CHAPTER 9

Latin America and the Caribbean and China. Socioeconomic Debates on Trade and Investment and the case of CELAC

Enrique Dussel Peters

One of the most outstanding international phenomenon since the late twentieth century and particularly in the twenty-first century has been China's increasing quantitative and qualitative presence at all levels. Confucius Institutes have been established in many countries of the world, not only for improving the Mandarin Chinese language, but also to exchange cultural activities, while politically, China participates actively in most international and regional institutions and forums, in addition to an increasing presence in social and mass media. In the economic field, China's dynamism and presence has increased substantially, becoming the third major source of overseas foreign direct investment (OFDI) since 2012, the first exporter globally, and the most dynamic importer in the last decade. The RMB has also slowly been included in new financial centers and particularly in bilateral trade with specific countries.

This has also been the case for Latin America and the Caribbean (LAC). With several centuries of experiences in immigration and trade,

E. Dussel Peters (✉)
Center of China-Mexico Studies/Faculty of Economics,
National Autonomous University of Mexico (UNAM), Mexico City, Mexico

S. Cui, M. Pérez García (eds.), *China and Latin America in Transition*, DOI 10.1057/978-1-137-54080-5_9

LAC and China have engaged in a qualitatively and quantitatively new relationship since the 1990s and until the beginning of the twenty-first century. This new relationship was preceded by China's reforms in the 1980s and rapid integration into the world market since then, culminating with its adhesion to the World Trade Organization (WTO) in 2001. Politically, for example, China engaged in several of the most important regional LAC institutions: China is a member and permanent observer in the Organization of American States (OAS) since 2004 and the Inter-American Development Bank (IADB) since 2009, and has ben an active participant in the Economic Commission for Latin America and the Caribbean (ECLAC) in the past decade, among others.

Based on the increasing presence of China in LAC, this chapter focuses on the regional experiences of LAC with China and the socioeconomic structures that have emerged as a result of this relationship since 2000. Although analysis of LAC-China is still insufficient, there is an increasing group of results from institutions such as ECLAC and IADB, but also of academic institutions such as the Center for Chinese-Mexican Studies (CECHIMEX) at the National Autonomous University of Mexico (UNAM) and the Academic Network of Latin America and the Caribbean on China (RED ALC-CHINA). The goal of the chapter is to analyze the current socioeconomic structures, particularly in trade and investments, between LAC and China, as well as to provide a group of policy suggestions for this future dialogue.

The first part of the chapter reviews the main structures in trade and investments that have emerged since 2000 between LAC and China. The second section focuses on the causes, and particularly on the main results of the First Ministerial Meeting of the China-CELAC Cooperation Forum that took place in January 2015 in Beijing. The third and last part of the chapter reflects on a group of policy proposals that should be integrated in the discussion between LAC and China, also in CELAC.

Main Trade and Investment Structures Between LAC and China

In the past three decades, China has gone through profound socioeconomic reforms, like a few other developing countries in the world. Based on the understanding of the People's Republic of China as a "socialist state" in its constitution, it is important to remember a group of characteristics of China's current socioeconomy that are relevant to understand its trade and investment relationship with LAC.[1] From this perspective, and a relevant topic for the following analysis, China has allowed for an impressive socioeconomic development, and like few other countries in the world and in LAC. A group of issues are relevant for understanding the LAC-China trade and investment relationship.

First, since the 1990s China has become the second major recipient of foreign direct investment (FDI), only after the United States. From a development perspective, FDI was critical for China as part of a long-term strategy to allow for integration and learn from transnational corporations (TNCs), particularly in cases such as yarn-textile-garments, electronics, auto parts and automobiles, among many others (WB/DRC 2012; Wu 2005). Second, and a topic that has not been sufficiently analyzed worldwide and in China, China's OFDI (outbound foreign direct investment) became relevant in terms of absolute flows in terms of gross domestic product (GDP) and gross fixed capital formation (GFCF) only since the international financial crisis of 2007–2008. In absolute terms, OFDI barely accounted for annual flows above \$20 billion before 2007 and has increased to levels above \$100 billion since 2013, becoming the third major source of OFDI worldwide, and only after the United States and Japan. Third, the former tendencies reflect, on the one hand, the increasing transnationalization of Chinese firms beyond trade and the increasing requirement to acquire firms globally and establish plants in foreign countries. In addition, however, China's central government began to actively push Chinese firms to invest in foreign countries for strategic reasons, either for acquiring raw materials, energy or high-technology firms for specific processes, both required for the increasing shift toward the domestic market and an upgrading process in services, and increasingly sophisticated segments of high-technology value-added chains (Lin 2013; Nolan 2015; Zhang et al. 2010). Fourth, and like no other country in the world in the top 25 exporters of capital, China's public sector plays an "ominipresent" role in its socioeconomy (Dussel Peters 2015), and specifically regarding its OFDI, establishing a group of "institutional filters" to enhance (or prohibit) China's OFDI. Generally, "going global strategies" since 2000 and specific catalogues to guide OFDI in terms of industries—and "positive" OFDI lists that allow for sectors and processes, in contrast with most of the countries in the world that set up "negative lists" (that is, prohibiting sectors and products, while allowing for the rest)—are fundamental.[2] More specifically, the National Development Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) evaluate OFDI projects according to these specific guiding criteria, both at the central and local levels; the Ministry of Finance (MOF) also provides special funds for supporting OFDI and taxation policies. The Export-Import Bank of China (EIBC), the Credit Insurance Company (SINOSURE), the State-owned

