http://www.counterpunch.org/2014/09/22/blood-oil-and-the-geopolitics-of-the-gulf/print

# Blood, Oil and the Geopolitics of the Gulf

***The Spiked Colossus***

by EVAN TAYLOR

SEPTEMBER 22, 2014

This past August, the United States marked the 100-year centennial of the First World War by sending airstrikes over northern Iraq, a darkly fitting tribute to the cataclysm out of which the borders of the state were drawn. The direct aim of the Obama Administration was to stem the tide of the Sunni paramilitary force in the country, which has been declaring Iraq's northwest to be under the rule of a new "Islamic State" at an alarming rate. In July, 800 U.S. Special Forces soldiers were deployed to Iraq as "advisors," and although the President stated that U.S. ground combat troops would not be used in the conflict, Ray Odierno, the Army Chief of Staff, has hinted otherwise. "This is going to be a long term project," Obama declared from the White House lawn two days after the bombings run began.[1]

The President's phrase was apt, as Pentagon warplanes have been bombing Iraq for 24 years, and the present day guns of August also exhibit a more general motivation of U.S action in the region, a structural militarism where armed force is considered to be the key implement in the toolbox. In Afghanistan, Libya, Syria, Israel, Yemen, and elsewhere, the U.S. wages or supports wars, often without a stated political goal to be found. In Iraq the rationale has shifted from the threat of Saddam to the threat of insurgents, to the threat of the Islamic State, but militarism as a solution has remained the same. The August airstrikes were also easy to carry out, as the

Pentagon currently operates a logistical empire in the Arabian Peninsula, with soldiers, bases, warships and drones stretching the littoral from Kuwait to the Yemeni port of Aden. Some of the current bombing runs to northern Iraq are taking off from the Gulf based aircraft carrier George H. W. Bush, a reminder of the duration over which this force has been assembled. And finally there is the oil. This military footprint stands atop the epicenter of the global energy trade, featuring immense petroleum deposits that have produced immense monetary accounts and located at the crossroads of Asia, Africa, and Europe. The current bombing of Iraq, and more generally U.S. occupation of this larger area, is the manifestation of the official Washington belief that political power can be effectively gained through warfare, that blood can be used to control oil.

Today, however, such control is proving elusive. Gulf states such as Iraq, Saudi Arabia, the United Arab Emirates and Qatar are looking towards other global actors, primarily China, when making economic and financial decisions. Despite the Pentagon's military colossus in the region, the oil, the money, and the people are turning to the east. As of 2009, one third of China's oil imports come from the Arab Gulf states, Beijing is now the largest trading partner of Arab heavyweight Saudi Arabia, and 10% of Dubai's population is now Chinese nationals. Dozens of flights per week connect the Gulf to China, and economic activity is now beginning to be conducted in the renminbi. U.S. policy is still focused on wielding the sword, but China has emerged as the largest economic force in the region, signaling a possible rupture of the historical trend equating military power to political influence.

The following essay examines this dynamic in the state of Qatar, a peninsula just over half the size of Israel jutting off the Saudi Arabian coast. Ruled by the ambitious Al Thani monarchy, Qatar holds claim to a world-class offshore natural gas supply and has spent two decades angling for status in international politics. The state was declared independent in 1971, one of the last holdings of the British Empire, and it remained a political backwater for twenty years. However since the 1990s Qatar has transformed itself into vital U.S. military ally, the nerve center of the Pentagon's West Asia dominion. Hidden in its deserts are air and army bases housing the forward operating headquarters of Central Command and the biggest U.S. Army prepositioning facility in the world. But China has emerged within the last six years as the largest export market for Qatar's natural gas, and other economic connections between the two countries have followed. Qatar is thus facing the same choices as many other states, balancing its historic ties to the U.S. with the rise of China. The situation is magnified in the Gulf due to the oil wealth and heavy U.S. military footprint, but the dynamic is similar across Latin America, Africa, and Asia. Leaders in Qatar and across the world are beginning to disregard the puppet strings long assumed to be attached to imperialism, quartering Washington's troops while directing more and more of their economic and financial considerations towards Beijing.

Although political officials rarely speak publically about U.S. desire for control of petroleum, its centrality to U.S. foreign policy is not a secret to scholars. A recent special issue of the *Journal of American History* focused on the topic of Oil in America makes this point many times. "Over the course of the twentieth century," Toby Craig Jones wrote, "preserving the security not just of Saudi Arabia but of the entire Persian Gulf region and the flow of Middle Eastern oil were among the United States' chief political-economic concerns."[2] David Painter observed that following the Second World War, the U.S. established "a vast archipelago of overseas bases," and that “the forces necessary for this strategy, mainly sea and air power, could and were used to maintain access to overseas oil reserves.”[3] And Tyler Priest argued that during the 1990s, “U.S. petro-imperialism filled a post-Cold War power vacuum in the oil hot spots of the world.”[4] At the time of the 2003 invasion, some critics aptly spelled out the connections between the war and oil. In lectures given at Oxford in February 2003, David Harvey stated that the war was being waged “to keep effective control over the global economy for the next fifty years.”[5] Faced with rising powers in Europe and Asia, U.S. leaders hoped that “firm control of the global oil spigot” would translate into geopolitical power. “What better way for the United States to ward off that competition and secure its own hegemonic position,” Harvey asked, “than to control the price, conditions, and distribution of the key economic resource upon which those competitors rely? And what better way to do that than to use the one line of force where the US still remains all-powerful—military might?”[6] Even Alan Greenspan, the longtime U.S. chief central banker, stated in his memoir that “I am saddened that it is politically inconvenient to acknowledge what everyone knows: the Iraq war is largely about oil.”[7]

The 2003 invasion of Iraq marked the culminating moment in this trend, a decades-long foreign policy doctrine focused on using military means to influence politics in the energy heartlands of Western Asia. In the months following the oil price shocks of October 1973, when the energy producing states of the Persian Gulf suddenly gained a new stature in the global order, U.S. cabinet officials discussed their desires to control the economic wealth of the region through military power. “It is essential,” Henry Kissinger claimed during a meeting that November. The islands of Bahrain and Diego Garcia were to be the starting points, but the idea was to operate on a much grander scale. “We need a base in more than one place so that we aren’t completely dependent,” argued CIA director William Colby, and Kissinger complained that he wanted to “overthrow one of the sheikhs just to show that we can do it.”[8]

Since then, every U.S administration has furthered the building of a Gulf military dominion, creating both a network of bases and an ideological belief that expanding this network was necessary for control of oil. Island bases, briefing papers and war contingency studies in the 1970s led to Jimmy Carter’s famous 1980 State of Union Address, where he declared security over the gulf a “vital interest” of the United States that would be defended against an “outside force…by any means necessary.” Within a year of the speech, war broke out between Iraq and Iran, and the Reagan Administration spent a decade arming both sides of the bloody conflict, which by 1987 U.S. Naval forces were directly participating in. Meanwhile, the U.S. created a regional military command for the area, and Saudi Arabia constructed a $50 billion military base network specific to Pentagon and NATO designs. At the end of the decade, Saddam sent troops into Kuwait, and the U.S. put 540,000 soldiers onto Saudi Arabian soil, slaughtering the Iraq army and decimating its industrial base.

