

Angola and China: the largest borrower

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Angola, which the Natural Resource Governance Institute identifies as Africa's largest borrower under resource-backed loans, illustrates the Chinese version of the mechanism on the scale of an entire state. Since the early 2000s, the China Development Bank, China Eximbank and ICBC have lent Angola several tens of billions of dollars, of which at least USD 23 billion remained outstanding in 2020, to finance infrastructure rebuilt after the civil war. Repayments are secured by deliveries of oil, the proceeds of which are paid into escrow accounts before returning to the Angolan Treasury.¹ When oil prices collapsed in 2020, debt service became unsustainable: interest absorbed 35.7 per cent of public revenues, against a median of 11.8 per cent for comparable countries, while annual external debt service approached USD 7.5 billion. The government asked for the suspension of mandatory oil deliveries and applied for the G20 relief initiatives, before obtaining from the China Development Bank a reduction in its monthly repayments and then, in 2024, further relief.²

The Angolan case concerns Geneva in two respects. The first is commodity trading: Geneva traders buy Angolan crude, a growing share of which is pre-allocated to repaying China, which reduces the volumes available on the open market and alters relations with the national oil company, itself at the centre of the corruption case that Part H described in connection with Trafigura. The second is wealth management and advisory services: Angolan fortunes, including that of the former president's daughter, have been the subject of proceedings in several countries. The Geneva institutions that served this clientele have had to justify their due diligence.³ Angola thus shows the convergence of the three subjects of this part: resources, debt and elites.

1 Notes

1. “La dette angolaise : le baiser du dragon ?” [Angola’s debt: the dragon’s kiss?], Le Grand Continent, 24 June 2020. ↩
2. Le Grand Continent, 24 June 2020, cited above; “L’Angola obtient une réduction des remboursements mensuels de sa dette à la China Development Bank” [Angola obtains a reduction in the monthly repayments of its debt to the China Development Bank], Agence Ecofin, March 2021; “Négociation réussie : l’Angola allège sa dette de 3,1 milliards de dollars en 2024 avec la Banque de développement de Chine” [Successful negotiation: Angola reduces its debt by USD 3.1 billion in 2024 with the China Development Bank], lepoint.cd, 2024. ↩
3. ICIJ, “Luanda Leaks’ Isabel dos Santos loses fight against \$733 million asset freeze”, 20 December 2023: freeze of GBP 580 million (USD 733 million) upheld by the High Court in London, asset freezes already ordered in Angola and Portugal, Dutch judgment on EUR 52.6 million diverted from Sonangol through Dutch companies; swissinfo.ch, 20 January 2020, “Swiss jeweller allegedly received millions from Angolan state coffers”: more than USD 140 million (CHF 136 million) of Angolan public funds reached the Geneva jeweller De Grisogono, including a stake acquired in 2012 for CHF 25.7 million by a Maltese structure set up by Sindika Dokolo and the state company Sodiam; seizure of the couple’s assets in Angola on 31 December 2019. ↩

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