

China News Digest

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LATEST NEWS

China State Grid launches takeover bid for Brazil's CPFL Energia

<http://www.macauhub.com.mo/en/2017/02/17/china-state-grid-launches-takeover-bid-for-brazils-cpfl-energia/>

17 February 2017, *Macauhub*

Abstract:

The China State Grid group plans to launch a tender offer for the remaining capital of the Brazilian company CPFL Energia that it does not yet control, under a plan to remove shares from the stock market, CPFL Energia said in a statement to the market.

The Chinese group, which in January increased its stake to 54.64% of CPFL Energia and its subsidiary CPFL Energias Renováveis, having paid 17.36 billion reais (US\$ 5.68 billion), announced it was offering 25.51 reais for each share that it does not yet own.

Trump's pick for U.S. Trade Representative needs a congressional waiver because of his work for China and Brazil

<http://www.bloombergquint.com/politics/2017/02/15/trump-s-trade-pick-needs-waiver-over-work-for-china-and-brazil>

16 February 2017, *Bloomberg*

Abstract:

Robert Lighthizer, Trump's pick as U.S. Trade Representative, represented an entity controlled by the government of China in a trade dispute with the U.S. in 1991, according to filings with the U.S. International Trade Commission. He also worked on behalf of Brazil in 1985, according to disclosures filed with the Justice Department required by the Foreign Agents Registration Act.

China, the largest trading partner of the U.S., has been a frequent target of Trump's rhetoric. He has often pointed out the US\$ 336 billion trade deficit that the U.S. has with Beijing and accused the country of currency manipulation and other unfair practices. Trump has promised to create a "level playing field" with China. To do so, he's chosen a trade team that, in addition to Lighthizer, includes longtime China adversaries like Commerce Secretary Wilbur Ross, who pushed for higher tariffs on Chinese steel, and Peter Navarro, an economics and public policy professor who is heading Trump's National Trade Council.

State Grid of China plans to raise 3.2 billion reais in Brazil

<http://www.reuters.com/article/brazil-power-state-grid-corp-idUSL1N1G01HS>

15 February 2017, *Reuters*

Abstract:

The State Grid of China plans to raise 3.2 billion reais (US\$ 1 billion) selling local notes in Brazil to finance construction of power transmission projects, according to a company presentation seen by Reuters. State Grid will build the transmission lines taking the energy generated by the Belo Monte dam, in northern Brazil, to the southeastern cities. The 2,500-kilometer transmission system will cost 8.7 billion reais.

China invested \$14.5 billion to develop “New Silk Routes” in 2016

<http://www.laht.com/article.asp?ArticleId=2430846&CategoryId=12396>

12 February 2017, *Latin American Herald Tribune*

Abstract:

China last year invested a total of US\$ 14.4 billion on developing “New Silk Routes” of international infrastructure and telecommunications projects backed by Beijing, official sources said on 9 February.

China injected this capital for projects in 53 countries mainly in Europe and Asia, including the new railway line between Hungary and Serbia, according to Ministry of Commerce spokesperson Sun Jiwen. He said China will increase investment and cooperation to support infrastructure construction in countries along these route, which also extend to regions in Africa and Latin America.

Trade between China and Portuguese-speaking countries falls for the second consecutive year

<http://www.macauhub.com.mo/en/2017/02/09/trade-between-china-and-portuguese-speaking-countries-falls-for-the-second-consecutive-year>

9 February 2017, *Macauhub*

Abstract:

The value of trade between China and Portuguese-speaking countries fell in 2016 for the second consecutive year, down to US\$ 90.874 billion, with an annual contraction of 7.72%, according to official figures released by Forum Macau.

In 2015, the value of trade between China and the eight Portuguese-speaking countries was US\$ 98.474 billion, which was a decrease of 25.73% compared to the US\$ 132.581 billion recorded in 2014.

Trump's trade shifts put Brazil back in the agriculture game

<https://www.bloomberg.com/news/articles/2017-02-06/trump-s-trade-shifts-put-brazil-back-in-the-agriculture-game>

6 February 2017, *Bloomberg*

Abstract:

Brazil's agriculture minister expects that rising protectionism in the U.S. will create "many opportunities" for his country's industry, including increased trade with Mexico. Mexico's representatives will discuss the possibility of importing soybean, beef, and pork from Brazil in a meeting with local farmers and industry members later this month, Blairo Maggi said on 6 February at an event in São Paulo.

"Brazil is back in the game," said Maggi, whose family owns one of Brazil's largest soybean companies, Grupo Amaggi. U.S. President Donald Trump's decision to exit the Trans-Pacific Partnership is also seen as an opportunity for Brazil to increase agricultural trades with Asian countries.

