

China's Economic & Geopolitical Statecraft in the Global South

Insights from the NDB, AIIB & Latin America and the Caribbean



Prof. Alvaro Mendez
Cairo 19 February 2024

a.mendez@lse.ac.uk

Twitter @alvaroimendez



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Professor Alvaro Mendez

Senior Research Fellow, Director of the LSE Global South Unit and Academic Director,
LSE IDEAS

Department of International Relations



Welcome to my first lecture

Dr. Alvaro Mendez a.mendez@lse.ac.uk

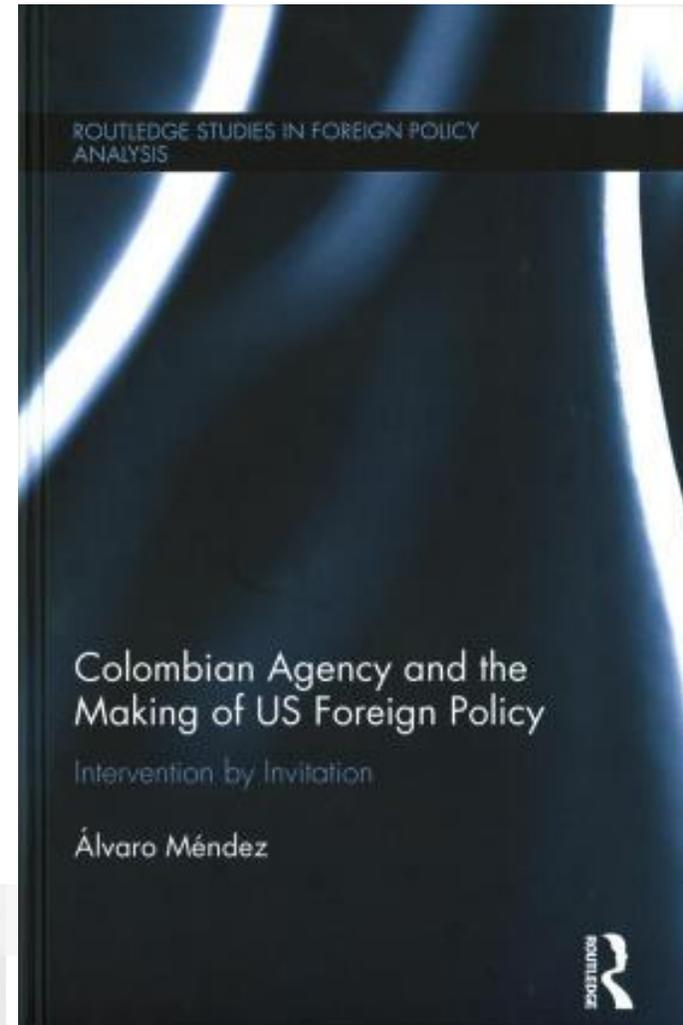


SciencesPo



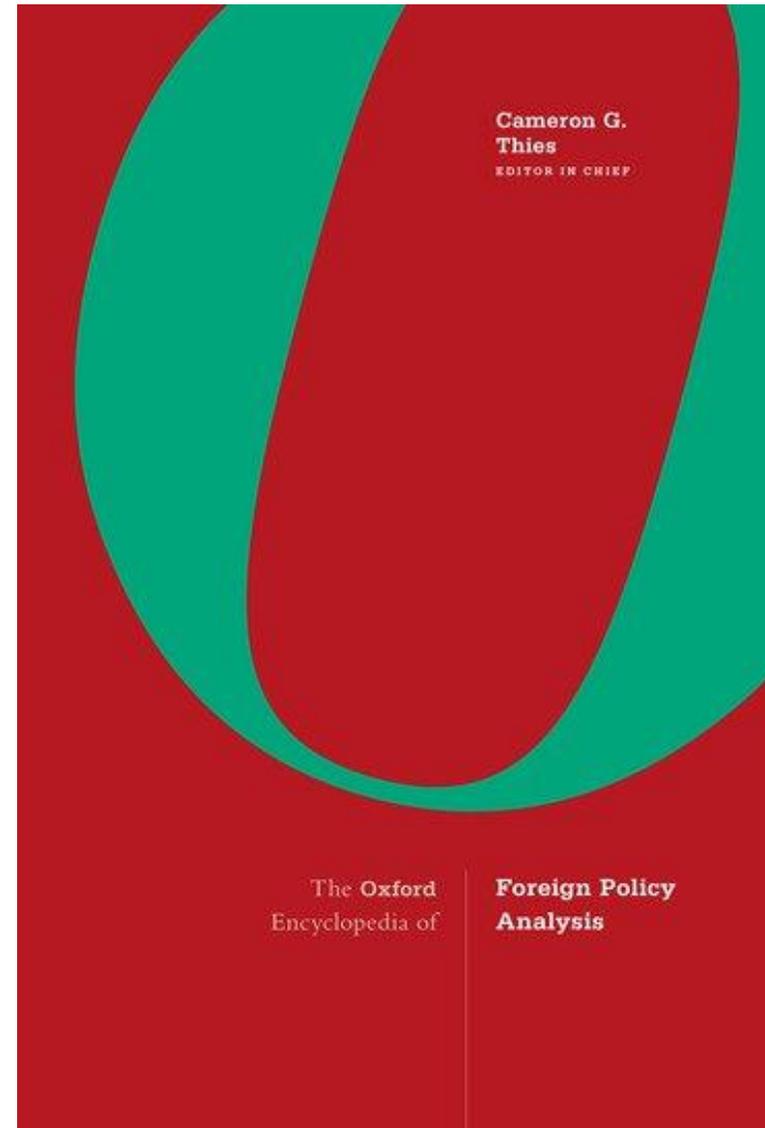
Publications
2017

“Colombian
Agency & US
Foreign Policy”



