

# China News Digest

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Leite, Tosto e Barros  
ADVOCADOS

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## LATEST NEWS

### **New research shows China's "rogue aid" actually promotes growth**

<http://www.chinaeconomicreview.com/new-research-shows-china%E2%80%99s-%E2%80%9Crogue-aid%E2%80%9D-actually-promotes-growth>

13 October 2017, *China Economic Review*

#### **Abstract:**

Sometimes dubbed "rogue aid" and even "toxic" by portions of the Western media, but heralded by some researchers and recipients as "a new model of international development" and "win-win partnerships", China's foreign aid program has aroused a hugely polarized, heated debate. Which side, if either, is correct?

Beijing's opaque approach (it does not release detailed official data) makes this question tricky to answer. To have any hope of assessing the impact of aid objectively, solid numbers are required, and a recently-released data set from US-based AidData, a lab at the College of William and Mary, helps to plug this critical gap.

## China steel rallies amid pre-winter cuts, raw materials also surge

<http://www.hellenicshippingnews.com/china-steel-rallies-amid-pre-winter-cuts-raw-materials-also-surge/>

13 October 2017, *Hellenic Shipping News*

### Abstract:

Shanghai steel futures surged nearly 7 percent on Friday, lifted by growing efforts among Chinese cities to curb output ahead of winter, spurring a similar rally in raw materials iron ore and coking coal.

Coking coal climbed as much as 8 percent to hit its exchange-set ceiling, while iron ore jumped 5 percent. But analysts doubt the sharp gains in prices of the raw materials will be sustained as the steel production cuts could dent demand.

## Terrific push for trade

<http://www.hellenicshippingnews.com/terrific-push-for-trade/>

10 October 2017, *Hellenic Shipping News*

### Abstract:

High growth-minded China is turning its economic spotlight on trade again, after sustained emphasis on supply-side reform.

Cuts to overcapacity in certain sectors and rationalization of companies in key industries are still important. But the country will also help with more negotiations on trade facilitation agreements with foreign countries, including Canada and Israel, according to officials.

## China rising in arms trade

<http://www.globaltimes.cn/content/1069317.shtml>

8 October 2017, *Global Times*

### Abstract:

China has become a larger player in the global arms industry in recent years and exports have been shifting from low-end weapons to increasingly advanced ones, though the country applies strict rules to arms exports, experts said on Sunday.

Chinese arms sales have been surging in the past five years, according to an article published in US magazine the National Interest on September 27. During the period, the country's exports accounted for 6.2 percent of the global weapons trade, an increase of 74 percent compared to 2007-11, the article noted.

## **Brazil, China and US deals lift production in UK factories**

<http://www.express.co.uk/finance/city/861691/uk-factories-increased-production-september>

3 October 2017, *Express*

### **Abstract:**

Production including car making expanded at a “solid clip”, according to the latest purchasing managers’ snapshot of activity across the sector, which generates about 10 per cent of UK GDP.

Despite a slowdown from August’s fourth-month high, the IHS Markit/CIPS purchasing managers’ index (PMI) hit 55.9, its 14th month of expansion in a row and still well above the 50-point mark denoting growth.

## RECENT BACKGROUND

### Xi's China seeks stronger global role

<http://www.straitstimes.com/asia/east-asia/xis-china-seeks-stronger-global-role>

14 October 2017, *The Straits Times*

#### Abstract:

With President Xi Jinping, one of China's strongest leaders of the modern era at the helm, the country has been assertive and, at times, even aggressive in its behaviour towards the region and the world.

Mr. Xi looks set to expand China's role as a major world leader after the 19th national congress of the Chinese Communist Party next week, where he is expected to further strengthen his power.

This assertiveness has also allowed China to play a broader and more effective role on the world stage and increase its footprint geo-economically in places within its neighborhood and as far away as Africa and Latin America, said Professor Shi Yinhong of Renmin University.

## **‘The Donald Trump of Brazil’ Has These Economic Policy Proposals**

<https://www.bloomberg.com/news/articles/2017-10-13/-the-donald-trump-of-brazil-has-these-economic-policy-proposals>

13 October 2017, *Bloomberg*

### **Abstract:**

Jair Bolsonaro, the ex-Army captain who is rising quickly in Brazil’s presidential polls says he is “serious” about becoming the nation’s next leader and that he intends to review a series of policies implemented by his predecessors.

## The Limits of Latin American Action on North Korea

<https://worldview.stratfor.com/article/limits-latin-american-action-north-korea>

11 October 2017, *Stratfor*

### Abstract:

The United States will continue to pressure Latin American countries to cut diplomatic and trade ties with North Korea.

Brazil and Chile will balance U.S. and Chinese demands by restricting trade with North Korea while retaining diplomatic relations with Pyongyang.

Venezuela and Cuba, meanwhile, will not only maintain their diplomatic and trade connections with Pyongyang, but they may also increase security ties.

## The skies are not so clear for financial markets (letter to the editor)

<https://www.ft.com/content/946ccd14-a539-11e7-b797-b61809486fe2>

9 October 2017, *Financial Times*

### Abstract:

“Sir, There would seem to be cognitive dissonance between your editorial’s recognition that valuations across global financial markets are at giddy heights and its reassuring message that roaring stock markets make perfect sense (“In markets worldwide, sceptics lose the fight”, October 7).

