

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

Exclusive: Venezuela faces heavy bill as grace period lapses on China loans - sources

<https://www.reuters.com/article/us-venezuela-china/exclusive-venezuela-faces-heavy-bill-as-grace-period-lapses-on-china-loans-sources-idUSKBN1HY2K0>

27 April 2018, *Reuters*

Abstract:

A grace period on Chinese loans to Venezuela has lapsed, according to two Venezuelan sources with knowledge of the matter, potentially depriving the cash-strapped OPEC nation of billions of dollars in desperately needed oil revenue this year.

China and South Korea seek free trade deal with Mercosur

<https://asia.nikkei.com/Economy/China-and-South-Korea-seek-free-trade-deal-with-Mercosur>

22 April 2018, *Nikkei Asian Review*

Abstract:

China and South Korea are seeking to establish free trade agreements with Mercosur in a strategic response to Washington's increasingly protectionist stance.

These East Asian initiatives have resonated well in a region where Washington is keeping its distance. U.S. President Donald Trump has not visited a single Latin American country since taking office in January 2017, and chose not to attend the Summit of the Americas, which concluded on Saturday.

Asia Pacific region still driving global growth: IMF update

<https://www.bloombergquint.com/global-economics/2018/04/19/lagarde-says-trade-spat-may-dent-business-confidence-imf-update>

19 April 2018, *Bloomberg Quint*

Abstract:

The world economy is enjoying the fastest and broadest expansion in years, though risks remain amid early signs of a potential trade war, the specter of tighter financial conditions as well as increased public and private indebtedness. Those issues promise to be some of the main topics of discussion as central bankers and finance ministers gather in Washington this week for spring meetings of the International Monetary Fund and World Bank.

Trade rift between US, China could imperil solid global economy, warns IMF

<https://timesofindia.indiatimes.com/business/international-business/trade-rift-between-us-china-could-imperil-solid-global-economy-warns-imf/articleshow/63804516.cms>

17 April 2018, *Times of India*

Abstract:

The International Monetary Fund warned on Tuesday that the rising trade tensions between the United States and China risk undermining a global economy that the IMF believes should otherwise grow solidly this year.

The IMF predicted on Tuesday that the US economy will grow 2.9 per cent this year, up from the 2.7 per cent it had forecast in January and from the 2.3 per cent growth the economy achieved last year. The US economy will benefit through 2020 from tax cuts that President Donald Trump signed into law in December, the IMF predicts.

TPP moved on without the U.S. - Now Trump wants to rejoin the trade agreement, Peru's leader says Pence told him

<http://www.miamiherald.com/news/local/news-columns-blogs/andres-oppenheimer/article209029809.html>

16 April 2018, *Miami Herald*

Abstract:

President Trump made headlines last week when he floated the idea of re-joining the TPP if some changes were made. But many analysts didn't take Trump's suggestion seriously, considering his habit of publicly raising random proposals to divert public attention when he needs or his frequent mixed signals on issues such as the North American Free Trade Agreement.

But Vizcarra, who hosted the two-day Summit in Lima, with Pence and leaders from almost two dozen Latin American and Caribbean nations in attendance, told me Sunday that the TPP was one of the two top issues on Pence's agenda during their private meeting on April 14. The other issue was the crisis in Venezuela.

RECENT BACKGROUND

The Asian Infrastructure Investment Bank comes knocking on Latin America's door: Is anyone home?

<http://blogs.lse.ac.uk/latamcaribbean/2018/04/27/the-asian-infrastructure-investment-bank-comes-knocking-on-latin-americas-door-is-anyone-home/>

27 April 2018, *London School of Economics (blog)*

Abstract:

Although Latin America provides a third of the AIIB's prospective members and co-financing is desperately needed, the region has been slow to respond to the bank's repeated overtures, writes Álvaro Méndez (LSE Global South Unit).

Will the BRIC nations eventually supersede the traditional powerhouses?

<http://www.businesscomputingworld.co.uk/will-the-bric-nations-eventually-supersede-the-traditional-powerhouses/>

26 April 2018, *Business Computing World*

Abstract:

Whisper it quietly, but there is a significant shift taking place in the global economic landscape. More specifically, a number of the world's emerging economies are continuing to grow at an exponential rate, while outperforming traditional powerhouses including the U.S. the UK and Japan. At the head of this list is Brazil, Russia, India and China, who are often referred to as the BRIC block of nations and remain on course to become the dominant economic force by 2050.

Trade tiff has market over-thinking slow U.S. soy sales to China - Braun

<https://www.reuters.com/article/us-usa-soybeans-braun/trade-tiff-has-market-over-thinking-slow-us-soy-sales-to-china-braun-idUSKBN1HX36P>

26 April 2018, *Reuters*

Abstract:

Chinese demand for U.S. soybeans has slowed significantly in the past couple of weeks, worrying some market participants that this is a hint of things to come amid the ongoing trade friction between the two countries.