Assets Supervision and Administration Commission (SASAC), and State Administration of Foreign Exchange (SAFE) are additional "institutional filters" to implement general and national development strategies (Dussel Peters 2013a, b, 2014; García-Herrero and Casanova 2015; Globerman 2015; Santo 2012).

From this perspective, the LAC-China trade and investment relationship has generated in LAC a group of new structures since 2000.[3] In general, China, and like no other country in the world, is able to offer turnkey projects (or a group of products in one package). This includes trade, financing and financial instruments, investments and respective services, all Chinese and, in most of the cases, in the control of the Chinese public sector. In addition, the region's trade relationship with China has changed dramatically over the past decade and continues to quickly evolve. China has signed free trade agreements with Chile, Costa Rica, and Peru and has a number of institutional arrangements with other countries (Li 2015). Specifically regarding trade and investments, the following new structures are relevant.

First, beginning in the 1990s, trade and Chinese exports became the most dynamic part of the first stage of the new engagement with LAC. By 2014, China accounted for 12.4 percent of Latin America's global trade (ECLAC 2015a, b).[4] Between 2000 and 2014 exports to China increased from 1 percent to 9 percent, while imports from China grew from 2 percent to 16 percent. Based on Chinese statistics—and not including Hong Kong—Latin America is China's fourth largest trading partner, coming only after the United States, Japan, and Korea (Fig. 9.1). In the short-term, LAC could account for 8 percent of China's trade, while China for 15 percent of LAC's total trade.

Second, regional statistics show that Latin America's trade deficit with China has jumped from below \$20 billion until the mid-2000s to over \$75 billion since 2012. The Caribbean, Central America, and particularly Mexico largely account for this deficit. Trade with South America is relatively in equilibrium. In 2014, the value of trade fell for the first time since 2009, mainly due to the fall in raw material prices (ECLAC 2015a, b).

Third, low-value added and low-technology goods dominate exports with China at the same time that the level of LAC exports to China has increased. Medium and high-technology exports to China barely account for 5 percent of total exports (versus 30 to 40 percent of total LAC exports over the past two decades): Figure 9.2 accounts for significant gaps based on the technology level of trade. Chinese medium and high technology exports—all manufactured goods—to Latin America accounted for levels

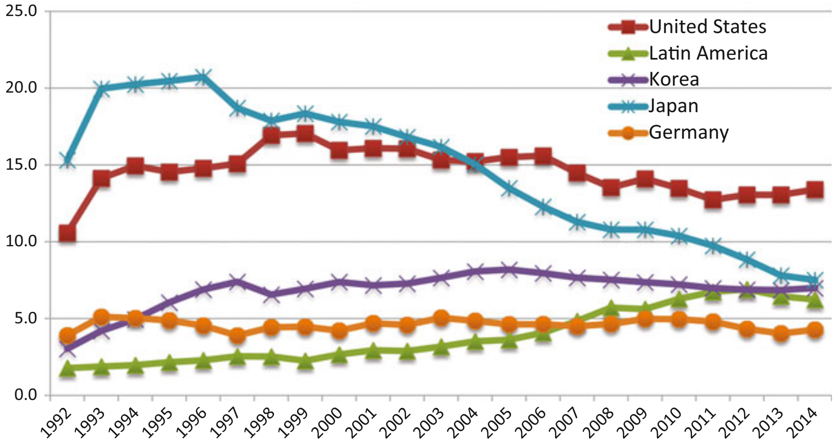

Fig. 9.1 China: Top 5 Trading Partners (based on trade of 2014) (1992–2014). *Source*: Own elaboration based on COMTRADE (2015)

