

China and Latin America: Strategic partners or competitors?

Juan Manuel Gil Barragán¹
Universidad EAN
jmgilbar@universidadean.edu.co

Andrés Aguilera Castillo²
Universidad EAN
aaguilerac@universidadean.edu

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Abstract

This document has as main objective to discuss the dual role that China is playing in Latin America, on one hand, a strategic trade partner in Asia, source of foreign direct investment (FDI) and key ally in the international arena, on the other hand, China is a formidable competitor particularly in the manufacturing sector. To reach the main objective, we make a brief description of the international trade relation between China and Latin America for the last 15 years, also, a review of the investment flows in different economic sectors, and lastly, a description of the political and diplomatic relation between Latin America and China. From this, it can be inferred that the bilateral relation is prominently framed by the trade of commodities from Latin America to China and the Chinese investment in the sourcing of natural resources.

Key Words

China, Latin America, trade, investment, relations, commodities.

¹ Estudiante de Doctorado en Administración y Dirección de Empresas de la Universidad Politécnica de Valencia –España–. Magíster en Relaciones Internacionales por la University of Bristol –Reino Unido–. Especialista en Comercio Internacional por la Universidad Sergio Arboleda y Georgetown University. Profesional en Finanzas y Comercio Exterior. ORCID: <http://orcid.org/0000-0001-5541-4655>

² Master of Arts in International Commerce por la Korea University. Profesional en Ciencias políticas por la Universidad Nacional de Colombia. <http://orcid.org/0000-0002-9484-7047>

China y América Latina: ¿Socios estratégicos o competidores?

Resumen. Este documento tiene como objetivo principal discutir el rol dual de China en la región latinoamericana, por un lado, como socio comercial estratégico en el continente asiático, origen de inversión extranjera directa (IED) y aliado en el escenario internacional, por el otro lado, como competidor formidable particularmente en manufacturas. Para alcanzar este objetivo se hace una descripción de las relaciones comerciales en los últimos 15 años, una revisión de los flujos de inversión en diversos sectores, y por último, una descripción de las más recientes relaciones políticas y diplomáticas forjadas entre América Latina y China. Se puede observar que la relación se ha caracterizado por la transacción de bienes primarios de la región a China y la inversión China en el aprovisionamiento de recursos naturales.

Palabras clave. China, América Latina, comercio, inversión, relación, productos básicos

La Chine et l'Amérique latine: partenaires stratégiques ou concurrents?

Resumé. Ce document a pour objectif principal d'analyser le rôle ambivalent de la Chine en Amérique latine, qui est en même temps un partenaire commercial et stratégique à l'origine d'investissements directs étrangers (IDE) et allié sur la scène internationale, mais aussi un redoutable concurrent pour l'industrie des produits manufacturés. Nous réaliserons une description des relations commerciales des quinze dernières années, une analyse des flux d'investissement de différents secteurs d'activité et nous décrirons finalement les relations politiques et diplomatiques récentes qui existent entre l'Amérique latine et la Chine. Enfin nous montrerons que cette relation se caractérise par des exportations de ressources naturelles d'Amérique latine vers la Chine et des investissements chinois dans les secteurs d'approvisionnement desdites ressources en Amérique latine.

Mots clefs. Chine, Amérique latine, Commerce, Investissement, Relation, Produits.

China e América Latina: sócios estratégicos ou competidores?

Resumo. Este documento tem como objetivo principal discutir o papel dual da China na região latino-americana, por um lado, como sócio comercial estratégico do continente asiático, origem do investimento estrangeiro direto (IED) e aliado no palco internacional, e por outro lado, como competidor formidável especialmente em manufacturas. Para atingir este objetivo, faz-se uma descrição das relações comerciais nos últimos 15 anos, uma revisão dos fluxos de investimento em diversos setores e, por último, uma descrição das mais recentes relações políticas e diplomáticas desenvolvidas entre América Latina e China. Pode-se observar que a relação se caracterizou pela transação de bens primários da região à China e o investimento Chinês no fornecimento de recursos naturais.

Palabras chave. China, América Latina, comércio, Investimento, relação, produtos.

