

## CHINA'S ACTIVITIES IN LATIN AMERICA

## March & April 2022

The following is a summary of open-source media reporting on China's presence and activities in Latin America and the Caribbean in March & April 2022. This is not a complete list of media reports on China's activities in Latin America but are some of the most relevant articles and reports selected by SFS researchers and fellows. The monitor does source a limited amount of media reports from state-owned or -controlled media outlets, which are carefully selected and solely intended to report on news that is not reported on by other media and is relevant for understanding VRIC influence in the region. This report is produced as part of our VRIC Monitor published monthly by the Center for a Secure Free Society (SFS), a non-profit, national security think tank based in Washington D.C.



- According to "China In The World 2022", a study by Double Think Lab in alliance with the Institute of Democracy Challenges, in its Chilean chapter, at the Latin American level, Venezuela and Peru are the most critical cases. - <u>La Tercera on 05-MAY (content in Spanish)</u>
- For the second year in a row, in 2021 China's policy banks the China Development Bank (CDB) and China Exim Bank (Exim) – issued no new loans to the region, the latest update of The Dialogue and Boston University's China-Latin America Finance Database has found.. - <u>Diálogo Chino on 04-MAY</u>
- On April 24, the authoritarian government led by the president, Daniel Ortega, announced the withdrawal of Nicaraguan diplomatic representatives from the Organisation of American States (OAS). Immediately afterwards it closed the OAS's office in the capital, Managua. The developments can be seen as steps in Nicaragua's reorientation towards China and away from the U.S., and are likely to bolster the government's position domestically. <a href="Economist Intelligence on 03-MAY"><u>Economist Intelligence on 03-MAY</u></a>
- State media reports China has unveiled a disaster relief fund for Caribbean countries as it tries to extend its political and economic reach into the strategically important region.
   The fund was announced during a virtual summit between Chinese Foreign minister Wang Yi and his counterparts from nine Caribbean countries Dominica, Antigua and Barbuda, the Bahamas, Grenada, Guyana, Jamaica, Suriname, Trinidad and Tobago as well as Barbados. South China Morning Post on 29-APR
- Nicaragua's government led by President Daniel Ortega has announced an agreement with China regarding over US\$60m in Chinese funds for the housing sector. The agreement was signed off by chairman of the China International Development Cooperation Agency (CIDCA), Luo Zhaohui, and Nicaragua's finance minister, Iván Acosta. This is the latest sign of burgeoning cooperation between the two countries since Nicaragua's decision in December 2021 to establish diplomatic ties with mainland China and sever relations with Taiwan. LatinNews Daily on 28-APR
- Chinese-owned MMG's Las Bambas copper mine in Peru is considering a plan to evict indigenous communities that have camped on the property and forced a production halt, according to an executive and a document seen by Reuters. - Reuters on 26-APR
- In Latin America, Confucius Institutes have been expanding since 2006. They have a
  presence in 23 countries in Latin America and the Caribbean. Some countries have more
  than one, with most located on university campuses. The Institutes teach Mandarin,
  finance summer camps in China, support cultural events and grant scholarships to study
  in the communist-ruled Asian nation. <u>VOA News on 23-APR</u>
- Over the past two decades, China has developed close economic and security ties with many Latin American countries, including Brazil and Venezuela. But Beijing's growing sway in the region has raised concerns in Washington and beyond. - <u>Council on Foreign</u> <u>Relations on 12-APR</u>