In the period that followed, which will be documented below, the construction of a U.S. military footprint across the Arabian Peninsula steadily increased, beginning before the attacks on September 11th and rapidly accelerating afterwards. Today, the Pentagon operates in Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman, Yemen, and Saudi Arabia, as well as maintaining a floating base in the form of the 5th fleet naval armada. This leviathan is the center of a logistical force capable of staging operations from Egypt to China’s western border. As of 2012, estimates place constant U.S. troop presence in the Gulf (a figure shrouded in secrecy) between 40,000 and 50,000, a number that may be equaled by private security contractors.[9] With U.S. soldiers reinserted into Iraq in July 2014, the Pentagon is engaged with every Arab state south of Turkey.

But as the number of U.S. boots on the ground continues to grow, Gulf oil business is increasingly being directed towards China, on China's terms, and denominated in the Chinese people's currency. In Qatar, Saudi Arabia, the United Arab Emirates, Iraq, and more, the story is the same. Beijing's influence is also trickling down from the commanding heights of commerce to include small business transactions and everyday connections. China is now the biggest customer for Qatari gas, holds exploration contracts in Qatari waters, engineering contracts on Qatari infrastructure projects, financial contracts with Qatari banks, and operates shopping malls to sell Chinese projects. Missing from this equation is military involvement, as Chinese soldiers make only periodic trips to the region and have no declared overseas military bases. It is clear that where the U.S. has spent the last two decades playing warrior, China, the new entry into the great game of Gulf politics, is playing trader. Beijing's policy to "go west" and build connections across the Eurasian continent has reached the global crossroads of the Middle East, and both China and Arab states are finding the partnership to be fruitful.

This emerging separation of economic influence from military power is related to what Giovanni Arrighi referred to as "domination without hegemony." The U.S. has spent decades trying to control the Gulf through progressive military force, and this project has resulted in an abundance of dominance but a lack of control. China and other powers are employing non-belligerent methods, and their voices are now being listened to. Meanwhile the U.S. economy—heavily distorted towards military spending and tied to the finances of oil—spectacularly crashed. As Arrighi wrote, "the most important unintended consequence of the Iraqi adventure has been the consolidation of the tendency towards the recentering of the global economy on East Asia, and within East Asia, on China."[10] Looking at both sides of this problem complicates the question of U.S. "power" in the world. Not only expensive and immoral, the empire is also now ineffective. It was built to span the trade routes under Eurasia and secure control over the global oil spigot. It now serves as a heavily armed bodyguard for inter-Asian business deals, watching over the trade of other nations and increasingly unable to dictate the terms. Mark Twain, bemoaning the Spanish-American war and the birth of U.S. overseas colonialism in the Philippines, rewrote in 1901 the fabled Civil War marching song *Battle Hymn of the Republic*. Twain twisted his version to begin: "Mine eyes have seen the orgy of the launching of the sword, he is searching out the holdings where the stranger's wealth is stored." A century later, the world is now almost numb to the vulgarity of permanent war; the stranger's wealth, however, is proving harder to find.

* * *

Qatar was one of the key military relationships developed by the Pentagon after the 1991 Gulf War. Directly following the wars conclusion, Qatar, along with Bahrain, Kuwait, Saudi Arabia and Oman, signed new defense pacts or updated existing agreements to allow U.S. troops to operate on their soil. By the following year, according to the *Washington Post*, the U.S was stationing 24,000 troops in Gulf states.[11] In October 1994, Qatar formally agreed to host supplies for an Army brigade, one of three that the U.S. hoped to preposition in the Gulf, and on a March 1995 tour of the region, Secretary of Defense William Perry struck a preliminary deal for 4,000 troops to be posted in the peninsula.[12]

In the background of the budding U.S.-Qatar alliance was the continued war against Iraq maintained from 1991 through 2003, a regime of airtime surveillance, bombing, and sanctioning dryly termed "containment" in official discourse. In its longest air campaign since the Vietnam War, the Pentagon operated an average of 34,000 flights a year over Iraq. By the end of the decade, the cost of the program amounted to over $1 billion per year. Hans von Sponek, who coordinated the UN Humanitarian Program in Iraq from 1998-2000, stated that "there were bombing incidents every three days" during his time in the country.[13] In a turn of doublespeak, the U.S. Air Force awarded a medal for this air siege under the official campaign name of "Southwest Asia Ceasefire."[14] Meanwhile, in order to facilitate and expand these activities, the Pentagon began to build large military bases and preposition tens of thousands of troops, tanks, and warplanes in the Gulf, with ground broken on new facilities in Qatar, Bahrain, and Saudi Arabia. In 1995 the U.S. Navy introduced its Fifth Fleet armada to be based in Bahrain, and in 1999 Central Command expanded its area of operations to include Central Asia. Already by 1997, according to the calculations of Graham Fuller, U.S. taxpayers were spending $30 to $60 billion a year on military efforts in the region.[15]

The Qatari palace coup in June 1995 solidified cooperation with the U.S. military. While his father was vacationing in Geneva, Hamad bin Khalifa Al Thani, the longtime heir to the throne, declared himself king. The new Qatari emir had studied at Britain's Sandhurst military academy and risen to be a chief general in the Qatari military and an influential voice on domestic affairs. Hamad was eager to align Qatar with U.S. and other international interests, and willing to spend the money to do so. The 1995 royal succession signaled the beginning of, "an era of apparently unlimited budgets" as the historian Allen Fromherz puts it.[16] Five months after the coup, Hamad signed a $4 billion agreement with the Enron Corporation to develop part of Qatar's North Field gas reserve, the largest non-associated gas field in the world. Enron hoped to export the gas to India and, notably, Israel.[17] Other U.S. oil interests that entered Qatar during this time included Mobil Oil and Occidental Petroleum. In 1997, the Ras Laffan complex opened, a giant refinery project pitched as an "industrial city" to serve the North Field.