1. Introduction

The contemporary resurgence of China as a political, economic and diplomatic superpower in the international arena is of growing academic interest and pivotal in understanding the unfolding consequences of this major geopolitical shift. China as an ascending power is projecting its influence on regions that are out of its traditional sphere, namely East and South Asia, to new regions like Africa or in this case, Latin America and the Caribbean (LAC).

This document aims at discussing the dual role that China is playing in Latin America; on one hand, a strategic trade partner in Asia, source of foreign direct investment (FDI) and key ally in the international arena, and on the other hand, China is a formidable competitor, particularly in the manufacturing sector. In order to accomplish the main objective, we make a brief description of the international trade relation, a review of the investment flows, and lastly, a description of the political and diplomatic relation between Latin America and China.

China's increasing demand for commodities like oil, iron, ore and some agricultural products, and its massive currency reserves –which peaked at almost \$4 trillion USD in July 2014–, might explain why China has strengthened its diplomatic and commercial ties with Latin American countries (Barboza, 2009; Ellis, 2005; Ferchen, 2011; Gallagher, 2016 & Wise, 2016) from investing in infrastructure projects, SWAP agreements and as the most recent Asian member of

the Inter-American Development Bank since 2009 (Russo, 2014).

The ties between China and Latin America had been weak in the past due to a vast geographical distance between the two regions; but that gap has been bridged in recent years through growing international trade, capital flows, more efficient means of transportation and communication, basically, the ongoing process of globalization. China is engaging in the world aggressively.

In November 2008, China issued its first policy paper regarding Latin America and the Caribbean, giving a framework for the current developments in trade, cooperation and investments (Chinese State Council, 2008). One of the greatest improvements in the implementation for this policy has been the creation of a China – CELAC Forum with the aim of promoting trade and investment between China and CELAC countries³ (CEPAL b, 2015).

To bridge the Pacific Ocean is both a challenge and an opportunity that most likely will shape the fate of the 21st Century relations between China and Latin America. Understanding the implications and possible outcomes of the recent diplomatic, political, economic and commercial engagement of China in Latin America is not only an interesting intellectual and academic pursuit, but it has got practical implications due to the policy making process and the business strategy of all the interested parties.

³ Community of Latin American and Caribbean States (CELAC) member countries are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Granada, Guatemala, Guyana, Haiti, Honduras, Jamaica, México, Nicaragua, Panamá, Paraguay, Peru, Dominican Republic, San Kitts & Nevis, Saint Vincent and the Grenadines, Saint Lucia, Surinam, Trinidad & Tobago, Uruguay and Venezuela.

2. Literature review

This brief literature review is an attempt to identify major themes and debates regarding the evolving relation between China and LAC. The criteria that were used to make this list are relevance, novelty and a digital search of keywords.

The new economic and political ties between China and LAC have captured the attention of different scholars and political leaders. Among them, Ferchen (2011); Ellis (2014), Gallagher (2016) and Wise (2016) argue that the relationship between China and LAC has been driven by the Chinese increasing commodities such as oil, iron, ore and some agricultural products, business ventures and diplomatic necessity for initiatives with friendly regimes in the region.

Indeed, Barbosa and Guimarães (2010) and CEPAL (2010) suggested that the export of Latin American commodities to China had helped the region during the global financial crisis. Likewise, Gallagher and Porzecanski (2010) pointed out that the import of commodities from China had also helped to restore the economic growth of the region. However, Lederman, Olarreaga & Perry (2009) and Cordeiro, Santillan and Valenzuela (2015) argued that the trade relation with China has turned Latin America into an importer of industrial goods and a commodity exporter. Likewise, Rosales (2010) stated that China has intensified the concentration of Latin America's commodity export.

Another theme in the literature is the Chinese foreign policy. In 2008, the Chinese government published its first policy paper regarding the region and a clear intention of its engagement, and a blueprint for the

development of stronger ties between the two. The document covers some historical milestones, the scope of the cooperation in the political, economic, cultural and social fields. It is worth to highlight the intention of China to negotiate free trade agreements with regional countries (Chinese State Council, 2008).

The role of China in international political and economic institutions led to tinker with the idea of "The Beijing Consensus", coined by Cooper (2004) as an economic and political model that challenges the established "Washington Consensus", which questions and challenges the legitimacy and relevance of the West and its political and economic practices in our contemporary world. Similarly, Gallagher (2016) states that China has helped Latin America to overcome the slow growth and financial instability generated under two decades of the Washington Consensus.