- Brazilian electronics maker Multilaser SA announced an agreement to take over part of
  the production of security equipment from China's Hikvision. In the deal, which starts in
  the third quarter, Multilaser will take over the distribution and sale of entry-level security
  cameras of the HiLook brand, intended for small projects. It will also be responsible for
  the Hikstorage line. Reuters on 08-APR
- The geopolitical power dynamic between China and Taiwan is exemplified in how international relations are unfolding in Latin America. China continues to extend its influence in the region through trade and investment while systematically alienating and undermining Taiwan's dwindling number of allies in the process. <a href="Epoch Times on 08-APR">Epoch Times on 08-APR</a>
- Chengxin Lithium, a Chinese public company, will increase its stake in Lithium Chile to 19.86%, up from 5%, as the Calgary-based miner plans to complete a private placement of 29.3 million shares for \$27.9 million. The Chinese company will also be able to nominate two directors at the board of Lithium Chile. Chengxin has also agreed to help the company in exploration and development of its properties in Chile, Lithium Chile said. Northern Miner on 05-APR
- Argentina is pushing China to fully finance a new \$8.3 billion nuclear power plant in the country, as the government grapples with high debt levels and looks to bring down its fiscal deficit as part of a recent deal with the International Monetary Fund. The South American nation signed an agreement with the China National Nuclear Corporation (CNNC) for construction of a nuclear power plant in February. CNNC at the time said it would finance 85% of the cost, with Argentina shouldering the rest. Investing.com on 05-APR
- China is looking to be the partner of choice to develop Bolivia's vast lithium reserves
  with four Chinese companies within a group of firms shortlisted by the Ministry of
  Hydrocarbons and Energy, and state lithium company Yacimientos de Litio Bolivianos
  (YLB) to develop direct lithium extraction (DLE) technology. Mining Journal on
  04-APR
- State media reports China and Panama have hailed the prospects of their relations and the
  potential of their cooperation as Chinese State Councilor and Foreign Minister Wang Yi
  and Panamanian Foreign Minister Erika Mouynes met in Tunxi, east China's Anhui
  Province. During the meeting, the two foreign ministers agreed that it has been proved
  that the establishment of diplomatic relations between the two sides was correct, and has
  brought tangible benefits to the two peoples. <u>CGTN on 04-APR</u>
- U.S. Senator Marco Rubio (R-FL) delivered opening remarks at a Senate Committee on Foreign Relations subcommittee hearing on the threat of the Chinese Communist Party in Latin America and the Caribbean. - <u>Senator Marco Rubio Press Release on 31-MAR</u> (Video)
- State media reports China's Ambassador to Buenos Aires said that his country was willing to "promote financial support to Argentina for the payment of imports." SWAP

cooperation will be intensified in order to encourage greater use of national currencies in bilateral trade and investment to facilitate companies of both countries to reduce transaction costs as well as exchange rate risks, thus creating a good policy framework promoting the use of national currencies, and, in turn, encouraging financial institutions responsible for Renminbi (RMB) settlement operations in Argentina to play a greater role." - MercoPress on 30-MAR

- Cainiao Network, the logistics arm of Alibaba Group, has launched a sorting center in the Municipality of Tultepec, Mexico. Located 30km away from Mexico City International Airport, the sorting center will serve consumers across 32 states in Mexico, enabling parcels from China to arrive in the country in approximately 12 working days. - Parcel and Post Technology on 29-MAR
- China and Russia are expanding their influence in Latin America and the Caribbean, and challenging the United States' ability to deter conflict, according to two U.S. generals who spoke at a Senate Armed Services Committee hearing on March 24. The Chinese Communist Party is working to erode the international order in a grand effort to replace it with a system more favorable to the Party's interests, said Gen. Laura Richardson, commander of U.S. Southern Command. Epoch Times on 26-MAR
- America's backyard is under assault. China seeks to loop around and set up shop in Latin America. How do we preserve freedom and order in the region, as countries south of us join China's Belt and Road project? Meanwhile, dwindling recognition for Taiwan and potential dual-use facilities raise questions about the United State's lack of presence. What are the serious dangers when the Chinese communists take over? I asked Joseph Humire, a national security expert at the Center for a Secure Free Society. Epoch Times on 21-MAR
- China Three Gorges Corp. is exploring an initial public offering of its Brazilian unit as the Chinese energy giant seeks to raise funds for expansion in Latin America. The Chinese state-owned company has held talks with prospective advisors to prepare for the potential share sale in Sao Paulo, which could raise about \$2 billion, the people said. A listing could happen as soon as the end of this year. - BNN Bloomberg on 09-MAR
- State media reports China today expressed its willingness to work more with Latin
  America and the Caribbean to deepen friendship and expand cooperation, emphasizing
  that the region is not anyone's backyard. Foreign Minister Wang Yi told Prensa Latina
  that the parties' common goal is to consolidate independence, development, and recovery.
   TeleSUR on 08-MAR
- State media reports Venezuela's Health Ministry received a 69-ton shipment of drugs and
  equipment for surgery and medical protection from the Chinese government. "This
  shipment will allow health personnel to enhance its care for COVID-19 and other chronic
  non-communicable diseases patients," Venezuelan Institute of Social Security President
  Magaly Gutierrez stated. TeleSUR on 07-MAR

