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**DRIVING FACTORS OF CHINA’S ENERGY DIPLOMACY TOWARDS AFRICA IN THE  
 CONTEXT OF INTERNATIONAL ENERGY SECURITY**

<b>Abstract:</b>	<p><i>Energy security has developed into one of the important drivers of Chinese foreign strategy towards Africa. China’s diplomatic maneuverings have commercialized its energy needs to ensure lasting and uninterrupted access to resources such as oil and gas from countries endowed with resources particularly sub-Saharan Africa. Ironically, Africa is rich in oil resources but lacks the technological and monetary know-how to explore these resources for the good of the African people. Therefore, Africa has become the target of Chinese oil and gas companies. China continues to employ tactical soft power strategies to infiltrate Africa’s exploration and engineering sectors to accomplish its energy needs. China with its technological and financial advantage over Africa continues to invest huge resources in the African energy industry.</i></p> <p><i>Chinese energy investment is evident in every part of Africa. China’s energy diplomacy aims to secure much-needed energy for the ever-increasing Chinese domestic and industrial needs at a substantially cheaper price.</i></p> <p><i>This study seeks to unearth the Driving factors of Chinese energy diplomacy towards Africa from the perspective of international energy security while outlining its effects. The methodology for this study is desktop research.</i></p>
<b>Keywords:</b>	<b>Energy diplomacy; Energy security; China energy; African energy; international energy security</b>
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**Introduction**

China's recent ascent and massive investments, developmental projects, explorations, and security sector involvements such as providing arms and military hardware in Africa are not all about generous romanticism for the African people. Indirectly, it’s all about the obsession with securing the most vital resources, particularly oil and gas which has become the engine of growth for the Chinese economy, as well as a new market for its export products. Antagonized by the increased importation of natural resources at the beginning of the 21<sup>st</sup> Century, Chinese leadership commenced a strategic direction to diversify its energy policy to attain vital resources from the world-producing nations. This policy direction was triggered by the aftermath of September 11<sup>th</sup> of 2001, and to relieve the Chinese economy's reliance on oil supply from the Middle East. Before 9/11, China depended on over 60 % of its oil imports from the Gulf region, today that narrative has changed drastically<sup>599</sup>.

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<sup>599</sup> Alan Collins, (3<sup>rd</sup> ed.), *Contemporary Security Studies*, Oxford University Press, London, 2012, p. 308

In response to events in the international oil markets, China's policymaker introduced a "go out and buy" strategy. This was an all-out investment policy targeting Africa's exploration sectors most notably oil and gas, to acquire the needed resources for Chinese domestic and industrial use. Subsequently, China's universal economic and political influence expanded to places like Africa, this echoes national economic growth, which pushed the Chinese desire to explore new areas for natural resources, specifically in Africa. The study aims to explore the drivers of this huge Chinese investment in the African oil industry, an enterprise once regarded as the restricted rights or monopoly of Western multinational corporations. Also included are the actions of the Chinese authorities in controlling the operations of Chinese enterprises and the provision of financial and diplomatic backbone for their operations in Africa. These two reasons explain why Chinese enterprises can withstand the shocks of their Western enterprise in Africa's oil sector.

### **Global Energy Security and Challenges**

The global energy demand continues to grow at an alarming rate, it is estimated that the current trend will continue. The problem is that there is no guarantee for stable and reliable sources of supply to meet the ever-increasing global demand for energy supply. The result is an increasing 'energy gap' between global energy demand vis a vie global energy supply, which has intensified apprehensions among world policymakers on the future global energy supply system.

In 2011, the International Energy Outlook reported that global energy consumption will continue to increase. For example, in 2008 it was reported that about 505 quadrillion British thermal units (BTU) of oil were consumed globally, and this is predicted to increase to 619 quadrillion B in 2020, and further projected to reach 770 quadrillion Btu by 2035<sup>600</sup>. This clearly shows an astronomical rate of increase in global energy demand, while also predicting the possibility of a global energy crisis in the coming years. Countries that consume a large portion of the world's energy are equally set to increase their consumption by almost 20% by 2030, this is due to economic growth which demands an increase in energy supply.

This study is based on the fact that a major concern for global energy demand is from the new emerging economies most importantly China, Brazil, and India. It has been predicted that energy demand for developing economies will probably increase by 85 percent by 2030. This will unquestionably trigger global energy consumption while putting pressure on energy-supplying countries. The swift growth of these economies is gradually altering the global energy demand. In 1980 developing economies accounted for less than 8% of total energy consumption. However as of 2005, this has increased to 18%, and it is projected to hit 25% by 2030. The United States of America in 2002 accounted for about 20% of the international energy supply. Undeniable Chinese energy consumption is anticipated to surpass that of the United States by 2030. This has made some energy experts label it as the 'Chindia Challenge', which is expected to increase the problem of global energy insecurity<sup>601</sup>.

To date, fossil fuel continues to account for 87% of world energy production, either from oil, coal, or natural gas, while the remaining 13% is obtained from nuclear and other renewable sources of energy. Oil and gas continue to be very important in industrial operations and the industrialization drive of all emerging economies. Oil and gas equally serve as the backbone for the greater part of the global transport network, manufacturing, and other commercial activities. It is anticipated that the global energy consumption of 84 million barrels per day (mbd) in 2008, will likely increase by 35% by 2030, this will subsequently require an additional 29 million barrels of oil each day to fill the projected energy gap between the growing demand and supply<sup>602</sup>.