But the most tangible sign of the king's political orientation was the construction of air force and army bases for the U.S. military. Within months of the coup, Charlie Smithers, an Army Lieutenant Colonel assigned to Central Command, was tasked with establishing a new prepositioning facility in Qatar, what would become today's Camp As Sayliyah. Less than 90 days later, Army gear had arrived on the peninsula.[18] In 1997, Dyncorp was awarded a $14 million contract to protect U.S. Army instillations in Qatar. By August 2000, a 262-acre, climate-controlled warehouse lot on the dusty outskirts of Doha was complete, and the ITT Corporation was awarded a $53 million contract to service the new army base (a deal that continues through today).[19] "The value of this contract is expected to increase dramatically over time," reads the prescient ITT press release, "as the United States policy towards deployment of troops and equipment shifts from other locations in the Middle East to Qatar." By November 2000, when Secretary of Defense William Cohen visited the base, there were more than 60 troops, 100 tanks, and 100 Bradley fighting vehicles on hand.[20]

The U.S. Air Force also held designs on the peninsula. In June 1996, Qatar hosted a squadron of 30 U.S. fighter jets for a two-month stay as part of Operation Southern Watch, one of the two air campaigns in Iraq.[21] At the same time, construction began on the Al Udeid air base an hour outside of Doha. Al Udeid, paid for out of Qatari coffers, was a field-of-dreams wooing of the Pentagon, a word class facility for a Qatari air force that didn't exist. We shall build it and they will come, as one analyst described it, Qatar laying the groundwork for the Gulf region's longest runway and hangers capable of holding 80 planes. In 1999, the Pentagon began putting out service contracts that indicated permanent designs for the base. The Defense Energy Support Agency solicited bids for a fuel shipping and processing center capable of delivering a million gallons per day of jet fuel to Al Udeid, and the Air Force announced a War Reserve Preposition center contracts for Qatar, Bahrain, and Oman.

Although in retrospect this history is possible to tease out, at the time it was very hush-hush, out of political concerns in both Washington and Arab capitals. Not even the U.S. Congress was in on the plans. In 1997, a group of Senators from the Appropriations Committee visited the region and came away "aghast," in the words of Alaska's Ted Stevens, at the radical logistical footprint being constructed in the Balkans and Persian Gulf. Reportedly, the Senate delegation was told by U.S. military officers that they were planning for a 20- to 50-year deployment in the gulf."[22] "Serious policy issues regarding a continued long-term presence in this region must be addressed," the Senators wrote in an unpublished report leaked to the *Associated Press*.[1]

By the final year of the Clinton administration, military officials began to hint at the accelerating U.S. plans in the Gulf. Secretary of Defense William Cohen, speaking from Kuwait following a long regional trip in April 2000, stated that Al Udeid "may be used in the future, in a crisis situation." Reportedly, the Qatari government had asked Cohen to station 10,000 permanent U.S. troops at the base.[23] Although this offer was declined at the time, it was clear that preparations were under way to lay a large military footprint in the region. That summer, during his confirmation hearing to become Regional Commander of Central Command, General Tommy Franks revealed that the Air Force had already constructed a $32 million storage site at Al Udeid, and hoped to build a fuel system in the next two years. A Pentagon report to Congress from March 2001, titled *Allied Contributions to the Common Defense*, lays out the extent to which Qatar was already set to become the new U.S. regional military hub. "The United States Air Force recently established a limited prepositioning facility at Qatar's Al Udeid Airbase and is investigating moving to the airfield. Qatar also hosts prepositioned U.S. Army assets at As Sayliyah," reads the Donald Rumsfeld signed report.[24]

Six months later, on September 11th, the "crisis situation" that Cohen had spoken of hit, and plans for a permanent U.S. presence were rapidly accelerated. Starting in October 2001, Air Force engineers began working 12-hour shifts to prepare Al Udeid for U.S. troops. One of the engineers, Master Sargent Evander Andrews, was crushed by a forklift on October 10th, and the base was briefly referred to as Camp Andy in his honor.[25] By April 2002, 2,000 American troops were already stationed at Al Udeid, along with fighter jets, tankers, and surveillance aircraft. [26] By June there were 3,000 troops. The Pentagon also went about soliciting bids for the bases, for technical and administrative management, barracks construction, 10,000 gallons of antifreeze, and toxic waste disposal. Starting in February 2003, Central Command transferred control of the air war in Afghanistan from Saudi Arabia's Prince Sultan Airbase to Al

Udeid. The first month of the Iraq war, including the devastating Shock and Awe bombing campaign, was run from Saudi Arabia, and then the personnel were moved to Qatar. With this shift, the Combined Air Operations Center at Al-Udeid became the hub of all U.S. military air operations from Afghanistan to Africa, as it remains today.

Camp As Sayliyah, the U.S. Army base in Qatar, also underwent a transformation in 2002 and 2003, becoming the heart of propaganda operations for the coalition forces in Iraq. Starting in December 2002, under the guise of the *Internal Look* military exercise, the Pentagon brought thousands of troops and command and control systems to the Army base. They never left. When the war began, General Tommy Franks held his version of the five o'clock follies from the base, a sterile compound far away from the trauma of Iraq. Warehouses contained hundreds of tanks and Bradley fighting vehicles, and double-stacked shipping containers were turned into housing for troops. The base also featured as a playground for American G.I., the center of the Army's rest and recuperation program from 2002 through 2011. Gyms, swimming pools, miniature golf and 24-hour restaurants that served alcohol were housed at the facility, and tours of Qatar were organized for the soldiers, where they could ride jet skis, play golf, or go boating.[27]

Already by the start of the war, the base had become both the largest Army prepositioning facility in the world and the forward operating headquarters of Central Command. In June 2003, George W. Bush visited Qatar as part of a premature victory tour for Iraq, the first sitting U.S. president to visit the now vital state. "In the battle of Iraq, you set an example of skill and daring that will stand for all time," Bush proclaimed to the soldiers assembled at As Sayliyah. "The very first strike in the liberation of Iraq started from right here, and many others followed. Missions of mercy are directed from here."[28]

As the occupation of Iraq progressed, the U.S. continued to upgrade the Qatari bases. Construction soon started on a $500 million upgrade to Al Udeid, central to the effort a hulking 104,000 square foot Air Force command facility paid for in large part by the Qatari government. Lt. Gen. Walter Buchanan, head of Central Command's air operations, stated at the time that the Pentagon expected to use the Qatari facility for "at least another decade or two."[29] According to data gathered by the Congressional Research Service, Congress authorized $126 million for U.S. military construction in Qatar between 2003 and 2007.[30] Since then, the U.S. has spent more than double this, continuing to upgrade its Qatari military facilities to the tune of $313 million.