Publications 2018

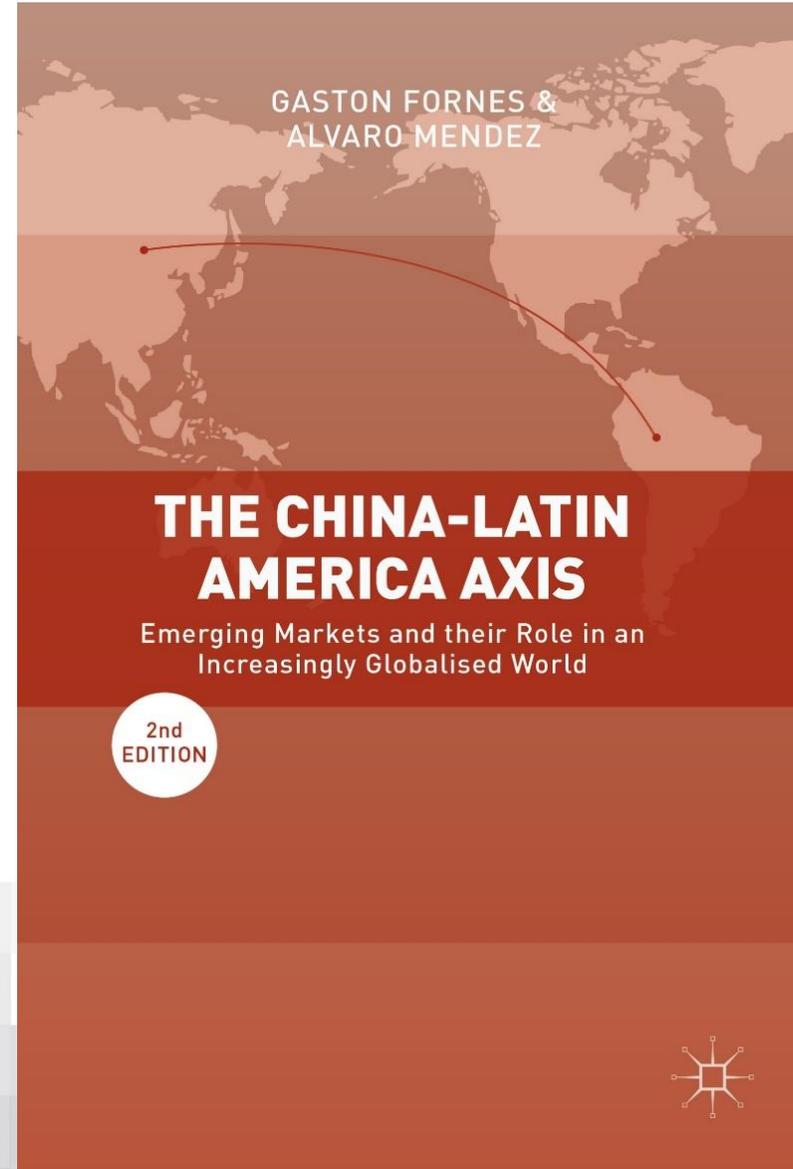
“Global
Governance in
Foreign Policy”



A large black circle with a white double-line border containing the text 'Publications 2018' and '“The China & Latin America Axis”' in white.

Publications
2018

“The China &
Latin America
Axis”



Mendez, Alvaro. (2019). Latin America and the AIIB: Interests and Viewpoints. *Global Policy* doi:10.1111/1758-5899.12733 (JIF = 1.197). Q3



Latin America and the AIIB: Interests and Viewpoints

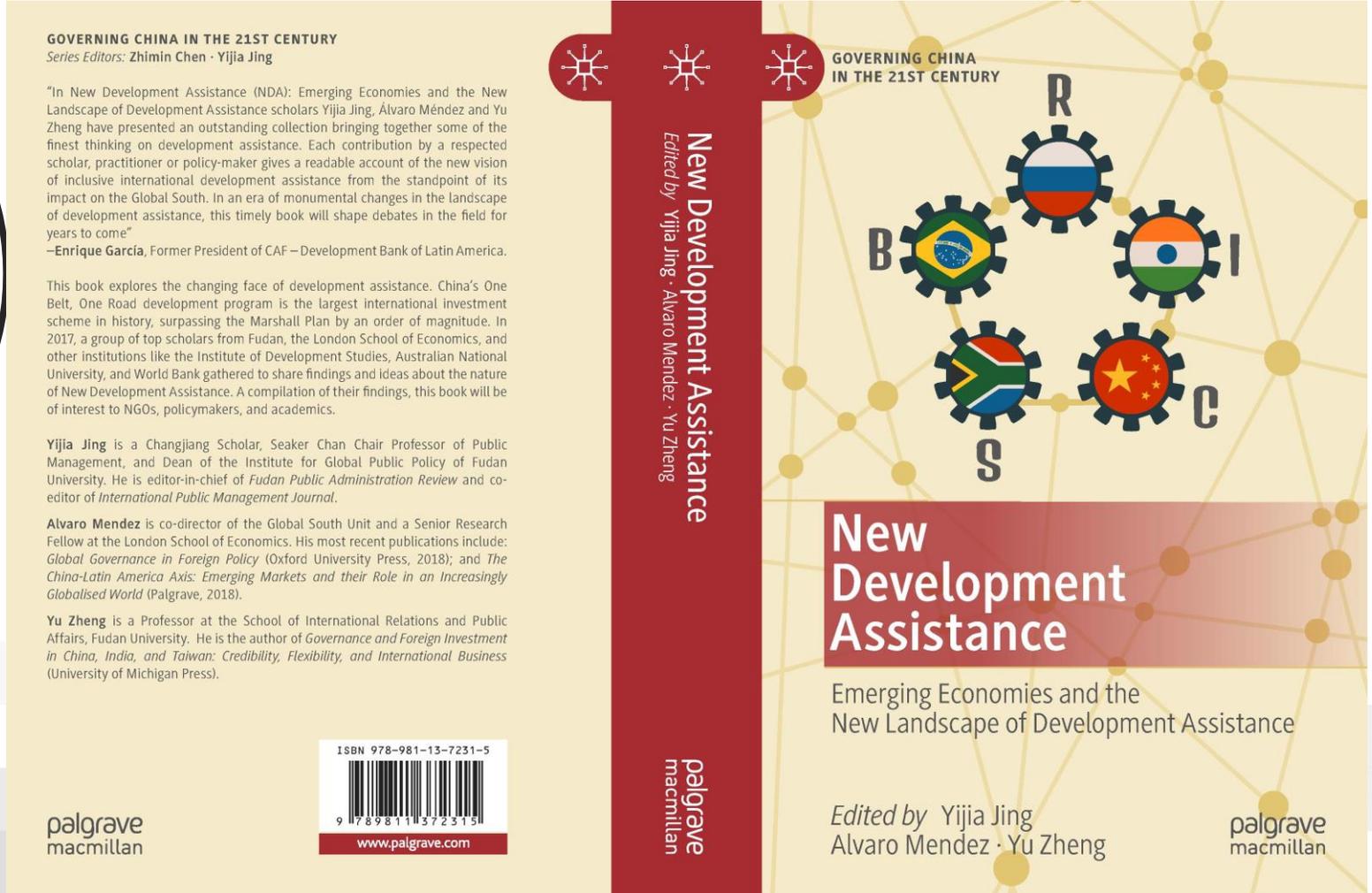
Alvaro Mendez

Abstract

This essay gives insight into the interaction of the Asian Infrastructure Investment Bank (AIIB) with Latin America and the Caribbean (LAC). The AIIB has expressed a clear interest in LAC, accepting eight countries as 'prospective' members pending paying-in their capital, but LAC shows almost no stamina. It is the world's only region lacking even one paid-in member. So long as Beijing backs the request, prospective membership only requires writing a few letters. But LAC's inertia in officially joining, by passing legislation and making their capital contribution, is puzzling, given the benefits that lie untapped. The likeliest cause is their own culture of sheer negligent short-sightedness ('let's do it *mañana*'). This tendency to adjourn the acid test of action could be mitigated if countries in the region adopt long-term non-partisan National Development Plans to strengthen their institutional policy-making capacity. For their part, the AIIB's Governors and Beijing, despite their initial keen interest in LAC, have had to give up nudging and adapt themselves to the Latin Americans' labile perception of time in order to conserve their public image. They must remind LAC that only paid-in members receive financial benefits.