Considering the global qualms about the size and stability of the global energy supply, the anticipated increase in demand for global energy will most definitely be a huge challenge. To this, some energy experts tend to forecast an adequate possible increase in oil, gas, and coal production to meet the growing global

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<sup>600</sup>International Energy Administration 2011, [https://books.google.com.gh/books?hl=en&lr=&id=zhMx6bhbtm4C&oi=fnd&pg=PR14&dq=International+Energy+Administration+2011&ots=AleCyvxVhN&sig=aR\\_DXbGm2kjliNVIK9O3edBpfzk&redir\\_esc=y#v=onepage&q=International%20Energy%20Administration%202011&f=false](https://books.google.com.gh/books?hl=en&lr=&id=zhMx6bhbtm4C&oi=fnd&pg=PR14&dq=International+Energy+Administration+2011&ots=AleCyvxVhN&sig=aR_DXbGm2kjliNVIK9O3edBpfzk&redir_esc=y#v=onepage&q=International%20Energy%20Administration%202011&f=false) (23.11.2023)

<sup>601</sup> Micheal Klare, *Rising Powers Shrinking Planet: The New Geopolitics of Energy*, Metropolitan Books, New York, 2008, p. 30

<sup>602</sup> Alan Collins, *Op. cit.*, p. 308

demand. One may be tempted to say why can't oil-rich producing countries increase their output, while also increasing the size of their reservoir to meet global demand? However, the International Energy Agency has started looking at the current energy demand and supply and expressed that the moment of 'peak oil' might come sooner than anticipated. 'Peak Oil' is described as the moment when the discovery and exploitation of new oil reserves will no longer match or exceed the decline in production level from existing reserves, thereby leading to an overall decline of production<sup>603</sup>.

### **International Relations Theories and Energy Security**

Two of the dominant schools of International Relations express different views on Energy security on international stability, security, and development. This study will therefore shed some light on these two views. According to the Liberal interpretation of international relations, the uncontrollable propagation of liberal democratic rule in the post-Cold War period, vis-à-vis free-market capitalism, has brought about peace and stability in many regions of the world which has benefitted from a world order initiated by the West since 1945. The process of globalization which is rapidly expanding has immensely increased a set of interlocking between nations on the guarantee that state interests are gradually incorporated into the reasoning of multinational economic cooperation. This has reduced the probability of inter-state rivalry, given the premise among liberals that wars among main actors or players have become an outmoded phenomenon in the 21<sup>st</sup> century. The concept of transnational economic cooperation, and the growing dependence on oil by major powers in the global south, make it improbable to plunge the main actors into war. The global energy system has the sole responsibility for producing oil levels, and the main transportation routes, and dictates prices, while also mediating among producers and consumers<sup>604</sup>.

The attention of all major players has become extremely entangled because the energy security of each state has become intertwined and inseparable. Energy security has become a major preoccupation of all nations since an increase in energy prices at the international market has a drastic effect on all economies. The major preoccupation of all international actors is to ensure the maximization and stabilization of oil in the international market while minimizing price fluctuation. Additionally, the common interest of all nations is not dependent on where each nation physically receives its oil from, nevertheless, the stabilization of the market price has become a major concern to all nations across the globe. Affirming this concern, the US government acknowledges that, "We should not.... look at energy security in isolation from the rest of the world. In a global energy marketplace, US energy and economic security are directly linked not only to our domestic and international energy supplies but to those of our trading partners as well.... Because the price of our domestic and imported oil is determined by a world market, our energy security interests transcend the source of our physical supplies"<sup>605</sup>.

According to Liberal Reason, the interconnected landscape of the international economy warrants that the energy security of one state *is* reliant upon energy security for all nations to which all major actors command identical interests to maintain and extend the conditions under which the international energy market operates. The Liberal view holds that the existence of economic order makes conflicts among major actors over energy reserves extremely doubtful. The wisdom of realist theorists holds a contrasting view and is skeptical most importantly of the durability of the current liberal order. The realist thinkers equally point out some alarming events that according to their wisdom are most likely to plunge the current world order into a bigger geo-political conflict which they call "Resource wars"<sup>606</sup>.

The perceived "Resources War" according to the realist wisdom is understood to present a vivid prospect for a breakdown in international cooperation and order because of the competition for control of major resources. From the view of Michael Klare, "the energy equivalent of an arms race to secure control over whatever remaining deposits of oil and natural gas are up for sale on the planet, along with reserves of other vital minerals. The resources race is already one of the most conspicuous features of the contemporary

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<sup>603</sup> George Monbiot, *At Last, a Date*, "The Guardian", 15 December 2008, <https://www.theguardian.com/global/2008/apr/04/resource>, (15.10.2023)

<sup>604</sup> Alan Collins, *Op. cit.*, p. 310

<sup>605</sup> US Department of Energy, Executive Office of the President Washington Dc, *National Energy Policy: Report of the National Energy Policy Development Group*, 2001, <https://apps.dtic.mil/sti/citations/tr/ADA392171>, p.17

<sup>606</sup> Alan Collins, *Op. cit.*, p. 312

landscape and, in our lifetime, may become the most conspicuous one. An insatiable, zero-sum contest that, if allowed to continue along present paths, can only lead to conflicts among the major powers”<sup>607</sup>.

From the above standpoint of realism, energy scarcity will perhaps result in future disruption of the international structure because of the anarchy nature of the international order. Similarly, the development of a ‘new international energy order’ associated with a lesser amount of free liberal market transactions by neomercantilism can also lead to world energy disruptions. Realism views affirm recent development by a non-liberal state particularly China, which seeks to evade the international energy market. From the understanding of Chinese leadership, such a development is motivated by the shared degree of The United States of America’s control and manipulation of oil resources in the Persian Gulf, this has given Washington total control of the flow of oil resources during periods of heightened Sino-US tension<sup>608</sup>. Due to the above assertion and anticipation, Chinese leadership continues to pursue bilateral agreements with oil-rich governments across the global space, particularly in Africa resulting in China’s dealings for oil outside the international market.