- While legitimate commerce between Mexico and China is growing, Chinese groups are
  also becoming more involved in drug trafficking and money laundering in Mexico. In
  2007, police in Mexico City seized \$205 million in cash from a home owned by Chinese
  businessman Zhenli Ye Gong. More recently, U.S. police have arrested several Chinese
  nationals for their involvement in sophisticated money laundering operations. Forbes on
  23-FEB
- Brazilian miner Vale SA said it has signed a memorandum of understanding with China-based Hunan Valin Group to develop decarbonization solutions in steelmaking as it seeks to cut 15% of its scope 3 carbon emission by 2035. - Reuters on 23-FEB
- With a library here, a power station there, China is using aid and investment to increase its presence in Central America, posing a challenge to the United States' 2-century-old diplomatic dominance in the region. China's is open about its ambition to supplant the United States as the world's dominant power. Voice of America on 23-FEB
- Montevideo needs to expand its limited electric bus fleet. And in China, it identifies a
  partner that can facilitate the incorporation of that technology and infrastructure, said the
  mayor of the Uruguayan capital, Carolina Cosse. Rio Times on 22-FEB
- Efigen, in a partnership with Bosk Capital, has signed an agreement with Power Construction Corporation of China (PowerChina) to develop and sell a 238 MW solar farm in Colombia. The Efigen solar farm, located in northern Colombia, is under construction in approximately 470 hectares and will be connected to Colombia's national grid once completed. This project represents a significant milestone, reaffirming Efigen's presence in the country and allowing the company's continued support to Colombia's progress and long-term development. Solar Magazine on 19-FEB
- In a bi-polar environment, a zero-sum game scenario takes hold, where one country's relative advances mean the other's relative decline. When it comes to South America, China is the one making advances. Instead of focusing on national leaders, China and its companies have built relationships from the ground up, courting local officials and building business ties through investments across a range of industries. Bloomberg on 18-FEB
- Argentina's General Mosconi Energy Institute has questioned a decision by the
  administration of President Alberto Fernández to sign a \$8.3bn turnkey contract for a
  nuclear power station with China National Nuclear Corporation. Under the deal CNNC
  will build the 1.2GW Atucha III plant in Buenos Aires province and the Chinese
  government will provide a 20-year loan to cover around 60% of the price tag. BNAmericas on 18-FEB
- Competition between countries to acquire and sell cutting-edge technologies could become an intractable feature of the economic rivalry pitting China against the United States. One crucial part of that conflict would be over the fifth generation of communication technologies — known as 5G. The most notable case recently (for the

size of the market concerned) was the tender put out for Brazil's 5G network. - WorldCrunch on 17-FEB

- On February 16, senators from Mexico's ruling Movimiento Regeneración Nacional (Morena) party filed a complaint against the federal economic competition commission (Cofece) in relation to the transfer of a lithium concession from Bacanora Lithium, an Anglo-Canadian company, to Ganfeng, a leading Chinese battery manufacturer. -LatinNews Daily on 17-FEB
- Trade between Brazil and China reached \$135 billion in 2021, the fourth consecutive record-breaking year. Brazilian companies sold \$87.9 billion in products to China, up 29% over 2020. Brazilian imports reached \$47.6 billion, 37% more than the previous year. According to the Brazilian Ministry of Economy, trade between the two countries has increased by over 130% since 2016, maintaining China's position as Brazil's largest trading partner, ahead of the United States. Rio Times on 16-FEB