During the Obama administration, the U.S. military relationship with Qatar has continued to strengthen. Arms sales to Qatar, not previously a feature of U.S. policy, have totaled $24 billion over the past four years. Part of a larger spike in U.S. weapons sales to the Gulf, Qatar's new U.S. supplied arsenal includes $15 billion worth of missile defense systems, a fleet of dozens of attack helicopters, and a battery of thousands of rockets. In 2012, the Pentagon set up a powerful X band radar system at an unnamed Qatari location, similar to already existing radar systems in Israel and Turkey.[31] U.S. Naval officials, worried over the anti-government protests in Bahrain, have also recently expressed desires to acquire a naval facility on the peninsula, likely to be located at the massive New Port Project being built south of Doha, which includes a large facility for the small Qatari Navy.[32]

When military deals are put in the context of the larger U.S.-Qatar trade relationship, it becomes clear that national security interests are the dominant force driving ties between the two states. Data provided by the U.S. Census Bureau indicates that the vast majority of imports to Qatar are in the category of machinery and transportation equipment, the chief industries for military preparedness. U.S. yearly exports to Qatar in this category grew from $142 million in 1996 (out of a total $200 million exports to Qatar) to $965 million in 2006 (out of a total $1.2 billion) to nearly $3 billion in 2013.[33] Numbers in the other nine general categories tracked by the Census Bureau are rarely one-tenth this size. The year ending in December 2008 stands as a good example of this trend. Total exports of U.S. goods to Qatar topped $2 billion for the first time that year, reaching $2.7 billion dollars. However, over $700 million of that was aviation equipment. The prior year, guided missiles alone had made up 10% of U.S. machinery exports to Qatar.[34]

In terms of imports, the U.S. takes in a middling amount of Qatari products, almost all related to energy sector. Imports did rise noticeably in recent years, more than doubling to $1 billion between 2010 and 2012. But still, the U.S. is only Qatar's 14th largest export market, behind many states in Asia and Europe. Overall, there is little evidence that economic connections have diversified away from the nexus of military, heavy industry, and energy. There is a common trope that the purpose of U.S. foreign policy is to sell Coca-Cola and Levis. It seems that in Qatar, its purpose is to sell Boeing airplanes, runways included.

The one exception to this pattern is in the field of higher education and intellectual production. Over the past decade, Qatar has attempted to foster a "knowledge-based economy," anchored by the heft of the Doha based Al Jazeera, now a respected global competitor to the BBC and CNN. One of Qatar's main thrusts in this regard was the creation of "Education City," a 14 square kilometer compound that houses branches of six American university departments: foreign service instruction from Georgetown, journalism from Northwestern, medical training from Cornell, engineering and business from Texan A&M and Carnegie Mellon, and art from Virginia Commonwealth. In 2001, the RAND Corporation, the Air Force contractor turned research institute, was also hired to redesign the curriculum for Qatari primary education. However, Justin Gengler, a senior researcher at Qatar University's Social and Economic Survey Research Institute, has observed that Qatari citizens are becoming increasingly disturbed at the ongoing Americanization of educational culture, and making moves to revitalize traditional Islamic and Arab social values. "Such public misgivings over Western domination—with RAND's historical ties to the U.S. military adding fuel to the fire,' Gengler wrote in a recent publication, have "spurred wide-ranging efforts to reassert national and cultural ownership over the educational sphere."[35] English language instruction has been cancelled, and enrollment in the Education City campus is lagging. Al Jazeera, of course, has strongly antagonized Washington at times, and the U.S. military has (perhaps accidently) bombed Al Jazeera bureaus on multiple occasions. As can be seen, even when trying to build what some may call "soft power" ties, the U.S. finds itself stuck in the corner, unable to shake off the image of the spiked colossus.

***

The world, however, is bigger than Washington, and Pentagon domination in Qatar has not brought about an associated economic hegemony in the state or the region. Over the past five years, China has become the leading trading partner of Qatar, as it is with other states in the Gulf. China's ever increasing appetite for fossil fuels lays the bedrock of this partnership, but connections are permeating across the social spectrum. By practicing what Ellen Frost terms "China's new commercial diplomacy," Beijing has been able to create government to government, business to business, and person to person relations. As Frost writes, this form of diplomacy "puts a premium on the balance of power in the form of influence rather than the balance of power defined as potential force."[36] Whereas U.S. policy has focused on creating military ties, limiting influence to a relatively small sector of arms and oilmen, China's commercial diplomacy fosters connections from top to bottom of society. Decidedly, Beijing has also eschewed the desire for a military role in the region. "What is striking about the Gulf-China relationship" observed Jon Alterman, a former top State Department official, "is how economically driven it is, compared to U.S. relationships with each party. China relies on security in the Middle East, but it does not feel obligated to promote it."[37]

Like much in todays Qatar, the story begins with gas, of which the world's third largest supply is located off shore. Natural gas is particularly attractive to China as a cleaner alternative to oil and coal, and Beijing's long-term energy goals have embraced the fuel. Despite recent efforts to develop their own domestic gas supplies through potential shale reserves in Xinjiang's Tarim Basin (a project that will exacerbate water-scarcity problems in the country), China will continue to increase their gas imports from a wide range of partners including Qatar, Turkmenistan, Russia, Indonesia, and Australia.

A convenient starting point for today's relationship between China and Qatar is April 2008, when Beijing announced a 25-year gas deal with Qatar. Under the agreement, the state owned Qatargas would deliver 2 million tons of LNG per year to the China National Offshore Oil Company (CNOOC) and 3 million tons per year to PetroChina, a subsidiary of the Chinese National Petroleum Company. Months later, Qatar Petroleum International (QPI) announced that it was partnering with Royal Dutch Shell and PetroChina to build a $10 billion refinery and petrochemical plant at Taizhou, in China's coastal Zhejiang province.[38] China has gone on a coastal refinery binge over the past years, and this combination of import contract and refinery is the blueprint that Beijing has followed in its relationships with major energy exporters like Saudi Arabia, Kuwait, Russia and Venezuela.

Qatar, with a long term Chinese partnership secure, has more than doubled its gas capacity since 2009, investing in three of the world's largest LNG plants, reaching 77 million tons of production capacity by 2011, more than a quarter the worlds total LNG capacity.[39] It is now the world's largest exporter of LNG, although Australia is close behind. China's gas appetite has matched Qatar's growth. In November 2009, only one month after China began receiving its first LNG shipments from Qatar, CNOOC announced that starting in 2013 it would buy an additional five million tons of gas, and PetroChina an additional two million tons. Imports at this level moved China past Japan as Qatar's largest energy customer. "China is the center today of the new LNG compass," stated oil minister Abdulla al-Atiya in January 2011 at the opening of a Qatargas office in Beijing.[40]

Solidifying these bold pronouncements, however, has been a slow process. In 2010, only 1.2 million tons of LNG were delivered to CNOOC, and none to PetroChina, and as of July 2011 the agreement for an additional seven million tons had yet to be finalized, with talks still ongoing.[41] These delays can be partly attributed to the booming international growth in shale gas production, which is being ramped up in Australia and the U.S, and thus creating a high-stakes world market. But it is important to remember that China has a long-term view, and all of the above has taken place within the first three years of a 25-year binding agreement. Henry Kissinger, in his recent book *On China*, argued that where the U.S. is playing a game of checkers with the world, China is playing out the slower strategy of Go. Even if upgrades to this relationship have not yet been finalized, that is the direction they are heading in, and it is safe to anticipate they will progress, as both Qatar and China have a lot to gain from a long-term energy partnership.