### **Drivers of China’s Foreign Policy towards Africa**

In an article published in 2005 entitled, “China’s Global Hunt for Energy” authors by Zweig and Jianhai, “asserted that Chinese energy policy has been crafted to meet the demand of domestic policy requirements of guaranteeing a continuous supply of all vital raw materials imports most needed to satisfy its growing economic development pathway<sup>609</sup>. To accomplish this the government of the Chinese Communist Party directed state-controlled enterprises to hunt for exploration of natural resources from countries particularly in Africa that are rich in natural resources notably oil and gas. To show their appreciation the Chinese government awards the heads of state of those nations with juicy and spiced Chinese-styled diplomatic favors, such as favorable trade agreements, low-interest investment loans, debt relief, infrastructure loans, academic scholarship for government officials and citizens, economic and as well as financial aid. It should be noted that Chinese-styled diplomacy is characteristically different from Western-styled diplomacy.

For the Chinese, Economic development should supersede democracy and good governance, while the West places much emphasis on democratization and good governance before economic development. Another aspect of Chinese foreign policy with Africa centered on Economic growth, that is improving the international competitiveness while refining its growth pattern. China became an official member of the World Trade Organization (WTO) in 2001, from the get-go, the Chinese government established what was called the “Go Out” strategy for Chinese enterprise. This policy aimed at improving the international competitiveness of Chinese enterprises. The policy enlists between 30 to 50 best-performing state enterprises, which are then granted Chinese Central government financial support to develop this enterprise to develop into international standards while exploiting Chinese comparative advantage to gain more access to key inputs and explore new markets overseas while creating international brands for Chinese products<sup>610</sup>.

The Chinese central government offered financial and political support to these Chinese companies to grow into multinational companies that can compete efficiently in the global space. In Chinese wisdom, this strategy was to improve domestic consumption while easing restrictions on export-oriented growth. One important factor in this strategy is the “lock-in” reserve that the Chinese government would need to procure on the international market. This is achieved by safeguarding longstanding energy supply agreements with the host nations while supervising the supply chain from the source to the endpoint user in China<sup>611</sup>. Considerable China’s foreign policy toward Africa echoed the approaches outlined above. For example, in June 2007, the Chinese government instituted a \$5 billion special fund (China-Africa Development Fund (CAD Fund) aimed at investing huge resources in Africa’s mineral and raw material industries<sup>612</sup>. The aim of the China-Africa Development Fund (CAD Fund) was to stimulate Chinese investment in Africa by Chinese enterprises in

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<sup>607</sup> Micheal Klare, *Op. cit.*, p. 30

<sup>608</sup> *China’s quest for energy security, 2000*, “Rand Corporation”, Downs Erica Strecker, p. 35, [https://www.rand.org/pubs/monograph\\_reports/MR1244.html](https://www.rand.org/pubs/monograph_reports/MR1244.html) (28.10.2023)

<sup>609</sup> David Zweig, Bi Jianhai, *China’s global hunt for energy*, “Foreign Affairs”, Vol. 84, No. 5, 2005, p. 26

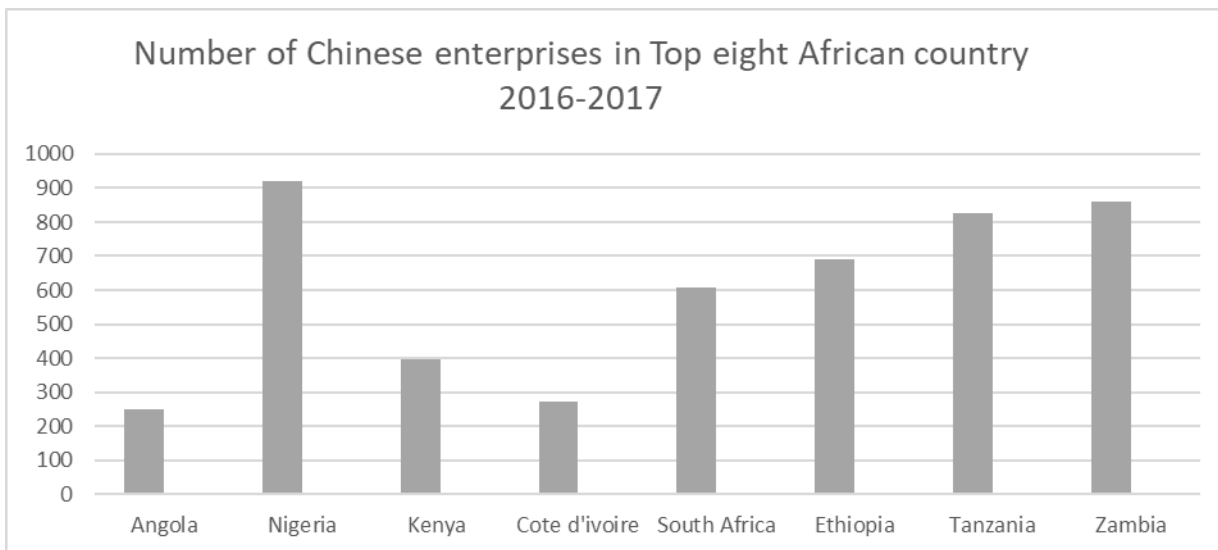
<sup>610</sup> *Ibidem*, p. 32

<sup>611</sup> David Zweig, Bi Jianhai, *Op. cit.*, p. 33.

<sup>612</sup> Hangwei Li, *From Politics to Business: How a state-led fund is investing in Africa? The case of the China-Africa Development Fund*, p. 6, [www.bu.edu/gdp](http://www.bu.edu/gdp), (20.09.2023)

power generation, natural resources, manufacturing, and transportation. Chinese businesses were granted the needed financial resources for investment in Africa.

The results of this policy have witnessed an increase in Chinese Foreign Direct Investment (FDI) in Africa to about 327 percent between 2003 and 2004. Table 1 below displays the number of Chinese businesses operating in Africa.



