China and Angola: a strategic partnership?[1]

Sofia Fernandes

China and the liberation movements in Angola

The involvement of China in Angola in the 20th century dates back to the beginning of the pro-independence struggle started in 1961.[1] At first China tried to support the Marxist-inspired Movimento Popular de Libertação de Angola (MPLA), but disagreements within the movement resulted in its express pro-Soviet alignment (Schneidman, 2007). Considering the anti-Soviet character of China's foreign policy in the African continent, Chinese leaders leaned toward support for the Frente Nacional de Libertação de Angola (FNLA) and also the União Nacional para a Independência Total de Angola (UNITA), both recognised as legitimate liberation movements in Angola by the Organisation of African Unity (OAU). The strategic position of the People's Republic of China within the region was also more favourable to the FNLA and UNITA movements, both positioned next to Zaire's frontiers (north and north-east for FNLA, central and central-east for UNITA). China had military bases in Zaire, accessible to both FNLA and UNITA but not to MPLA, whose constituency was based along the coastline, mainly in the area surrounding Luanda and eastwards to Malange and with an important group of supporters in the south in the neighbouring area of Benguela, Angola's second largest city (Pélissier and Wheeler, 2009).

The contours of China's involvement with FNLA and UNITA are not uncontroversial but what can be acknowledged from the relevant literature is that China had suggested providing support to both movements. In 1963 the Chinese minister of foreign affairs, Chen Yi, met with the leader of FNLA, Holden Roberto, in Nairobi, and the leader of UNITA, Jonas Savimbi, was invited for a visit to Beijing in 1964. According to Taylor (2006) and to other accounts, FNLA received most of its weaponry from China and the movement

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relied almost exclusively on Zairean and Chinese military support from 1960 to 1974 (Monteiro 2001). UNITA's leader Jonas Savimbi, along with other political cadres of the movement, was given military training and Maoist indoctrination in China, a fact that came to be decisive to the organising structure and ideological principles present in the early days of the movement (Chiwale 2008) and also in the relations that China later forged with MPLA.

In the late 1960s, according to Taylor (2006), UNITA was the main liberation movement receiving support from Beijing. Beijing was aware that FNLA was losing the battle: the movement did not have any specific ideology, it was very personalised and leader-centred and accepted support regardless of its sources and conditions. Moreover FNLA was a heavily ethnic-based group, with its constituency among the Bakongo,[2] (Pélissier and Wheeler 2009) initially being named the União das Populações do Norte de Angola (UPNA) and later being renamed as the União das Populações de Angola (UPA) before finally becoming FNLA.

In 1971, as the Cultural Revolution came to an end, anti-Soviet sentiment reached its peak and China tried a new approach towards MPLA, inviting its leader (Agostinho Neto) for a visit to Beijing. In the aftermath of the visit the verdict of the Chinese authorities was that the MPLA leader was too 'pro-Russian' (Schneidman 2007) and the Chinese preferred to keep providing support to the other contending nationalist movements (mainly to UNITA) that were considered more viable and more likely to come to power in the future. In 1975, when MPLA declared the independence of Angola, China refused to recognise the newly independent country. Relations between the two countries were severely damaged by China's support for FNLA which was accused of the massacres that took place at the beginning of the war for independence. These targeted not only the white Portuguese owners of coffee plantations in the area of Dembos in the province of Bengo (north-west of Luanda) but also their Angolan employees, usually coming from Huambo in the Central Highlands of Angola, an area that later came to be dominated by UNITA and its Ovimbundu-based constituency. China's support to UNITA was thought to be maintained for some time after and throughout the 1990s, as weapons of light artillery as well as anti-personnel mines were found in northern Angola (Campos and Vines 2007).

