

**CHINESE 'LOAN-FOR-OIL' DEALS IN BRAZIL,
VENEZUELA AND ECUADOR:
LOCAL CONCERNS AND PERCEPTIONS**

Selene Martinez Pacheco

PhD International Studies

International Studies: China Research Centre
Faculty of Arts and Social Sciences
University of Technology, Sydney

2013

Certificate of original authorship

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Signature of Student: Selene Martinez Pacheco

Date: 14th August 2013

Acknowledgements

I will be forever grateful for the wonderful opportunity to pursue a doctoral degree and hopefully a career in academia to the University of Technology, Sydney, particularly to the Graduate Research School and the China Research Centre. They have provided me with the financial support to concentrate on my candidature with the International Postgraduate Research Scholarship and the UTS President's Scholarship throughout the course of my degree.

I am indebted to the leading researches (whose identities are maintained confidential) that agreed to meet me and made my scholarly visit to their countries a pleasant experience. Their shared insights in our personal communication for the benefit of my research have contributed substantially to this analysis. Their kindness and help is deeply appreciated.

There are many colleagues, professors, family and friends that have embraced my aspirations as theirs and have helped me throughout this journey. There are no words of appreciation that could describe the gratitude to my principal supervisor and life mentor associate professor Yingjie Guo. This thesis is the result of his hard work, commitment and professionalism even under the most unpredictable and difficult circumstances. Moreover, his kind words of encouragement and support got me through the many hardships of becoming a researcher while balancing life. I have no doubt that his many teachings transcend this thesis and will continue to guide me after this candidature ends.

I am equally grateful to Laiha Chan, my alternative supervisor, for her unwavering help and her always timely and thorough feedback. I want to extend a special acknowledgement to David S. Goodman, who encouraged me to pursue a doctoral degree, and Louise Edwards, whose determined effort brought me to UTS and who has continued to keep an eye on me in spite of the geographical distance. I would not be in this journey if I had not crossed paths with my undergraduate professor Renato

Balderrama Santander. His passion to teaching and fascination with China inspired my professional objectives. After all these years, his kindness, encouragement and friendship still motivate me.

There are three more mentions of appreciation that I would like to include in this brief account. I am thankful to Ming Liang who has always guided me through the administrative procedures with the Faculty of Arts and Social Sciences and the Graduate Research School in the friendliest way.

I am grateful to Claire Moore, who not only helped me navigate the candidature's administrative procedures even before meeting me, but also supported me whenever I most needed it. I could not have finished this thesis without her constant encouragement, friendship, help and support. I am indebted to her for proofreading the final draft and making my ideas comprehensible. Lastly, I thank Emma Cannen, who brought my attention to alternative perspectives on Venezuela, international relations and academia, while improving my writing skills. I am particularly appreciative to both for keeping me on track and showing me the bright side of life. Their unconditional emotional support and hours of babysitting Victoria allowed me to accomplish my goals.

Finally, I owe this journey to my parents, who have always encouraged me to pursue my dreams, even if it has meant being away from them. And Leo, my love, this is as yours as it is mine. This thesis is dedicated to my family.

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Abstract

China's international behaviour has been the subject of scholarly attention in the past decade. The implementation of the 'going out' strategy of international relations in Latin American countries has been inserted in the mainstream debate about China's rise. The Chinese national oil companies' 'loan-for-oil' deals and other business projects in Brazil, Venezuela and Ecuador are good examples of the Chinese quest for geopolitical interests in the region. The local perception has drawn from the leading assumptions about China and China's international behaviour embedded in the Latin American hybrid perspective of international relations, namely that China is a unitary and homogeneous actor with a top-down hierarchy of command from the Chinese government. However, these premises are debatable.

The examples examined in the cases of Brazil, Venezuela and Ecuador show two constant elements, the presence of a plurality of Chinese actors and their interdependent relationship with the Chinese government. Yet, the predominant actors in the local debates about China's influence have not been swayed by these findings in a significant way. Their perception of China's international behaviour continues to hold a general negative image of China.

This study explores the implementation of the 'going out' strategy through the Chinese national oil companies' business practices in Brazil, Venezuela and Ecuador to illustrate the presence of a plurality of Chinese actors and their interdependent relationship with the Chinese government in this endeavour. The study calls attention to these neglected elements in the prevailing local perception of Chinese international behaviour, with the aim of contributing to international debates on the topic that could potentially improve Chinese international image and strengthen the bilateral partnerships.

List of abbreviations and acronyms

ALADI	Latin American Integration Association (Asociacion Latinoamericana de Integracion)
APEC	Asia-Pacific Economic Cooperation
BANDES	Venezuelan Economic and Social Development (Banco de Desarrollo Economico y Social de Venezuela)
BCBC	Brazil-China Business Council (Conselho Empresarial Brasil-China)
CAS	China Accounting Standards
CCP	Chinese Communist Party
Chinaoil	China National United Oil Corporation
CITIC	China International Trust and Investment Corporation
CNOOC	China National Offshore Oil Corporation
CNPC	China National Petroleum Corporation
CPEB	Changqing Petroleum Exploration Bureau
CVP	Venezuelan Petroleum Corporation (Corporacion Venezolana de Petroleo)
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EP	PetroEcuador
ERI	Energy Research Institute
Eximbank	Export-Import Bank of China
FIESP	Industries from Sao Paulo State Federation (Federacao das Industrias do Estado de Sao Paulo)
FONDEN	Venezuelan National Development Fund (Fondo Nacional de Desarrollo S. A.)
ICBC	Industrial and Commercial Bank of China
IEA	International Energy Agency
IMF	International Monetary Fund
IR	International relations
MOF	Ministry of Finance of the People's Republic of China

MOFA	Ministry of Foreign Affairs of the People's Republic of China
MUD	Democratic Unity Roundtable (Mesa de la Unidad Democratica)
NDRC	National Development and Reform Commission
NEA	National Energy Agency
NEC	National Energy Commission
NOC	National Oil Company
OAS	Organisation of American States
OCP	Heavy Crude Oil Pipeline
PDVSA	Petroleos de Venezuela S. A.
PEMEX	Petroleos Mexicanos
Petrobras	Petroleo Brasileiro S. A.
PRC	People's Republic of China
ROC	Republic of China
RMB	Renminbi
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
SHP	Shougang Iron Peru (Shougang Hierro Peru)
Sinochem	Sinochem Corporation
Sinopec	China Petroleum and Chemical Corporation
SNPTC	State Nuclear Power Technology Corporation Limited
SOE	State-Owned Enterprise
UK	United Kingdom
UN	United Nations Organization
US	United States of America
WB	World Bank
WTO	World Trade Organisation