CHINA’S ACTIVITIES IN LATIN AMERICA

May & June 2022

The following is a summary of open-source media reporting on China’s presence and activities in Latin America and the Caribbean in May & June 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.
• Mexico City will begin on July 11 the first stage of the 37bn-peso (US$1.84bn) modernization of metro line No. 1, awarded in November 2020 to a consortium formed by Chinese locomotive supplier CRRC Corporation and CRRC Zhuzhou Locomotive. - BNAmericas on 29-JUN

• The Chinese battery cell manufacturer and Volkswagen partner Gotion High-Tech has signed an agreement to build a lithium carbonate plant in Argentina. In future, the material will be processed into battery cells in Argentina, which could then also be used in electric vehicles made in four continents. - Electrive on 27-JUN

• Together with GSMA Intelligence and ITU, Huawei hosted the LATAM ICT Congress 2022, aiming to build a global industry communication platform and promote the rapid development of 5G and digital transformation in Latin America. Representatives from operators, regulators, industry organizations, 5G ecosystem partners, analysts, and media partners attended the congress. - PR Newswire on 27-JUN

• The People’s Bank of China will create a yuan reserve pool with the Bank for International Settlements and five other regulators to provide liquidity to participating economies in periods of market volatility. China along with Indonesia, Malaysia, Hong Kong, Singapore and Chile will each contribute a minimum of 15 billion yuan ($2.2 billion) or US dollar equivalent to so-called Renminbi Liquidity. - Bloomberg on 25-JUN

• The recent visit to Pakistan by the head of Argentina’s joint military staff has fed speculation that a JF-17 fighter jet deal is on the horizon following more than a decade of interest by the South American nation. But despite China’s willingness to help fund an acquisition program, it’s unclear if any major progress was made. - Defense News on 24-JUN

• Argentina’s possible accession to the BRICS – the grouping of Brazil, Russia, India, China, and South Africa – has been on the table for more than a decade, but there has never been any serious attempt until now. Xi Jinping’s invitation to Argentina’s President Alberto Fernández to participate in the 2022 summit, which convened virtually on June 23 with China as host, renewed the debate regarding this possibility, which still seems remote. - The Diplomat on 23-JUN

• State media reports China's top legislator Li Zhanshu held talks with Manzoor Nadir, speaker of the National Assembly of the Parliament of the Cooperative Republic of Guyana, via video link. Li, chairman of the National People's Congress (NPC) Standing Committee, said that political mutual trust is a solid foundation and a significant guarantee for the healthy and stable development of China-Guyana relations. - China People's Daily on 16-JUN

• The countries of the BRICS group of emerging economies will hold their annual summit, against a tense global backdrop due to the war in Ukraine. For the third time in a row, the event will bring together leaders of Brazil, Russia, India, China and South Africa virtually, due to the Covid-19 pandemic. But it will differ from recent meetings with the
guest appearance of Argentina, which has previously expressed its desire to join the group. - Diálogo Chino on 15-JUN

- Orient Overseas Container Line (OOCL) has announced the introduction of a new Transpacific Latin Pacific 6 (TLP6) service to enhance its Asia - Latin America network. The port rotation of the new service will be Hong Kong - Shekou (China) - Ningbo (China) - Shanghai (China) - Manzanillo (Mexico) - Puerto Quetzal (Guatemala) - San Antonio (Chile) - Hong Kong. The COSCO-owned box line believes the new service will provide a "comprehensive port coverage between North East Asia and West Coast South America." - Container News on 14-JUN

- A group of indigenous Peruvian communities agreed to temporarily lift a protest against MMG Ltd's Las Bambas copper mine that forced the company to halt operations for more than 50 days, the longest in the mine's history. According to meeting minutes, the truce will last thirty days from June 15 and the communities and the mine will engage in talks during that time. - Reuters on 10-JUN

- The Summit of the Americas provides a prime opportunity for the United States government to work with its like-minded partners in the region to address a major strategic challenge: China’s growing influence over Latin America’s critical and natural mineral resources. For rare earths alone—a subset of the larger category of critical minerals—China is estimated to account for approximately 85% of the world’s processing capacity. - Lawfare on 08-JUN

- China has widened the gap on the United States in trade terms in large swathes of Latin America since US President Joe Biden came into office early last year, data show, underscoring how Washington is being pushed onto the back foot in the region. An exclusive Reuters analysis of U.N. trade data from 2015-2021 shows that outside of Mexico, the top US trade partner, China has overtaken the United States in Latin America and widened the gap last year. - U.S. News on 08-JUN

- State media reports China’s Agriculture Ministry recently approved the import and use of soybeans as a raw material using Bioceres’ Crop Solutions drought tolerance technology. It’s a technology that gives crops greater tolerance to a lack of water and is hailed as a landmark development for agriculture. Bioceres is promoting the technology for farmers who have been suffering from harsh weather, while China’s decision paves the way for its entry into a key market. - CGTN America on 08-JUN

- In March 2022, Ecuador was shaken by the news that the Chinese state-owned China International Water & Electric Corporation (CWE), the last company to preside over the Toachi Pilatón hydroelectric project, was suing the country for US$100 million. The reason: Ecuador’s decision to unilaterally terminate the contract with the company. - Diálogo Chino on 07-JUN

- Cuba and China presented Pan-Corona, the first patent for an anti-covid vaccine jointly developed between both countries. The project is located in a joint biotechnological R&D center in Yongzhou and is led by experts from the Center for Genetic Engineering and
Biotechnology (CIGB) and the Cuban Biotechnological and Pharmaceutical Industries Business Group (BioCubaFarma). - 14ymedio on 05-JUN