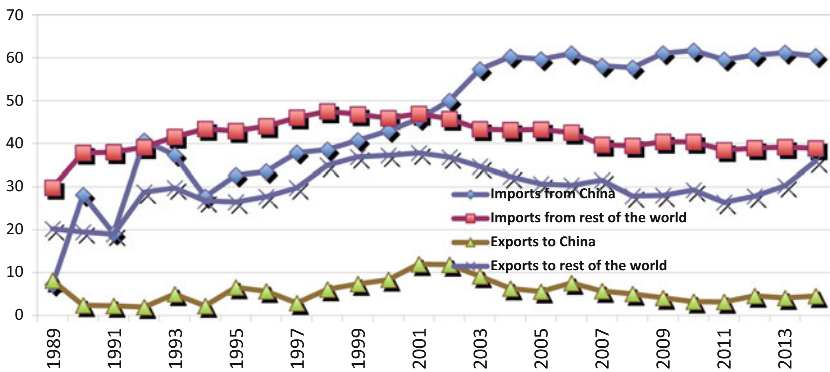

Fig. 9.2 LAC: trade by medium and high technology level (percent over total) (1989–2014). *Source*: Author elaboration based on COMTRADE (2015)

above 60 percent over total exports to LAC in the past decade. These gaps are also relevant to understand an increasing discontent and disappointment in LAC vis-à-vis its most dynamic trading partner in the past decade, that is, while trade with China has increased dramatically, the development potential based on trade with China is far below levels that LAC has achieved with the rest of the world.

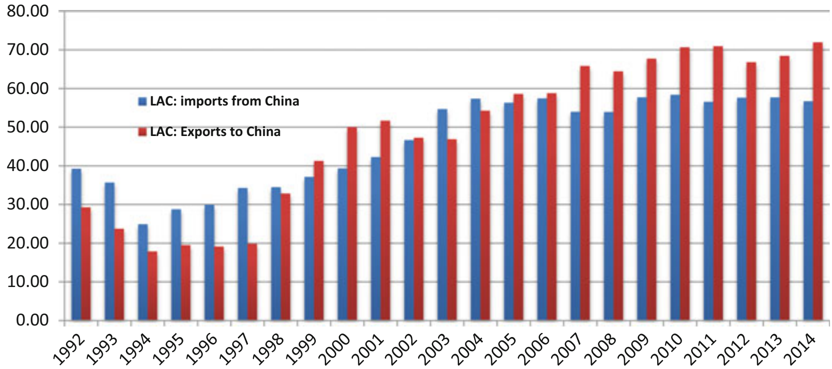

Fig. 9.3 Latin American Imports from China. *Source*: Author elaboration based on COMTRADE (2015)

Fourth, Latin American exports to China are more concentrated than with any other trading partner (Dussel Peters 2013a; ECLAC 2015a, b). The top three export chapters to China according to the Harmonized Tariff System (HTS)—ores, oil seed, and copper (followed by oil and wood pulp)—increased from 50 percent to 72 percent of total exports to China from 2000 to 2014. Latin American imports from China, on the other hand, do not only account for lower absolute levels—below 60 percent throughout the period— but have also remained relatively constant during the period (Fig. 9.3).

Fifth, since the late 2000s, China has begun a second stage in its relationship with LAC, now through OFDI.[5] In the past five years, China has invested on average $10.7 billion annually (Table 9.1); Brazil, Peru, and Argentina accounted for 87.63 percent of China's OFDI in the region, and expectations are that these will continue to increase importantly in the next decade. Additionally, 87 percent of China's mergers and acquisitions (M&A) in LAC came from publicly owned firms during 2000–2012; total Chinese FDI in LAC has been highly concentrated in the acquisition of raw materials (57 percent of China's FDI in LAC in 2000–2012) and the search for a market share in the respective countries (34 percent) (Dussel Peters 2013b). Empirical research for ten Chinese firms in five Latin American countries shows that China's FDI is going through a very quick and difficult learning process in which both sides

Table 9.1 LAC: FDI Inflows from China (1990–2013)

