



## China Reform Monitor No. 1347

October 17, 2018 **Joshua Eisenman**

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### September 14:

Struggling with a deep recession and hyperinflation, Venezuelan President Nicholas Maduro has given the China National Petroleum Corp. another 9.9% stake in the Sinovensa joint energy venture in his country, Reuters reports. The concession brings the total Chinese share in the project to 49.9%, and now all of Sinovensa's services and procurement contracts will go to Chinese companies. China will also drill 300 wells in Ayacucho bloc 6 in the oil-rich Orinoco Belt and extend \$184 million in financing for another joint oil venture called Petrozumano. While in Beijing, Maduro told President Xi Jinping that he wanted to "explore effective financing methods" to enhance energy cooperation, and Xi responded that China would continue to support stability and development in Venezuela. In July, Venezuela received \$250 million from the China Development Bank to boost oil production.

[EDITOR'S NOTE: For a decade, China provided more than \$50 billion in oil-for-loan deals that bolstered the socialist regime in Caracas. But amid falling oil prices and declining crude output, the Chinese cash flow dried up three years ago, and Beijing eased debt repayment conditions in 2016.]

### September 17:

China's Foreign Minister, Wang Yi, was on his way home from Pakistan after reaffirming the mutual benefits of the China-Pakistan Economic Corridor (CPEC), when that country's commerce minister, Abdul Razak Dawood, announced that Islamabad should suspend CPEC projects for a year because the contracts negotiated by the previous government were too favorable to Beijing. Pakistan's new populist government wants CPEC projects to include a larger focus on socio-economic development, Channel NewsAsia reports.

### September 18:

In the first quarter of this year, China's Ministry of Ecology and Environment (MEE) has punished 158 companies for exceeding pollution standards. Half of those fined are sewage treatment plants, the others include 26 heat-supply companies, 7 non-ferrous metal metallurgy companies, and 14 coal and chemical companies. The highest fine was 18.8 million yuan. Of the 26 companies directly under MEE supervision, only eight met pollution standards. The MEE statement reiterated its firm attitude toward environmental protection and that it "will seriously punish companies and individuals involved in fake reform," the official *Global Times* reports.

### September 19:

The U.S. Department of Justice is requiring the official Xinhua News Agency and China Global Television Network (CGTN) to register under the Foreign Agents Registration Act (FARA) or face prosecution, the *Asia Times* reports. A group of senators, including Marco Rubio and Patrick Leahy, have been lobbying the Justice Department to increase scrutiny of China's state media outlets, arguing in a letter last January that Xinhua and CGTN fall under FARA. "Both China and Russia exploit a 'glaring asymmetry': a lack of reciprocity caused by raising 'barriers to external political and cultural influence at home while simultaneously taking advantage of the openness of democratic systems abroad,'" the senators wrote.

### September 20:

China is "actively trying to impact and change" the 2018 election "by attacking our farmers, ranchers and industrial workers because of their loyalty to me," President Donald Trump wrote on Twitter. Beijing does not interfere in other nations' internal affairs, the China's Foreign Ministry spokesperson responded in comments carried by Russia Today.