Your editorial’s basic message would seem to be akin to a doctor telling a patient that he had excessively high blood pressure but that there was no reason for him to be concerned about his health.” (link to article in question within link)

## Washington Should Take Note of Chinese Advancement in Brazil

<http://www.newsmax.com/EvanEllis/china-brazil-investment-washington-dc/2017/10/09/id/818644/>

9 October 2017, *Newsmax*

### Abstract:

In the official photo from the 9th annual BRICS summit, held September 2017 in Xiamen, China, few of the assembled leaders appear more uncomfortable than Brazil's President Michael Temer, standing at the side of the group, holding the hand of Russian President Vladimir Putin. Largely unnoticed in the U.S., in spite of his conservative orientation, but in part because that orientation is also pro-business, President Temer is presiding over a significant advance in the commercial position of the People's Republic of China (PRC) in his country.

In a little more than a decade Chinese companies have realized 87 confirmed projects in Brazil, with a cumulative investment of \$46.8 billion. Since 2015 alone, the Chinese have invested over \$19 billion in the country, and in 2017, surpassed the U.S. as Brazil's largest source of foreign investment.

## China foxed

<http://www.millenniumpost.in/editorial/china-foxed-265519>

8 October 2017, *Millennium Post*

### Abstract:

After several months of discussion, the European Union and its member states agreed on a draft law to strengthen the bloc's trade-defense rules. As expected, under the influence of US president Donald Trump, it was designed to protect European industries and jobs against non-EU countries, particularly China. Under the new law – which would be implemented before the end of the year – the EU would implement anti-dumping and anti-subsidy measures on all countries exporting below domestic prices, without taking cognizance of their memberships of the World Trade Organization (WTO). But, what this new law has scripted discreetly is that the US and China are virtually serving up another Cold War. Besides, members of the EU, the liberal middle powers in the Asia-Pacific region such as Japan, South Korea, and Australia are also important players in this ongoing mind-game. Undoubtedly, this transient global order was based on the US-led exchange of security for free trade.

## What Panama's Recognition of China Means for America's Backyard

<https://www.worldpoliticsreview.com/trend-lines/23316/what-panama-s-recognition-of-china-means-for-america-s-backyard>

5 October 2017, *World Politics Review*

### Abstract:

When Panama cut diplomatic ties with Taiwan in favor of recognizing China in June, it was an acknowledgment of the significant commercial interests China already has in one of the most important transport and financial hubs in the Western Hemisphere. It also opened the door for deeper Chinese involvement in Panama. In an email interview, R. Evan Ellis, a research professor of Latin American studies at the U.S. Army War College Strategic Studies institute and the author of "The Strategic Dimension of Chinese Engagement with Latin America," explains what's behind Panama's diplomatic shift, the opportunities the move unlocks and what it means for China's wider strategy in the region.

## **It's time the BRICS nations realized that they're running a "limited purpose partnership"**

<https://qz.com/1094999/its-time-the-brics-nations-realised-that-theyre-running-a-limited-purpose-partnership/>

5 October 2017, *Quartz*

### **Abstract:**

Over the years, many observers have expressed skepticism about the BRICS (Brazil, Russia, India, China, and South Africa) initiative—and skeptics within member states perhaps outnumber those outside.

The reason is a clear lack of traditional logic behind the coming together of these countries. They are dispersed geographically, their economies are in different stages of development, and there is a fair degree of ideological dissonance between them. And unlike other economic associations, BRICS does not seek to set up any common political or security architecture.

## Latin America's Pacific Trap

<https://thediplomat.com/2017/10/latin-americas-pacific-trap/>

3 October 2017, The Diplomat

### Abstract:

Can the region again conduct pendulum diplomacy, this time between the U.S. and Asia?

Over the course of the 20th century, pendulum diplomacy was more than once been put into practice by big peripheral countries as a means to transform their relative handicaps into advantages. A classic example is Brazil's President Getulio Vargas who, during the years that preceded the Brazilian declaration of war against the Axis Powers in World War II, openly flirted with Nazi Germany while running business as usual with the United States. In the end, Brazil harvested from both sides, its industrial production capabilities benefiting from both German and American direct investment.

## A better way to make economic forecasts

<https://businessmirror.com.ph/a-better-way-to-make-economic-forecasts/>

2 October 2017, *Business Mirror*

### Abstract:

When assessing a country's potential to prosper, economists typically look at aggregate measures such as education, investment or national debt. This hasn't worked particularly well: China's economy, for example, has kept growing at a fast pace even though they've been predicting a slowdown for nearly 30 years.

An emerging line of research—which I've written about before—points to what the economists might be undervaluing: the importance of a country's technological and industrial capabilities. The research focuses on “economic fitness”, a measure that seeks to capture the range and sophistication of the goods a country produces. Two years ago, for example, it suggested that China would keep growing rather than succumb to a much-predicted “hard landing”—a forecast that proved correct.