	1990–2009	*2010*	*2011*	*2012*	*2013*	*2010–2013*	*2010–2013 (percent)*
	($ millions)						
Argentina	143	3100	2450	600	120	6270	14.68
Brazil	255	9563	5676	6067	2580	23,886	55.92
Chile	—	5	0	76	19	100	0.23
Colombia	1677	6	293	996	776	2071	4.85
Ecuador	1619	45	59	86	88	278	0.65
Guyana	1000	—	15	—	—	15	0.04
Mexico	146	9	2	74	15	100	0.23
Peru	2262	84	829	1307	4626	6846	16.03
Trinidad and Tobago	—	—	850	—	—	850	1.99
Venezuela	240	900	—	—	—	900	2.11
Total	7342	13,712	10,174	9206	9624	42,716	100.00

Source: Author elaboration based on ECLAC 2015

will have to improve the respective institutional mechanisms—in order to integrate and link the new Chinese investment with the respective countries in terms of suppliers and clients, for example—for further growth of Chinese FDI in LAC. Misunderstandings and problems—such as in the mining sector in Peru and infrastructure projects in Mexico, among many others—might otherwise increase and affect the dynamism of China's OFDI (Dussel Peters 2014).

Sixth, and finally, China is also increasing its financing presence in Latin America. From 2005 to 2014, loan commitments totaled more than $118 billion. Venezuela alone accounted for more than 50 percent of total loans and 42 percent of infrastructure projects in LAC (Gallagher and Myers 2015). This rather new and very dynamic Chinese economic activity will likely grow substantially, given the expected increase in Chinese infrastructure projects. Trade and financial relationships are partly affected by the increasing internationalization of the renminbi (RMB), with the Chinese currency growing in regional importance since the 2008 global economic crisis. Argentina, Brazil, and Chile already have bilateral swap arrangements totaling more than 280 billion RMB; other countries may attain such arrangements in the future (Stanley 2013).

CELAC and the LAC-China Relationship

Historically, in the past decade a group of authors and institutions have continuously insisted on the importance of allowing for a regional and LAC discussion on China and with China. While there is a bilateral agenda with China—dealing with particular items regarding cultural, political, economic, trade, and investment issues, among others—these authors stress the importance of socializing experiences within LAC regarding China (including trade and investments), as well as allowing for a regional platform to discuss and negotiate common regional issues vis-à-vis China—from regional infrastructure projects to the registration of trade and investment statistics, preferential and/or national treatment, reciprocity, as well as visa and immigration topics, tourism, transportation issues, and so on (Agendasia 2013; Dussel Peters 2005; ECLAC 2011). From this perspective, there should be a regional (LAC) agenda vis-à-vis China, LAC's second most important and dynamic trading partner.

It is from this perspective that CELAC (Community of Latin American and Caribbean States) has become so relevant in terms of LAC's relationship with China. CELAC was established in December 2011 and since then a group of summits have taken place in Chile (2013), Cuba (2014), and Costa Rica (2015). CELAC accounts for 33 LAC nations. While there are a group of relevant topics discussed within CELAC, it is of particular relevance because of the proposed China-CELAC Forum in January 2014, which was immediately approved by China's Foreign Ministry. The First Ministerial Meeting of the China-CELAC Forum was held in Beijing on 8–9 January 2015. In addition to a group of political declarations, the forum proposed a group of overall strategies: a "1+3+6" approach (one program, three engines—trade, investment, and cooperation—and six fields and priorities for collaboration) and industry connection with energy and resources, infrastructure construction, agriculture, manufacturing, scientific and technological innovation, and information technologies. The major context of this new LAC-China cooperation is an overall new and deeper political trust and partners of shared goals, both bilaterally and in institutions such as the United Nations, World Trade Organization (WTO), the Group of 20 (G20), the Group of 77 (G77), the Asia-Pacific-Economic Cooperation (APEC), and other international organizations and multilateral mechanisms.

For LAC, the Latin American and Caribbean Countries-China Cooperation Plan (2015–2019) is of particular relevance. In general it is interesting to highlight that the Cooperation Plan refers to China and the 33 LAC countries of CELAC, including those that do not have diplomatic ties with China (particularly in Central America and the Caribbean). In addition, regional institutions such as ECLAC, IADB, and CAF (Development Bank of Latin America) were represented at the forum, and it was established that the Second Ministerial Meeting of the China-CELAC Forum would take place in Chile in January 2018, and thus allowing for three years of evaluation of the decisions of this first forum.