Despite the fact that formal diplomatic relations were established in 1983, eight years after independence, the first real event in Chinese–Angolan relations was in 1999 when the first meeting was held of the Sino-Angolan Joint Economic and Trade Commission (Campos et al 2007). In the 1980s defence cooperation was dominant in the relations between the two countries, particularly given the civil war, but it acquired an economic emphasis when the internal conflict came to an end in 2002. The inclination for the immediate intervention of China's government officers and state banks in Angola following the death of Jonas Savimbi in 2002, derives to a large extent from the post-independence defence deals with the MPLA regime and also from Angola's express support of the Beijing regime following the Tiananmen massacre (Taylor 2009: 14), an attitude shared by many other African regimes.

The reorientation of China's foreign policy

In line with China's relations with Angola briefly synthesised above, a reorientation of China's policy vis-à-vis the third world took place in the aftermath of the Tiananmen incidents, considering the sanctions imposed by Western countries. In fact, according to Zhang (2004), the first leader to visit China after Tiananmen was the president of Burkina Faso, following a set of declarations from several African leaders in support of the Chinese government stating that the events were a matter of Chinese internal affairs. Also, at the end of the cold war Chinese leaders took their time in reacting to the fall of the Soviet Union and in stating their position regarding the new world order. Zhao (2004: 141) argues that the Chinese leadership 'normatively' wanted a multipolar world order, but that de facto the leadership acknowledged a unipolar world order. A speech given by Liu Yushan (a Communist Party of China Politburo member) in 2009 stated that 'among China's great accomplishments since 1949 is the fact that it has substantially enhanced its comprehensive national power' and has 'noticeably upgraded its international position' (*People's Daily* 2009).

An essential feature of the reorientation of China's foreign policy towards Africa during the 1990s, is the quest for natural resources, predominantly oil. In 2009, five years earlier than expected, China overtook the United States in primary energy consumption (*Wall Street Journal* 2010).[3] China pursued a strategy of establishing various energy-supply contracts, particularly those concerned with oil (given the need to satisfy China's increasing demand for energy that derived mainly from its development model, itself heavily based on energy-intensive industries). In view of the need to formalise the increasing strategic importance of Africa to China, it published its Africa Policy Paper in 2006 outlining its core aims and objectives in seeking co-operation with African 'partners'.

Besides oil, the construction sector has been one area where China has acquired prominence in Africa. This is true also for Angola, considering that according to Corkin (2011) the accumulated value of construction contracts in the hands of Chinese companies has surpassed $22 million in 2009. According to the Portuguese International Trade and Investment Agency (AICEP, 2010), in 2008 China became the main client of Angola, absorbing 35.4 per cent of its exports, ranking as the country's second supplier and accounting for 16 per cent of its total imports. It is important to recognise here that according to calculations based on data collected from the Agência Nacional para o Investimento Privado (ANIP – the Angolan National Private Investment Agency), 77.3 per cent of overall recorded Chinese private investment from 1990 to November 2010, a total amount of $338 million, was in the construction sector.

The bulk of this Chinese investment in Angola was made from 2008 onwards. According to calculations from data extracted from the Trade Law Centre for Southern Africa (TRALAC 2010), Chinese imports from Angola declined from $22 billion in 2008 to $14 billion in 2009, constituting a 37 per cent decrease and signalling a sharp fall in the value of Angolan crude oil sales to China.[4] This fact seems to be attributable mostly to the abrupt decrease from a peak in oil prices in 2008 (above $100 a barrel) and not to a decrease in volume of Chinese oil imports from Angola.

The energy issue

Two important points to note in understanding the importance of energy issues in China–Angola co-operation are that Angola has increased its oil production exponentially since 2000 – from 736,000 barrels per day (bpd) to 1.7 million bpd in 2010 (OPEC 2010: 28) – and that in January 2007 it joined the Organisation of the Petroleum Producing Countries (OPEC), which obliges the country to comply with quota productions.