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Assistance”



Publications
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“Sustainable
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of MDBs in
SDGs”



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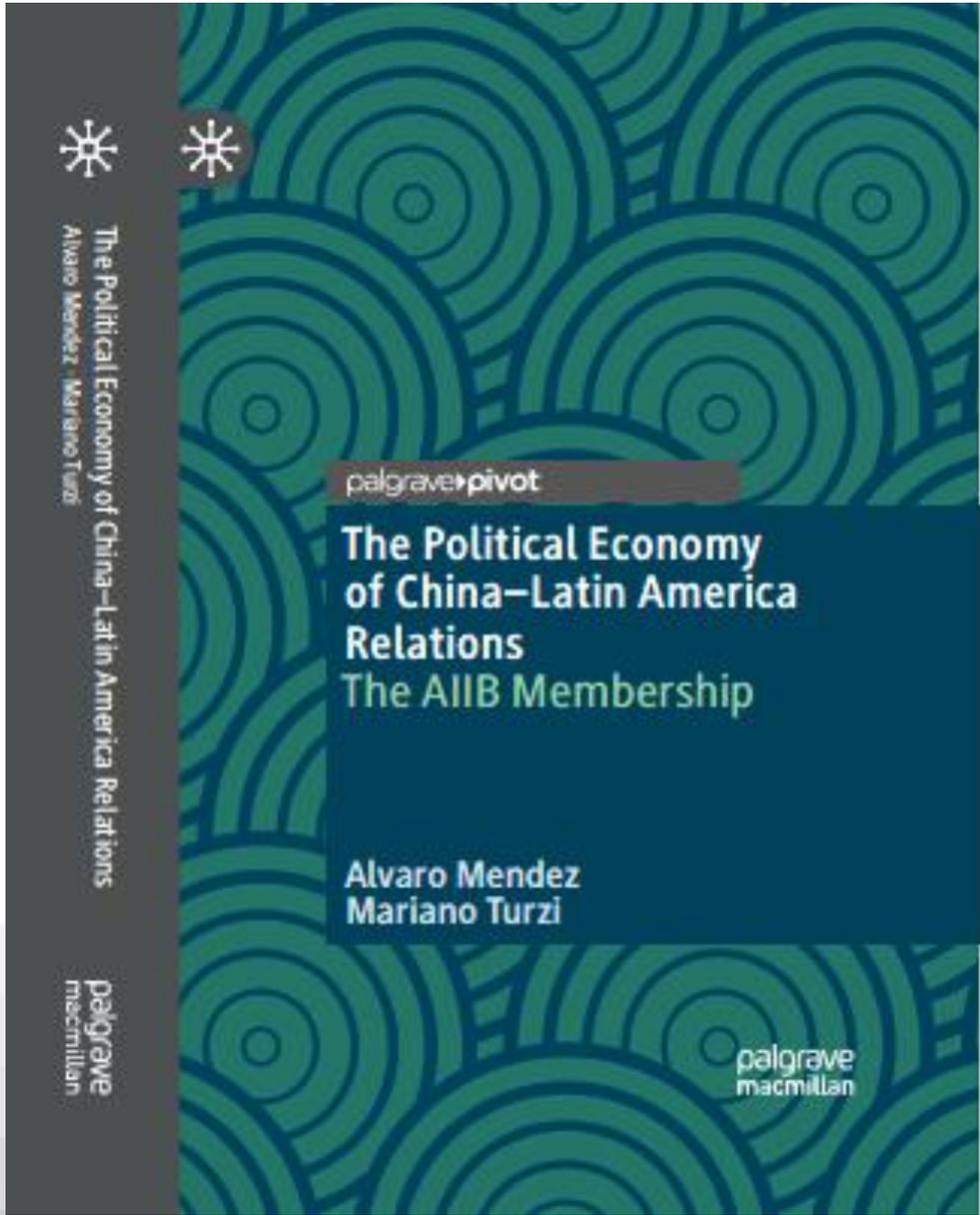
Review for this Journal

Open Access Article

Sustainable Banking: The Role of Multilateral Development Banks as Norm Entrepreneurs

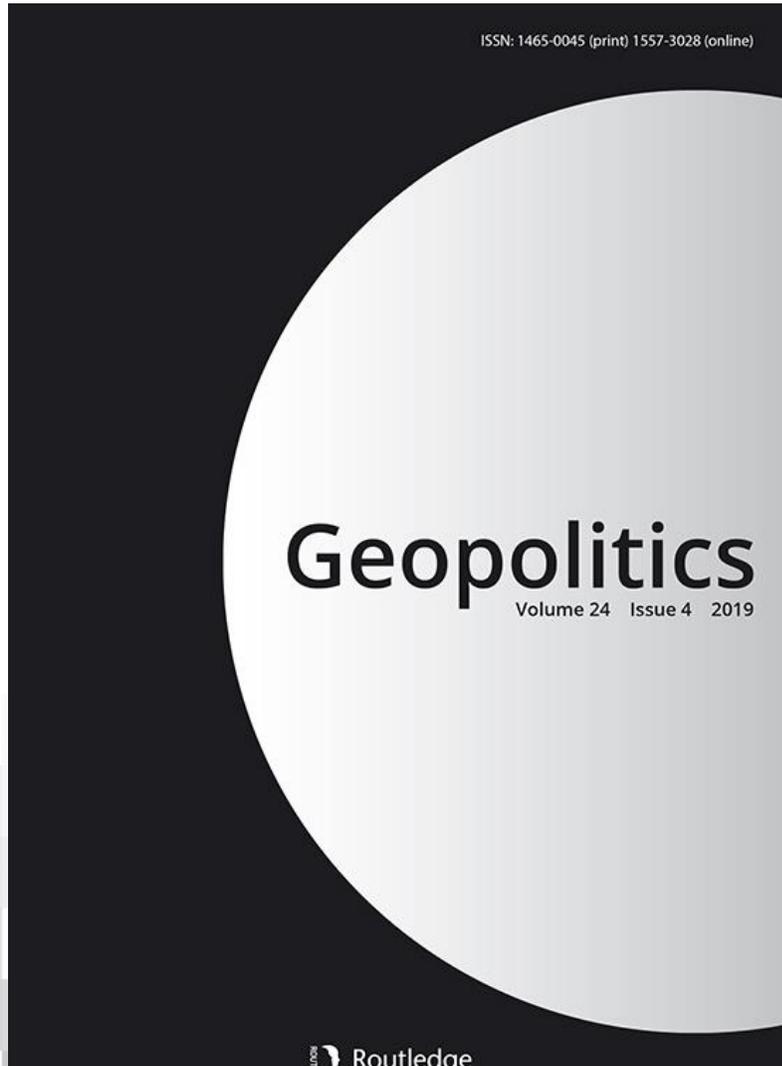
by  Alvaro Mendez^{1,2,*}  and  David Patrick Houghton³ 

Published
19 March 2020



Mendez, Alvaro, & Alden, Chris. (2021). China in Panama: From Peripheral Diplomacy to Grand Strategy. *Geopolitics*, Vol. 26 (838-860)

LSE



GEOPOLITICS
2021, VOL. 26, NO. 3, 838–860
<https://doi.org/10.1080/14650045.2019.1657413>