What were the main results of the First Ministerial Meeting of the China-CELAC Forum, particularly regarding trade and investments?[6] The Cooperation Plan (2015–2019) reflects the main concrete agreements between CELAC countries and China, including:

1. In general, the Cooperation Plan focuses on 14 areas of cooperation: from policy and security to international affairs, trade, investment and finance, infrastructure and transportation, energy and natural resources, as well as industry, science and technology, aviation and aerospace, education and human resources training, culture and sports, and tourism, among others. After China's "White Book" toward LAC (CECHIMEX 2011), this is the most concrete and detailed regional agenda between LAC and China.
2. Specifically regarding trade, investment, and finance, the Cooperation Plan establishes a group of priorities:

    a. To increase LAC-China trade to $ 500 billion in ten years
    b. To increase the stock of Chinese OFDI in LAC to at least $250 billion in ten years, "with particular emphasis in high technology and value added goods production" (CELAC 2015, p. 2).
    c. To support the LAC-China Business Summit, and make "good use of the China-LAC Cooperation Fund, China-LAC Special Loan for Infrastructure, concessional loans offered by China as well as other financial resources, to support the key cooperation projects between China and CELAC countries, in a manner consistent with the social, economic and environmental development needs of the CELAC region, as well as with sustainable development vision" (CELAC 2015, p. 2).

3. Very important for the trade and investment relationship are the chapters on infrastructure and transportation, energy and natural resources,

industry, science and technology, aviation and aerospace, education and human resources training, as well as tourism. In these chapters, the Cooperation Plan (2015–2019) includes commitments regarding:

a. To encourage Chinese and LAC enterprises to participate in key projects "for the integration of Latin America and the Caribbean" (CELAC 2015, p. 2), and to inaugurate the China-LAC Infrastructure Forum.
b. To explore the possibility of establishing the China-LAC Energy and Mineral Resources Forum, and to enhance collaboration "based on equality, overall reciprocity and mutual benefit" (CELAC 2015, p. 2) in energy and mineral sectors.
c. To establish a China-LAC Industrial Development and Cooperation Forum, as well as building industrial zones in sectors such as "construction equipments, petrochemicals, agricultural product processing, clean energies, mechanical equipments, automotive, aviation, ship and marine engineering equipments, transportation equipments, electronics, digital medical equipments, information and communication technology, the transfer of technology and know-how between the two sides, biotechnology, food and medicine" (ECLAC 2015a, b, p. 3).
d. China commits to launch initiatives such as the China-LAC Science and Technology Partnership, the China-LAC Young Scientists Exchange Program, 6000 governmental scholarships, 6000 training opportunities and 400 opportunities for on-the-job masters degree programs in China, as well as 1000 young leaders in a ten-year training program under the "Bridge of the Future" title.
e. Surprisingly, the concrete commitments on tourism are very general, and in terms of strengthening the dialogue and encouraging tourism promotion.

4. In terms of the implementation of this ambitious Cooperation Plan, it states that it "… will be implemented, under the principles of flexibility and voluntary participation … and shall not affect any bilateral cooperation programs agreed upon by individual parties nor substitute the bilateral agreements, decisions and commitments set between the Parties. In this regard, it is pertinent to establish agreed procedures for the formulation and follow-up of the programs, projects and initiatives

of cooperation, related to all CELAC members … the implementation of concrete cooperation initiatives or the adoption of norms will be subject to specific negotiations between China and the interested Latin American and Caribbean countries" (CELAC 2015, p. 3).

It is relevant to understand that, so far, CELAC only has pro tempore presidencies (of Venezuela, Chile, Cuba, Costa Rica, and Ecuador in 2011, 2012, 2013, 2014, and 2015, respectively). Probably one of the strongest weaknesses of CELAC is that it lacks a secretariat or specialized group of professionals working on the respective CELAC commitments[7]; in general the respective foreign ministries of the pro tempore presidencies integrate these commitments and meetings to their annual agenda. So far, the pro tempore presidency is responsible for the organization, contents, and procedures in their respective year of presidency.

Until the middle of 2015, a group of CELAC-China meetings had taken place. Relevant ones are, on the one hand, the First CELAC-China Meeting on Infrastructure (4–5 June 4 2015 in Macao), in which China committed \$35 billion to finance projects in transportation, ports, technology and communication highways, and electricity, among others: China Development Bank (CDB), China's Export-Import Bank, and the National Development Reform Commission (NDRC) will channel \$20 billion, \$10 billion, and \$5 billion, respectively. It is expected that the First Science and Technology Forum and the First Energy Forum will take place in the second part of 2015, under the pro tempore presidency of Ecuador.

Conclusions and Policy-Suggestions

The pattern of trade and investment analyzed here raises old debates and questions that LAC faced in the 1950s and 1960s. For example, is development based on raw materials sustainable in the medium and long term? Is technological development—today referred to as "upgrading"—possible given LAC's resurgence of an export-orientation based on raw materials? What is the role of the "public sector" in these socioeconomic activities? Are political and business elites in LAC prepared to embrace the kinds of policies necessary for these countries to better understand, cooperate, and compete with China? And the list could go on.

