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China-Nigeria oil deals: a timeline

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China - Nigeria Oil Deals - A Timeline

Obasanjo Administration (2005-07) \$20bn Oil for Infrastructure

Selling off oil blocks to Asian companies Oil licensing rounds – 2005-2007. President Obasanjo tied Chinese financing for the project to the offer of four petroleum exploration blocks to state-owned CNOOC I td

The China National Petroleum Corporation (CNPC), an SOE, was allocated an Oil Processing License in return for investing \$2 billion to rehabilitate the northern Nigerian city of Kaduna's failing oil refinery but the deal fell through in 2007.

Goodluck Administration (2010)

\$23bn investment in oil refineries and other infrastructure

The deal would strengthen Chinese crude exported from Nigeria to 6bn barrels per year. In addition, two new oil refineries were to be built in Lagos and Bayelsa states. The latter is Goodluck's home state.

Both countries were to seek financing from Chinese banks for the projects. However, China was to provide 80% of the funding while Nigeria the other 20%. An MoU was signed contracting the China State Construction Engineering Corporation to build the refineries and, once complete, management of the refineries and petrochemical complex would be run by the Chinese at least until the value of their financing was recovered. The refineries aimed to increase output to at least 750,000 bpd and create approximately 20,000 Nigerian jobs

Buhari Administration (2016) \$80bn Oil Investment

Since coming to power in 2015, the Buhari administration has sent three high-level delegations to Beijing to try and broker oil investment from China based on an MoU signed in 2016.

The terms were for several Chinese firms for over \$80 billion new investments, spanning five years, in the oil and gas industry covering pipelines, refineries, gas and power, facility refurbishments and upstream financing.

One feature of the Buhari negotiation syle that differed from previous administrations was that he committed to continuing deals signed under the previous administration.

On trade and economic ties, Buhari said his government remained committed to contracts signed by Goodluck Jonathan, his predecessor, with Chinese firms on railway, roads and hydroelectric dam projects. He referred to the bilateral relationship as a development opportunity that Nigeria cannot afford to lose.

Yar'Adua Administration (2008)

Renegotiate Obasanjo Deal

A large delegation of oil industry experts went to Beijing shortly after Yar'Adua assumed the Presidency to discuss the terms of the previous deal.

Renegotiations failed and no deal was struck. Information gathered during the ESRC funded Chinese Oil project suggests that talks broke down because of falling oil prices with neither side able to agree on an acceptable price for Nigeria's crude.

Goodluck Administration (2013)

\$1.1bn low interest loan for infrastructure development

Signed during a state visit to Beijing. The loan was intended to help Nigeria build a series of infrastructure projects – roads, airport terminals in four cities and a light-rail line for Abuja. In addition, it would help fund the development of a hydropower plant as well as some limited oil and gas infrastructure.

Against a backdrop of Chinese demand for Nigerian crude to rise from 20,000pd to 200,000pd by 2015.