 **Routledge**
Taylor & Francis Group

 Check for updates

China in Panama: From Peripheral Diplomacy to Grand Strategy

Alvaro Mendez^{a,b} and Chris Alden^c

2022

Journal of Business Research 146 (2022) 277–287



Contents lists available at [ScienceDirect](https://www.sciencedirect.com)

Journal of Business Research

journal homepage: www.elsevier.com/locate/jbusres



How sustainable banking fosters the SDG 10 in weak institutional environments

Fernando Úbeda^a, Francisco Javier Forcadell^b, Elisa Aracil^{c,d}, Alvaro Mendez^{e,f,*}

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GP Opinion / The New Development Bank and Uruguay: A Win-Win Deal

The New Development Bank and Uruguay: A Win-Win Deal

By Alvaro Mendez - 13 June 2022 | DEVELOPMENT, INEQUALITY AND POVERTY



*This is part of in a new collection of commentaries from the **Emerging Global Governance (EGG) Project** on the New Development Bank's evolution. Browse the series [here](#). Alvaro Mendez argues that Uruguay's accession to the NDB has numerous benefits for both the country and the Bank.*

In July 2020, upon arrival the current president of the New Development Bank (NDB), Marcos Troyjo took the decision to recruit new members.

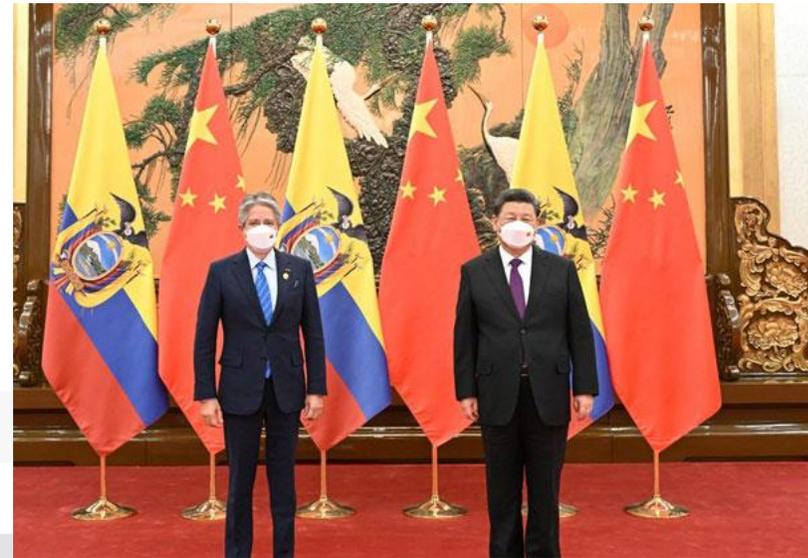
From the Journal

DEVELOPMENT, INEQUALITY AND POVERTY

Ecuador & Panama and their Engagement with China* (Security Implications)



UNITED STATES INSTITUTE OF PEACE



* to be published in late 2023

2023



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Latin American agency: The New Development Bank, Uruguay's accession and Brazilian influence

Alvaro Mendez 

First published: 04 May 2023 | <https://doi.org/10.1111/1758-5899.13214>



The Great Power Competition Volume 5 pp 199–216 | [Cite as](#)

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Russia's Backyard: China and Central Asia after the Invasion of Ukraine

[Alvaro Mendez](#) 

Chapter | [First Online: 10 October 2023](#)

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Latin America's Diplomacy: Balancing EU and China With Mercosur

   Americas Diplomacy Europe December 22, 2023 by LSE IDEAS [Share](#)



Paraguay's President Santiago Peña (L), Brazil's President Luis Inacio Lula da Silva (C), and Bolivia's President Luis Arce talk during a ceremony of announcements of investments in Brazil, Paraguay, and Bolivia on the second day of the Mercosur summit in Rio de Janeiro, Brazil, on December 7, 2023. Daniel RAMALHO / AFP

By Alvaro Mendez and Chris Alden

My latest publication (14 February 2024)



ÉTAT DES LIEUX DE LA PRÉSENCE CHINOISE EN AMÉRIQUE LATINE ET CARAIBES

- 1 **Space Affairs**
les affaires spatiales
- 2 *Raw materials and strategic supplies*
les matières premières et approvisionnements stratégiques
- 3 *Infrastructure and Logistics terminal projects*
les projets d'infrastructures et terminaux logistiques
- 4 les bases industrielles et technologiques de défense (BITD)
- 5 l'énergie et les télécommunications

Today's lecture on the NDB & AIIB & LAC



Today's story serves as a means to show how things are working in terms of Chinese economic and geopolitical statecraft in the world, with an emphasis on China and Latin America. Four reasons.

1. China knows a lot about countries in the global South, we know little about the PRC
2. Chinese foreign policy difficult to study (black box)
3. These MDBs provide a window
4. Case studies also enhance our understanding of Beijing's playbook.

Some questions to think about it for our discussion



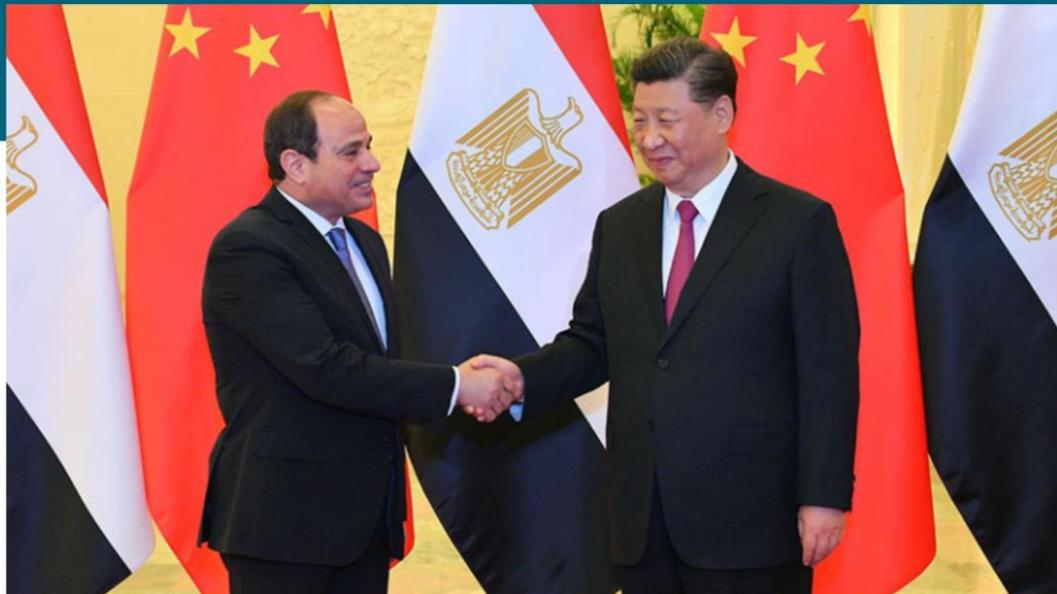
- 1. Global Strategy:** How does China's global strategy reflect its ambitions for economic and geopolitical influence worldwide?
- 2. Influence Through Institutions:** How has China used international institutions to enhance its global presence?
- 3. Engagement Risks and Opportunities:** What are the main risks and opportunities for countries engaging with China?
- 4. Latin America as a Case Study:** How does China's involvement in Latin America illustrate its economic and geopolitical tactics?
- 5. Future of China-Latin America Relations:** What are the prospects for China's relationship with Latin American countries, considering current trends?