As discussed in this chapter, LAC has been able to export raw materials to China in incredibly large quantities over the past decade, and this has resurrected trade and production structures that LAC had supposedly outgrown several decades ago. This earlier strategy entailed a capital intensive model based on the production of low value-added goods and processes in sectors such as agriculture, oil, and mining, among others. Yet, in contrast to earlier raw material booms, the price of LAC's top raw materials has been relatively high since the mid-1990s (Jenkins 2011), thanks largely to Chinese demand, and considering its examined decline in the past three to four years. Thus, and for the first time in the past three decades, countries such as Argentina, Bolivia, Brazil, Chile, Peru, and Venezuela, among others, have benefitted immensely in terms of higher export prices and better terms of trade in the first half of the first decade of the twenty-first century.

Nevertheless, this is only one side of the coin. The other refers to even higher exports from China to LAC and a trade deficit above $50 billion since 2008. Thus, the region has not only had no Dutch disease effect as a result of trade with China but, on the contrary, trade with China has resulted in ever-increasing trade deficits, with important subregional differences within LAC. And this brings us back to our initial question: Are growth, exports, and development sustainable based on low value-added raw materials? Several decades of debates and discussions in the region with Raúl Prebisch (1950)—but also globally and with Friedrich Liszt in the late nineteenth century in Germany—resulted in a very clear answer: no. Historically, manufactured goods have had a higher price elasticity of demand for exports than that for raw materials and agricultural goods (meaning that the former are more responsive to prices). From this perspective China has generated new socioeconomic structures—low value-added and low technology exports, highly concentrated in a small group of products, processes, and firms, against much more sophisticated manufactured goods coming from China and, in many cases, destroying the results of decades of import-substituting policies—that could be considered "typical" of a center-periphery relationship. Affected domestic and industrial elites in LAC have backlashed against this general phenomenon.[8]

Particularly, China should be understandable and open to LAC's long-term development concerns, based on its own development since the late 1970s. Since then, and until 2015 China's public sector and policymakers would not have a doubt that it would have been impossible to develop China through raw material exports (China's main exported good in the beginning of the 1980s was oil) and low value-added and low technological production. Active policies of China's public sector—from social policies, education, facing regional disparities, but particularly incoming FDI and the development and upgrading of production and trade through massive research and development (R&D) incentives, among many others (Dussel Peters 2015; WB/DRC 2012)—, as discussed in the chapter, are fundamental for understanding modern China.

It is from this perspective that LAC-China long-term cooperation should go far beyond growth and diversification of trade and investments (ECLAC 2015b), if LAC and China wish to establish a long-term, harmonious, and sustainable relationship. It is very possible that LAC-China trade will achieve $500 billion in 2015, with a 6.8 percent average annual growth rate (AAGR) for 2014–2025 (and far below the 24.2 percent AAGR achieved during 2000–2014); it is also possible—although much more challenging[9]—that China's stock of OFDI in LAC achieves $250 billion by 2025. However, these are clearly not the main development issues from a LAC perspective in its relationship with China. Based on the profound transformation of LAC's trade and investment structure in the past decade, in which China placed a substantial role, it should be in the interest of both, China and LAC, to go beyond the current existing structures, initially generated by trade and so far fostered by China's OFDI.

From this perspective, the approach of the China-CELAC Forum is insufficient, since it mainly focuses on growth of the existing trade and investment structures. Based on the results of the existing analysis in LAC and China, both should target a long-term and sustainable development agenda, which does not exclude the potential for future growth, as highlighted by the China-CELAC Forum. From a regional perspective—and parallel to bilateral relations with China—CELAC and China should emphasize the creation of specializing institutions that work continuously and periodically on the respective issues: infrastructure, trade, investments, negotiations, education, exchange in comparative experiences in trade and investments, immigration and visa matters, and so on. Unless these institutions are created and supported—CELAC is an excellent example of the institutional weaknesses in the LAC-China relationship, lacking any particular expertise and concrete options for monitoring and evaluating even the commitments of the Cooperation Plan (2015–2019)—, it will be extremely difficult to allow for a medium and long-term effective cooperation. This topic is even more significant when we take into account the important additional challenges that have resulted from the analysis in this chapter. These new institutions should include the active participation of the LAC and Chinese public sector, but also of experts, private institutions, and academics, among others, that have worked on the particular and concrete fields. The China-CELAC Forum already establishes a group of financing institutions that could enhance this institution-building.