Medeiros (2009) discusses the international behavior of China in different parts of the world; in this publication, there is a chapter that is dedicated to Chinese political and business ventures out of Asia, namely Africa and Latin America. According to Medeiros, there are four major forces that drive Chinese endeavors in these regions; i) to diversify access to natural resources; ii) to expand access to markets for consumer goods, cars and conventional weapons; iii) to promote multilateralism; iv) to diplomatically isolate Taiwan from Africa, Latin America and the Caribbean where most of the support for Taiwan still exist. Erikson and Chen (2007) addressed the issue of China, Taiwan and Latin America in the following terms:

[...] Latin America has emerged as the crucial battleground where a dozen struggling nations, mainly in Central America and the Caribbean, have become ensnared in the cross-strait dispute. [...] officials in Washington have yet to fully consider the possible implications for U.S. policy of this intensifying competition in their own backyard. (pp. 69-70).

A monograph by Ellis (2005) is probably one of the earliest works linking China and the region. This document presents a strategic-competitive approach to the relation between Latin America, China and the United States regarding strategic resources, investment and political alliances. In this work, the author suggests that the aim of China's investment in Argentina, Brazil, and Chile is to construct a vertical integration with the region in order to guarantee access to critical commodities.

The Chinese involvement in the region has made some influential think tanks call the U.S. government to introduce bolder policies towards Latin America in order to balance the increasing influence of China (Johnson,

2005). Additionally, Yu (2015), argued that China's aim in Latin America is not only to increase trade and investment flows but also to create a "sphere of influence" in the region. Roett and Paz (2008) debate the implications of developments in foreign policy for both regions; they cover some issues on Chinese foreign policy, geopolitical tensions, energy and investments overseas. Additionally, they formulate a question on what Latin America can learn from the economic progress of China and close with some remarks on the "trilateral" relation between China, the U.S. and Latin America.

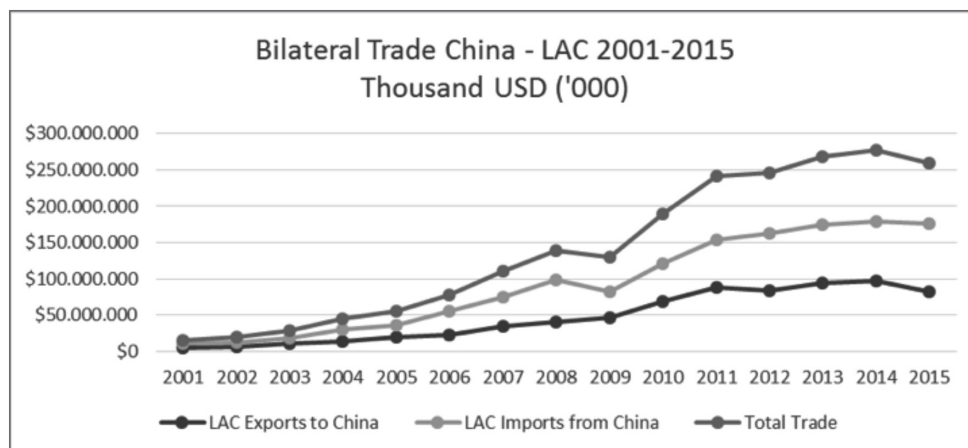
Security is one of the major themes that appear in specialized literature. The United States National Intelligence Council (NIC) has published a series of reports called Global Trends 2010 (1997), Global Trends 2015 (2000), Mapping the Global Future 2020 (2004), Global Trends 2025 (2008) and the most recent, Alternative Worlds 2030 (2012). These reports, mostly based on military and security assumptions, demographics, and strategic factors and forecasting techniques, outline the ascent of new international players –mainly China–, as contenders of the United States in Latin America and other parts of the world.

3. Trade

The economic growth in China, still strong in recent years despite the global financial crisis and its aftermath, incited the “Middle Kingdom” to explore beyond its traditional trading partners, and take a look at new places like Africa and Latin America, both for suppliers and new markets for its products. China’s growing demand for commodities –oil, iron ore, copper, aluminum and others– and abundant foreign reserves allowed China to secure –sometimes at fire-sale prices– some of these strategic assets in something that the international media dubbed as the Chinese “shopping spree” (Barboza, 2009). These strategies are consistent with China’s involvement in other developing countries (Zhao, 2014).

