

Understanding China's Relations with Latin America

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- **What is the status quo of the China-Latin America relations?**
- **What is the nature of this bilateral relationship?**
- **What is the prospect of this relationship?**

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- What is the status quo of the China-Latin American relations?

Status quo

- *China's relations with Latin America has never been so close.*
 - Exchanges of high level visits are frequent.
 - Bilateral trade increased from \$12.6 billion in 2000 to \$145 billion in 2008;
 - China's stock of direct investment in Latin America and the Caribbean had reached \$32 billion by the end of 2008;

China's FDI Abroad, 2008

(Total stock)

- Total:\$184 billion
- Asia: 131
- Africa:8
- Europe:5
- Oceania:4
- North America: 4
- ***Latin America:32***
(17.5%)
- In Latin America
(in million \$)
- Cayman: 20 337
- British Virgin: 10 477
- Peru: 194
- Brazil: 217
- Argentina: 173
- Mexico: 173
- Venezuela: 156

China has established

- *strategic partnership with **Brazil** (1993), **Mexico** (2003), **Argentina** (2004) and **Peru** (2008, formerly comprehensive cooperation partnership in 2005);*
- *strategic partnership of common development with **Venezuela** (2001);*
- *comprehensive cooperation partnership with **Chile** (2004);*

- partnership of friendly cooperation with long-term stability and mutual benefit with **Uruguay** (2001);
- partnership of traditional friendship with **Cuba** (2004);
- partnership of friendly cooperation with mutual benefit with **Trinidad and Tobago** (2005);
- friendly partnership of common development with **Jamaica** (2005).

- **There are more than one hundred pairs of friendship provinces and cities between China and Latin America.**
- **The CPC has working relations with more than 80 political parties in almost all the 33 countries in the region.**
- **Thirteen Latin American countries have granted the market-economy status to China.**

- China has FTA with Chile and Peru; the third one with Costa Rica is being negotiated;
- China has become IDB's non-borrowing member;
- China has established political dialogue mechanism with Mercosur, the Rio Group, the Andean Community and some individual countries;

- Several Confucius Institutes have been established in Latin America;
- Peace-keeping mission in Haiti;
- Currency swap with Argentina (70 billion RMB or 10.2 billion \$);
- More than ten Latin American countries have been designated as “tourist destination” for China;
- Loan-oil deal with Brazil;
- Diplomatic relations with Costa Rica in 2007;

- **China and Brazil have launched 3 remote sensing satellites into orbit;**
- **China has sent one telecom satellite for Venezuela;**
- **There are cultural, sports and academic cooperation;**
- **China-Caribbean Economic and Trade Co-operation Forum was established in 2005;**

- **Policy Paper towards Latin America (November 2008):**
- **35 areas of cooperation between China and Latin America in the following 5 aspects.**
 - *Political*
 - *Economic*
 - *Cultural and Social Aspects*
 - *Peace, Security and Judicial Affairs*
 - *Relations with Latin American and Caribbean Regional Organizations*

Military relations with Latin America

- China's military diplomacy: Two periods
- 1949-1978:
 - Protecting national security and sovereignty was the main objective of military diplomacy.
 - Revolution was the core of military diplomacy as “theme of the times” was believed to be “war and revolution”.
 - Military diplomacy was highly influenced by ideology.

Since 1978

- “Theme of the times” has shifted from “war and revolution” to “peace and development”. (*Deng Xiaoping’s North and South, East and West in 1985.*)
- Economic diplomacy, not military diplomacy, has been at the center stage of China’s international relations.
- Scope of military diplomacy has expanded.

Focus of military diplomacy

1. International exchanges and cooperation

- *China has established military ties with over 150 countries, and has military attach offices in 109 countries.*
- *mutual exchanges of high level delegations,*
- *bilateral or multilateral joint military exercises,*
- *educational programs.*

2. Regional security cooperation

- Shanghai Organization of Cooperation**
- ASEAN Regional Forum**

3. UN Peace-keeping:

- 11,063 military personnel/time in 18 operations since 1990**

Military relations with Latin America

- It's part of the overall bilateral relationship with Latin America.
- According China's *Policy Paper towards Latin America*, The Chinese side will actively carry out military exchanges and defense dialogue and cooperation with Latin American and Caribbean countries.

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Policy Paper

- *Mutual visits by defense and military officials of the two sides as well as personnel exchanges will be enhanced.*
- *Professional exchanges in military training, personnel training and peacekeeping will be deepened.*

Policy Paper

- *Practical cooperation in the non-traditional security field will be expanded.*
- *The Chinese side will, as its ability permits, continue to provide assistance for the development of the army in Latin American and Caribbean countries.*

Principles

- China's principles for military cooperation with Latin America:
 - *To gain better understandings of the Latin American military;*
 - *To improve professional expertise by learning from each other;*
 - *Never target any third party;*
 - *Never harm the regional and hemispheric stability.*

- So far China has established military exchanges with 18 Latin American countries.
 - *Chinese military delegations have visited these countries, and about ten Latin American counterparts have visited China.*
 - *Professional exchanges (computer network, hydro-meteorological, etc) .*
 - *Military educational exchanges.*
 - *Training.*
 - *Selling conventional weapons.*

- Other exchanges include:
 - *sending the military band to the Caribbean on a performance tour;*
 - *sending teachers to the Caribbean offer lessons on playing military music;*
 - *sending military professors to Chile and Argentina to lecture on Sun Zi's "Art of War".*

Could that be a threat to the U.S.?

