

Will the Biden Administration Seek to Disrupt China's Presence in Latin America?

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While Donald Trump's policies towards Latin America sought to disrupt China's investments in the region, the ever-increasing presence of the Asian giant in the continent will be something with which the new Biden administration will have to contend.

China has been increasing its investments and business associations across vast areas of Latin America during the Trump administration, a fact that the administration of Presidentelect Joe Biden will have to contend with, as it deals with the resource-rich region once considered the United States's backyard.

A Reuters investigation, which includes interviews with current and former officials and advisers, and an analysis of trade data, has found that under Trump, China has surpassed the United States in terms of power and influence across most of Latin America.

This presents a challenge for Biden, who has pledged to restore Washington's role as a global leader after years of Trump's "America First" policies and has said that slipping U.S. influence in Latin American is a threat to national security.

Since 2018, China has overtaken the United States as the biggest trade partner to Latin America – excluding Mexico – concentrating on Andean copper, Argentine grains, and Brazilian meat. Beijing has also been actively promoting low-interest loans to the region, backing energy projects, solar farms, dams, ports, railway lines, and highways.

Latin America needs foreign direct investment that promotes progressive structural change, said a UN regional official, noting that China can participate in the process with experience in key industrial sectors <u>https://t.co/SbjiQFMMVK</u> <u>pic.twitter.com/2C8H5CMTds</u>

- China Xinhua News (@XHNews) December 9, 2020

Officials in the region have warned that China, a major economic and diplomatic partner for many developing and emerging economies around the world, will be difficult to displace. Billions of Chinese dollars have given crucial lifelines for indebted emerging countries, a need further stressed by the impact of the coronavirus pandemic.

"I think China has more interest in Argentina than the United States has in Argentina. And that is what makes the difference," an Argentine government official told Reuters.

China is now the number one trade partner to Brazil, Chile, Peru, Uruguay, and others. It far outpaces the United States in terms of trade with Argentina.

According to an analysis of trade figures from the U.N. Comtrade database, China's trade with the region overtook the United States in 2018 and extended that in 2019 to more than \$223 billion versus U.S. trade of \$198 billion, figures which exclude Mexico. The United States' trade with Mexico – its top trade partner globally last year – continue to remain at higher numbers than that of the Latin American country with China.

The Trump administration was viewed by some countries in the region as doing little more than criticizing its Latin American counterparts for getting too close to China, particularly through cheap financing or technology ties as the race for 5G dominance heats up.

Mark Feierstein, who advised former President Barack Obama, said Trump's lack of engagement and exit from the Trans-Pacific Partnership trade bloc created a vacuum that China had filled – and that Biden will look to reverse.

"What Trump has done is to make China look like a better partner. All that will change," said Feierstein, now a senior adviser at Albright Stonebridge Group and CLS Strategies.

Featured image: Deputy Director General of International Cooperation of the Chinese Ministry of Agriculture, Xie Jianmin, highlighted that bilateral trade in agriculture between China and Latin America will exceed \$40 billion USD in the next five years. | Photo: EFE/Alfonso Bauluz

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