**Table 1. Number of Chinese Enterprises Operating in Africa<sup>613</sup>**

The data above explain the number of Chinese enterprises operating in the top eight African countries. Based on the data above there are over 4,822 Chinese enterprises operating in the top eight African countries between 2016-2017. Nigeria continues to attract the highest number of Chinese investors with 920 Chinese enterprises between 2016 and 2017, this is anticipated to more in 2023, followed by Tanzania and Zambia with 826 and 861 Chinese enterprises respectively. The last is Angola with 248 Chinese enterprises. Currently, data will show more Chinese enterprises operating in Africa<sup>614</sup>.

Another component of Chinese foreign policy towards Africa is diplomacy. Here too Africa plays a critical role. The two main purposes for Chinese foreign policy are, for African countries to support the One China policy while isolating Taiwan, and secondly for African countries to support China's effort to rebalance the hegemony of the USA in international political circles. For China to counter the imperialist agenda of the West, the Chinese government has established a strong diplomatic tie with most oil-rich producing countries in Africa, this ensures that China obtained the needed oil supply for domestic needs while counting on the support of African states in matters of international deliberation. Another equally important aspect of Chinese diplomatic strategy is the reinforcement of a new model for development for developing nations. This new China-engineered model of development places economic growth before democratic growth. This is completely contrary to the Western model of development that placed democratic growth before economic growth. To affirm China's position Professor Yang Guang explicitly outlined that China supports a "balance of reform, stability, and development... that democratization should not be a precondition to development"<sup>615</sup>. However, all countries should be allowed to seek their development model that applies to their unique conditions. This attests to the Chinese policy of non-interference in other countries' affairs which according to Chinese understanding has become the precondition of the West for far too long.

<sup>613</sup> Authors compilation based on secondary data; <https://www.statista.com/statistics/1259471/chinese-firms-in-africa-by-country> (12.07.2023)

<sup>614</sup> <https://www.statista.com/statistics/1259471/chinese-firms-in-africa-by-country>, (03.09.2023)

<sup>615</sup> Adisu Kinfu, Thomas Sharkey, Sam C. Okoroafo, *The impact of Chinese investment in Africa*, "International Journal of Business and Management", Vol. 5, No. 9/2010, pp. 40-43

This diplomatic effort is further enshrined within the economic and political framework of the Forum on China-Africa Cooperation (FOCAC), which was Instituted in 2000. To date, the Forum on China-Africa Cooperation has become the single most important political and economic cooperation in all relations between China and Africa<sup>616</sup>. This Forum has equally become the merging point for all, economic, diplomatic, and political cooperation between China and Africa. African leaders understand the need to support China's quest to ensure resource stability to meet their domestic demand through various commercial cooperation. These wise African leaders continue to offer their support to China's bid to transform the hegemonic dominance of the West while advocating for rationality, and equality in shaping the current world economic and political order which has become detrimental to the developing world, particularly Africa. Also included in the diplomatic and foreign deliberations with China is the acknowledgment by African leaders of Chinese principles of "non-interference" in domestic matters of other countries. These core Chinese values have indeed made African countries impotent in matters that concern China both locally and in the international space. This is so because Chinese investments in Africa are attached to these "non-interference" principles. For example, while the West particularly the USA, was so critical of the Chinese for the outbreak of the COVID-19 pandemic which crippled the world and broke so many economies including developing countries<sup>617</sup>, this study can attest to the fact that no African leader was bold enough to speak out against China for the outbreak of the Covid-19 pandemic, let alone accuse China as the cause of the pandemic. In a nutshell, China's principle of "non-interference" has become a bargaining tool in all its diplomatic and bilateral activities with Africa. It is the view of this paper that should be noted that China is not better than the West, while China uses the principle of "non-interference" as a bargaining tool, the West equally employs the "democratization principle" as a tool in all its diplomatic relations with Africa<sup>618</sup>.

It is the view of this study that, these two approaches adopted either by the West or China are the different sizes of the same coin, which are all conditions non-negotiable. China's wisdom is critical of the West which held that economic development should proceed with democratic development and that Economic development has far bigger benefits than democratic development as propagated by the West. To the Chinese, countries should be given the choice to practice their system that will apply to their conditions and not follow Western ideology even its not applicable to them. The West has been critical of China's approach of engaging with every rough regime with the promise of economic and infrastructure projects while exploring the natural resources of African countries without any substantial direct investment and regime change.

Lastly, the institution of the China-Africa Development Fund (CAD Fund) has equally become another important part of the Chinese government's foreign policy strategies. The CAD Fund since its inception has witnessed several operations in many parts of the African continent. The idea for the institution of the CAD Fund was to offer financial assistance to Chinese companies willing to operate in Africa, particularly in the extraction and manufacturing sectors. In January 2006 the Chinese government published China's Africa Policy documents. Contained in this document are the economic, social, and political philosophies for conducting all relations between China and Africa. According to the Chinese authorities, their interactions with Africans are mutually exclusive and beneficial to achieve what is called a win for all. The establishment of the CAD Fund has therefore become a vital component of China's foreign policy practice<sup>619</sup>.