Keen to learn more about this from you....



Egypt's Strategic Partnership with China: Opportunities and Implications

Jan 27, 2023 | Khalil Al-Anani



Egypt and China have a long history of diplomatic relations, dating back to the 1956.

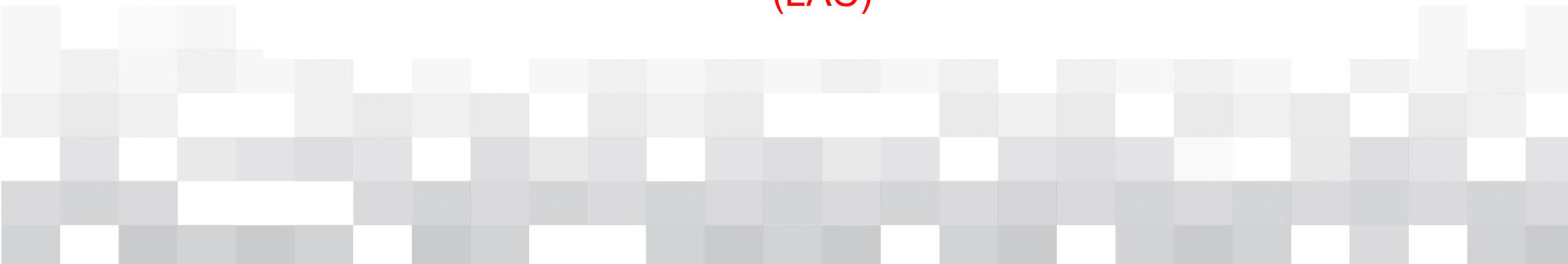
Egypt was the [first](#) Arab and African nation to establish diplomatic relations with the People's Republic of China.

Now into our lecture



China's Economic & Geopolitical Statecraft in the Global South

Insights from the NDB, AIIB & Latin America and the Caribbean
(LAC)



Rich literature on major Bretton Woods MDBs



1944

Located in Washington



1959

Located in Washington



1963

*Located in Abidjan,
Ivory Coast*



1966

Located in Manila



1991

Located in London



More literatura needed on new MDBs



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The image shows a promotional banner for the journal 'Global Public Policy and Governance'. On the left is a thumbnail of the journal cover, which features a blue and purple abstract design and the Springer logo. To the right of the thumbnail, the journal title is displayed in large white text on a dark teal background. Below the title, the publishing model is listed as 'Hybrid'. At the bottom of this section is a white button with the text 'Submit your manuscript' and a small external link icon.

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Call for Papers: New Development Finance in the Global South: Beyond Bretton Woods

[New Development Finance in the Global South:](#)

I am the editor of this special Issue – I would like to have a Submission from the Egyptian Perspective – a.mendez@lse.ac.uk

The New Development Bank (aka BRICS Bank – based in Shanghai).



Shanghai, China

**Capitalization of the NDB
US \$100 Billion (2021)**

Politicization



Dilma Rousseff at NDB's helm: Inside her resurgence as the head of the BRICS Bank

Examining the role Brazil's first female president will play on a global scale

 By Milan Sime Martinic | Updated: February 12, 2023 10:24 IST



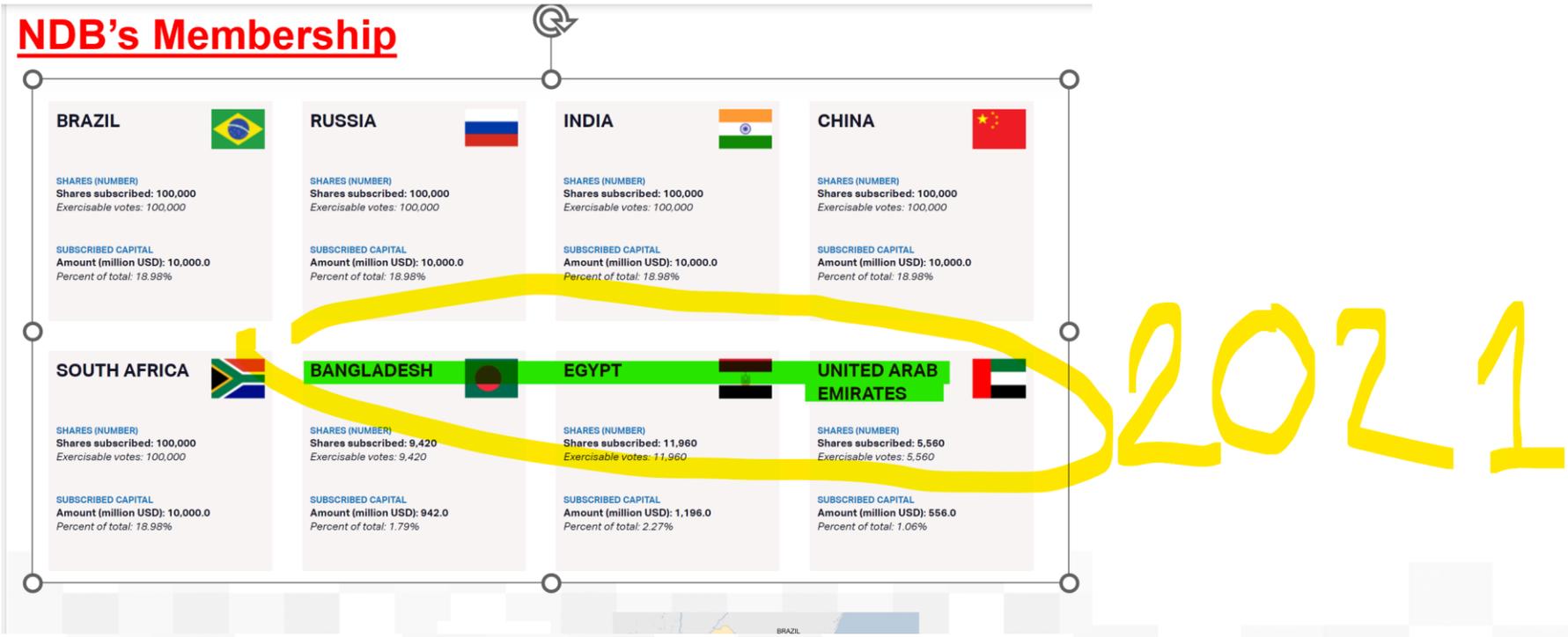
New Development Bank (NDB)

- The New Development Bank (NDB), informally known as “the BRICS Bank”, is a multilateral development bank (MDB) based in Beijing
- The first discussions on creating the NDB got started in 2012 when the leaders of the BRICS group (Brazil, Russia, India, China and South Africa) met at their fourth Summit in India.

