

# China News Digest

January 12, 2017



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## LATEST NEWS

### Brazil registers record surplus in 2016 trade balance

<http://riotimesonline.com/brazil-news/rio-business/brazil-registers-record-surplus-in-2016-trade-balance/>

3 January 2017, *The Rio Times*

#### Abstract:

Brazil's trade balance for 2016 was a surplus of US\$ 47.69 billion, which is the highest balance since 1989, when the historical series began. The largest destination for Brazilian goods in 2016 was China (US\$ 37.4 billion), with the U.S. behind in second place (US\$ 23.2 billion). The top importers to Brazil were China (US\$ 23.83 billion), and the United States (US\$ 23.80 billion).



## Brazil's austerity experiment

<http://seekingalpha.com/article/4033633-brazils-austerity-experiment>

1 January 2017, *Seeking Alpha*

### Abstract:

This editorial analyzes the short and long-term effects of the recent, severe austerity measures implemented by Brazilian president Michel Temer. A constitutional amendment, last December, froze federal government spending for 20 years, and the spending cap was indexed to the rate of inflation.



## RECENT BACKGROUND

### Latin America caught in the middle of a fight between President-elect Donald Trump and China

<http://www.sanluisobispo.com/news/politics-government/article124555384.html>

4 January 2017, *The Tribune* (San Luis Obispo, California)

#### Abstract:

This article summarizes the Chinese reaction to Donald Trump's phone call with Taiwanese president Tsai Ing-wen. China is seeking to establish official relations with the Dominican Republic as a step in increasing political pressure in the Latin American region. The article includes background of the current status of the U.S. "One-China" policy and how Latin America is caught in a political crossfire between China and the incoming Trump regime.



## Will Latin America regain prosperity in 2017?

<http://knowledge.wharton.upenn.edu/article/will-latin-america-nations-regain-prosperity-2017/>

3 January 2017, Knowledge@Wharton

### Abstract:

This editorial discusses the future of Latin American economies in relation to the new U.S. administration and China, focusing on changes in trade policies with respect to Brazil, Columbia and Argentina.

Predictions about the economic future of Latin American countries include:

- The U.S. dollar will appreciate in value, due to economic growth and rising interest rates. A stronger dollar could hurt Latin American countries, as their export economies are predominantly commodities-based, but will not hurt Mexico as its exports are mainly manufactured goods.
- If the United States carries out Donald Trump's threats of an adversarial trade policy towards China, this could have significant impacts in trade patterns in Latin America, as China has replaced the United States as the most important trading partner for several Latin American countries. If U.S. trade policy significantly impacts Chinese economic growth, this could have adverse effects on Latin American economies. If the Chinese economy improves, this could benefit Latin America to the continuing detriment of the United States.



## RMB becomes more frequently used in Latin America

[http://www.china.org.cn/business/2016-12/31/content\\_40018483.htm](http://www.china.org.cn/business/2016-12/31/content_40018483.htm)

31 December 2016, *China.org.cn*

### Abstract:

This short article discusses the prevalence of renminbi bills used in Latin American countries, due to increased Chinese financial investment in the region, as well as the RMB being added to the IMF reserve currency basket.

## China's currency drops but pressure still builds

<http://www.wsj.com/articles/chinas-currency-drops-but-pressure-still-builds-1482937064>

29 December 2016, *The Wall Street Journal*

### Abstract:

This short article explains the dropping value of the yuan against the U.S. dollar, and the various ways China responds to this issue.



## Latin economies face a big China choice

<http://www.bloombergquint.com/opinion/2016/12/27/latin-economies-face-a-big-china-choice>

27 December 2016, *Bloomberg*

### Abstract:

This article discusses the political and economic implications of Latin American nations' increasing trade with China in the context of a WTO 15-year probationary period ending last December. This probation established China as a mature market economy, if it adhered to free commerce principles of lowering trade barriers, freeing up currency, and indexing export prices to supply and demand. As the period has ended, Latin American countries have to deal with the implications of expanded trade with China.