In 2008 Angola became the most important oil supplier to China. The oil sale agreements with China are not simple 'export the product and receive the payment' deals. They have been negotiated with the Chinese government in exchange for generous and renewed credit lines. In fact the regular debt service of the loans is made from an account where the Angolan government receives the payments accruing from the sale to China of 10,000 bpd in the first two years of the loan repayment, changing to 15,000 bpd afterwards (AFRODAD 2006) at a pre-negotiated contract price. Moreover, the oil sold to China to service the debt of these oil-backed loans represented only a small fraction – 1.5 to 2.5 per cent – of the total oil output of 596,000 barrels sold to China that same year (Alves 2010). The idea that China has been buying the larger part of Angolan oil at on-the-spot market prices, according to daily market Brent oil prices, was corroborated in an interview with a former employee of Total Fina Angola[5] which acknowledges that the majority of Sonangol oil sales are made at 'offload prices'.

Besides the supply of oil linked to loans, China has also been looking for joint ventures in the exploration of oil blocks in Angola. The assignment of 50 per cent of the profitable block 18 to Sonangol Sinopec International (SSI) in 2004, a company that originated in the joint venture between Sonangol and Sinopec, has astonished ONGC Videsh, the Indian national oil company, to whom Shell, in charge of the block's exploration, had agreed to sell 50 per cent of its equity (Vines et al, 2009). The prospects of Chinese firms in the subsequent licensing bid, in 2007, were damaged by the disagreement between Sonangol and Sinopec negotiators concerning the target market for the product of the proposed Lobito refinery. The project for the construction of the refinery in the city of Lobito on the south-western coast of Angola is one cherished by the Angolan authorities – it would enable the country to increase its self-sufficiency in the downstream oil industry. According to the press (Macauhub 2007), Sonangol CEO Manuel Vicente stated that China was trying to divert all the production to China. In contrast, Sonangol's objective was to produce for its internal market, as well as for regional and Western markets (Alves 2010), which would turn Angola into a self-sufficient oil producer and exporter, with enhanced comprehensive power coming from its acreage in the oil industry. These disagreements meant that the refinery project did not materialise as Sinopec, the Chinese counterpart, withdrew. As a result, China was punished and its aspirations in the Angolan oil industry were put on hold in the 2007 oil bid. Sinopec originally made a joint bid with the other 'dragon-head'[6] national oil company, China National Offshore Oil Corporation (CNOOC), for a 20 per cent stake in bloc 32 operated by Total, being relinquished by North-American Marathon, but in a similar fashion to what happened in bloc 18, Sonangol decided to make use of its pre-emptive rights and intervened in the deal, this time against the Sinopec/CNOOC consortium, apparently based on commercial considerations (*Wall Street Journal* 2009), thereby issuing a clear message concerning Sinopec's behaviour in the Lobito refinery project.

The national reconstruction goal

The construction sector has become increasingly important as a result of China's engagement in the country. China is often praised as a vital partner in the reconstruction of Angola given that all other traditional donors and partners turned down the request of the Angolan government for an international donors' conference in 2002, after the death of the main opposition leader, Jonas Savimbi, finally put an end to the civil war. The refusal of the international donor community was based on concerns about the lack of transparency in Angolan national accounts. In the reconstruction context, it is worth mentioning the declining attention given by OECD official development aid to economic infrastructure in the last two decades – the priority has been given instead to good governance, technical assistance and social infrastructure such as schools and health centres.[7] Pezzini adds that traditional donors have assigned 65 per cent of aid to the social sector and only 17 per cent to infrastructure; [8] whereas China by the end of 2000 had assigned 61 per cent of its concessional loans to economic infrastructure and 4.1 per cent to agriculture, inspired by the Chinese saying, ’to end poverty build a road’.

For Angola this approach was particularly important considering that the country was helplessly in need of infrastructure after more than forty years of continued armed conflict. The transparency condition imposed by the IMF was not welcomed by the political class who argued that work needed to be done at a fast pace given the poor living conditions throughout the country and that issues of accessibility by land were a significant problem.[9] Up to 2002 the inhabitants of Luanda were trapped within a security perimeter of approximately 50 kms around the city, limited by the cities of Cacuaco and Viana and the Kwanza River. Beyond this it was impossible to go anywhere since roads were terribly damaged (and often populated by landmines) which added to the possibility of being caught in a UNITA raid. As an example of the bad road conditions a road trip to Uíge (400 kms) could take up to 8 days, and to Saurimo (around 600 kms), in the northeastern province of Lunda Sul, up to 10 days.