New Development Bank (NDB)

- In 2013, the BRICS leaders agreed to create the institution with themselves as the sole founding members.
- The Articles of Agreement were signed a year later at their sixth Summit in **Brazil in July 2014** and entered into force in July 2015.
- The NDB became fully operational when it opened its headquarters in Shanghai in February 2016.

NDB's Membership



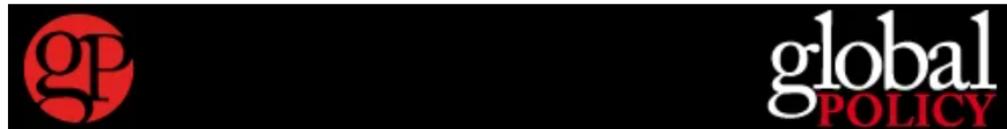
Prospective member

Global Policy Special Issue on the NDB (2023) (Best academic articles on the NDB to date)



The Evolution of the New Development Bank (NDB) at Six and Beyond - A New Commentary Series

By Gregory T. Chin - 14 April 2022 | DEVELOPMENT, INEQUALITY AND POVERTY



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Latin American agency: The New Development Bank, Uruguay's accession and Brazilian influence

Alvaro Mendez



Now – let's look at the AIIB (based in Beijing)



**ASIAN INFRASTRUCTURE
INVESTMENT BANK**



- **The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank (MDB) whose mission is financing the Infrastructure.**
- AllIB commenced in Beijing, Jan 2016
- Expanded to 109 members globally by Nov 2023
- Capitalized at \$100 billion
- Holds a Triple-A credit rating

The Asian Infrastructure Investment Bank



- China proposed AIIB in Oct 2013 at APEC Summit in Bali
- Faced US and Japan opposition
- Bank's agreement signed two years later

2014 Humble beginning – MoU

**MoU to establish the AIIB signed only by
27 countries in October 2014.**



2014 - US Lobbying against joining the AIIB



- Washington saw (and still sees) the AIIB as a geopolitical tool against the existing Bretton Woods system.

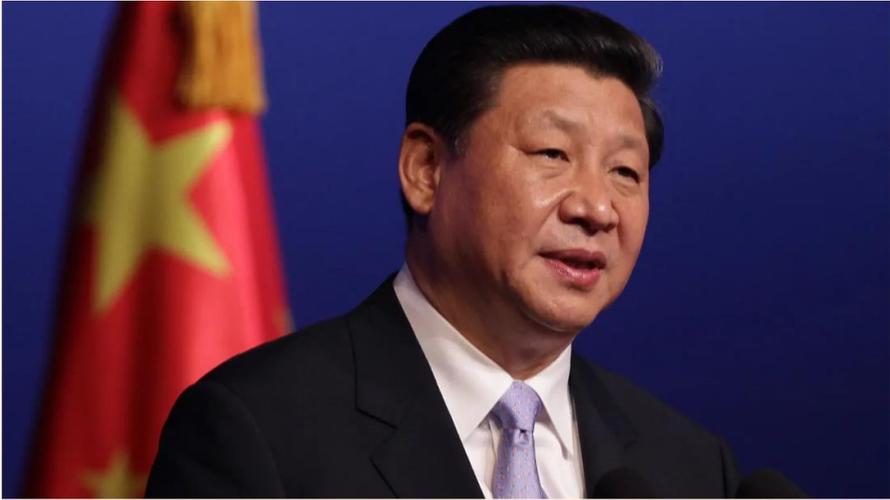
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Big nations snub Beijing bank launch after US lobbying

Only 20 countries sign up for new institution after US lobbying



President Xi Jinping © Getty



AIIB in 2015 – a challenging year for the AIIB



- Beijing wanted more nations to join the bank as founding members (**particularly countries from the West**).
- **Deadline: 31 March 2015 to get more members**
- Very difficult to achieve!
- Washington continued lobbying to “**ensure membership in the bank would be limited to smaller countries**” (Mendez, 2020).

UK ignores Washington: 12 March 2012

UK breaks
Washington's
heart!



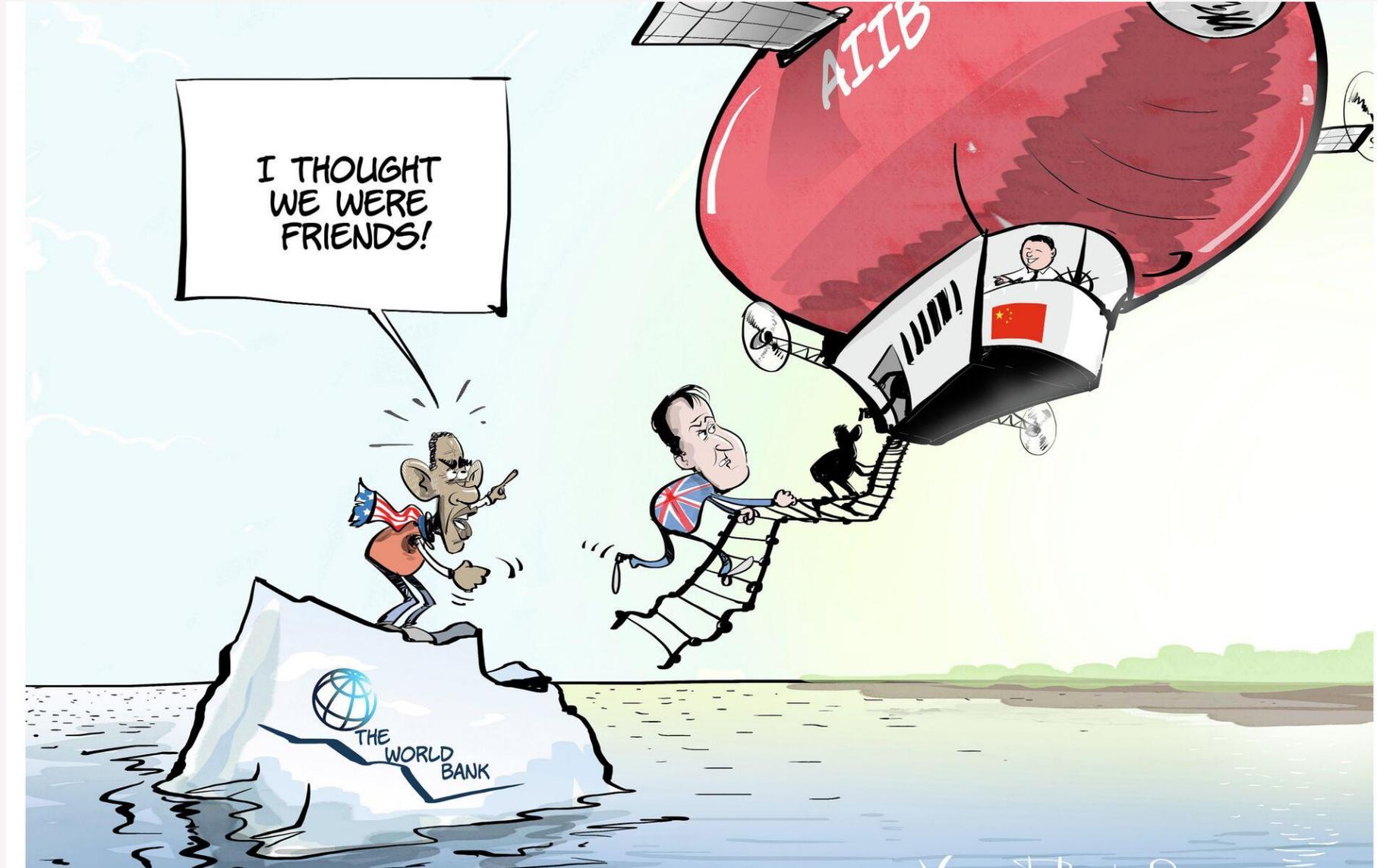
- The world historical turning-point came on **12 March 2015** when the United Kingdom ignored Washington and decided to pledge to join the bank as a founding member.