Flush with gas profits, Qatar has made major infrastructure investments in the energy and transportation sectors, a national project accelerated by the kingdom being awarded the 2022 World Cup. Chinese companies have taken advantage of this investment boom and poured money into the peninsula. Most important to Beijing are two oil and gas exploration concessions awarded to CNOOC and PetroChina in 2009 and 2010. CNOOC, China's largest producer of offshore oil, signed a 25-year exploration deal in August 2009 for Qatar's block BC. Notably, this was the first time Qatar had awarded an exploration contract, known as an "Exploration and Production Sharing Agreement" (EPSA), to an Asian company. Under the agreement, CNOOC promised to dig three wells and invest $100 million in the project over the next five years.[42] PetroChina quickly followed their rival, announcing the following spring a 30-year partnership with Shell oil to explore an 8,000 square km field known as Block D.[43] The contracts have continued to accumulate. In July 2012, PetroChina acquired a 40% stake in the EPSA for Qatar's Block 4, a 2,500 square kilometer concession that borders the North Field, one of the world's most plentiful offshore gas deposits.

Chinese companies have made inroads into other Qatari economic sectors. The 46 story Doha tower, completed in 2012, was built by the China State Construction Engineering Company, and in 2011, China Harbour won an $879 million contract to build the first phase of a deep-water port at Qatar's industrial port project at Mesaieed, 30 miles south of Doha. China Harbour plans to construct quays and wave barriers, and dig a 50-foot deep trench, the beginnings of a $5.5 billion project. [44] The Mesaieed deep-water port is being touted as one of a number of billion dollar transportation projects being constructed in anticipation of the World Cup, including a new railway and metro system, a new airport, and a bridge to the neighboring island-state of Bahrain. Qatar is also part of a new railway network being planning for the Arabia peninsula, no doubt of interests to Chinese firms who are now among the worlds most advanced builders of rail. Saudi Arabia has already opened a rail line to mecca built by Chinese firms, and Israel has agreements with Chinese companies to build tracks from the Red Sea to the Mediterranean. According to congressional testimony given by Bryant Edwards, a Hong Kong based banker for the firms Lathan and Watkins, "Chinese contractors are building approximately 45% (by value) of the infrastructure and transportation projects run by non-Middle East contractors," compared to U.S. firms, which "have approximately 9% of such contracts."[45]

In order to facilitate this business, Qatar's major airline, Qatar Airways, has become one of three major Gulf air carriers (along with the Dubai based Emirates and Etihad) to offer flights to the new, burgeoning industrial centers of inland China, some of the first international airlines to do so. While these cities were previously on the periphery, rapid industrialization is quickly making them into global metropoles. In 2011, Qatar Airways began offering non-stop flights to Chongqing, the emerging capital of western China. While the flights currently run 3 days a week, the plan is to make them a daily affair. Emirates Air began flying similar routes to Urumqi and Chengdu, and the companies also increased the frequency of flights to Beijing and Shanghai. As of 2011, Qatar Airways offered 35 flights a week to mainland China.[46]

In the retail sector, China's Dragon Mart announced in 2011 that they would open up a giant shopping mall in Doha for Chinese products. For comparison, the Dragon Mart in Dubai is 1.2 kilometers long, houses 4,000 shops, and has been so successful that a planned expansion includes a hotel and second mall.[47] Qatar's mega mall is the centerpiece of a planned Chinese township, at Al Wakrah, a portside city halfway between Doha and Mesaieed. Referred to in business plans as a Qatari "China Town," the planned community will feature infrastructure for 1,000 apartments, 100 villas, and a 500-person workers dormitory. It will also have a dedicated logistics center for the shipment and storage of goods.[48] Plans for the Al Wakrah development, however, are being delayed. Latest reports indicate that Chinese employees will be living with the rest of Qatar's many Asian migrants in the recently opened West End Park development, which plans to house as many as 80,000 of the low wage workers in a complex that supposedly will includes sports fields, movie theaters and shopping malls.[49]

Although the Chinatown of Qatar is still just in blueprints, the Arabtown of China is already thriving. Yiwu, a boom city two hours southwest of Shanghai, has become over the past decade a center of Chinese-Arab small business connections. Yiwu's biggest drawing point is its 4 million square foot central marketplace, one of 20 in the city. The city "is home to tens of thousands of wholesale retailers, the sort of shops that sell Mecca souvenirs and teddy bears and vacuum cleaners and shoes and undergarments and blenders that fill up Middle Eastern bazaars," writes Afshin Molavi, a scholar at Johns Hopkins School for Advanced International Studies. [50] And outposts of culture have followed the commerce, from a mosque where thousands pray to Arabic restaurants and Islamic schools. Ben Simpfendorfer, a former analyst at the Royal Bank of Scotland and author of the book *The New Silk Road*, states that Yiwu represents "the fact that relations between China and the Middle East are very much the result of individuals."[51] A clearer picture of the effect of commercial diplomacy would be harder to find. While state-to-state interactions provided the initial impetus for growth in the China-Qatar relationship, private citizens and businessmen have taken the reins and are pushing forward new connections on their own terms. In an episode telling of the new orientation of the commercial compass, a reporter for London's *Daily Telegraph* visited Yiwu in March 2013, hoping to track down the source of the cheap products that have started to flood Britain's high streets. Finding a poorly worded label for a puzzle of the London Bridge, the reported elicited an apologetic shrug from the seller. "Most of our clients are from the Middle East."[52]

Larger Export-Import trade statistics reflect this trend. According to IMF data, Chinese exports to Qatar stood at $61 million in 2003, when the U.S. invaded Iraq.[53] They have grown rapidly since. From 2008-2013 Chinese exports to Qatar averaged nearly $1 billion a year. This is still less than half of U.S. exports, but China is catching up rapidly. And relatively few of Chinese exports are of massive turnkey infrastructure projects. The Heritage Foundation, a conservative Washington think tank, keeps a comprehensive database of all overseas Chinese investments and contracts valued at over $100 million. They identify only five such deals involving Qatar since 2006: A $540 million real estate deal in 2006, a $100 million oil investment in 2009, a pair of shipping and construction contracts in January 2011 together valued at $1.5 billion, and a $100 million construction contract in December 2011.[54] While these type of large projects are important to Beijing, also important is what isn't listed, namely the other two thirds of Chinese exports to Qatar during this time, made up of small transactions under $100 million, the vacuum cleaners and teddy bears described above. The Chinese people spent the past decades creating a global workshop, and Qatar, like everywhere else, is buying. Chinese imports from Qatar, meanwhile, have skyrocketed (carried no doubt by tankers full of liquefied gas), from $443 million in 2000 to $7.2 billion in 2012. These numbers far outpace U.S. imports from Qatar.