Table 1 above attests to the number of Chinese enterprises working in Africa between 2016-2017<sup>620</sup>. While the number of Chinese enterprises in Africa continues to grow year by year, it must be noted that China has been able to within a shortest possible time to eradicate over 800,000 million people from poverty and continues to make remarkable economic and social progress over the last two decades, many African countries continue to grapple with political, economic, and social challenges, particularly poverty, huge unemployment

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<sup>616</sup> Francis Kwesi Kyirewiah, Xiaolong Zou, *20-Years of China-Africa Cooperation: Processes, Developments and Achievements*, "Journal of African Foreign Affairs", Vol. 9, No. 2/2022. p. 36

<sup>617</sup> The National Bureau of Asian Research (NBR), *Strategic Asia 2001-02: Power and purpose 2022*, <https://www.nbr.org/publication/strategic-asia-2001-02-power-and-purpose/> (13.08.2023)

<sup>618</sup> *Idem*

<sup>619</sup> Institute of Chinese Studies, *White Paper on China's African Policy, January 2006*, "China Report", Vol. 43, No. 3/2007, pp. 375-391, <https://doi.org/10.1177/000944550704300309> (15.09.2023)

<sup>620</sup> Statista, *Number of Chinese firms in Africa Between 2016 and 2017, by country*, <https://www.statista.com/statistics/1259471/chinese-firms-in-africa-by-country> (12.07.2023)

and unprecedented deterioration of physical infrastructure<sup>621</sup>. China's increasing demand for a stable energy supply has therefore become an integral part of its relations with Africa, and this is not the only key factor<sup>622</sup> in China-Africa relations. Appreciating Chinese intent on African soil, it is equally imperative to take into consideration China's strategic interests. As Wenping He considers: "to have a broader interpretation of Chinese strategies and drives in Africa, is to take a wider clarification while considering China's total diplomatic pursuits such as China's global positioning agenda, Chinese persistent calls for urgent reforms of the global governing system, China's motivated position for achievable and lasting sustainable developmental in line with United Nations goals for Chinese and the global economy at large, not forgetting the desire for political support on one of China's core issue, thus the total and unquestionable, unnegotiated reunification of Taiwan and the total prevention of all forms of secessionism"<sup>623</sup>. Wenping He further considers: "China's growing economy and its foreign policy practices will continue to depend on Africa for the following reasons. First, the continent of Africa with a huge youthful population of over a billion citizens offers Chinese exporters a market for its numerous goods, Secondly, Africa equally offers a massive human resources capability for both national and international development. Chinese policy with Africa is characteristically motivated by a long-standing strategic interest"<sup>624</sup>. Wenping He further added: "that it is long overdue for Africa to be regarded as an important partner in global affairs, particularly as a leading actor in the global developing states. Africa accounts for half of the non-aligned nations and a third of United Nations member countries"<sup>625</sup>. This study adds that African leaders must walk and stand for the African people in all global deliberation, noting that Africans can best articulate African stories.

### **Conceptualization of Chinese Energy Security for Africa**

China's understanding of energy security always emphasizes the need for a continuous and uninterrupted supply of energy both for domestic and industrial use and affordable prices. According to the Review of Chinese Public Discourse, energy security in Chinese understanding means, "the acquisition of sufficient energy supplies to protect the Chinese leadership's core interest at prices that are neither too high nor too low to undermine those interests. Reliability for oil and natural gas' includes the safe delivery of imports to China"<sup>626</sup>.

International relations experts believe that Chinese leadership has adopted a policy that cartels two pathways, both the Liberal and the Realist wisdom as a benchmark for the Chinese energy security plan. From the Realist perspective, Chinese leadership understands the anarchical nature of the international system and that oil which a scarce and strategic resource is has the potency to plunge the world into a major confrontation, a "resource war"<sup>627</sup>. The scarcity nature means that all major powers are seeking to control major energy supply and flow for their domestic and industrial needs at the expense of other players. From the Chinese policymakers, such development is motivated by the shared degree of America's control of oil supply from the Persian Gulf. Chinese policymakers anticipated that Washington's desire to control the flow of oil was a plot against the Chinese government in periods of delicate Sino-US tension<sup>628</sup>. In this wise Chinese leadership continues to pursue their national interest in bilateral agreements with some oil-rich governments across the global space, in a bit to safeguard adequate oil resources that will be able to sustain the Chinese economy and its people. From the Liberal standpoint, Chinese Communist Party (CCP) policymakers believe that the existence of the current economic order and the transnational economic cooperation among various nations provide China the opportunity to invest in oil-rich countries to seek the needed oil resources to fulfill its energy security needs. Transnational economic cooperation has the potential to reduce competition and possibly

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<sup>621</sup> International Monetary Fund World Economic Outlook, *List of Countries by Projected GDP (April - 2018)*, 06 May 2018,

<http://m.statisticstimes.com/economy/countries-by-projected-gdp-capita.php>, (17.05.2020)

<sup>622</sup> He Wenping, *Balancing Act of China's Africa Policy*, "China Security", Vol. 3, No. 3/2007, p. 25

<sup>623</sup> *Ibidem*, p.32

<sup>624</sup> *Ibidem*, p. 33

<sup>625</sup> He Wenping, *Op. cit.*, p. 38

<sup>16</sup> The National Bureau of Asian Research (NBR), *Strategic Asia 2001-02: Power and purpose 2022*, <https://www.nbr.org/publication/strategic-asia-2001-02-power-and-purpose/> (13.08.2023)

<sup>627</sup> Alan Collins, *Op. cit.*, p. 312

<sup>628</sup> Rand Corporation, *China's quest for energy security*, 2000, p. 83

conflict among nations in the global space. Some experts argue China is using diplomatic maneuverings to achieve its energy security.

From the above, the liberal approach seems perfect for China's bid to ensure energy security. As much as the Chinese policymakers wish to avoid any possible resource confrontation, they will use all necessary diplomacy means (liberal) to ensure they have a steady and adequate source of energy supply for both domestic and industrial use through transnational economic cooperation. According to energy specialists, four major factors are currently contributing to the Chinese energy strategy: these are, the location of China, which is far away from major oil-producing countries in the world. Secondly, China as a country does not have adequate energy resources to meet the demand of its domestic and industrial markets. The most worrying factor is the ever-increasing energy demand by the Chinese market due to improved standards of living. Finally, Chinese authorities have adopted a pragmatic approach, claiming China is not a developed but a developing country. These factors put great pressure on the Chinese Communist Party to ensure a stable economic growth rate while ensuring a stable supply of energy for both domestic and industrial use at relatively fair prices<sup>629</sup>.