2015 - AIIB SNOWBALL EFFECT



- UK challenged the US and then many other countries did so else did so
- Triggered a chain reaction
- France, Germany, Italy joined AIIB on March 17, 2015
- Switzerland followed shortly after
- South Korea joined on March 26
- Australia, Russia, Brazil on March 29
- Over 50 countries joined by March 31, 2015 deadline

AIIB – Obama upset by Cameron



Participants of Asian Infrastructure Investment Bank

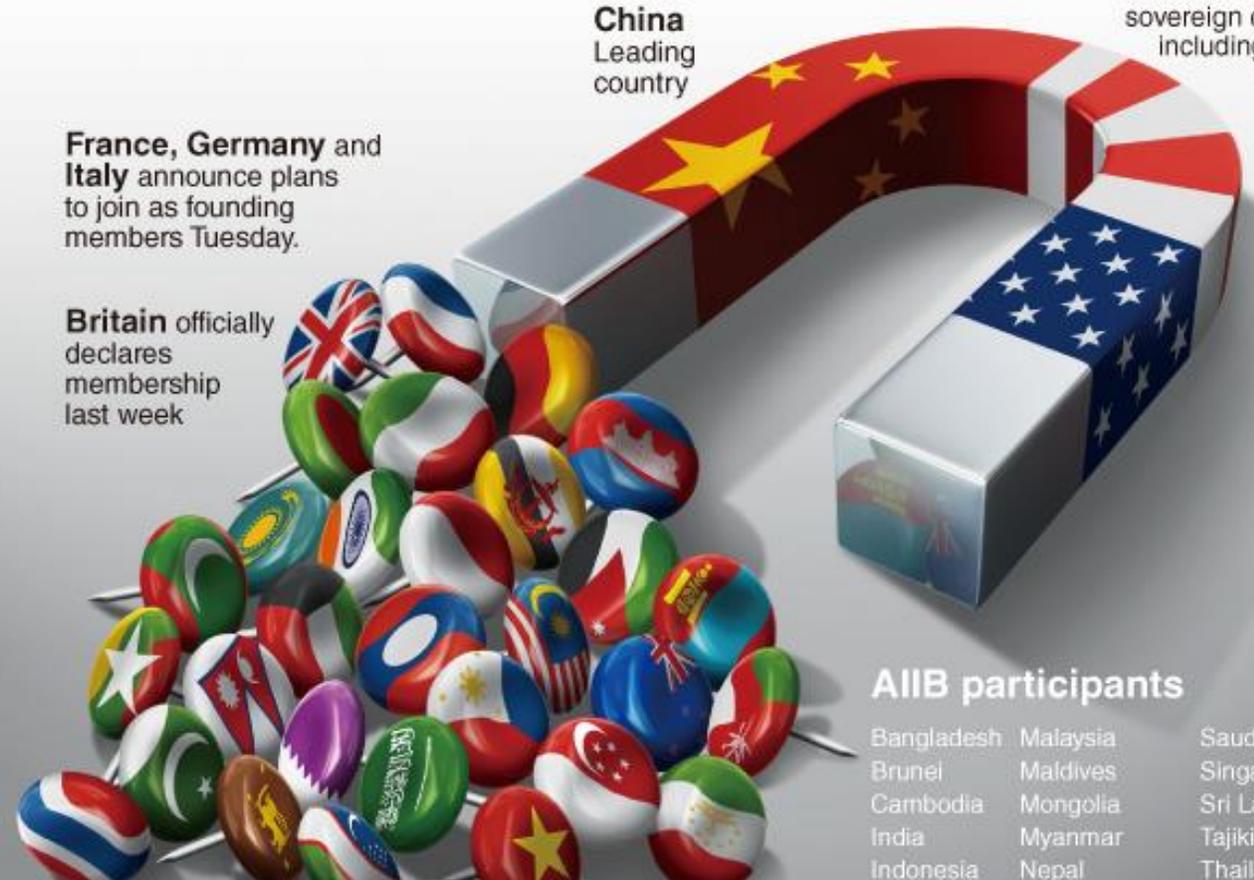
Scheduled to launch in late 2015

China
Leading country

U.S. says
"membership depends on decisions by any sovereign country, including South Korea."

France, Germany and Italy announce plans to join as founding members Tuesday.

Britain officially declares membership last week



AIIIB participants

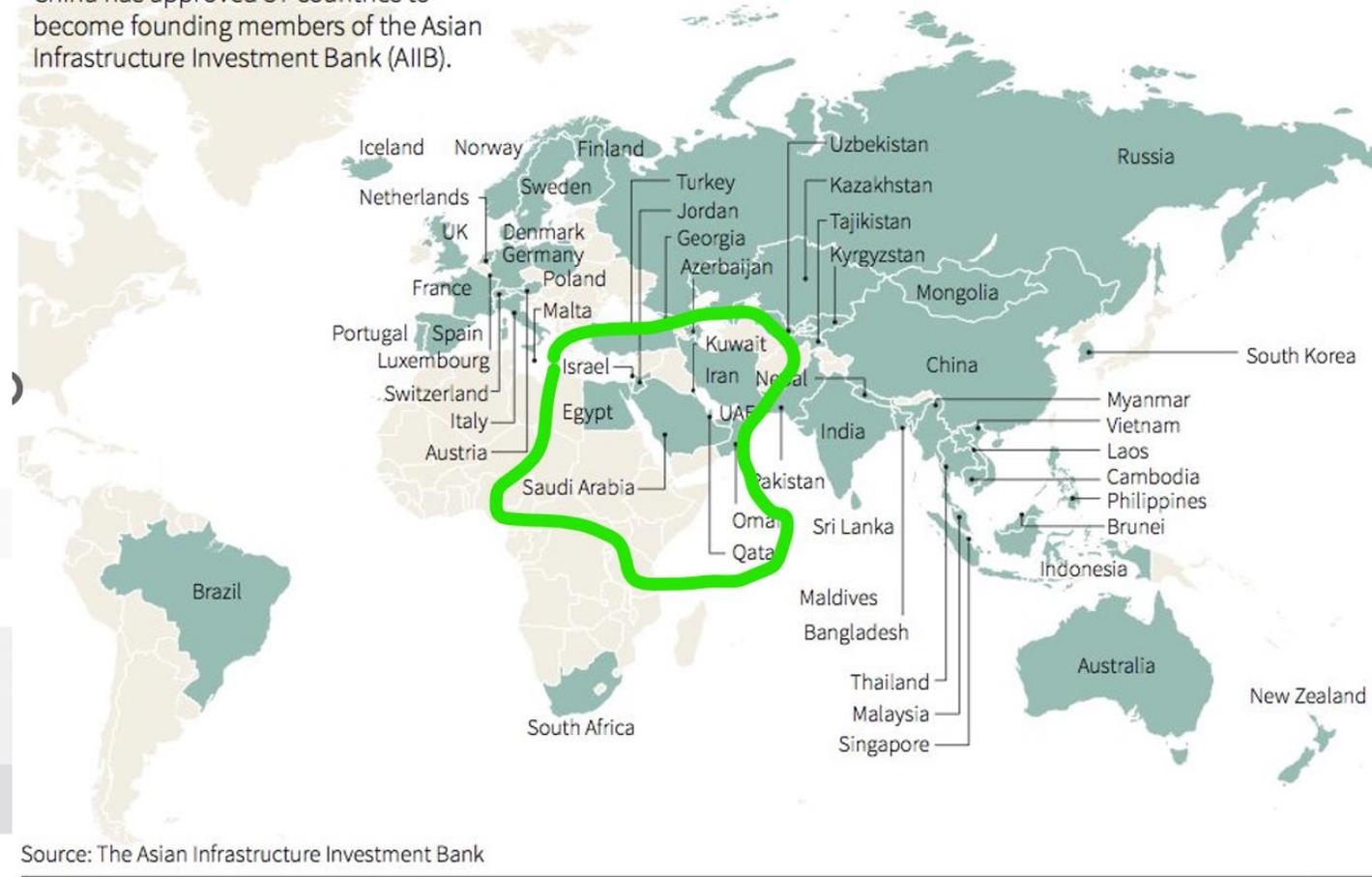
Bangladesh	Malaysia	Saudi Arabia
Brunei	Maldives	Singapore
Cambodia	Mongolia	Sri Lanka
India	Myanmar	Tajikistan
Indonesia	Nepal	Thailand



