

# China News Digest

December 7, 2019



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

# Contents

## Latest news ..... 01

Petrobras advances refinery project with China's CNPC .....	01
Brazilian president denies U.S. accusation of devaluing currency .....	02
Brazil's Bolsonaro urges Mercosur to push on with reforms .....	03
Peru and U.S. close to signing deal to counter Chinese influence in region: diplomat .....	04
Brazil agriculture sees 3% growth in 2020 led by meat exports .....	05
Trump's tariff ambush risks pushing Brazil closer to China .....	06
Huawei launches AI-backed cloud service in Brazil .....	07
China's yuan is 10 years from ending US dollar hegemony, says economist Jeffrey Sachs .....	08
Chinese Importers Buy Brazilian Soybeans on US Trade Uncertainty .....	09

## Recent background ..... 10

Bolsonaro Placed a Losing Bet on Trump .....	10
China: Argentina's Last Resort .....	11
U.S. soy exports hit nearly two-year high on larger volumes to China .....	12
For Brazil And Argentina, How To Respond To New Trump Tariffs .....	13
Brazil and Argentina surprised by tariff announcement: What comes next? .....	14
Trump Ties Brazil, Argentina Steel Tariffs to U.S. Farm Woes .....	15
China fears trade conflicts, climate change could pose threat to food security .....	16
Once a clean energy leader, China is now reviving coal .....	17
The China-Russia challenge to the US-led West has hit a BRICS wall .....	18

## LATEST NEWS

### **Petrobras advances refinery project with China's CNPC**

<https://www.reuters.com/article/brazil-energy-petrobras/petrobras-advances-refinery-project-with-chinas-cnpc-idUSL8N28G42G>

*6 December 2019, Reuters*

#### **Abstract:**

Petroleo Brasileiro SA has completed a feasibility study with China's CNPC over refining operations in Rio de Janeiro, its refining and natural gas chief Anelise Lara said on Friday.

## **Brazilian president denies U.S. accusation of devaluing currency**

[http://www.china.org.cn/world/Off\\_the\\_Wire/2019-12/05/content\\_75479091.htm](http://www.china.org.cn/world/Off_the_Wire/2019-12/05/content_75479091.htm)

*5 December 2019, China.org.cn*

### **Abstract:**

Brazil's President Jair Bolsonaro on Wednesday denied his administration has purposely devalued the currency to boost exports, as his U.S. counterpart Donald Trump has alleged.

## **Brazil's Bolsonaro urges Mercosur to push on with reforms**

<https://www.france24.com/en/20191205-brazil-s-bolsonaro-urges-mercosur-to-push-on-with-reforms>

5 December 2019, France 24

### **Abstract:**

Brazil's President Jair Bolsonaro on Thursday urged South America's four-nation trade bloc Mercosur to push ahead with reforms "without accepting ideological setbacks," in a swipe at Argentina's incoming leftist government.

## **Peru and U.S. close to signing deal to counter Chinese influence in region: diplomat**

<https://www.reuters.com/article/us-peru-usa/peru-and-u-s-close-to-signing-deal-to-counter-chinese-influence-in-region-diplomat-idUSKBN1Y92GR>

**5 December 2019, Reuters**

### **Abstract:**

Peru and Washington are in the final stages of talks on a deal to promote American investments in the South American country as part of a U.S. initiative to counter Chinese influence in the region, a Peruvian diplomat told Reuters.

## **Brazil agriculture sees 3% growth in 2020 led by meat exports**

<https://www.reuters.com/article/brazil-agriculture/brazil-agriculture-sees-3-growth-in-2020-led-by-meat-exports-idUSL1N28E1TM>

4 December 2019, Reuters

### **Abstract:**

Brazilian agricultural production will grow 3% in 2020, three times faster than this year, driven by rapidly expanding meat exports and another record grain harvest in the 2019/2020 season, the CNA farm lobby said on Wednesday.

## Trump's tariff ambush risks pushing Brazil closer to China

<https://www.reuters.com/article/us-usa-trade-trump-brazil-analysis/trumps-tariff-ambush-risks-pushing-brazil-closer-to-china-idUSKBN1Y62H2>

2 December 2019, Reuters

### Abstract:

U.S. President Donald Trump's surprise decision to slap metals tariffs on Brazil is a blow to President Jair Bolsonaro's aim of forging closer ties with Washington and could push Latin America's No. 1 economy closer to Trump's top trade foe - China.

## Huawei launches AI-backed cloud service in Brazil

[http://www.china.org.cn/business/2019-11/29/content\\_75459292.htm](http://www.china.org.cn/business/2019-11/29/content_75459292.htm)

29 November 2019, China.org.cn

### **Abstract:**

Chinese telecom giant Huawei on Thursday launched its artificial intelligence-backed cloud storage service in Brazil, as part of its expansion plans in the South American country.