### **Africa in the Context of China's Energy Security: How Does Africa Fit in?**

In the year 1980s, the Chinese leadership undertook what was called structural economic reforms. The result of this reform was a massive transformation of the once-called stagnated agrarian economy among the fast-grown economies in the 21<sup>st</sup> century of our world today, third in size to only Japan and the U.S.A. China, since the 1980<sup>s</sup>, has had a consistent economic growth of 8% per annum. One of the indications of China's economic growth was the increase in demand for oil importation to meet domestic needs.

Before 2000, China's energy demand rate was 4 percent per year, however, right after 2001, China's energy demand skyrocketed to about 13 percent annually, which far outpaced economic development<sup>630</sup>. In 2008 China's total energy consumption was projected at 7.8 million barrels of oil each day, while in the same year, China's total energy production was 4 million barrels, of which 96 percent was from crude oil. Similarly, in 2008, China's total oil import amounted to 3.9 million barrels per day. This makes China the 3<sup>rd</sup> major importer of oil second to Japan and America respectively. According to EIA estimates Chinese oil consumption grew reaching 8.2 million bpd in 2010. According to the Short-Term Energy Outlook, China's increase in oil consumption represents 31 percent of global oil demand by a non-OECD country for two years<sup>631</sup>. The demands for oil consumption by China attest to why Chinese leadership considers the purchase, availability, and distribution of oil in China as a matter of national security. By all indications, there is a possible looming energy crisis in China in the future. This is attested to by the continuous use of motor vehicles estimated at 27 million users in 2004 and anticipated to reach 300 million vehicle users by 2030. Additionally, China in 2030 would need a supply of oil equal to the size of Saudi Arabia to fulfill its demand obligation. This explains why in just a space of a decade; China has rapidly positioned itself as one of the most important energy investors and importers in Africa. This is in response to the need for the Chinese leadership to secure the needed oil supplies for both domestic and industrial demand in China<sup>632</sup>.

Before the year 2000, the presence of Chinese enterprises in Africa's oil sector was limited to only Sudan. In Sudan, China's National Petroleum Corporation (CPNC), a state-owned enterprise has become the majority shareholder in the Greater Nile Oil Project Company (GNOPC) along with other enterprises notably since 1997<sup>633</sup>. Today, the narrative is different, Chinese oil enterprise and investments can be found in over twenty African states in both upstream and downstream sectors and pose a substantial strategic and economic opportunity for major and minor independent oil exploration, which for many years enjoyed unparalleled in Africa's oil sector.

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<sup>629</sup> Alan Collins, *Op. cit.*, p. 313

<sup>630</sup> The National Bureau of Asian Research (NBR), *Strategic Asia 2001–02: Power and purpose 2022*, <https://www.nbr.org/publication/strategic-asia-2001-02-power-and-purpose/> (13.08.2023)

<sup>631</sup> Alan Collins, *Op. cit.*, p. 308

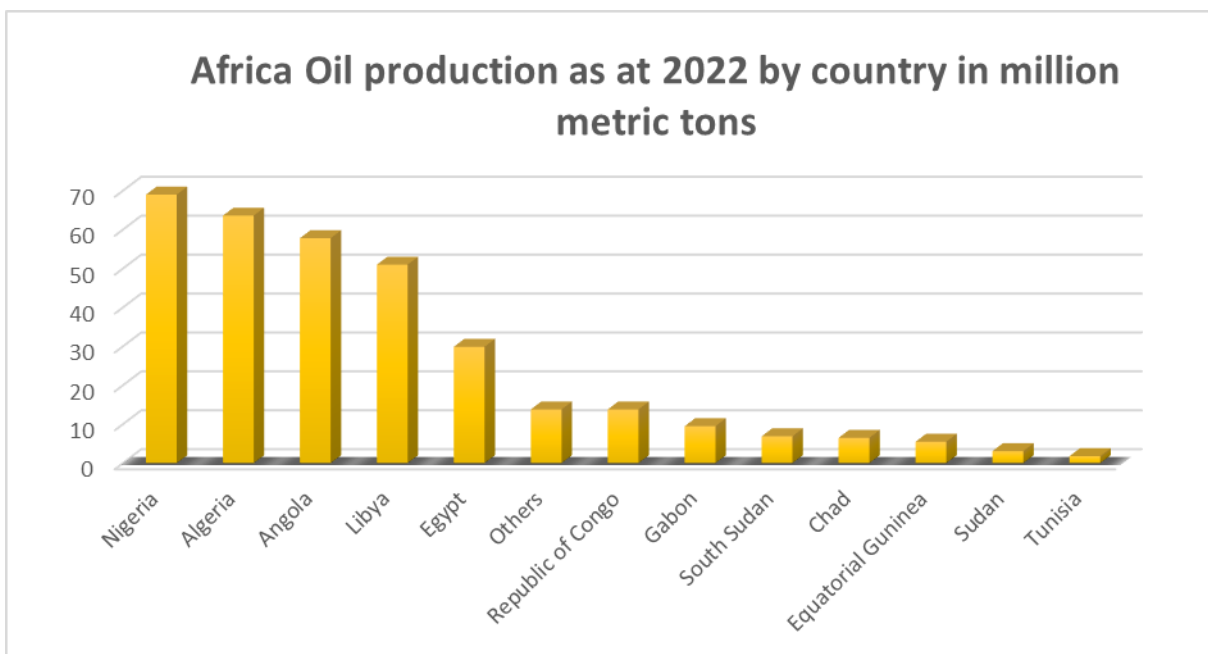
<sup>632</sup> The National Bureau of Asian Research (NBR), *Strategic Asia 2001–02: Power and purpose 2022*, <https://www.nbr.org/publication/strategic-asia-2001-02-power-and-purpose/> (13.10.2023)

<sup>633</sup> The Diplomat, *Sudan: China's original foothold in Africa*, June 14, <http://thediplomat.com/2017/06/sudan-chinas-original-foothold-in-africa/> (05.07.2023)



China has positioned itself not only as a hungry energy consumer but equally as an able energy diplomatic actor in Africa. To fulfill China's energy diplomatic role, the Chinese authority employed all its competencies, skills, and economic lobbying to ensure its efforts yield the desired result in any oil-rich region, particularly in Africa.

