1-23-2015

Beijing Summit Highlights China’s Expanding Role In Latin America

Andrés Gaudán

Follow this and additional works at: https://digitalrepository.unm.edu/notisur

Recommended Citation

Beijing Summit Highlights China’s Expanding Role In Latin America

by Andrés Gaudín
Category/Department: Region
Published: 2015-01-23

Thanks to a pair of productive visits by President Xi Jinping, who traveled to Latin America in both 2013 and 2014, the government of China has proven that penetrating an area long considered to be the exclusive domain of the US is by no means a mission impossible.

During those two trips, Xi distributed loans and credits in amounts that were unimaginable for the fragile economies of Latin America and the Caribbean. All together, the Chinese leader visited Trinidad and Tobago, Costa Rica, Mexico, Argentina, Brazil, Venezuela, and lastly Cuba, where he put forth a proposal that no one imagined would ever come to fruition: he suggested that the presidents and foreign ministers of the 33 member states of the Comunidad de Estados Latinoamericanos y Caribeños (CELAC) gather in Beijing for a summit. And yet it happened—just six months later!

The event took place Jan. 8-9 and resulted in various agreements that business leaders in each of the participating countries celebrated with considerable fanfare. Much was said about Chinese generosity. But there were also a number of people making the argument that China is really just using its enormous investment capabilities to set up profitable business dealings with countries that have been neglected by the US.

Summit participants didn’t hold back when it came to praising their host. President Xi, in turn, took every opportunity to point out how trade between China and the CELAC member states has soared, jumping from US$10 billion in 2000 to US$257 billion in 2013. The 26-fold increase in 13 years outpaced the growth percentages registered even within the Southern Cone Common Market (MERCOSUR), Latin America’s most active trade association. Xi shared some other intriguing numbers as well. He noted, for example, that in the next five years, all things being equal, China will import US$10 trillion worth of goods and invest US$500 billion abroad. By the end of the decade, furthermore, Xi expects that China will produce approximately 500 million tourists per year, 140,000 per day.

The staggering tourism figure, first cited in late 2014 by the Global Times, an English-language Chinese daily, is based on research done by the China Tourism Academy and National Bureau of Statistics of China, which note that, while most Chinese tourists still stay within the country, an increasing number are venturing beyond the borders. Approximately 97 million Chinese traveled abroad in 2013, 17% more than in the previous year. The 2014 figures have not yet been finalized, but sources expect the total to easily exceed the 100 million mark. Given that progression, Xi’s 500 million by 2020 figure might even prove to be conservative.

Even as it stands now, China produces more foreign tourists than any other country, including the US and Japan. Not only that, but in 2012, according to the most recent available data, tourists from China spent more than their counterparts from other countries, topping both the US and Germany. In total they spent approximately US$120 billion, or US$1,200 per tourist.
Eager partners

"China is showing it can be a power without imperial pretensions," said Venezuelan President Nicolás Maduro, who, according to an article published Jan. 8 by the Spanish news agency EFE, signed more than US$20 billion worth of agreements with China. Maduro went on to say that the Asian country and CELAC "are advancing toward a historic opportunity, toward a more egalitarian world in which no one tries to control natural resources or use financing or currency to dominate and blackmail our peoples."

Costa Rican President Luis Guillermo Solís was equally enthusiastic. "This meeting opens up the possibility of launching new Chinese investment and financing programs in strategic areas such as infrastructure, transportation, and regional interconnectivity, things that are fundamental for the bond between our countries," he said. Solís also emphasized that "Chinese diplomacy and investments don’t come with requirements but are instead about working on equal terms on our development projects."

Ecuadoran President Rafael Correa, who will serve starting Jan. 29 as CELAC’s president pro tempore, promised during his time in the position "to honor the friendship that the People’s Republic of China extends us and seek to implement shared regional projects in the terms that we establish here by consensus, as equal partners, respectfully."

The CELAC participants spoke in similar terms overall. They all, for example, described Chinese investments as help that doesn't come with requirements compromising sovereignty. One speaker who did stand out, nevertheless, was Chilean Foreign Minister Heraldo Muñoz, who articulated what many of the other participants were likely thinking but didn’t bring themselves to say.

It should be noted first that Chile is one of only four Latin American member states (along with Peru, Colombia, and Mexico) in the Pacific Alliance, a trade bloc that the leaders of the region’s progressive governments—in Argentina, Bolivia, Ecuador, Uruguay, and Venezuela—characterize, in Correa’s words, as being "an enemy wedge in the service of neoliberalism" (NotiSur, Sept. 19, 2014). Second, China is already Chile’s number-one trading partner (they exchange US$34 billion annually). The relationship goes back to 1970, when President Salvador Allende (1970-1973) made Chile the first country in the region to break China’s isolation form the West by signing protocols establishing economic and bilateral diplomatic relations.

The announcements, and above all the projected numbers that Xi, in a deliberate and almost rhythmic way, spelled out one by one, satisfied the expectations of the Chilean, who insisted that Beijing "is very serious" about its strategic commitment to the region. "China is the motor of the future, if it isn’t already, driving global economic growth. And we are its privileged allies," he said. All of this is happening at a time when "the US presence in Latin America is declining, which opens up a lot of room for China," Muñoz added. And in obvious reference to the US, the Chilean foreign minister expressed a sentiment shared by many—if not all—of his fellow summit participants when he hailed "the respect China shows for its partners, with an approach to relations that differs from what we’ve experienced in the past."

"South-South cooperation"

The Chinese and Costa Rican Foreign Ministers Manuel González and Wang Yi were tasked with bringing the event to a close on Jan. 9. Wang was careful to point out that the agreements between

©2011 The University of New Mexico, Latin American & Iberian Institute All rights reserved.
Beijing and the CELAC member states represent a model of cooperation that "doesn’t go against anybody," in allusion to the US. González echoed the statement by saying that "friendship with one country doesn’t exclude friendship with another." As if he weren’t clear enough already, the Costa Rican went on to say that San José has "a long tradition of friendship with the US," a country that may not have participated in the summit but, as Argentine Foreign Minister Héctor Timerman said, "was present in all the thoughts and in all the speeches."

Before leaving the conference room, Wang told reporters that "the two sides complement each other: Latin America and the Caribbean have a lot of natural resources while China has an important receiving market, technology, and capital, three things that have been fundamental in creating this platform, an example of South-South cooperation, through which neither part tries to take advantage of the needs of the other or limit its development possibilities."

Not everyone shares that opinion. In the days following the summit, various publications reproduced parts of an essay by Argentine economist Ariel Slipak. The piece originally appeared in the March-April 2014 edition of the Latin America-focused magazine Nueva Sociedad, which is put out by Germany’s Friedrich Ebert Foundation. Slipak’s essay—written 10 months ago—is indirectly critical of "the example of South-South cooperation" mentioned by Wang.

"The region only exports a narrow range of things to the eastern country," Slipak wrote. "As of 2012, 69% of exports to China from Latin America and the Caribbean were primary goods. Another 24% were natural-resource-based manufactured products. Manufactured goods involving low, medium, and high levels of technology represented only 2%, 3%, and 2% respectively."

Costa Rica is an exception in that its principal exports to China are electronic circuits. Exports in Argentina, Bolivia, Chile, Colombia, Ecuador, Perú, and Uruguay, in contrast, are dominated by soy, minerals, or crude oil, depending on the particular products available in each country. Slipak calls them "the region’s China-dependent countries." All seven participated in the Beijing summit.

-- End --