## **China's yuan is 10 years from ending US dollar hegemony, says economist Jeffrey Sachs**

<https://www.scmp.com/economy/china-economy/article/3039793/chinas-yuan-10-years-ending-us-dollar-hegemony-says-jeffrey>

*28 November 2019, South China Morning Post*

### **Abstract:**

Jeffrey Sachs predicts a multicurrency world in the future, with the yuan and other currencies a decade away from an even keel with the US dollar; Yuan lags well behind other international currencies in use and convertibility, with analysts sceptical of whether Sachs' comments are viable.

## Chinese Importers Buy Brazilian Soybeans on US Trade Uncertainty

<https://www.newsmax.com/finance/markets/chinese-importers-brazilian-soybeans/2019/11/25/id/943303/>

25 November 2019, Newsmax Finance

### Abstract:

Chinese buyers scooped up at least 20 cargoes of Brazilian soybeans last week as uncertainty over a trade deal with the United States sent them rushing to lock in supplies, traders said on Monday.

## RECENT BACKGROUND

### **Bolsonaro Placed a Losing Bet on Trump**

<https://foreignpolicy.com/2019/12/06/bolsonaro-losing-bet-trump-brazil-tariffs/>

*6 December 2019, Foreign Policy*

#### **Abstract:**

“Monday’s announcement of U.S. tariffs on Brazilian steel and aluminum imports is yet one more reason China may be looking like a better partner.”

## China: Argentina's Last Resort

<https://thediplomat.com/2019/12/china-argentinas-last-resort/>

6 December 2019, The Diplomat

### Abstract:

“Trump’s latest tariff threat will likely push Argentina, already economically fragile, further into China’s arms.”

## **U.S. soy exports hit nearly two-year high on larger volumes to China**

<https://uk.reuters.com/article/us-usa-grains-braun/column-us-soy-exports-hit-nearly-two-year-high-on-larger-volumes-to-china-idUKKBN1YA11F>

*6 December 2019, Reuters*

### **Abstract:**

“So far, the U.S. 2019-20 soybean shipping season is going much better than last year’s effort thanks to more involvement from China in the U.S. market. But China’s interest in the U.S. oilseed is roughly half as strong as it had been in prior years because of the ongoing trade war and reduced domestic demand.”

## For Brazil And Argentina, How To Respond To New Trump Tariffs

<https://www.worldcrunch.com/trump-and-the-world-1/for-brazil-and-argentina-how-to-respond-to-new-trump-tariffs>

*5 December 2019, Worldcrunch*

### **Abstract:**

“The decision by President Donald Trump to reimpose tariffs on Argentine and Brazilian steel and aluminum exports, as a response to the two countries’ devalued currencies is a hard blow to both.”

## **Brazil and Argentina surprised by tariff announcement: What comes next?**

<https://www.atlanticcouncil.org/blogs/new-atlanticist/brazil-and-argentina-surprised-by-tariff-announcement-what-comes-next/>

*3 December 2019, Atlantic Council*

### **Abstract:**

“On December 2, US President Donald J. Trump announced that he would impose new tariffs on Brazilian and Argentinian steel and aluminum coming into the United States, a retaliation for alleged currency manipulation, which he claimed was hurting US farmers.

Brazil and Argentina have seen their economies stagnate over the past year against the backdrop of a strong US economy and dollar, yet there is no evidence to suggest either country engaged in currency manipulation.”

## **Trump Ties Brazil, Argentina Steel Tariffs to U.S. Farm Woes**

<https://www.bloomberg.com/news/articles/2019-12-02/trump-to-restore-tariff-on-steel-shipped-from-brazil-argentina-k3obsetn>

*2 December 2019, Bloomberg*

### **Abstract:**

“President Donald Trump is reinstating tariffs on steel and aluminum from Argentina and Brazil, nations he criticized for cheapening their currencies to the detriment of U.S. farmers, and he again called on the Federal Reserve to loosen monetary policy.”

## **China fears trade conflicts, climate change could pose threat to food security**

<https://www.scmp.com/news/china/society/article/3040015/china-fears-trade-conflicts-climate-change-could-pose-threat>

*30 November 2019, South China Morning Post*

### **Abstract:**

“Last month the country’s leadership produced its first report on the issue in 23 years as the trade war with the US and other issues prompted a fresh look at how it can continue to feed its population.

While the situation is “very sound” at present, policymakers are looking for ways to counter a series of environmental and political risks.”

## Once a clean energy leader, China is now reviving coal

<https://thehill.com/changing-america/sustainability/climate-change/471964-once-a-clean-energy-leader-china-is-now>

*25 November 2019, The Hill*

### **Abstract:**

“The world’s biggest carbon emitter is doubling down on coal, a new report finds, and global investment in clean energy is faltering.”

## **The China-Russia challenge to the US-led West has hit a BRICS wall**

<https://www.scmp.com/week-asia/opinion/article/3038953/china-russia-challenge-us-led-west-has-hit-brics-wall>

*24 November 2019, South China Morning Post*

### **Abstract:**

“With economic woes hitting all members of the bloc bar India, some are questioning its relevance; Even among members, Beijing and Moscow’s attempts to switch focus to geopolitics is sowing division.”