Then (Figure 1), depicts the trade flows between Latin America and China for the last 15 years. As the data shows, it has been growing fast since 2001, when the region exported \$5.2 billion USD to China and imported \$10.4 billion USD. In 2014, Latin America and the Caribbean (LAC) exports to China peaked at \$97.5 billion USD, declining in 2015 to \$82.5 billion. As for imports from China, it also peaked in 2014 at \$179.5 billion USD, closing 2015 at \$176.3 billion. During the last 15 years bilateral trade increased by a factor of sixteen, from \$15 billion in 2001 to almost \$259 billion in 2015. Among the factors that influenced this growth was the Chinese accession to the WTO⁴ in 2001, and the 2004 and 2008 visits of the Chinese president Hu Jintao to the APEC⁵ forum and to different countries in Latin America, including Argentina, Brazil and Mexico (Ellis, 2014).

Figure 1. Bilateral trade between Latin America and China, 2001 – 2015.



Source. Prepared by the authors with data from the International Trade Centre.

Most of Latin American exports are commodities, highly concentrated in few products.

While China’s exports to the region are diversified. Table 1 shows, the top five export

⁴ World Trade Organization.

⁵ Asia-Pacific Economic Cooperation.

products are commodities that represent around 70 % of the total exports to China. While the top five exporting products from China represent less than 23 % of the total. CEPAL (2015 a) exhibits that the composition of Latin American exports to China are less sophisticated than the composition of the exports that go to the rest of the world. For instance in 2013, commodities represented 73 % of the total of the exports to China

and manufacture represented only 6 %. In contrast, 41 % of the exports to the rest of the world were commodities and 42 % manufactured goods. According to Casanova et al. (2015), the countries with higher export dependency to China are Costa Rica, Colombia and Uruguay. Export dependency means that these countries are highly exposed to a shift in the demand of China (Table 1).

Table 1. Top five imports and exports, 2010 – 2014.

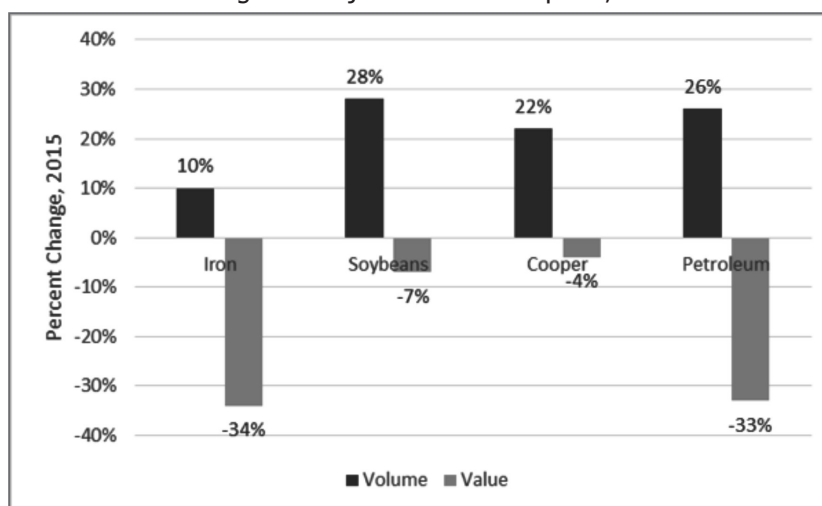
LAC Exports to China		LAC Imports from China	
1. Iron ores, concentrates	19.0%	1. Telecom equipment	9.7%
2. Soy, other oilseeds	18.0%	2. Data processing machines	3.8%
3. Copper	12.2%	3. Ships, boats, floating structures	3.3%
4. Unrefined petroleum	11.0%	4. Optical instruments, apparatus	3.3%
5. Copper ores, concentrates	9.6%	5. Petroleum products, refined	2.3%
Total, top 5	69.7%	Total, top 5	22.5%

Source. Ray, Gallagher & Sarmiento, (2016).