It is difficult to strike the balance between the poverty and underdevelopment levels in Africa against the richness of natural resources. It is estimated that in 2017 Africa produced 8.9% and 10.2% of global gas and oil exports respectively, coupled with a growth rate of 5.7% in energy production, 5% in oil production, and 9 and 3.6% in natural gas and coal respectively<sup>634</sup>. Table 2 below sheds more light on oil-producing countries in Africa. This is to elucidate why Africa continues to be a strategy partner in China's energy diplomacy and security.



**Table 2. Africa's Oil Production as of 2022 by Country<sup>635</sup>**

Table 2 above outlines the leading oil-producing countries in Africa as of 2022. Nigeria which has attracted the highest number of Chinese investments based on data from Table one is also the leading oil producer in Africa. Equally, Algeria, Angol, and Libya as well as Egypt, these four countries in addition to Nigeria produce a chunk of Africa's oil resources. Additionally, other countries such as the Republic of Congo, Gabon, South Sudan, Chad and Equatorial Guinea, Sudan, and Tunisia together contribute substantial amounts of oil resources in Africa. All together is what has made Africa the key target in China's oil diplomacy. China offers a rational relationship between equals on a win-win strategy, mutual benefit, reciprocity mutual prosperity, and a tangible benefit to Africans. To date China imports about 25 percent of its oil from Africa as shown in the table above, this equally explains why China continues to make Africa an important energy diplomatic partner while offering security to some oil fields in Africa.

China continues to develop new oil concessions and economic influence in countries such as Angola, Gabon, and Equatorial Guinea. China also continues to import oil from such African countries as Sudan, Chad, Algeria, Angola, and Gabon. Ever since China announced its presence in Sudan's oil industry over the past 20

<sup>634</sup>Statista, *Oil production in Africa from 1999 to 2022*, <https://www.statista.com/statistics/265197/oil-production-in-africa-in-barrels-per-day/#:~:text=In%202022%2C%20Africa's%20oil%20production,daily%20in%20the%20previous%20year> (03.10.2023)

<sup>635</sup> Authors compilation based on secondary data from Statista, <https://www.statista.com/statistics/265197/oil-production-in-africa-in-barrels-per-day/#:~:text=In%202022%2C%20Africa's%20oil%20production,daily%20in%20the%20previous%20year>, (03.10.2023)

years, China has invested over \$15 billion in a bid to ensure a steady and constant supply of oil for the Chinese domestic market. Based on the official account from the Sudanese government in 2017, the level of bilateral oil cooperation between China and Sudan is anticipated to grow to benefit both China and Sudan. To date, China controls 75% of the Sudanese oil sector with a total production of 133,000 bpd<sup>636</sup>. It is indisputable that as the number and volume of Chinese investment in Africa increase so does the level of allegations and criticisms against Chinese companies' operation practices in Africa. Many of these critics notably from U.S. policymakers, international experts and observers, and other international Human rights groups. They described Chinese energy diplomacy as a new form of neo-colonialism, according to these critics, Chinese authority has been investing in corrupt and authoritarian regimes around the world with the hope of securing oil resources. These regimes commit human rights abuse and crimes against humanity such as Sudan, and Angola among other countries in Africa.

In addition to these critics are the horrible working conditions of most Chinese sites in Africa and the working conditions of Africa working in these Chinese enterprises. Secondly, critics also accuse these Chinese leaders of using their investment in Africa to provide jobs abroad for thousands of unemployed Chinese, while neglecting thousands of African youths seeking jobs.

This study finds that there's all probability that China remains defiant despite all these critics and unwilling to change its energy diplomatic principles toward Africa.

### **Africa's Energy Production in the Framework of International Energy Security**

China in recent years has positioned itself as a consumer of oil and gas utilizing its diplomatic strategies in Africa and around the globe to meet its demand. To date, China continues to mobilize its capabilities and influences to fulfill its diplomatic policy across many energy-producing regions in the world, particularly the global south. Africa, a region richly endowed with energy resources has therefore become a significant region in China's energy agenda, and it is the main target of China's energy diplomacy. Africa likewise continues to play a vital role in global energy production though Africa's production level continues to decrease as compared to other regions. Africa still offers substantial oil resources to the global energy supplies. In 2017 for example, 8.9% of global gas exports and 10.2% of global oil exports came from Africa, with a 5.7% growth in energy production, 5% growth in oil production, 9% in gas, and 3.6% for coal<sup>637</sup>. Further details on African oil production are provided below.