So as soon as the war really came to an end in 2002, the reconstruction of the country’s shattered infrastructure had to start immediately, since most of the deprivations were blamed on the war effort. At this point China came along as the ‘perfect’ financing partner. Chinese construction companies were willing to work in extremely hard conditions[10] that for a Western or even Korean company would mean raising their costs hugely, adding to the difficulty in recruiting personnel. Low and Jiang (2003) argue that Chinese construction companies had significant comparative advantages including the abundance of highly-motivated, low-priced manpower with the ability to adapt to different environments, along with the low costs of machinery, materials and equipment imported from China.

Chinese construction companies in Angola are often accused of employing an insignificant percentage of Angolan workers, relying almost entirely on their own workforce (including low-skilled Chinese workers) who compete with the majority of the Angolan male unemployed workforce. According to the General Angolan Labour Law (Law nr 2/2000, published 11 February 2000) 70 per cent of the workforce on a construction site must be Angolan, but that quota can be overcome if the contractor proves that they are not able to find a national worker with the necessary skills to perform a certain job (e.g. hydraulic engineer).[11] The problem of the scarcity of qualified human resources in Angola is very significant, owing partly to the disruptive effects of the long-lasting internal conflict but also to Angola's low population density of around 14.8 inhabitants per square kilometre,[12] most of which is highly concentrated in the capital city of Luanda.[13] Bearing this in mind there may be pressure on Chinese construction companies to take on Chinese expatriate workers in places less populated than Luanda, given that a very limited workforce – even in less-specialised construction tasks – is available locally. Therefore the recruitment of workers from China is posited as a necessary option for these companies. Adding to this is also the argument of 'efficiency' with several Chinese contractors arguing that they cannot comply with project deadlines if they recruit as many Angolans as legally defined – they argue that the national workers do not have the necessary skills and are not used to the Chinese pace of work.[14] Another account[15] suggests that the work model of Chinese companies has astonished both the population and other companies competing in the construction market in Angola – Chinese workers live at their worksites, allowing them not to waste time with daily commutes to and from work, as well as to save money for their companies in accommodation costs, an issue that absorbs a considerable share of the maintenance costs of any company operating in Angola.[16] They are also said to work extra hours on an incentive-based pay system.

The projects contracted under the credit lines coming from China were reportedly subject to strict supervision by the ministry of finance in regard to the number of Angolan nationals recruited against Chinese workers and present at any time on a construction site and also to the progress of the approved project. The work done by Chinese construction companies, in both the public and private sectors, is thought to have no difference in quality from the work performed by companies from other countries present in the market (be it South African, Portuguese or Korean), with insufficiencies being blamed on the government supervision of the work performed or on the government's approval of projects (since if the project itself is not good the work will never be distinguished for its superior quality). Another characteristic of Chinese construction companies that is often noted is the pace of their workers and their ability to meet and go beyond specified objectives, as the Chinese are said to define very clear milestones for the daily assessment of work on a construction site. According to one account: 'They (the Chinese) have an approach that is more conceptualised … they see the whole picture quicker … they see it in a long term perspective and have something that we don't have, they have milestones'.[17]

The claim that Chinese companies recruit their workers mainly from China and that this workforce is predominantly made up of non-skilled labour seems to be in contradiction with some of the data that I collected during my fieldwork – Chinese construction companies in Angola are seen as having adapted to market needs and as having professionals in all sorts of specialised functions. That finding is also corroborated in the literature concerning the internationalisation of Chinese construction companies (Low and Jiang 2004: 724) acknowledge a five- to six-fold rise in the operating costs of Chinese companies undertaking projects abroad from the beginning of the 1990s to the year 2000, owing partially to the need to recruit more specialised workers (e.g. engineers, architects) and also to some reluctance on the side of Chinese workers to work under tough conditions in developing countries. According to the authors, although the recruiting of workers in less specialised functions started being done locally on the grounds of cost, the recruitment of Chinese engineers is seen as still less onerous to the company than employing non-Chinese engineers.