Decline in commodity prices is a current challenge for Latin American exports to China (Gallagher & Porzecanski, 2010; Farooki & Kaplinsky, 2012). Even though the quantity of the main exports have continued to increase, the value has been falling,

thus creating a pressure for Latin America to diversify and upgrade its production structure in order to have a more beneficial trade relation with China (OECD/ECLAC/CAF, 2015) (Figure 2).

Figure 2. Volume and Value Changes in Major LAC-China Exports, 2015.

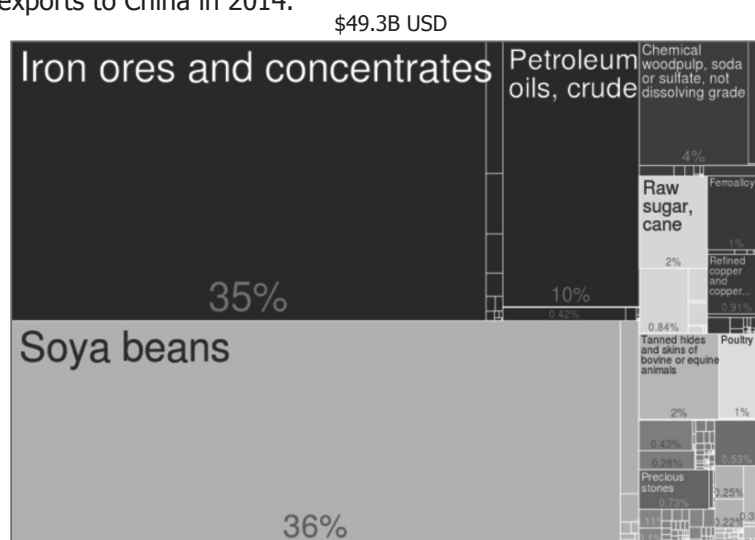


Source. Ray, Gallagher & Sarmiento, (2016).

Brazil is an important case to study, due to its recent performance, the size of its market, the enormous potential it has, and the fact that China became Brazil's main trade partner since 2009 (Latin American Herald Tribune, 2009). According to Wilkinson and Wesz (2013), the trade relation with China has produced benefits and losses

to Brazil; for instance, China's demand on commodities and agricultural products has helped to promote Brazil's agro-industrial and mineral exports. However, it has generated export concentration. Crude oil, iron ore and soybeans accounted for more than 80% of Brazil's exports to China in 2014 (Casanova et al, 2015) (Figure 3).

Figure 3. Brazil exports to China in 2014.



Source. The Atlas of Economic Complexity, Center for International Development, Harvard University.

Moreover, Chinese manufacturing trade with the region has been increasing while Brazil's regional manufacturing exports have sharply declined; Rosales (2012) suggested in this regard that in around 12 %. Likewise, Jenkins and Barbosa (2011) calculated that Brazil's trade to Chile, Venezuela, Argentina and Mexico have declined in 14.4 %, 8.6 %, 6.8 % and 6.6 % respectively due to exports from China to these countries. A new study has demonstrated that Brazil has been losing market share in the U.S. and Europe against competitors from China. It is

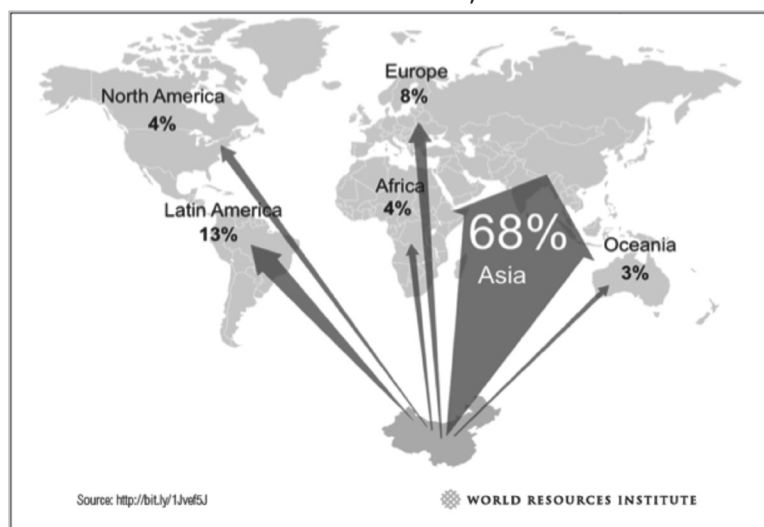
important to point out that this phenomenon has happened with low and high technology products (Jenkins, 2014; Jenkins & Barbosa 2012). Indeed, numerous studies show the impact of Chinese competition in LAC. Ray, Gallagher & Sarmiento (2016), found that in the manufacturing sector, the LAC have lost competitiveness in around 80% due to the competition of China. Gallagher et al. (2008) and Devlin, Estevadeordal, and Rodríguez-Clare (2006) demonstrate that Mexico has lost market share in the world because of China.