But perhaps they have forgotten that sluggish Chinese business is normal for U.S. soy merchants at this time of year, and there are additional factors outside the U.S.-China trade tension at play.

More (Chinese) money, more problems: Will increased Chinese investment in Latin America have unintended consequences?

<https://www.jdsupra.com/legalnews/more-chinese-money-more-problems-will-29689/>

26 April 2018, *JD Supra*

Abstract:

It is anticipated that China's penetration into the Brazilian economy and the economies of other countries in the region will continue, which begs the question: what other consequences will this rapid grown acceleration have for the region? It seems likely that the ripples will be felt in the insurance industry. With the increase in industry and market expansion, an increase in the demand for energy coverage in these markets, and a larger number of claims, would also be expected.

Trump's trade policy leaves China wide open on its path to dominance

<http://thehill.com/opinion/national-security/385021-trumps-trade-policy-leaves-china-wide-open-on-its-path-to-dominance>

26 April 2018, *The Hill*

Abstract:

Donald Trump's trade policy may ultimately result in lower trade deficits and better protection of American technology, but it is also myopic.

China's global influence will rise as a result of Trump's "America First" foreign policy, together with China's rapid advance in technology and its One Belt One Road Initiative (OBOR).

A new 'resource curse' is fueling riots around the world

https://www.washingtonpost.com/news/monkey-cage/wp/2018/04/25/mineral-extraction-makes-countries-richer-right-but-theres-a-new-resource-curse/?utm_term=.1e1f4d81fefc

25 April 2018, *The Washington Post*

Abstract:

During the past 15 years, China's demand for primary commodities has triggered a dramatic increase in natural resource extraction in the developing world. The mining boom has spurred economic growth and social gains for many low-income countries.

There's a catch – the associated environmental and societal consequences have sparked social conflict across more than 50 developing nations.

These rising local costs threaten to lead to a new "local resource curse," where the negative side effects of resource production threaten to undermine the broader economic benefits of extraction.

China expands Brazil frontier as investment grows during crisis

<https://www.bloomberg.com/news/articles/2018-04-25/china-expands-brazil-frontier-as-investment-grows-during-crisis>

24 April 2018, *Bloomberg*

Abstract:

The port construction project is part of a new wave of investments in Latin America's largest economy by Chinese companies which have started to move into logistics, services, telecoms and even financial institutions. Vulnerable after a deep recession and with its construction industry in tatters, Brazil is laying out the red carpet for them. For China, it's an opportunity not only to secure access to natural resources, but also to strengthen its foothold in a region traditionally under U.S. commercial influence.

The petroyuan is coming

<http://www.manilatimes.net/the-petroyuan-is-coming/394207/>

23 April 2018, *The Manila Times*

Abstract:

As oil can now be traded with RMB-denominated contracts, the petrodollar monopoly is about to eclipse.

TODAY, the US dollar and the euro still dominate more than 85 percent of international payments, followed by the English pound, Japanese yen, the Swiss franc, Canadian dollar and Chinese yuan (1 percent).

However, in late March, renminbi-denominated oil contracts began trading in the Shanghai International Energy Exchange (INE), for the first time. That will foster the rise of petroyuan, which could cause a dramatic shift in global asset allocations as institutional investors begin to diversify into China's onshore bond markets.

China's strategic influence is growing in the Americas

<https://globalriskinsights.com/2018/04/chinas-strategic-influence-growing-americas/>

22 April 2018, *Global Risk Insights*

Abstract:

Last year Panama became the second Central American country to establish diplomatic ties with China. This is the latest example of how Chinese investment in the Latin American and Caribbean (LAC) region has afforded Beijing closer political ties. As the US reduces its influence south of the border, China's economic ventures will pay dividends at the expense of its rival.

South America stands to benefit from a trade war it doesn't want

<https://www.bloomberg.com/news/articles/2018-04-21/south-america-stands-to-benefit-from-a-trade-war-it-doesn-t-want>

21 April 2018, *Bloomberg*

Abstract:

Some South American commodity producers may see their fortunes rise from the trade spat between the United States and China. But none are rejoicing, at least not publicly.

China, gobbling up a growing share of the region's exports since the commodities boom, could further deepen its ties with South America to make up for the closure of the U.S. market.

Latin American disunity hinders development

<http://www.globaltimes.cn/content/1098594.shtml>

18 April 2018, *Global Times*

Abstract:

There are 33 countries in Latin America and the Caribbean. It's difficult for these countries to reach a high-level consensus and a unified stance on all issues. But at least they should have a spirit of mutual understanding and accommodation. Unfortunately, these countries have become less united since the political wind vane started to swing in Latin America in the 1990s.

Why China's US trade stand-off is not a replay of Japan's in the 1980s

<http://www.scmp.com/news/china/diplomacy-defence/article/2141824/why-chinas-us-trade-stand-not-replay-japans-1980s>

16 April 2018, *South China Morning Post*

Abstract:

Washington is using some of the same trade tools against Beijing that it once used against Tokyo – but this time things are different.