The U.S. concern is unnecessary.

- **China-Latin American relations are part of the South-South cooperation.**
- **Relations with the U.S. is the priority of China's foreign diplomacy.**
- **Relationship with Latin America is for economic purpose, not for political intention against the U.S.**

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- What is the nature of the China-Latin American relations?

1. South-South

- **China is a developing country. So China's relationship with Latin America and Africa is South-South cooperation in nature.**

2. Social responsibility

- Chinese companies in Latin America and Africa have increasingly taken up social responsibility, though some people say they should do more.

3. De-linking local politics

- China never interferes with the political life in the host nations in Latin America and Africa. In history, the metropolitan nations controlled the destiny of their colonies.**

4. Terms of trade.

- In the colonial times, the colonies were faced with degrading terms of trade, i.e., rising price for manufactured goods and declining price for commodities. Today, Latin America and Africa are enjoying improved terms of trade with regard to their trade with China.

5. Furniture in your home.

- China imports commodities to make things that are exported to the developed countries. So China only gets the small profits of making the furniture when it imports wood from Latin America or Africa. Consumers in the developed nations also benefit from this trade.

6. Investment and aid

- In addition to trade, China also makes direct investment in Latin America and Africa, offers development aid, and even waives debts for Africa. The metropolitan states never gave free lunch to their colonies.

7. Encouraging local development

- In order to gain more profits, the metropolitan nations discouraged the development of local industries in their colonies so as to monopolize the market. China today does the opposite.

III.

- What is the prospect of China's relations with Latin America?

For China

- China will continue to attach importance to its relations with Latin America.
- Why is Latin America important for China?
 - *Economic*
 - *Political*
 - *The Taiwan issue*
- But the U.S. remains the “priority” in China’s foreign diplomacy.

For Latin America

- Latin America will continue to see China as an important player on the world economic stage. Its interest in China's market will grow.
- But the U.S. will always remain in the center of Latin America's international relations.
- In every aspect it is totally impossible for Latin America to shift away from the U.S. to China.

- How to further promote China-Latin American relations?
- 18 proposals:
 - *6 for China;*
 - *6 for Latin America; and*
 - *6 for both sides.*

For China

- Change the export structures;
- Pay attention to the trade deficit;
- Make more direct investments;
- Make great use of the IDB membership;
- Promote relations with the 12 NDR countries; (*NDR stands for “no diplomatic relations”*).

- **Do as the Latin Americans do;**
 - *Employ more local workforce;*
 - *Offer more training for the local workers;*
 - *Respecting laws, cultural tradition and customs;*
 - *Undertake more social responsibility.*

6 for Latin America

- Continue to make use of your comparative advantage;
- Don't ignore the huge size of the Chinese market. (*The problem is what you can sell.*)

- **Make more investment in China, particularly in its western region;**
- **Anti-dumping is not an effective way of protecting the domestic market;**
- **Avoid abrupt policy shift (resource nationalism).**

- Improving investment environment is necessary. The Chinese investors often complain the following:
 - *bureaucracy,*
 - *corruption,*
 - *crimes,*
 - *labor strikes,*
 - *political uncertainty, and*
 - *lack of infrastructure.*

6 proposals for both sides

- More exchanges of market information;
- More free trade agreements (FTA);
- Deal with U.S. factor;
- Maintain the momentum of the development of political relations;
- Use Spain as a bridge and Macau as a platform;
- Deepen mutual understanding: →

How much do the Chinese know about Latin America?

- From early 2007 to May 2008 the Institute of Latin American Studies at the Chinese Academy of Social Sciences conducted a national survey to understand how much the Chinese people know about Latin America.

- 1) Which countries in the following list are found in Latin America?
- 2) What would come into your mind first when you hear “Latin America”?
- 3) Which language do most of the Latin American countries use?

- 4) What is the official language for Brazil?
- 5) Which country is President Chavez from?
- 6) Which types of natural resources does Latin America possess most?
- 7) In Latin America and the Caribbean there are still 12 countries that have relations with the Chinese province of Taiwan. What should we do?

- 8) Which country has signed a free trade agreement with China?
- 9) How would you look at the current development of the Sino-Latin American relations?
- 10) In order to further promote the Sino-Latin American relations, what should we do?

- 11) What is your view regarding the future of the Sino-Latin American relations?**
- 12) Do you think that the textbooks used in China should include more knowledge about Latin America?**
- 13) Is Chinese media coverage of Latin America too much or too little?**

14) In which way do you get your understanding and knowledge about Latin America?

15) What is your major difficulty in getting to know more about Latin America?

The survey reveals...

- The Chinese public does not know much about Latin America.
- But many of the respondents wish to get more knowledge and information about the region.
- The overwhelming majority of them are satisfied with the rapid development of China's relations with the region.

- **Particularly, 76% of the respondents hope that economic cooperation between the two sides will be further promoted.**

- **Thank you**
- **Muchas Gracias**
- **谢谢**