4. Investment

During the last decade, Latin America became an important recipient of Foreign Direct Investment (FDI) and loans from China. Indeed, –as it is shown in figure 3–, Latin America was the second recipient of Chinese FDI, receiving more FDI than the U.S. and Europe combined (Zhou & Leung, 2015). Latin America, and the whole world, are depending on Chinese economy performance, the World Bank Group (2015) forecasted that a decrease of 1 % on the Chinese GDP⁶ would reduce Latin American growth in 0,6 %.

So, shows the outbound FDI flows from China to different regions in the world. For obvious economic and trade reasons, 68 % of this investment goes to Asian economies with close ties to China’s manufacturing corporations and regional value chains for intermediate and final goods. However, the second place in this distribution –13 %– goes to Latin America, surpassing the outbound FDI to Europe and North America (Figure 4).

Figure 4. Continental Distribution of China’s OFDI Stock, 2013.



Source. Zhou & Leung, (2015).

During the downturn, China became the lender of only resort; but with global credit markets unwilling to lend, China made strategic investments in commodities and large loans to their banking partners (Ellis, 2014). Regarding energy, China closed deals (oil for loans) with Brazil and Venezuela (Barboza, 2009), with Argentina a swap agreement for \$10 billion for three years (Faries & Goodman, 2009), and a free

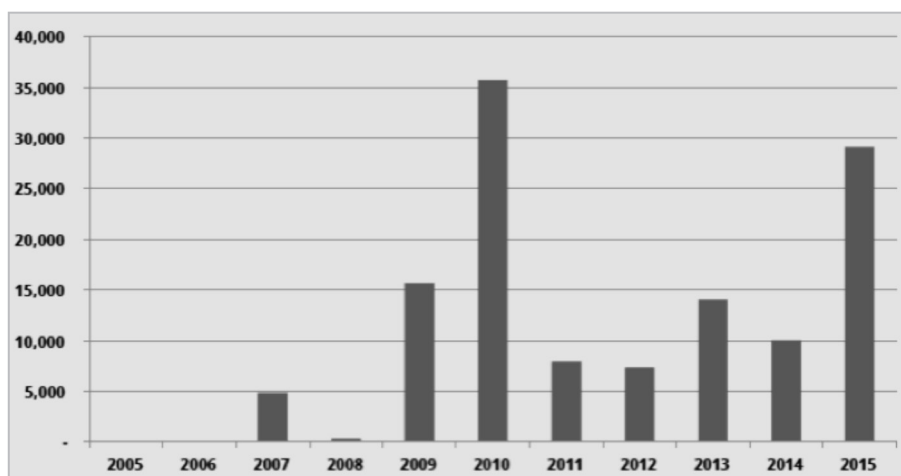
trade agreement with Peru (Forbes, 2009). China has secured sources of iron ore for steel production, and copper and aluminum assets for the production of consumer goods. Between 2010 and 2013 almost 90 % of China’s FDI outflows to Latin America were invested in natural resources, turning China into one of the biggest investors in oil and gas in Argentina, Brazil, Colombia, Ecuador, Peru and Venezuela (CEPAL a, 2015).

⁶ Gross Domestic Product.

Since 2005, China has been constantly lending money to Latin America, despite China's economic slowdown; most of the funds went to Argentina, Brazil, Ecuador and Venezuela. These four countries have received about 93% of China's loans to Latin America, 81% of the loans come from the China Development Bank and the 19 % remaining from the China

Export-Import-Bank. According to Gao and Yu (2011), these financial movements reflected Chinese leadership strategy to internationalize the Yuan Renminbi (CNY). Additionally, it was used to create a financial integration with the region like it happened in ASEAN⁷ countries with the Chiang Mai Initiative (Figure 5; Table 2; Table 3).

