

# China News Digest

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Leite, Tosto e Barros  
A D V O G A D O S

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## LATEST NEWS

### **LATIN AMERICA: Macroeconomic Scenario Improves But Risks Remain - Fitch**

<http://markets.businessinsider.com/news/interestrates/LATIN-AMERICA-Macroeconomic-Scenario-Improves-But-Risks-Remain-Fitch-1002193258>

20 July 2017, *Markets Insider*

#### **Abstract:**

While Latin America has benefited from stronger global growth, there are still downside risks to the region, which should post a 1.2% expansion in its combined Gross Domestic Product (GDP) this year, said Fitch Ratings in a report.

“Latin American economies remain vulnerable to a sharp slowdown in China’s economy and its direct effects on raw material prices,” said Rui J. Pereira, Regional Credit Officer for America. “Other major risks include increased US trade protectionism, political risk and corruption, market volatility and capital outflow,” the analyst added.

## Latin America's disappointing economic growth

<https://www.economist.com/news/americas/21725344-commodity-hangover-has-been-compounded-political-uncertainty-latin-americas-disappointing>

20 July 2017, *The Economist*

### Abstract:

Scan the Latin American newspapers and it is hard to find much sign of a convincing economic recovery. True, Brazil's industrial production is perking up after a two-year slump. Mexico's energy reform is starting to pay off, at last, with a big new oil discovery by an international consortium. And Peruvian restaurateurs celebrated "National Char-roasted Chicken" day on July 16th, hoping to dispatch a million birds, up from last year's 720,000.

After five years of deceleration and one of recession, Latin America should register modest economic growth of 1-1.5% this year, according to forecasters. The picture varies from country to country. The return to aggregate growth is largely thanks to Brazil and Argentina, which are coming out of recessions. Venezuela's economy is collapsing. Mexico, Chile, Colombia and Peru are expanding at a sluggish rate of 2-3%. Only in Central America, the Dominican Republic and Bolivia is growth a respectable 4% or so.

## Uruguay Calls for Closer Trade Ties between Latin America, China

<http://www.laht.com/article.asp?ArticleId=2440469&CategoryId=12394>

20 July 2017, *Latin American Herald Tribune*

### Abstract:

The executive director of the Uruguayan government's export and investment promotion agency called for closer trade ties between Latin America and China during Thursday's presentation in Brazil of the China-Latin America and Caribbean Business Summit, which will be held in late November in the Uruguayan seaside resort of Punta del Este.

"Some Latin American countries have trade agreements with China, like Mexico and Chile, and last year Uruguay's president (Tabare Vazquez) visited China to take part in the China-LAC and raised the possibility of a trade agreement, which is on the agenda of the Mercosur" trade bloc, Uruguay XXI's Antonio Carambula told EFE.

## RECENT BACKGROUND

### China's Other Big Export: Pollution

<https://www.nytimes.com/2017/07/21/opinion/china-climate-pollution-global-warming.html>

21 July 2017, *The New York Times*

#### Abstract:

While President Trump rolls back environmental protections and announces the withdrawal of the United States from the Paris climate accord, China is trying to position itself as the world's climate leader, pledging to cooperate with other countries to build an "eco-civilization." China has established the largest solar panel farm in the world, plans to close over 100 coal-fired power plants, and is committed to spending at least \$361 billion on renewable energy by 2020.

All of this is laudable and sorely needed. But if China truly wants to be a climate leader it needs to address its global climate footprint, not just pollution within its borders.

## Chinese investors zero-in on Latin America

<https://www.chinadialogue.net/blog/9932-Chinese-investors-zero-in-on-Latin-America/en>

20 July 2017, *chinadialogue*

### Abstract:

Chinese foreign direct investment in Latin America has now surpassed US\$110 billion (743 billion yuan) and continues to rise fast. In fact, annual flows of Chinese FDI to countries such as Brazil now rival those from the United States or Spain.

In our new Atlantic Council – OECD Development Centre report, Chinese FDI in Latin America: New Trends with Global Implications, we shine a light on an area that was previously hard to understand because of unclear data. Annual investment flows by Chinese firms to the region have averaged over US\$10 billion over the previous five years. This new reality completes an economic trifecta, establishing China as a major partner for trade, lending, and now, investment for Latin America.

## Following China's debt-paved Silk Road

<https://www.worldfinance.com/markets/following-chinas-debt-paved-silk-road>

20 July 2017, *World Finance*

### Abstract:

When Chinese President Xi Jinping unveiled his cherished Silk Road Economic Belt project in 2013, the scale of his ambition was so vast that it hardly seemed credible. China would rebuild its historic trade route, but this time taking it even further than the Han Dynasty did in 206 BC. Xi's modern Silk Road would stretch all the way to Europe through central and western Asia. For good measure, there would also be a maritime route connecting China with south-east Asian countries, Africa and Europe.

Although China has borne the bulk of the debt, it isn't funding the Silk Road all by itself. Another financial engine is the Asian Infrastructure Investment Bank (AIIB), although this was admittedly launched by China two years ago with \$100bn in authorised capital. The AIIB is steadily building up its war chest, with the help of private sector investment in the shape of pension funds and other sources of capital, through a big-ticket series of public-private partnerships.



## China's railway diplomacy hits the buffers

<https://www.ft.com/content/9a4aab54-624d-11e7-8814-0ac7eb84e5f1>

17 July 2017, *Financial Times*

### Abstract:

Beijing is 'sharing' its high-speed train technology worldwide, but are the schemes coming at too high a price?

## **NAFTA opens door to Mexico and Canada for China**

<http://www.globaltimes.cn/content/1056253.shtml>

13 July 2017, *Global Times*

### **Abstract:**

US President Donald Trump's pledge to "make America great again" has made diplomats tremble in Ottawa, as well as Mexico City. While trade disputes between the US and Mexico have made headlines, Trump has also slapped tariffs on Canadian lumber and is threatening to do so on Canadian dairy as well. While Mexico has openly turned to China, there is a similar opportunity for Canada to do so as well. Discussions about an FTA between China and Canada are delicately poised, but should talks on the North American Free Trade Agreement (NAFTA) go badly for Ottawa, the chances of this deal with China passing will significantly increase.