Perhaps most important, however, is the growing financial cooperation between China and Qatar. China's first Gulf banking institution opened in Qatar in 2008, a Doha branch of Industrial and Commercial Bank of China, the world largest bank by market value.[55] The following year, Qatar opened a government investment office in Beijing to help streamline the growing trade between the two states.[56] This has led to a Qatari investment in two of the three largest Chinese banks, which have all held IPO's in the past decade: a $3.5 billion stake in the Agricultural Bank of China, and a stake bought from Bank of America in the Chinese Construction Bank.[57]

A six day visit to the region by Chinese Prime Minister Wen Jiabo in January 2012 solidified Beijing's financial relations with the Gulf. Wen's first stop was the Emirates, where a three-year currency-exchange agreement was finalized in Dubai, injecting $35 billion of the Chinese renminbi ($5.5 billion US) into the dizzying maelstrom of Gulf wealth. The ramifications of this deal were bluntly put by *Reuters*: "Beijing's long-term ambition is to unseat the dollar as the dominant unit of international settlement for cross-border trade in goods and services, especially now that China is the world's single largest exporting nation and the second largest importer."[58]

While the Reuters correspondent may have overstated the possible end result, Beijing's push to internationalize its money is very real. The Chinese government is currently increasing the use of the Renminbi (RMB) in cross-border trade, proposing currency exchanges with other central banks, facilitating the creation of offshore RMB marketplaces in financial centers like Hong Kong and London, and handing out RMB denominated loans. In the first six months of 2012 following Wen's visit to the Gulf, almost 11% of China's imports and exports were settled in RMB according to a report from Chatham House, compared with 2% for all of 2010.[59]

Doha was next on the Prime Minister's agenda. He finalized the agreement for the refinery at Taizhou and solidified the long-term gas partnership between China and Qatar. On trade matters, Wen celebrated the fact that China-Qatar bilateral trade had passed the $5 billion mark in 2011, and encouraged more investment into Qatar by private Chinese small and medium enterprises. This was the follow-up to a cooperation agreement signed between the Qatari Businessmen Association and the China Qatar Business Council.[60] Wen then dropped a bombshell, stating at a press conference, "in order to address investment issues, we [China and Qatar] need financial support. Therefore, we reached another agreement, a cooperation agreement linking finance with investment. Qatar also proposed the use of local currency in trade settlement and even a specific ratio. I think this proposal can be studied."[61]

Wen's mention of "local currency" no doubt turned heads in Washington and New York. Qatar, the nerve center of the Pentagon's Middle East military network, was now planning to be flush with oil-slicked *yuan*. In April 2014, officials from the Chinese Central Bank visited Doha and renewed the financial agreements.[62] One month earlier, Nasser Saidi, the former Chief economist of the Dubai International Financial Centre, wrote in an op-ed that the financial future of the Gulf lies in the east. "The tectonic shift in global economic and financial geography," currently taking place, he stated, "undermines the inherited web of alliances, institutions and treaties forged in the aftermath of World War II." A worldwide network is being built, "that represents the global demand and supply chains emerging from China whose tendrils are growing into Asia, Africa, the Middle East and Latin America." This "New Silk Road" as he (and many others) call it, will include a monetary "Redback Zone" where "payments, capital markets and banking and financial assets and transactions will be based on the Renminbi as an international currency," as it is now "economically inefficient to use dollars and euros to finance GCC-China trade and investment links."[63]

* * *

What are we to make of this duality, of Western military dominance in conjunction with a growing Chinese economic power? As of June 2014, after numerous delays, Qatar's Dragon Mart is set to open for business. Five hundred workers are being hired, and 200 stalls have been filled. Already 6,000 Chinese nationals live in Qatar, and more are following. At the same time, airstrikes are once again being launched against Iraq, planned no doubt out of the Pentagon's installations on the peninsula. How these two trends will converge in the future is the all-important question for the region. Dave Eggers, one of America's leading literary figures, put the dilemma well in *A Hologram for the King*, his 2012 novel about an American business consultant unable to secure an economic contract in Saudi Arabia. "It'll be interesting now that the Chinese buy more of the King's oil," a Saudi woman remarked to the American. "I wonder if Abdullah and the whole crew will suddenly shift their allegiances. Maybe you're no longer the favorite."[64]

The above research points to a few important fault lines for how this situation may play out in Qatar and the rest of the Gulf.

First, it is clear that in the military sphere, U.S. dominance is not waning. The bases are only becoming more entrenched, the number of GIs and mercenaries is growing, and billion dollar arms sales are the norm. As shown above, this is not a "post 9/11" policy, but a longer term trend that has now gathered its own momentum. Qatar has also been an active funder of the anti-government paramilitary forces in Libya and Syria, fighters that were and are being supported by the U.S. This often clashes with Chinese interests, especially in Syria, where Beijing saw the Assad government pre-2011 as the "cohesive force" in the region.[65] Evident here is the current limitations of Chinese policy—its lack of influence in strategic and security matters—as well as an area for its potential growth. Perhaps in the future, China, through economic ultimatums, will be able to restrain states like Qatar in participating in what Beijing sees as actions harmful to Chin in the region. Qatar, meanwhile, is not simply a vassal for the U.S. agenda in the region, with Doha frequently serving as a deal maker for "rogue" governments like the Taliban, Hezbollah, and Hamas, and playing a complicated with Saudi Arabia over support for the Muslim Brotherhood. John Kerry, then still a Senator, remarked after a visit in 2009 that "Qatar can't continue to be an American ally on Monday that sends money to Hamas on Tuesday."[66] The Qatari leadership has not appeared to take Kerry's warning very seriously.

Second, China may be moving ahead of the U.S. in establishing the building blocks for a long-term economic relationship with Qatar. Between the U.S. and Qatar, there is little on the ground interaction that does not involve the military, military contractors, or oil companies. This is not accidental, but reflects the specific nature of U.S. policy. "Our garrisons," wrote Chalmers Johnson, "send a daily message that the United States prefers to deal with other nations through the use or threat of force rather than negotiations, commerce or cultural interactions and through military-to-military, not civilian-to-civilian, relations."[67] The Islamic revolution in Iran or the continuing protests in Bahrain serve as a reminder that propping up governments through military support does not guarantee allegiance among their populations. Moreover, racism against Arabs is ever-present in the U.S. and a general climate of war weariness and budget cutting has hit the Congress, bringing into question the ongoing domestic popularity of the Gulf Empire. China, meanwhile, has developed a much wider range of economic ties, expanding on their considerable energy trade. As Jonathan Holslag writes in examining the China-India relationship, "fostering trading states is one thing; creating trading nations is a step further."[68] Due to economic diversification, China is well on their way to moving their relationship with Qatar from trading state to trading nation. As such, China-Qatar relations can potentially be much stronger than the U.S.-Qatar relations, intrinsically rooted to social-economic interests rather than state-security interests.

