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मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

MP-IDSA
Commentary

China-Ecuador Relations: Gaining Strength

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October 08, 2026

Summary

Ecuadorian President Daniel Noboa's visit to Beijing in August 2026 marked a significant shift in Sino-Ecuadorian relations.

Ecuadorian President Daniel Roy-Gilchrist Noboa Azin visited China in August 2026. The visit coincided with a significant milestone in bilateral relations—the tenth anniversary of the China–Ecuador Comprehensive Strategic Partnership. President Noboa's diplomatic engagement reflects a broader trend across Latin American economies, which are increasingly pursuing high-value Chinese investments in green energy transitions, critical minerals and digital infrastructure.

Ecuador established formal diplomatic relations with the People's Republic of China in 1980 under President Jaime Roldós Aguilera, following its transition to civilian governance.[1] A pivotal realignment occurred between 2007 and 2009 when Ecuador adopted the *buen vivir* ('living well') paradigm and moved away from neoliberal models.[2] After a sovereign debt default, Ecuador was effectively locked out of Western credit markets, the International Monetary Fund, and international bond markets. Consequently, President Rafael Correa turned to Beijing as an alternative lender of last resort, securing Ecuador's initial Chinese loan of US$ 1 billion at a 7.25 per cent interest rate in 2009. A key provision of the agreement required Ecuador's state-owned oil enterprise, Petroecuador, to supply Amazonian crude oil to Petrochina, the world's second-largest publicly traded oil corporation.

Under these combined loan-and-oil arrangements, the China Development Bank (CDB) extended credit to Ecuador's Ministry of Finance. Subsequently, Chinese energy firms purchased the crude at market rates and transferred the proceeds into Petroecuador's designated account at CDB. Funds were then directly drawn from this account to settle Ecuador's debt obligations. Beijing has extended over US$ 18 billion in financing to fund major Ecuadorian infrastructure projects through this model.[3]

The rapid concentration of short-term maturities put unsustainable pressure on Ecuador's public finances. In response to these heavy financial obligations, successive administrations under Lenín Moreno and Guillermo Lasso sought to recalibrate the bilateral relationship. Quito re-engaged with multilateral financial institutions like the IMF while pressing Beijing to restructure Chinese debt terms and oil delivery commitments.[4]

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[1] Qian Zhou, **"China-Ecuador Economic Ties and Trade Prospects"**, *China Briefing News*, 15 October 2025.

[2] Salvatore Monni and Luca Serafini, **"A Dangerous Alliance? The Relationship Between Ecuador and China"**, Sustainability Environmental Economics and Dynamics Studies (SEEDS), 2018.

[3] **"Beijing, Banks and Barrels: China and Oil in the Ecuadorian Amazon"**, Amazon Watch, March 2014.

[4] **"Ecuador Reaches Deal With China to Restructure Debt"**, *The Business Standard*, 20 September 2022.

Under President Daniel Noboa, the relationship has shifted from state-backed borrowing towards strengthening bilateral trade, highlighted by the implementation of the China–Ecuador FTA in May 2024. Bilateral trade reached over US$ 17.3 billion in 2025, generating a net surplus for Ecuador and reflecting alignment between Quito's export-diversification goals and Beijing's strategic supply-chain priorities.[5]

The Ecuadorian President held meetings in Beijing with President Xi Jinping, Premier Li Qiang, and Zhao Leji (Chairman of the Standing Committee of the National People's Congress). The visit focused on expanding trade under the existing bilateral FTA, securing non-reimbursable aid, and attracting Chinese investments in infrastructure, technology and energy. For China, the focus remained on deepening ties with Ecuador and reinforcing its commitment to South America under the Belt and Road Initiative (BRI).[6]

Trade discussions also took place in Chengdu, where President Noboa met with party and business leaders and pitched Ecuadorian agricultural and aquaculture products to regional consumer markets. Frozen shrimp have been an important part of Ecuador's non-oil exports to China.[7] Shortly before the visit, China reinstated export eligibility for some Ecuadorian shrimp plants (previously suspended due to quality concerns) after several months of joint work by the affected companies, the industry chamber, and national authorities.[8]

Ecuador also secured US$ 42.7 million in non-reimbursable cooperation resources from China. Of these funds, US$ 28 million will go towards acquiring 125 police patrol vehicles, health services, and productive reactivation in northern Ecuador.[9] An additional US$ 14.7 million was allocated to education, agriculture, and risk-prevention projects, including an AI-supported meteorological system to enhance Ecuador's weather tracking and El Niño event forecasting.