However, the large influxes of Chinese workers into the Angolan economy, where the unemployment rate is 28 per cent[18] (African Economic Outlook 2011), is causing distress and anxiety in society. While some people emphasise the benefits to Angola's economy of the influx of Chinese manpower in the first phase of reconstruction (from 2004 up to 2008) others signal the adverse effects of Chinese companies' recruitment strategies. On top of this lies the opacity regarding Chinese residents in the country. According to an interview (Angonoticias 2011) given by the Chinese ambassador in Angola, Zhang Bolun, in March 2011 the number of Chinese residents in the country varies between 60,000 and 70,000 but the secrecy surrounding the figures (which are not disclosed by the Angolan immigration services) makes room for imagination and speculation. Some accounts even situate the number at around 400,000 workers.[19] Some of these workers apparently manage to stay in the country and start their own private businesses (the numbers are not available but the empirical evidence is). The Chinese are today a permanent feature in Angola, not only as workers of big state-owned construction enterprises, but also in the private construction sector. Advertisements for Chinese-owned construction firms offering their services can be found in the daily newspapers. In fact, the Chinese are competing heavily in the private housing sector, as evidence was found that they are carrying on the construction of private houses aimed at different income levels – be it in a Luanda slum or in the fashionable residential area of Talatona. Private residential condominiums are also being built by Chinese companies such as Jardim do Éden in the district of Kilamba Kiaxi.[20]

The distribution sector

Besides oil and construction, the Chinese are also actively engaged in both the retail and wholesale trades. The creation of the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries in 2003, was a clear sign of Chinese companies' interest in the Angolan market. According to an interview with an official close to the Angolan Chamber of Trade and Industry, this forum has been hosting an increasing number of Chinese companies, 'with the goal to sell their finished product in Angola, but not to invest or make joint-ventures'.[21]

The Angolan Law of Private Investment[22] defines as 'foreign investment' any investment where the capital originates outside Angola, regardless of the nationality of the investor, i.e. both nationals and foreign residents in the country can be considered to be foreign investors. To qualify for benefits and fiscal exemptions there are requirements such as a minimum amount invested of $100,000[23] – or $150,000 in the case of a joint venture with an Angolan partner. These exemptions are important as they include fiscal exemptions on imports of machinery and equipment, or of intermediate products, exemption of up to fifteen years on corporate tax benefits (*Imposto Industrial sobre Benefícios*) and also tax deductions on the expenses incurred in the construction of infrastructure. (ICEX 2011)

To initiate the process with ANIP it is highly advisable that the amount to be invested is already transferred to this state department. As this comes as an administrative request it can either be approved or not approved. However if the investor has capital sourced in Angola and does not intend to repatriate benefits (i.e. is Angolan) he or she will not have to comply with this legislation and is only required to make investments of $1,000 for limited liability companies (LLCs) and $20,000 for public limited companies (PLCs). So in the relevant guidance it is suggested that a foreign investor may get an Angolan partner to start the investment registration procedures with ANIP. The legal procedures mentioned are useful for understanding the difficulties and restrictions on starting a business in Angola, as well as for understanding the obstacles encountered in tracking Chinese owners in retail trading in Angola. In order to circumvent restrictions on retail trade licensing, Chinese traders, according to some accounts, have been concentrating efforts on wholesale trade, supplying many of the capital’s street vendors, called *zungueiros*, from their warehouses in the district of São Paulo in Luanda. At this point it is important to emphasise the importance of the informal sector to the economic structure of the country, which is most significant in the city of Luanda. According to the UNDP (2000), 41 per cent of the population in Luanda aged between 15 and 60 years was employed in the informal sector. A National Statistics Institute household survey conducted in 2000 (INE 2000) showed that on average 62.8 per cent of the working population identified an informal sector-related activity as their main means of subsistence.