Third, it appears that for the International Oil Companies operating in Qatar, profit comes before politics. Halliburton works in China, CNOOC tried to buy Unocal, and if there is money to be made there is a good chance oil executives will find a common language. In March 2013 ExxonMobil and the Chinese National Petroleum Corporation sponsored the International Petroleum Technology Conference in Beijing, and representatives from Qatar and the rest of the Gulf filled the exhibition hall. U.S.-based companies like Exxon-Mobil and Occidental Petroleum are still dominant in the Qatari petroleum sector, but European companies like Shell, Total, and Wintershall play an important role, as do Asian ventures such as Mitsui and the Chinese companies discussed above. However, when the financial side of oil enters the discussion, the apolitical nature of the business becomes murkier. Since the early 1970s the rise of the petrodollar has allowed the U.S. to maintain the dollar as the world reserve currency, what Charles DeGaulle once referred to as Washington's "exorbitant privilege." While oil companies may be able to easily adapt to the financial rise of China, U.S. economic officials are certainly noticing that the oil-backing of the dollar is beginning to peel away. Unless U.S. consumers start to divert more of their money into savings, the Treasury Department will have to find new ways of maintaining deficit spending as Beijing increasingly begins using its own currency for international trade. Devaluation and a loss of preeminence is a question of when, not if. Of course China, with massive dollar holdings itself, has a large stake in ensuring that the decline of the dollar happens as a gradual process.

Finally, it is not necessarily the case that the new world will be a better one. Where the United States most recent foray into the Gulf was built atop Iraqi graveyards, the emerging Pax-Sinica is being built on the backs of toiling workers. A further globalization of this supply chain offers little opportunity for diversion from such a path. Qatar's labor situation is even more deplorable, with hundreds of thousands of workers from south Asia being held in virtual slavery. Meanwhile, the growing financialization of China's foreign policy, if U.S. history is any indicator, can only lead to increasing cycles of boom and bust, speculation, usury, and inequality. Replacing the petrodollar with the petroyuan is by no means a guarantee of monetary stability. But most ominously, the U.S. response to this new reality has been to lash out into ever more wars and military operations in the region, with the current campaign in Iraq but the latest example. Perhaps unable to divert the bureaucratic inertia of the empire, or perhaps still consciously hoping that militarization will create control, Washington does not seem to grasp the new disconnect between blood and oil.

***Evan Taylor*** *is a graduate student at American University. He can be reached at egtayl at gmail.com*

**Notes.**

[1] "Obama Defends Iraq Airstrikes, Fires Back at Critics," *ABC News*, 8/9/14.

[2] Toby Craig Jones, "America, Oil, and War in the Middle East," *Journal of American History*, Vol. 99, No. 1 (2012). .

[3] David Painter, "Oil and the American Century," *Journal of American History*, Vol. 99, No. 1 (2012).

[4] Tyler Priest, "The Dilemmas of Oil Empire," *Journal of American History*, Vol. 99, No. 1 (2012).

[5] David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003), 25.

[6] Ibid., 25. Others like Timothy Mitchell have argued that the overall purpose of militarization of oil states is to keep the oil in the ground and enforce a "system of scarcity." Timothy Mitchell, "McJihad: Islam in the U.S. Global Order," *Social Text* 20.4 (2002); The investigative journalist Greg Palast has concluded that privatizing the oil reserves and ending the OPEC system was the neoconservative plan for Iraq, which was ultimately not pursued under pressure from big oil corporations. Greg Palast, *Armed Madhouse* (New York: Dutton, 2006).

[7] Alan Greenspan, *Age of Turbulence: Adventures in a New World* (New York: the Penguin Press, 2007), 463.

[8] Memoranda of Conversations Kissinger/Colby/Moorer/Scowcroft, Nov. 29th, 1973, Box 3, National Security Advisor Memoranda of Conversation, Gerald Ford Library.

[9] Ben Piven, "U.S. Bases Encircle Iran: Dozens of US and allied forces' military installations," *Al-Jazeera*, 5/1/2012.

[10] Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the Twenty First Century* (London: Verso, 2007), 178. Arrighi adapts this concept from the work of Ranajit Guha on British colonialism in India and the differing governance of the metropole and the colony. "The difference consisted in the fact that the metropolitan state was hegemonic in character with its claim to dominance based on a power relation in which the moment of persuasion outweighed that of coercion, whereas the colonial state was non hegemonic with persuasion outweighed by coercion in its structure of dominance." Ranajit Guha, *Dominance without Hegemony: History and Power in Colonial India* (Cambridge: Harvard University Press, 1997), xii.

[11] Caryle Murphy, "U.S. Bolsters Ties With Gulf States," *The Washington Post*, 9/5/92.

[12] "Qatar OKS U.S. Troop Deployment," *Houston Chronicle*, 3/21/95; "Qatar Agrees to let U.S. Stockpile Weapons, Gear," *Buffalo News*, 3/25/95.

[13] Jeremy Scahill, "No-Fly Zones Over Iraq: Washington's Undeclared War on Saddam's Victims," *Counterpunch*, 12/4/2002; Richard K. Kolb, "Patrolling Southern Skies," *Veterans of Foreign War Magazine*, Sept. 2000.

[14] "Southwest Asia Service Medal," *Air Force Personnel Center*, Accessed 7/24/24. http://www.afpc.af.mil/library/factsheets/factsheet.asp?id=7808

[15] Graham E. Fuller and Ian O. Lesser, "Persian Gulf Myths," *Foreign Affairs*, Vol. 76, No. 3 (May-June 1997), 43.

[16] Allen Fromherz, *Qatar: A Modern History* (Washington: Georgetown University Press, 2012), 84.

[17] "Israel, US firm sign deals to export natural gas from Qatar," *Jerusalem Post*, 11/1/95.

[18] Steven L. Arnold, "Third U.S. Army: Preparing for the Future," *Military Review* 77.2 (March/April 1997).

[19] "Army opens prepo facility at Qatar," *Army Logistician* 32.6 (Nov/Dec 2000); http://www.itt.com/News/Releases/2000/ITT-Industries-Awarded-$200-Million-in-U-S-Army-Co/.

[20] "Defense Secretary Cohen meets with UAE officials," *UPI*, 11/18/2000.

[21] "U.S. to deploy military jets to Qatar for two months," *Washington Post*, 5/15/96.

[22] "Senators Scrutinize Military Deployment Delegation Member "aghast" about U.S. Cost, Commitment in Persian Gulf," *St. Louis Dispatch (AP)*, 3/31/97.

[23] "Desert maneuvers: Pentagon Boosts Influence in Gulf with Bases, Troops," *Wall Street Journal*, 6/24/2002.

[24] *Allied Contributions to the Common Defense: A Report to the United States Congress* (March 2001).

[25] "Report: Accident Caused airman's death in Qatar," *Air Force Times*, 2/25/02.

[26] "Contingency Plan shifts Saudi Base to Qatar," *Washington Post*, 4/6/02.

[27] "Qatar Pass program geared to Refresh Service members," *American Forces Press Service*, 4/17/2006.

[28] George W. Bush, "Remarks to the Troops at Camp As Sayliyah, Qatar," 6/5/2003.

[29] "Iraq, Afghanistan commitments fuel Air base construction," *Washington Post*, 11/17/05.

[30] Christopher M. Blanchard, "Qatar: Background and U.S. Relations," *Congressional Research Service*, 6/6/12.

[31] "Pentagon bulks up defenses in the Gulf," *Wall Street Journal*, 7/16/12.