RECENT BACKGROUND

China eyes Latin America in the ashes of the Monroe Doctrine

<http://www.worldcrunch.com/business-finance/china-eyes-latin-america-in-ashes-of-monroe-doctrine>

17 February 2017, *Worldcrunch*

Abstract:

“The key question is, will [Chile] continue alone under the U.S doctrine, or make a strategic adjustment?” Chile’s Foreign Minister Heraldo Muñoz has declared that, with Trump’s pulling out of the Trans-Pacific Partnership free trade pact, Chile must look elsewhere – to China and South Korea.

“In that context, Latin America is experiencing (perhaps without understanding it) China’s advance in what is still considered the U.S. ‘backyard,’ Muñoz stated. “I myself take it as a given that China has completed its process of ‘ascension,’ and is now, especially since the outcome of the last U.S. elections, in a phase of ‘consolidation.’ In this stage, China’s foreign policy is being perceived as aggressive by its own neighbors and beyond.”

The Latin Americanization Of Asia?

<http://www.eurasiareview.com/17022017-the-latin-americanization-of-asia-analysis/>

17 February 2017, *Eurasia Review*

Abstract:

This article discusses the possible responses that Asian powers (with heavy American influence) would take were the U.S. to withdraw from the region. The article also discusses current American hegemony over Latin America.

At Trump's summit meeting with Japan's Prime Minister Shinzo Abe, he reiterated Washington's "unwavering" commitment to defend Japan "through the full range of US military capabilities, both nuclear and conventional." This will no doubt ease some of the concerns in Tokyo, and in the capitals of other U.S. allies and partners in Asia, about U.S. commitment to staying engaged in the region and balancing China. Of course, it is not just the U.S.'s Asian partners that are worried: the latest Munich Security Report also worries about the consequence of Washington's more nationalistic foreign policy on the entire edifice of the liberal international order.

In Latin America, the “New China” is here to stay

<http://www.as-coa.org/articles/latam-focus-latin-america-new-china-here-stay>

16 February 2017, *Americas Society*

Abstract:

On February 14, the Asian giant pledged to invest US\$ 2.7 billion across 22 projects in Venezuela. China's investments and loans in exchange for Venezuelan oil are part of its growing links with Latin America, where China has been the region's main lender for at least five years, according to Angel Melguizo.

Even though Sino-Latin American commerce has multiplied twenty-fold in the last decade, there are markets left to explore. Melguizo cites Mexico as a case in point. “The relation between Mexico and China is almost nonexistent,” he says, “and the Trump administration's talk about NAFTA renegotiations could hasten the shift.” This “New China” that Melguizo describes could be more compatible with Mexico.

Latin America may side with Mexico against Trump. And China would be the big winner.

<http://www.miamiherald.com/news/local/news-columns-blogs/andres-oppenheimer/article132878314.html>

15 February 2017, *Miami Herald*

Abstract:

This opinion piece discusses possible Latin American responses to Trump's confrontation with Mexico, and the U.S. withdrawal from the TPP.

Chile – the current president of the Pacific Alliance trade bloc made up of Mexico, Colombia, Peru, and Chile – has announced it will host a meeting of Asian and Latin American countries on 14-15 March to seek new ways to promote trade across the Pacific Basin following Trump's decision to withdraw from the 12-country Trans-Pacific Partnership (TPP) agreement.

Chile's foreign minister, Heraldo Muñoz, predicted that these meetings will produce a joint Latin American stand against Trump's isolationist policies, and that in light of the "uncertainty and protectionist and nationalist pressures" in the United States and Europe, these meetings will try to generate "a political signal in support of more trade, more opening, more regional integration."

The China Triangle

<http://www.bu.edu/pardeeschool/2017/02/15/the-china-triangle-reviewed-in-the-daily-times/>

15 February 2017, *Boston University Pardee School of Global Studies*

Abstract:

In *The China Triangle*, Professor Kevin Gallagher, of the Frederick S. Pardee of Global Studies at Boston University, examines the parallel between the boom of Latin American economies from 2003 to 2013 and the transformation of China from a poverty-stricken nation to the largest economy in the world. Gallagher also examines how the Latin American boom began to fade in 2014, while China's economy slowed and shifted toward a consumer-based economy less dependent on imported natural resources."

China is eager to capitalize on Trump's early missteps

<http://www.msnbc.com/rachel-maddow-show/china-eager-capitalize-trumps-early-missteps>

7 February 2017, *MSNBC*

Abstract:

This blog post by MSNBC contributor Steve Benen discusses Trump's antagonism towards Mexico, and how China will present itself to Mexico and Latin America as another main trading power, which will undercut U.S. economic primacy.

CNBC reported on 6 February that the new president's antagonism towards Mexico "could make it easier for China to become the country's - and Latin America's - top trade partner. The CNBC report added that China is looking for "a bigger economic beachhead in the Western Hemisphere," and is eyeing other Latin American countries for stronger economic ties."