In order to allow for long-term development and a sustainable agenda—and beyond trade and investment—LAC, but also China, should focus on concrete and common long-term development goals, that is, in establishing specific upgrading steps in LAC's exports in minerals, oil, and agricultural products, with effects in the respective population, firms, and regions. So far, trade and Chinese OFDI in LAC have not allowed for important effects in development in LAC and most of its countries and, on the contrary, contrast with the so far achieved upgrading of the rest of LAC's exports. While it is true that China might argue that this is not its "responsibility", it is also true that if the relationship is not harmonious in the short term, it will hardly be harmonious in the long term.

In addition, LAC and China should establish specific working groups to promote trade and Chinese OFDI in specific segments of value-added chains and regions according to its development goals. Specific case studies (Dussel Peters 2014) have shown that China's OFDI in LAC are different than those from other countries and require detailed instruments for its promotion and evaluation and the creation of specific instruments, otherwise, the potential for misunderstandings and failed projects is significant. The analysis of experts and the academic sector can be significant in this area.

Finally, LAC and China should examine in detail China's offer of turnkey projects. While in some cases these projects might be tempting and relevant for the development of infrastructure, in other cases Chinese financing sources should be open to allow for less stringent conditionalities, that is, allow for a competition process of suppliers. The detailed understanding of China's new financing and its conditionalities, is an important future field of research and of interest for both LAC and China. From a Chinese perspective, a high sectorial and national concentration could be of concern, while other LAC countries that have so far not experienced these processes, should also be of interest to evaluate future transactions.

Notes

1. For a full discussion, see Dussel Peters 2015.
2. As discussed in Dussel Peters (2013a, b), these guidelines and positive lists are very detailed and concrete for sectors and processes within sectors.

3. For a full discussion, see: CECHIMEX (2014) and RED ALC-CHINA (2015).
4. It is important to stress that statistics from China and the LAC countries differ substantially. Based on Chinese statistics, LAC has a trade surplus with China, while the opposite is the case using the statistics of each LAC-country; in some cases, as in Mexico-China trade, Chinese exports vis-à-vis Mexican imports differ by more than 250 percent (CECHIMEX 2014).
5. Chinese OFDI statistics also differ substantially depending on the specific source. The National Bureau of Statistics (NBS 2014) in China, for example, registers \$77.6 billion Chinese OFDI during 2005–2013 or \$7.7 billion annually on average (and much less than ECLAC, as mentioned above). However, out of this \$77.6 billion, Cayman Islands and Virgin Islands account for 87.38 percent of China's OFDI in LAC, i.e. according to this official source, China's OFDI to LAC is less than \$1 billion annually, i.e. 10 times less than registered by ECLAC (2015b). For a full discussion, see: RED ALC-CHINA (2015).
6. For a full discussion, see: CELAC (2015).
7. The closest institution to a specialized secretariat is CELAC's "Quartet,"that is, periodic meetings by the country that holds the pro tempore presidency, the former presidency, the country that holds the next presidency, as well as one Caribbean country.
8. The four books of RED ALC-CHINA (2015) give an excellent reflection on the overall heterogeneous effects and perceptions of China in LAC.
9. In order to achieve \$250 billion, China's OFDI flows to LAC should account for an AAGR of 11.4 percent, compared to an AAGR of China's OFDI flows to LAC of 17 percent during 2004–2012.

References

Agendasia. 2013. *Agenda Estratégica México-China. Dirigido al C. Presidente Electo Enrique Peña Nieto*. México: Agendasia.

CECHIMEX. Several Studies, Statistics, Conferences and Books at http://www.economia.unam.mx/cechimex/index.php/es/

CECHIMEX (Centro de Estudios China-México). 2014. La política de China hacia América Latina y el Caribe. *Cuadernos de Trabajo del Cechimex* 3: 1–11.

CELAC (Community of Latin American and Caribbean States). 2015. *Cooperation Plan (2015–2019)*. Beijing: CELAC.

Comtrade. 2015. UN Comtrade Database. Comtrade, http://comtrade.un.org/. Accessed 03 Feb 2016.

COMTRADE. 2015. UN Trade Database. http://comtrade.un.org/. Accessed 05 March 2016.

C. RED ALC-CHINA. 2015. Different Publications of RED ALC-CHINA. http://www.redalc-china.org/v21/es-es/mn-publicaciones. Accessed 08 March 2016.