According to an interview with a government officer[24] the predominance of informal trade in Luanda is due to a great extent to the restrictions involved in the licensing of any commercial activity and those concerning the share capital of any new company. The need for an Angolan business partner to hold 50 per cent of the share capital of the company discourages foreigners, including the Chinese, from engaging in formal retail trade activities, namely in the selling of garments, shoes and light consumer goods. As for the wholesale trade, the authorities apparently facilitate the activities of Chinese businessmen. The low prices of products coming from China are attractive to street vendors, allowing them to obtain additional profits from their sales. This is an important social issue as street vendors, who make up a considerable part of the trade in the informal sector, constitute the lower strata of the pyramid of agents operating in Luanda's informal sector, according to Lopes (2006). Further, Chinese middlemen are also very important in cross-border trade, working as intermediaries for Angolan female traders in their trips to China, Vietnam and Thailand, with the purpose of acquiring garments to sell in the informal market though their personal network of relations.

Concluding remarks

The relations between China and Angola have been acquiring significance since 2002, after the country finally entered an internal peace period. The presentation of China as a strategic partner – with both the financial resources, as well as its companies and personnel (i.e. with both the financial resources and the tools) – has been praised by the political elite in Angola. China is generally described as a strategic ally, to whom Angola owes its first steps towards rehabilitation. However the official discourse concerning the importance of China as a strategic partner to Angola has been shifting. Originally, at the beginning of the reconstruction process (i.e. from 2004, when the first Chinese financed infrastructural projects started, up to the 2008 legislative elections) the role of the Chinese model of cooperation and assistance was praised. However from 2008 onwards there seems to be an emerging concern linked to the growing engagement of Chinese companies in the economy of Angola, and specifically to do with Chinese manpower in the country's economy.

On the side of China, the overall assessment of the Sino-Angolan partnership seems to be seen in very positive terms: the country has been the primary recipient of Angolan oil since 2008 and China has also been acquiring significance in the construction industry. Chinese construction companies, mostly state-owned or owned by local governments, are actively engaged in the construction or rehabilitation of the main economic infrastructures of the country. Chinese companies have also been charged with the rehabilitation of the main highways, such as the roads linking Luanda to Benguela and Luanda to Malange as well as both the Benguela railway (that in the colonial era allowed the majority of exports of mineral resources from Democratic Republic of Congo and Zambia) and the railway linking Luanda to Malange (a line that serves also Luanda's metropolitan area). The fact that there is a widespread engagement of the Chinese community in a variety of sectors of the country's economy – as wholesale traders, in the private construction business, as growers and vendors of fruit and vegetables, as urban/rural traders – are signs that Chinese workers entering the country have been moving away from having the status of controlled contract workers on limited-duration projects and are now beginning to settle in the country.

From an Angolan perspective, this partnership allowed the introduction of a new, more competitive impulse at both the political and business levels. At the political level the partnership with China allowed the diversification of financial partners and enabled the government to avoid IMF conditionalities and the focus on measures needed to meet the Millennium Development Goals. Regarding Angola these demands were specifically around the transparency of public accounts and the need for good governance, as well as the repayment of debt to Paris Club creditors. The IMF was not willing to provide new loans to the country since Angola stopped paying its debt in 1986. The organisation of a donors' conference was not considered suitable given the previous episodes of default on debt repayments, added to the fact that it is an oil-producing country, considered capable of generating its own substantial national revenues. By the time the principal in debt was reimbursed to Paris Club creditors in 2006 (an amount of $2.6 billion) Chinese companies had already done two years of work in the country. (INE 2000)

The entrance of Chinese companies into the oil sector can however be considered not as successful as might have been expected from the perspective of the Chinese authorities: the bids of Chinese companies in oil auctions are totally interlocked with the political agenda of the Angolan government, and the ‘know-how’ to negotiate in the Angolan political arena still seems in relatively short supply on the part of Chinese diplomats and high-level political officers. The construction sector seems to be where the Chinese are gaining a more substantial foothold and recognition in Angola, despite the fact that the recruitment policies of Chinese companies are a cause for concern regarding the degree of local people’s involvement in the reconstruction process. In the distribution sector it is important to mention the role of Chinese traders not only in wholesale trade but also as middlemen between urban and rural areas.[25]

The recent involvement of the Chinese in Angola has developed in the context of a major economic boom in Angola accruing from high oil prices and the end of the war. Considering their long term approach with origins in Asian, Confucian values, as well as their continuing and widespread engagement with the fabric of Angola’s economy, it is expected that their presence in the country is an enduring and not just a seasonal feature.