Quito faces severe domestic energy vulnerabilities and power grid stress, driving its pursuit of Chinese technological transfers and investments in solar energy, new energy systems and digital grid infrastructure. During the visit, the parties discussed renewable energy cooperation, specifically relating to bringing in Chinese

[5] **"Deepening Ties with China Crucial for Ecuador Amid Global Trade Protectionism: Chamber President"** *CGTN*, 21 August 2026.

[6] **"Chinese Premier Meets Ecuadorian President"**, *Xinhua*, 19 August 2026.

[7] Chip Moreno, **"Ecuador-China Package Combines Seven Agreements with a USD 42.7M Cooperation Commitment"**, *Ecuador Brief*, 21 August 2026.

[8] Carlos Silva, **"China Lifts Suspension on 8 Ecuadorian Shrimp Plants"**. *The Rio Times*, 24 August 2026.

[9] **"China Asignará 42,7 Millones De Dólares En Cooperación No Reembolsable a Ecuador"**, *SWI swissinfo.ch*, 18 August 2026.

photovoltaic (solar) technology to expand Ecuador's renewable energy generation and strengthen grid stability.[10] Ecuador and China signed agreements on digital technology, green industry, trade, and media cooperation. President Xi highlighted the need for deeper strategic collaboration in energy, minerals and artificial intelligence.[11]

Access to South America's critical mineral supply chains is a key priority of Beijing's long-term resource security strategy. China controls Ecuador's largest copper projects. In 2012, Chinese state-owned consortium EcuaCorriente S.A. (consisting of Tongling Nonferrous Metals and China Railway Construction Cooperation) acquired the Mirador open-pit copper project, which began commercial production in 2019 as Ecuador's first large-scale copper mine.

China's foothold expanded significantly in early 2026 when Jiangxi Copper acquired SolGold. The deal gave the company control of Cascabel, a major mining project in northern Ecuador's Imbabura province and one of the world's largest untapped copper-gold deposits.[12] Backed by a ratified bilateral FTA and high-level diplomatic commitments, Chinese firms now control Ecuador's most lucrative extraction sites, even as these projects continue to face local environmental protests and legal challenges over indigenous land rights.[13]

President Noboa's visit therefore underscores a pivotal moment for Quito. Confronting energy grid modernisation challenges and pressing sovereign debt obligations, Ecuador is looking across the Pacific towards its primary trading partner for non-oil exports. While pursuing economic ties with China, Ecuador, though, cannot afford to bypass strong security engagement with Washington.[14] Rather than moving strictly towards the West or aligning exclusively with Beijing, the Noboa administration is practising flexible, interest-driven diplomacy. China's deepening economic ties in South America, though, continue to challenge traditional US hegemony in the Western Hemisphere, creating a multipolar diplomatic landscape in the Global South.

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[10] Juan Martinez, **"Ecuador China Energy Talks Target 3,000 MW Solar and New Power Lines"**, *The Rio Times*, 19 September 2026.

[11] Maryam Ashalem De Andres, **"China, Ecuador Agree to Expand Cooperation in Trade, Digital Economy"**, *Anadolu Agency*, 19 August 2026.

[12] **"Jiangxi Copper Finalizes SolGold Acquisition, Expanding China's Hold on Ecuadorian Copper Projects"**, Competition Policy International (CPI), 11 March 2026.

[13] Cintia Quiliconi and Pablo Rodriguez Vasco, **"Chinese Mining and Indigenous Resistance in Ecuador"**, Carnegie Endowment for International Peace, 20 September 2021.

[14] Catherine Osborn, **"A Top Trump Ally Turns to China"**, *Foreign Policy*, 26 August 2026.

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