Dussel Peters, Enrique. 2005. The Implications of China's Entry into the WTO for Mexico. *Global Issue Papers* 24 (Heinrich Böll Stiftung), pp. 1–38.

———. 2013a. Recent China-LAC Trade Relations. Implications for Inequality?. *Working Paper* 30 (desigualdades.net), 1–38.

———. 2013b. Characteristics of Chinese Overseas Foreign Direct Investment in Latin America (2000–2012). *Contemporary International Relations* 23(5): 105–129.

———. 2014. *La inversion extranjera directa de China en América Latina: 10 estudios de caso*. México: RED ALC-CHINA, UDUAL, UNAM/CECHIMEX.

———. 2015. The Omnipresence of China's Public Sector? Initial Reflections for a Debate and Understanding of China's Socioeconomic Performance from a Latin American Perspective. In *Who Are the Actors? Latin America-China Relations Beyond Raw Materials*, eds. Enrique Dussel Peters and Ariel Armony. Nueva Sociedad, UNAM/CECHIMEX and University of Pittsburgh. To Be Published.

ECLAC (Economic Commission for Latin America and the Caribbean). 2011. *La República Popular China y América latina y el Caribe. Hacia una nueva fase en el vínculo económico y comercial*. Santiago de Chile: ECLAC.

ECLAC. 2015a. *América Latina y el Caribe y China. Hacia una nueva era de cooperación económica*. Santiago de Chile: ECLAC.

———. 2015b. *Primer Foro de la Comunidad de Estados Latinoamericanos y Caribeños (CELAC) y China. Explorando espacios de cooperación en comercio e inversión*. Santiago de Chile: ECLAC.

Gallagher, Kevin P., and Margaret Myers. 2014. *China-Latin America Finance Database*. Washington, DC, www.thedialogue.org/map_list

García-Herrero, Le Xia, and Carlos Casanova. 2015. Chinese Outbound Foreign Direct Investment: How Much Goes Where After Round-Tripping and Off-Shoring?. *BBVA Working Paper* 15/17, 1–21.

Globerman, Steven. 2015. Host Governments Should Not Treat State-Owned Enterprises Differently Than Other Foreign Investors. *Columbia FDI Perspectives* 138: 1–3.

Jenkins, Rhys. 2011. The 'China Effect' on Commodity Prices and Latin American Export Earnings. *CEPAL Review* 103: 73–87.

Li, Keqian. 2015. Crear juntos un nuevo porvenir de la Asociación de Cooperación Integral entre China y América Latina y el Caribe. Presentation at the Economic

Commission for Latin America and the Caribbean, Santiago de Chile, 25th May.

Lin, Yue. 2013. Inversión extranjera directa de China en América Latina. In *América Latina y el Caribe-China. Economía, comercio e inversiones*, (coord.) Enrique Dussel Peters, 203–222. RED ALC-CHINA, UDUAL, UNAM/ Cechimex.

Nolan, Peter. 2015. Globalization, Infrastructure and China's State-Owned Enterprises. Background Papers of the China Development Forum 2015. CDF, Beijing, 260–273.

Prebish, Raúl. 1950. *The Economic Development of Latin America and Its Principal Problems*. New York: United Nations.

RED ALC-CHINA. 2015. Different publications of RED ALC-CHINA. http://www.redalc-china.org/v21/es-es/mn-publicaciones. Accessed 08 March, 2016.

RED ALC-CHINA (Red Académica de América Latina y el Caribe). 2015. http://www.redalc-china.org/. Accessed 03 Feb 2016.

Santo, Nicolás. 2012. China's Outbound Investment Legal Regime: Reworking the Institutional Framework to Maximize the Application of the Mutual Benefit and Shared Gain Principle. Master's Thesis, Tsinghua University, Beijing.

Stanley, Leonardo. 2013. El proceso de internacionalización del RMB y el nuevo protagonismo del sistema financiero chino. In *América Latina y el Caribe—China. Economía, comercio e inversiones*, ed. Enrique Dussel Peters, 147–169. México: RED ALC-CHINA, UDUAL and UNAM-CECHIMEX.

WB/DRC (World Bank and Development Research Center of the State Council). 2012. *China 2030. Building a Modern, Harmonious, and Creative High-Income Society*. Washington, DC: WB/DRC.

Wu, Jinglian. 2005. *China's Long March Toward a Market Economy*. Shanghai: Shanghai Press.

Zhang, Xiaoji, Zhang Qi, Lu Gang y Xu Hongqiang. 2010. International Investment of China in Post-crisis Era. China Development Forum 2010 (DRC), 113–135.