

Is China "Buying Brazil"? Has President Bolsonaro Changed His Aggressive Anti-China Stance?

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In an <u>interview</u> with DW Brasil, former Brazilian ambassador to Beijing, Marcos Caramuru, revealed the great interest Chinese companies have in potential infrastructure work in Brazil. Even with Brazilian President Jair Bolsonaro showing initial hostility towards China during his 2018 election campaign, his opinion appears to have changed given the huge sums involved in bilateral relations and the opportunities the Asian country can provide the economic struggling Latin American Giant.

Bolsonaro is commonly known as the 'Tropical Trump' for his open admiration of the U.S. President and his shared ideas and beliefs. Therefore, it was unsurprising that he said

"The Chinese are not buying in Brazil... They are buying Brazil," in the preelection campaign.

Global Times <u>speculated</u> that "it's inconceivable the new Bolsonaro government would give up on the Chinese market." It also left a note of caution for the Brazilian leader who made another major antagonism towards China: "His trip to Taiwan during the presidential campaign caught the ire of Beijing. If he continues to disregard the basic principle over Taiwan after taking office, it will apparently cost Brazil a great deal … The Chinese island won't bring any more benefits to Brazil, which Bolsonaro and his team must be aware of."

Marcus Vinicius Freitas, a visiting professor at the China Foreign University in Beijing, explained that:

"When the Chinese look at Brazil they actually see an amusement park where everything still needs to be done."

His assessment is in reference to the huge developmental and infrastructural opportunities that Brazil has, with many sectors remaining underdeveloped despite the domineering position Brazil has over the wider Latin American region.

"There is no doubt that China has a menu of options for Brazil," he added, citing Chinese technologies in road, subway, rail, viaduct and airport construction that could be of interest to Brazil.

There are also additional opportunities from agribusiness to commodities, the most attractive sector for Chinese capital is infrastructure and major works, especially in the area

of gas, oil, renewable energy which will ensure growth on a sustainable and significant basis for the Brazilian economy.

However, despite the significant economic relationship between the two countries and the opportunities China can provide Brazil, it had not stopped Bolsonaro from aggravating Beijing. Therefore, it would be assumed that Bolsonaro would submit to Trump's every demand in the midst of the U.S. president's trade war with China. However, this has proven not to be the case with Brazil's Vice President Hamilton Mourão saying in June that his country does not plan to ban Huawei from providing 5G equipment to telecoms in his country, signalling that Bolsonaro has said one thing during the election campaign, but acted in another way while president.

This would suggest that Bolsonaro's government is following a different path than initially anticipated and the Brazilian president is not a complete U.S. puppet as often said by his critics. Although Trump told Bolsonaro during the latter's visit to the White House earlier this year that Huawei was a security threat, the Brazilian Vice President emphasized that Brazil has <u>no reason</u> to distrust Huawei and that his country needs the Chinese technology to help its continued development.

As Beijing has been calling for a resolution to the Trump-initiated trade war, China's ambassador to Brazil, Yang Wanming, <u>accused</u> the United States of bullying and lobbying its trading partners, affecting the entire global economy. He explains that the U.S. ruined market confidence, increased the risk of global recession and endangered emerging economies like Brazil.

And in this scenario, it would be important for Brasilia and Beijing to defend international cooperation and multilateralism. China's GDP grew by 'only' 6.2% in the second quarter of 2019, which is the lowest economic growth recorded since 1992. This so-called economic 'slowdown' has served as a successful bait to trigger Western media.

As a result, Trump declared that his tariff war with China was working and said his protectionist measures had led to the exodus of companies from the Asian giant. However, if the measures were so successful Trump would not continue to threaten his partners from trading with China. The Bolsonaro government has seen that in this situation, siding with the U.S. is not in its interests.

Although Bolsonaro will continue to take on a very pro-Trump stance in Latin American affairs, especially against Cuba and Venezuela, he has demonstrated that he is unwilling to embroil Brazil in international issues besides those relating to Israel, serving the interests of the powerful Christian Evangelical lobby in the South American country.

In fact, an argument can be made that Brazil benefits from the ongoing trade war between the two Great Powers. China has continually been placing large orders of Brazilian soybeans, choosing the South American country to fill the supply gap after stopping U.S. purchases. Chinese buyers are increasingly looking for Brazilian soybeans.

China halted U.S. soybean imports as tensions between Beijing and Washington increased and turned to Brazil. For now, Brazil has been able to respond to China's demand, but its supply is running low and Beijing is at risk of failing to meet its needs. With any end to the trade war, it is unlikely that China will revert and make the U.S. its most important soy purchaser, providing an opportunity for Brazil to consolidate its own position.

Whether it was through a sudden realization, or whether it was from internal pressures from Brazil's powerful agricultural industry and other important advisers, Bolsonaro has certainly done a 180 towards his China rhetoric. With the status of Brazil's role in BRICS questioned by experts last year because of Bolsonaro's initial hostility towards China and his vivid support for Trump, his Foreign Minister Ernesto Araújo has fully embraced his country's chairmanship of the organization. This demonstrates that no matter the motivating reason, Bolsonaro has certainly changed his China policy from hostility to openness and welcomeness as the Asian country can drastically improve Brazil's economic situation.

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