.

Conclusion

This paper has considered the development and the ongoing circumstances of the Sino-Angolan and Nigerian oil trade partnerships, to discuss the implications of their debt prolongment and to factor in Chinese geopolitical goals from the BRI. Ultimately China has invested in Angolan and Nigerian infrastructure and economic development for a reason, whether this began as a drive for dual market growth, or if it has now proceeded to advance China's nationalistic goals at the expense of African economic independence. The growth has increased opportunities for both parties, but now Angola and Nigeria must

strategically navigate the future of this trade relationship to China. They can do this by creating their ideal policy frameworks for managing the future of this relationship and by creating plans to lower their debt dependency. Nigeria and Angola can rise to an offensive stance similar to China's, by asserting their sovereign power as resource wealthy states on the continent

and by using their oil and increasing industrial capacities to return the trade relationship to one that is more symmetrical. The future dynamics of these Sino-African relationships is unclear, however there still exists lots of potential to align it back to a mutually beneficial system.

Endnotes

1. Iffat Ara Jasmin, Imran Hosen, and Ananda Kumar Biswas, "Geopolitical Chessboard: China's Belt and Road Initiative and Shifting Power Dynamics," *Discover Global Society* 3, no. 1 (2025): 2, <https://doi.org/10.1007/s44282-025-00200-w>.

2. Jasmin et. al, "Geopolitical Chessboard," 2.

3. Adekunle Akinola and Nolubabalo Magam-Chaka, "China-Nigeria Relations Under the Belt and Road Initiative and Prospects of Economic Development in Nigeria," *Journal of African Foreign Affairs* 12, no. 2 (2025): 12, <https://www.proquest.com/docview/3246299050/305ABA9516F4449PQ/4?accountid=12599&sourcetype=Scholarly%20Journals>.

4. Jasmin et. al, "Geopolitical Chessboard," 3.

5. Ibid, 4.

6. Tola Amusen and Philip Nel, "The limits to mutual benefit: a neo-mercantilist perspective on China's economic relations with Nigeria," *South African Journal on International Affairs*

30, no. 1 (2023): 143, https://www.tandfonline.com/doi/pdf/10.1080/10220461.2023.2207557?casa_token=zN4O1Mda-bkAAAAA:eqJ3f9QhtvhiXiANXI_J5jqpELG7vgJ3t-rJni3OI7XKo3WvGUuQoiRY4qHzxOOijLxVWK4pcN-iVlQ.

7. Paulo de Carvalho, Kopyński Dominik, and Ian Taylor, "A Marriage of Convenience on the Rocks? Revisiting the Sino-Angolan Relationship," *Afrika Spectrum* 57, no. 1 (2022): 10, <https://www.proquest.com/pq1socialsciences/docview/2762165941/F47D4D07296B4C59PQ/3?accountid=12599&sourcetype=Scholarly%20Journals>.

8. Sumie Yoshikawa, "China and Angola: From the Pioneering 'Angolan Model' to a 'New' Relationship," *Asia - Pacific Issues* 170 (2024): 2, <https://www.proquest.com/pq1socialsciences/docview/3177502771/fulltextPDF/53F9877A092A4EDCPQ/8?accountid=12599&sourcetype=Scholarly%20Journals>.

9. Lucy Corkin, "Uneasy Allies: China's Evolving Relations with Angola," *Journal of Contemporary African Studies* 29, no. 2 (2011): 170, <https://www.tandfonline.com/doi/epdf/1>

0.1080/02589001.2011.555192?needAccess=true.

10. Corkin, "Uneasy Allies," 171.
11. Yoshikawa, "China and Angola," 4.
12. Ibid, 5.
13. de Carvalho et. al, "Marriage of Convenience, 16.
14. OEC, "Angola and China Trade," *The Observatory of Economic Complexity*, 2023, Accessed November 14th, 2025, <https://oec.world/en/profile/bilateral-country/ago/partner/chn.>; Corkin, "Uneasy Allies," 178.
15. Akinola and Magam-Chaka, "China-Nigeria Relations," 25.
16. Vahid Nick Pay and Elemchi Nwosu, "China's Engagement with Africa: Promoting Rentierism? A Case Study of Sino-Nigerian Relations," *Asian Affairs* 51, no. 2 (2020): 353, <https://www.tandfonline.com/doi/full/10.1080/03068374.2020.1762358#d1e88>.
17. Pay and Nwosu, "China's Engagement with Africa," 348.
18. Gold Kafiah Lola and Evelyn S. Devadason, "The Engagement of China in Nigeria's Oil Sector: Is the Transformation Positive?" *Contemporary Chinese Political Economy and Strategic Relations* 4, no. 3 (2018): 1041, <https://www.proquest.com/docview/2184343056/fulltextPDF/55AD12CoC6A64BB0PQ/16?accountid=12599&sourcetype=Scholarly%20Journals>.
19. Lola and Devadason, "Engagement of China," 1038.
20. Ibid, 1041.
21. Akinola and Magam-Chaka, "China-Nigeria Relations," 19.
22. Ibid.
23. David Joseph, Mohammed Gamal Awadh Ahmed, Mohd Asri Mohd Noor, and Zainizam Zakariya, "Oil Rent, Corruption and Economic Growth Relationship in Nigeria: Evidence from various Estimation Techniques," *Journal of Money Laundering Control* 27, no. 5 (2024): 970, <https://doi.org/10.1108/JMLC-10-2023-0160>.
24. Akinola and Magam-Chaka, "China-Nigeria Relations," 24.
25. Pay and Nwosu, "China's Engagement with Africa," 355.
26. Lola and Devadason, "Engagement of China," 1049.
27. Yoshikawa, "China and Angola," 5.
28. Akinola and Magam-Chaka, "China-Nigeria Relations," 22.
29. Joseph et. al, "Oil Rent," 973.; Yoshikawa, "China and Angola," 5.
30. Shaun Breslin and Ian Taylor, "Explaining the Rise of 'Human Rights' in Analyses of Sino-African Relations," *Review of African Political Economy* no. 115 (2008): 61, <https://www.tandfonline.com/doi/epdf/10.1080/03056240802011469?needAccess=true>.
31. Reymond B. Flores, "Chinese Political and Trade Influence in Africa and Asia Amidst Constant Competition with the United States," *Contemporary Chinese Political Economy and Strategic Relations* 10, no. 1 (2024): 2, <https://www.proquest.com/pq1socialsciences/docview/3165455062/53F9877A092A>

4EDCPQ/35?accountid=12599&sourcetype=Scholarly%20Journals.

32. Ian Taylor, "China's interest in Nigeria's oil sector and the American context," *Canadian Journal of African Studies* 48, no. 3 (2015): 403, <https://www.tandfonline.com/doi/full/10.1080/00083968.2014.971833#d1e110>.; Simplice A. Asongu and Gilbert A.A. Aminkeng, "The economic consequences of China-Africa relations: debunking myths in the debate," *Journal of Chinese Economic and Business Studies* 11, no.4

(2013): 273, <https://www.tandfonline.com/doi/epdf/10.1080/14765284.2013.838384?needAccess=true>.

33. Breslin and Taylor, "Explaining the Rise," 67.

34. Yoshikawa, "China and Angola," 7.

35. Corkin, "Uneasy Allies," 177.

36. Joseph et. al, "Oil Rent," 974.

37. Yoshikawa, "China and Angola," 5.