Notes

1. Historians find it difficult to date the onset of the national liberation war against the Portuguese: some accounts tell us that the armed conflict began on 4 February 1961 with the assault on St. Paul prison in Luanda (claimed by MPLA militants); other accounts date the beginning of the armed conflict to 15 March in the same year, when the União das Populações de Angola (UPA), later renamed to Frente Nacional de Libertação de Angola (FNLA), started the massacres in the northern coffee-producing farms.

2. An ethnic group that extends also to Congo and which previously formed the ancient kingdom of Congo. See Pélissier and Wheeler (2009).

3. Statistics from the *Wall Street Journal* (2010) are based on statistics on energy consumption from the International Energy Agency 2010,

http://online.wsj.com/article/SB10001424052748703720504575376712353150310.html, accessed 27 May 2011

4. Crude oil makes up for more than 99 per cent of Angolan exports to China since 1995.

5. Interview with an ex-cadre of Total Fina Angola, 3 February 2011.

6. Dragon-head companies are state-renovated companies, which because of their size and strategic importance were designated by the government as companies to internationalise, receiving express administrative and financial state incentives.

7. Carlos Oya (2011) Seminar ‘China como fonte de financiamento para África: hipóteses, mitos e realidades no desenvolvimento africano’, ISEG, Lisbon, 6 May 2011.

8. Mario Pezzini (2011) Address of the Director of the OECD Development Centre, at the presentation of the African Economic Outlook 2011, in Lisbon, 6 June.

9. Interview with a member of the Angolan ministry of finance, 2 February 2011, Luanda.

10. Interview with the manager of a company responsible for supervision and consultation in the construction sector in Angola. Luanda, 3 February 2011.

11. Interview with a member of the Angolan ministry of finance, 2 February 2011, Luanda Law nr 2/2000, 11 February 2000.

12. With an estimated population of 18.5 million inhabitants in 2009 (World Bank statistics) and a territory of 1,246,700 km^2, its population density is around 14.8 inhabitants per square kilometre.

13. Luanda’s population is estimated at 4 million people.

14. Interview with a member of the Angolan ministry of finance, Luanda, 4 February 2011.

15. Interview with a construction company manager, Luanda, 3 February 2011.

16. Luanda was considered the most expensive city for expatriate managers in 2010 by the 'Cost of living survey' by Mercer Consultant, http://economia.publico.pt/Noticia/luanda-e-a-cidade-mais-cara-do-mundo_1444346, accessed 29 March 2011

17. Interview with a member of the Angolan ministry of finance, Luanda, 2 February 2011.

18. Taking into account the huge differences across the country, the unemployment rate in the city of Luanda is 17 per cent.

19. Interview with an Angolan entrepreneur in the telecommunications sector, Lisbon, 18 January 2011.

20. Interviews with different actors.

21. Interview with a member of the Angolan Chamber of Trade and Industry, Luanda, 10 February 2011.

22. Law nr 11/03 from 13 May 2003 published by Agência Nacional para o Investimento Privado (ANIP).

23. ICEX (2011) suggests that ANIP was not approving projects under $250,000.

24. Interview with a member of the treasury department, ministry of finance, Luanda, 9 February 2011.

25. According to an interview with an academician, Luanda, 7 February 2010, in the colonial period it was the Portuguese 'bush trader' who took light manufactured products such as salt, matches, fish, textiles and 'panos' to rural inland inhabitants and brought back with him to the city, rice, corn and cassava. Apparently some Chinese traders are already engaged in this rural/urban trade.

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