Figure 5. Chinese finance to Latin America by year, 2005 – 2015 (USD million).



Source. Myers, Gallagher & Yuan, (2015).

Table 2. China loans to Latin America (cumulative, 2007-2015).

Country	# of Loans	Amount (billion USD)	Share of Loans from China (% of total loans)
Venezuela	17	\$ 65	52%
Brazil	8	\$ 21,8	17%
Argentina	8	\$ 15,3	12%
Ecuador	11	\$ 15,2	12%
Other Latin American countries	24	\$ 9	7%
Total	68	\$ 126,2	100%

Source. Myers, Gallagher & Yuan (2015).

⁷ Association of Southeast Asian Nations.

Table 3. List of deals between China and Latin American countries⁸

Argentina	SWAP agreement (CFR). China's CNOOC Joint Venture with Bidas. ICBC buys stake at Standard Bank. SINOPEC acquires 23 oil fields (Gallagher, 2016).
Bolivia	Memorandum of Understanding for Communications Satellite (Spacedaily.com) China's Sinosteel plans for metalwork.
Brazil	\$10 billion USD loan for oil with Petrobras (The New York Times) China Construction Bank acquires 72% of the Banco Industrial e Comercial (\$723 million USD) Multi-purpose deal (Infrastructure, Agriculture, Energy) China State Grid Corporation acquires 7 electricity transmission companies and 12 transmission lines (Gallagher, 2016). China acquires Companhia Brasileira de Metalurgia e Mineração.
Chile	Free Trade Agreement (2006), International Directorate Chile Supplementary Agreement on Trade in Services (2008) (China Daily). Negotiations on investment are in process (2009). Annually, China purchases over \$1 billion USD of its copper from Chile. (Miami Herald). SWAP agreement (Xinhua).
Colombia	Bid for Emerald Energy that operates in the country. (Telegraph). Tentative Cooperation Agreements on Science and Technology (Ministry of Science and Technology, China).
Costa Rica	Free Trade Agreement (2011).
Ecuador	Investments in the Energy Sector by Andes Petroleum (subsidiary of the Chinese National Petroleum Corp) (Reuters). \$1 billion loan to build hydroelectric plant (NY Times). \$2.2 billion USD for Oil Joint Venture in the Amazon and other minor investments.
Mexico	The bilateral trade volume is \$17 billion USD. (Xinhua)
Panama	Strategic investments by Hutchinson-Whampoa in the Port of Colon, Atlantic Ocean and the Port of Balboa in the Pacific Ocean.
Peru	Free Trade Agreement (2010). Acquisition of Peru's Xstrata plc Las Bambas copper deposit for \$7 billion USD and Petrobras Energía Perú for \$2.6 billion USD.
Venezuela	Loans for Oil deal (NY Times) Development fund of \$12 billion USD (NY Times)

Source. Prepared by the authors.

⁸ Information taken from different sources, but most of them are cited and referenced in this paper.

With a touch of foresight about this, Ellis (2005) commented that “the pattern of Chinese investment in countries such as Argentina, Brazil, and Chile suggests that the Asian giant is seeking to assure access to critical commodities by constructing vertically integrated supply networks over which it has leverage.”

In the report of the OECD/ECLAC/CAF (2015), it is concluded that “trade between Latin America and China has expanded in an unprecedented way over the last 15 years; [...] The result is stronger, though uneven, global value chain linkages between China and Latin America.”

In order to avoid the negative externalities a new cooperation plan between China and Latin America was signed in January 2015 (Ministry of Foreign Affairs, the People’s Republic of China, 2015). The new plan has emphasis on fostering trade and capital flows into high technology and value added goods production, especially in fields such as machinery, petrochemicals, clean energy, transportation equipment, electronics, digital medical equipment, information and communication technology, biotechnology, and pharma. If the cooperation plan were implemented successfully, Latin America would see greater advantages from its relation with China.

5. Political Aspects

For a long time and since the formulation of the Monroe Doctrine in 1823, Latin America has been of strategic importance for the United States; the U.S. adopted Latin American countries as “Southern Brethren” and favored the then-recent independence and the principle of no-intervention of European Powers in the newly formed republics.

