

China's loan offer

2009

Dear Mr President,

Under your wise leadership, your country has achieved remarkable success in recent years and has significantly reduced its foreign debt thanks to an international debt relief programme. Your state is making good progress in the areas of education, health and infrastructure.

In view of these economic successes, I would like to make you the following offer on behalf of the People's Republic of China: We are interested in working with you to harness the considerable oil reserves in your country's coastal waters. Our estimates indicate that suitable infrastructure will have to be built if this oil is to be profitably exploited, particularly including offshore oil production facilities, an expanded oil port and a road building programme.

To this end, we would like to offer you a loan of 2.4 billion US dollars. The loan is to be repaid over thirty years, with annual repayments of 80 million US dollars. Repayments would start in the year that oil production begins. This is a zero interest loan. Repayment will consist entirely and exclusively of deliveries of crude oil. The value of these deliveries will be based on the daily world market price.

According to our calculations, up to 250,000 barrels of daily production capacity can be expected, which means that our requirements can easily be met. Additionally, our successful offshore oil company, the National Offshore Oil Corporation (CNOOC) is in a position to provide you with well-trained and experienced professionals to build the infrastructure. The details of how the project plan will be implemented should be discussed in future negotiations.

We would like to expressly highlight that granting this loan is not dependent on any conditions regarding your country's economic policy. The People's Republic of China's foreign policy is guided by the strict principle of non-interference in the internal affairs of other countries.

We would be most honoured if you would accept our offer on behalf of your country. We are of course available to provide you with detailed information.

Respectfully yours,

Xian Jingyi

Ambassador of the People's Republic of China