[32] Richard McDaniel, "No 'Plan B': U.S. Strategic Access in the Middle East and the Question of Bahrain, *Brookings*, 6/24/13.

[33] Source: U.S. Census Bureau, U.S International Trade Statistics

(http://www.census.gov/foreign-trade/statistics/country/index.html); helpful trade statistics, as well as graphical representation, can also be found through the *Atlas of Economic Complexity*, published by the Massachusetts Institute of Technology (http://atlas.media.mit.edu/country/qat/).

[34] "Qatar-Emirates 777 order pact squeezed best deal from Boeing," *Bloomberg*, 11/19/13.

[35] Justin Gengler, "The Political Costs of Qatar's Western Orientation," *Middle East Policy*, Vol. 19, No. 4 (Winter 2012), 71; also see Hugh Eakin, "The Strange Power of Qatar," *The New York Review of Books*, 10/27/2011.

[36] Ellen L. Frost, "Promise or Threat: Chinese Commercial Diplomacy in Asia," in William W. Keller and Thomas Rawski, eds., *China's Rise and the Balance of Influence in Asia* (Pittsburgh, PA: University of Pittsburgh Press, 2007), 149.

[37] Jon B. Alterman, "The Vital Triangle," in Bryce Wakefield and Susan Levenstein, ed. *China and the Persian Gulf: Implications for the United States* (Woodrow Wilson Center, 2011), 28.

[38] "Qatar, Shell sign China refinery, petchem deal," *ArabianBusiness.com*, 6/24/08; "CNPC to form joint venture with Qatar Petroleum, Shell," *Global Times*, 10/13/11.

[39] "LNG's Looming Glut has Qatar Sealing 20-year Asia Deals," *Bloomberg*, 3/7/2012; "Qatar eyes china as big new LNG volumes come online," *ArabianBusiness.com*, 10/27/2009.

[40] "Qatar to boost LNG exports to China," *ArabianBusiness.com*, 11/14/2009; "China set to be Qatar's top gas buyer," *Financial Times*, 5/18/2010; "Qatar Discusses LNG supply with Sinopec," *Wall Street Journal*, 1/18/2011.

[41] "Qatar talks on LNG supplies 'making slow progress'," *Dow Jones Newswire*, 7/1/2011.

[42] "Total Purchases 25% of Qatari Hydrocarbon Exploration License from Cnooc," *Bloomberg*, 5/30/2011; "China awarded first Abu Dhabi oil rig deal," Tamsin Carslile, *The National*, 9/24/2009.

[43] Qatar Petroleum, Shell, Petrochina Ink New Exploration and Production Sharing Agreement," *Oil and Gas Eurasia*, April 2010, Issue 4.

[44][44] "Qatar, China Harbour to Sign $879 Million Contract, QNA says," Robert Tuttle, *Bloomberg*, 3/10/2011.

[45] Brant Edwards, Testimony Before U.S. China Economic and Security Review Commission, 6/6/2013 (http://www.uscc.gov/sites/default/files/EDWARDS_testimony.pdf)

[46] "Airline in UAE, Qatar expand reach into China," Ivan Gale, *The National*, Aug. 16th, 2011. (http://www.thenational.ae/business/aviation/airlines-in-uae-qatar-expand-reach-finto-china); "Qatar Airways to Increase Chongqing-Doha Flight Frequency," *Global Times*, December 13th, 2011. (http://www.globaltimes.cn/NEWS/tabid/99/ID/688219/Qatar-Airways-to-Increase-Chongqing-Doha-Flight-Frequency.aspx)

[47] "Dragon Mart buzzes with Entrepreneurial Energy," *Gulf News*, 2/1/14; "Nakheel inks deal with Accor for Second Dragon Mart Hotel," *Gulf Times*, 4/11/14.

[48] Satish Kanady, "Dragonmart set to open in December, " *The Peninsula*, 9/26/13.

[49] "Commercial Complex for Single Workers Set to Open in October," *The Peninsula*, 9/21/13.

[50] Afshin Molavi, "The New Silk Road, 'Chindia,' And the Geo-Economic Ties that Bind the Middle East and Asia," in Bryce Wakefield and Susan Levenstein, ed. *China and the Persian Gulf: Implications for the United States* (Woodrow Wilson Center, 2011), 46.

[51] "Mosques, Chinese goods, Arabic classes rebuild Silk Road," *Middle East Online*, 11/25/2009.

[52] Tom Phillips, "Yiwu, the magical Chinese city supplying Poundland with cheap goods for Britain," *The Telegraph*, 3/23/2013.

[53] Data gathered from IMF Direction of Trade Statistics Database, Accessed through IMF ELibrary of 11/30/2013.

[54] "China Global Investment Tracker Database," *The Heritage Foundation*, accessed on 11/30/13. (http://www.heritage.org/research/projects/china-global-investment-tracker-interactive-map).

[55] "Boost to Chinese presence in Qatar," *China Daily*, 11/11/2011.

[56] "Qatar set to open China office for investments," *ArabianBuiness.com*, 7/6/2009.

[57] "AgBank says Qatar to remain long term investor," *Reuters*, 7/15/2011; "Gulf wealth funds eye stake in China's CCB," *ArabianBusiness.com*, 10/11/2011,

[58] "China, UAE sign $5.54bn currency swap deal," *Reuters*, 1/17/2012.

[59] Paola Subacchi and Helena Huang, "The Connecting Dots of China's Renminbi Strategy: London and Hong Kong," *Chatham House Briefing Paper*, September 2012, 3.

[60] "China set to boost Qatar spend with SMEs focus," *Gulf Times*, 1/22/2012.

[61] "Sheikhs fall in love with renminbi," M.K. Bhadrakumar, *Asia Times Online*, 1/24/2012; "Record of Premier Wen Jaibo's Press Conference at Doha Just before the End of his Official Visits to the Three Gulf States," 1/19/12, http://www.fmprc.gov.cn/ce/cebel/eng/zxxx/t898607.htm

[62] "Qatar Central Bank Governor Holds Talks with Chinese Counterparts," *Qatar News Agency*, 4/18/14.

[63] "Nasser Saidi, "Building the New Silk Road: Why the Gulf should pivot towards the East," *Gulf Business.com*, 2/26/14.

[64] Dave Eggers, *A Hologram for the King* (San Francisco: McSweeney's Books, 2012), 288.

[65] Christina Lin, "China's Strategic Shift Toward the Region of the Four Seas: The Middle Kingdom Arrives in the Middle East," *Middle East Review of International Affairs*, Vol. 17, No. 1, (Spring 2013), 36.

[66] Eakin, "The Strange Power of Qatar," 4.

[67] Chalmers Johnson, *Sorrows of Empire: Militarism, Secrecy, and the End of the Republic* (New York: Metropolitan Books, 2004), 5.

[68] Jonathan Holslag, *China and India: Prospects for Peace* (New York: Columbia University Press, 2010), 168.