- Colombian President Iván Duque Márquez encouraged the US to step up its strategic infrastructure bidding in Latin America, saying the country is far behind China on that front, and also stressed that ensuring 5G has the tightest cybersecurity protections available is imperative accelerating into another “industrial revolution.” - Fox News on 03-JUN

- In this article, we discuss how prevalent the phenomenon of reshoring out of China is and whether Mexico has significant advantages over China by looking at key metrics, such as operating costs, market size, trade, and diplomatic relations. - Dezan Shira & Associates on 27-MAY

- State media reports Wang Chen, vice chairman of the National People's Congress (NPC) Standing Committee, met with Iris Varela, First Vice President of Venezuela’s National Assembly, via video link. Iris Varela said that Venezuela firmly adheres to the one-China principle, and is willing to enhance communication between legislatures to promote cooperation on economy and law, as well as other fields, between the two countries. - China People's Daily on 27-MAY

- Brazil and China have completed some key negotiations on starting Brazilian corn exports to China, according to a statement released May 23 by Brazil's Ministry of Agriculture, Livestock and Supply. However, there is no clarity on when China would allow imports of Brazilian corn into the country. - S&P Global on 24-MAY

- Chinese Foreign Minister Wang Yi expressed to his Uruguayan counterpart, Francisco Bustillo, the Asian giant's interest in deepening cooperation in scientific and technological matters, while both agreed on the “strengthening of trade” that an FTA could propitiate. Uruguay, which according to the document took advantage of the instance to thank the proposals of the Chinese president, Xi Jinping, Initiative for Global Development and Initiative for Global Security, that “expressed the desire to raise the level of strategic cooperation between the two countries.” - EFE on 21-MAY (content in Spanish)

- State media reports Chinese State Councilor and Foreign Minister Wang Yi held a phone conversation with Uruguayan Foreign Minister Francisco Bustillo. As the first Southern Common Market (Mercosur) country to participate in the Belt and Road Initiative (BRI), Uruguay has joined the Asian Infrastructure Investment Bank and the BRICS New Development Bank, providing important momentum for bilateral and multilateral cooperation between the two countries, said the Chinese foreign minister. - CGTN on 21-MAY

- State media reports since the resumption of diplomatic relations six months ago, China and Nicaragua have made a good start in bilateral cooperation with high speed and high standards, which fully shows that the resumption of diplomatic ties conforms to the trend of history and the trend of the times and serves the fundamental interests of the two
countries and peoples, State Councilor and Foreign Minister Wang Yi said during a phone call with his Nicaraguan counterpart Denis Moncada. - CGTN on 20-MAY

- State media reports Chinese State Councilor and Foreign Minister Wang Yi said that the country is ready to advance high-quality cooperation under the Belt and Road Initiative (BRI) and engage in discussions on signing cooperation plans. Wang made the remarks in a phone conversation with Ecuadorian Foreign Minister Juan Carlos Holguin. China is willing to make joint efforts with Ecuador to build health, digital and green Silk Roads, Wang said. - CGTN on 20-MAY

- Panama President Laurentino Cortizo said he intends to immediately restart negotiations with China over a free trade agreement, after conversations were put on hold during the pandemic. Cortizo, who took office in 2019, said he will seek bigger concessions than previous Panamanian administrations attempted to get from Asia’s largest economy. - Bloomberg on 19-MAY

- State media reports Chinese state-owned conglomerate Cosco Shipping Holdings is building – virtually from scratch – a deep-water port in Peru. At the cost of US$ 3 billion, it will connect an industry and a logistics park in collaboration with a unit of the Swiss trading company Glencore. - MercoPress on 19-MAY

- State media reports Argentina has been invited by Chinese President Xi Jinping to participate in three BRICS events. The first will be a get-together of political parties, social organizations and think tanks, a second on May 20th, is a summit of foreign ministers from Brazil, Russia, India, China, and South Africa, BRICS full members, and the Argentine minister guest. Finally, on June 24 a summit of the five-plus one leaders is scheduled. - MercoPress on 16-MAY

- State media reports Chinese pharmaceutical Sinovac Biotech Ltd which makes one of the vaccines against Covid 19 most in several Latin American countries initiated on Thursday the construction of its first fill and finish plant in Chile, consolidating its presence in the Latin American country that has used its Covid-19 shot the most. - MercoPress on 16-MAY

- The community of Fuerabamba in the Andean region of Peru was resettled eight years ago to make way for a giant Chinese-owned copper mine, in a $1.2 billion scheme billed as a model solution to protests dogging the South American nation's mining sector. Now the community wants the land back. - Reuters on 12-MAY

- Two dams are being built on the 380-kilometer (236-mile) Santa Cruz River in Argentina’s Patagonia, threatening glacier movements and endemic wildlife that rely on the surrounding wetlands. Several Indigenous Mapuche communities, who consider the area to be important to their cultural heritage, say officials failed to consult with them before starting the project. Despite protests, lawsuits and court orders to pause construction, work on the complex, part of the China-funded Belt and Road Initiative, has continued. - Mongabay on 12-MAY
China's multimillion-dollar loans to Latin American governments have come to a standstill. No new state-to-state loans have been issued over the past two years. According to experts, however, China has instead prioritized commercial loans for its companies' projects in the region. - Voice of America on 11-MAY