No.	Regions	2010	2012	2014	2016	2019	2020	2021	2022	Total
1.	Africa	12.2	10.9	9.3	8.6	8.8	7.9	8.1	7.5	73.3
2.	Asia-Pacific	10.2	9.6	9.4	8.7	8	8.4	8.2	7.7	70.2
3.	Central And South America	8.9	9.2	9.3	8.1	6.5	6.6	6.6	6.8	62
4.	Europe and CIS	21.8	20.3	19.8	19.2	19	19.3	19.3	18.2	156.9
5.	Middle East	30.3	32.5	31.7	34.5	31.9	31.3	31.3	32.8	256.3
6.	North America	16.6	17.5	20.5	20.9	25.9	26.6	26.6	26.9	181.5

**Table 3. Global Oil Distribution by Regions 2010-2022 in Percentage (%)<sup>638</sup>**

The table above outlines six major oil production regions in the world from 2010 to 2022. Undoubtedly, the Middle East continues to be the major oil-producing region in the world with a consistent production in the range of a little over 30% of global oil production. Africa on the other hand continues to make significant oil production to the global economy. Based on the table above Africa's share of global oil production continues to dwindle from 12.2% of global oil production in 2010 to 7.9% in 2020. This increased slightly from 7.9% in 2020 to 8.1% in 2021 but further decreased to 7.5% of global production in 2022. Even

<sup>636</sup> The Diplomat, 2017, *Sudan: China's original foothold in Africa*, June 14, <http://thediplomat.com/2017/06/sudan-chinas-original-foothold-in-africa/>, (05.07.2023)

<sup>637</sup> World Energy Insight, *Africa 2017, BP report 2018*. <https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-worldenergy/country-and-regional-insights/africa.html> (08.09.2023)

<sup>638</sup> Authors compilation based on secondary data from [statista.com](https://www.statista.com).

though Africa as a continent is rich in oil reserves its total share of global oil production is last to other regions of the world in 2022. Between 2010, 2012, and 2019 Africa was the fourth leading oil-producing region contributing 12.2% and 10.9% of the global oil supply respectively. However, from 2014, 2016, 2020, 2021, and 2022 Africa dropped to fifth position in global oil production at 9.3%, 8.6%, 7.9%, 8.1%, and 7.5% respectively.

Even though Africa's oil production level concerning global oil supply has continued to fluctuate over the past decades, Africa's oil production to the global economy is enough to supply the needed oil demand of China. This explains why the Chinese government has invested heavily in Africa's oil industry to ensure a secured oil supply to feed the Chinese domestic market and industry needs<sup>639</sup>.

## Conclusions

For China, Africa is the heart of its energy security and diplomacy now and in the years to come, as far as Chinese energy demand continues to grow. The desire to secure a regular supply of energy is what has driven Chinese energy investments in Africa. Currently, China imports 25% of its oil from Africa<sup>640</sup>. However, while Africa continues to languish in poverty the continent is fabulously rich in natural resources. It is difficult, however, to strike the balance between the poverty and underdevelopment level in Africa against the backdrop of rich natural resources. These resources in Africa are gradually benefiting other countries and their citizens. In return, Africa doesn't gain more than estimated from its resources. Africa's energy contribution to the global energy supply is undisputed and consistent though volumes have continued to decrease year in and year out over the last decades. However, oil resources in Africa are still in abundance. This explains why China considers Africa an important player in its energy demand and diplomacy.

Africa continues to offer China energy security with constant supply and production of oil resources. This is the motive for China acquiring oil and gas-producing countries in Africa, this is evident in places such as Nigeria, Sudan, and Algeria among other countries in Africa. China to date continues to influence and control energy investment in Africa making China becoming a great actor in energy diplomacy in Africa.

The "Chinese model" of securing resources through investment and infrastructure to countries in the global south, particularly African countries commonly referred to as the "Beijing Consensus" has become the yardstick for all of China's negotiations. This has become appealing to many African countries. According to Adisu and Sharkey, Chinese policy contradicts the Western-led neo-liberal model commonly referred to as the "Washington Consensus". Which primarily focuses on democracy, good governance, and poverty alleviation<sup>641</sup>, widely accepted in Africa but not working to fulfill the aspirations of many African countries. African countries dare to see infrastructure improvement, which China has promised to provide with Chinese loans without any stringent conditionalities except access to natural resources. Many African states find the Chinese model a more attractive and workable concept.

While China's oil and gas enterprises continue to acquire a substantial stake in oil resources in Africa due to its diplomatic and financial resources as well as the role of the Chinese governments, African leaders must ensure that Africa becomes the foremost beneficiary of any diplomatic negotiations. This study estimated that based on the number of Chinese enterprises operating in Africa less than 5% of its employees are local Africans. The Chinese authorities are using this enterprise as a "work abroad strategy" to provide jobs for its thousands of unemployed graduates. African leaders must ensure African local enterprises equally benefit from the financial resources available to Chinese enterprises willing to invest in Africa such as the CAD fund. China considered its energy security as a unilateral action to fulfill its domestic and industrial needs to boost its economic growth agenda. Chinese enterprises, however, put national security interests before profit<sup>642</sup>, this is because the majority stakeholder in many multinational Chinese enterprises is the state.

China's energy diplomacy towards Africa will continue to grow to more resource-based countries in Africa. China hopes to secure a reliable and stable energy supply from Africa as domestic demand continues to

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<sup>639</sup> Statista, *Distribution of oil production worldwide from 2010 to 2020, by region*, <https://www.statista.com/statistics/269076/distribution-of-global-oil-production-since-2009> (16.08.2023)

<sup>640</sup> Ayoub Taha Sidahmed, *The Economic Dimensions of Chinese Investments in Africa (2000-2015)*, "International Journal of Business and Economics Research", Vol 6, No. 6, 2017, p.156

<sup>641</sup> Adisu Kinfu, Thomas Sharkey, Sam C. Okoroafo, *Op.cit.*, pp. 40-43

<sup>642</sup> Executive Research Associate (pty) Ltd, *China in Africa: A Strategic Overview 2009*, <https://www.aiddata.org/primary-sources/china-in-africa-a-strategic-overview>, pp. 31-40 (25.07.2023)

grow each year. To this Africa must ensure its comparative energy advantage in all its energy dealings with China. As China continues to offer an attractive development and investment model to Africa through the Forum for China-Africa cooperation, African leaders must equally ensure that Africa's security is supreme in all its dealings not only with China. China has gradually become an important global energy consumer, while Africa has become an important energy investment destination region for China's energy diplomacy and security with the existence of oil resources. Finally, there should be a balance between Chinese oil investment in Africa to Africa's development.

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