Since then, Latin America and the Caribbean have been considered the backyard of the U.S. in its close sphere of influence and control (Hakim, 2006). For example, the U.S. identified the strategic importance of the Panama Canal, took over the project from the French and promoted the independence of Panama from Colombia; former U.S. president Carter signed the return of control of the Canal to the Panama authorities and finally administered the Canal until December 31,

1999. Now, two ports in the Atlantic and the Pacific are leased to the Chinese company Hutchinson-Whampoa that according to Erikson and Chen (2007) has close ties to the People’s Liberation Army.

Recently, the Chinese government and private businesses have tried to develop similar projects: in 2013, China announced the construction of the Nicaragua canal; in June 2015, China announced the construction of a mega-railway to connect the Caribbean and the Pacific through Peru and Brazil. In Colombia, China has sought to build a railway to connect the Pacific Ocean and the Caribbean Sea (Romero, 2015).

The involvement of a major Chinese corporation in one of the most important routes for international trade, as well as the railway and the canal projects are a political-strategic issue that requires deeper analysis

in order to identify the implications of these events for the region.

Several scholars argue that China is using soft power in Latin America in order to rise in the global power hierarchy (Lei, 2015; Ellis, 2011; US Government Publishing Office, 2008) and create a new multipolar global order (Harris, 2015). In addition, Pineo (2015) calls to attention the fact that China's trade relation and investment in

Latin America appears to be without any evident political or policy conditionality.

However, given the fact that 12 out of the 22 countries⁹ which recognize Taiwan as an independent state are from Latin America, putting the region at a strategic place for the Chinese government to exert its influence and take the cross-strait puzzle to another level (Erikson & Chen, 2007; Ministry of Foreign Affairs Republic of China, 2016).

6. Conclusions

The analysis of the relation between China and Latin American provides a number of economic and political insights on how China has approached the region. As discussed above, Chinese economic performance has been driving the increasing demand for commodities like oil, iron ore and some agricultural products. China has become one of the most important trade partners for Latin America and the second source of FDI to the region, contributing to the regional economic performance during the world economic downturn of 2008-2009. The commodity boom experienced by Latin American economies might have helped their local economies to grow. The wealth transfer from China to Latin America could have been an opportunity to formulate and implement good practices in public policy in order to reduce inequality and create the basis for long-term sustainable growth and prosperity.

However, this economic relation has also caused several negative externalities for the region. First, the mixture of Chinese demand for commodities and their high prices has generated export concentration, leaving the region exposed to commodity price fluctuation. Second, most of Chinese FDI and loans have been invested in a few countries and in natural resources, creating re-specialization on the production of commodities. Third, modern economic history has shown that countries like Malaysia or Chile can successfully pass the different stages of economic growth, from commodity exports to manufacturing, but the regional manufacturing base is at risk due to Chinese labor competitiveness, technical prowess and more recently, massive investments in manufacturing automation. Fourth, it seems that China is increasing its market share on manufactured products, affecting Brazil's manufactured exports to the region.

⁹ The 22 countries are: Republic of Kiribati; Republic of the Marshall Islands; Republic of Nauru; Republic of Palau; Solomon Islands; Tuvalu; Burkina Faso; Democratic Republic of Sao Tome and Principe; Kingdom of Swaziland; The Holy See; Belize; Dominican Republic; El Salvador; Republic of Guatemala; Haiti; Republic of Honduras; Nicaragua; Panama; Paraguay; The Federation of Saint Christopher and Nevis; Saint Lucia and Saint Vincent and the Grenadines.

Accordingly, China is playing the dual role discussed in the introduction of this document; it has become a major trading partner for the region and source of investment for all kinds of development and infrastructure projects, but on the other hand, the collected evidence shows a re-primarization and de-industrialization on the Latin American side.

The resurgence of China as an economic, political and diplomatic superpower in our contemporary world is a multi-faceted and complex subject, worthy of deeper and more systematic research by scholars and business people alike. Most of the current international institutions and regimes were created after the Second World War and under the tenets and tutelage of the West; Chinese growing influence in international affairs is slowly challenging traditional power structures and alliances worldwide.

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