2015 – AIIB Founding Members (a few from the Middle East)

AIIB founding members

China has approved 57 countries to become founding members of the Asian Infrastructure Investment Bank (AIIB).



Source: The Asian Infrastructure Investment Bank

29 June 2015 – Signing of the Articles of Agreement



AIIB opened its doors (16 January 2016)



Annual Meetings: China (2016); Korea (2017)



The AIIB versus the World Bank (1)

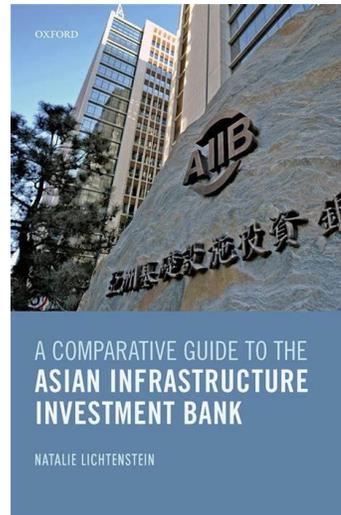


- What are the differences?
- There are more similarities than differences
- I argue that the The AIIB is nested to the World Bank (and the ADB), thus **firmly situated within the existing international financial order**. But China is now further away from the US-led international structure.
- **The US and Japan are not members of the AIIB.**

The AIIB versus the World Bank (2)



- **AIIB architecture designed by former World Bank official: Natalie Lichtenstein.**



- **Bank also led by a former World Bank official: Jin Liqun**
- **Internationally the AIIB is led by Sir Dany Alexander (Lib Dem – UK)**

The AIIB versus the World Bank (3b)



- **All members** are entitled to borrow from the bank (unlike most MDBs where you have non-borrowing and borrowing members).
- **Key for the global South and Beyond**

Article 11 Recipients and Methods of Operation

1. (a) **The Bank may provide or facilitate financing to any member**, or any agency, instrumentality or political subdivision thereof, or any entity or enterprise operating in the territory of a member, as well as to international or regional agencies or entities concerned with economic development of the region.

The AIIB versus the World Bank (3a)



Operational Focus:

- World Bank: Broad, includes infrastructure and education.
- AIIB: Specialized in Asian infrastructure.

Governance:

- AIIB: Streamlined structure, fewer bureaucratic layers for efficiency.
- Claims less conditionality and has a non-resident board to reduce costs.

Project Approval:

- AIIB strives for speed and efficiency with a strong track record in due diligence

AIIB beyond Asia



- **Latin America: There are six members**
- **North America (e.g. Canada)**
- **Africa – 15 full members**
- **Europe – 25 full members**

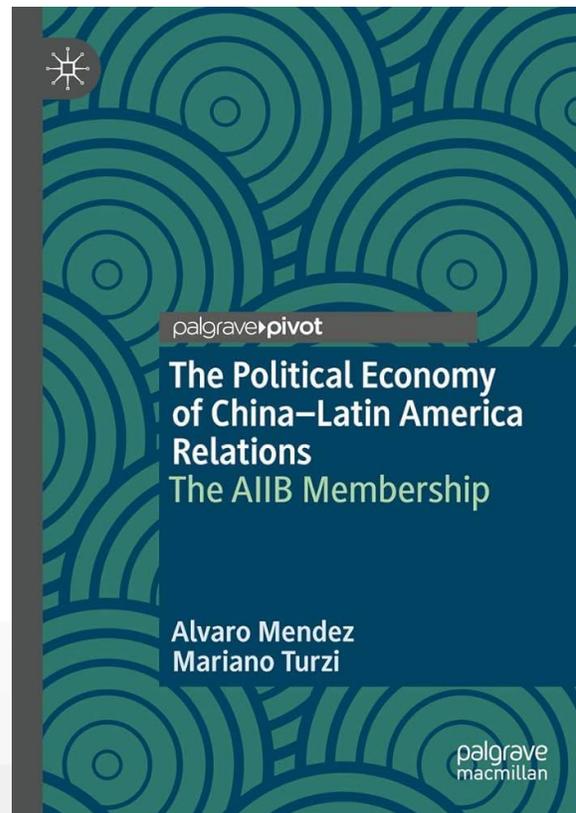
AIIB & the World: Europe



Europe (geographically)

1. **Austria** - 2015: \$500.8 million
2. **Belarus** - 2019: \$64.1 million
3. **Belgium** - 2019: \$284.6 million
4. **Croatia** - 2021: \$5.0 million
5. **Denmark** - 2016: \$369.5 million
6. **Finland** - 2016: \$310.3 million
7. **France** - 2016: \$3,375.6 million
8. **Germany** - 2015: \$4,484.2 million
9. **Greece** - 2019: \$10.0 million
10. **Hungary** - 2017: \$100.0 million
14. **Luxembourg** - 2015: \$69.7 million
15. **Malta** - 2016: \$13.6 million
16. **Netherlands** - 2015: \$1,031.3 mill
17. **Norway** - 2015: \$550.6 million
18. **Poland** - 2016: \$831.8 million
19. **Portugal** - 2017: \$65.0 million
20. **Romania** - 2018: \$153.0 million
21. **Serbia** - 2019: \$5.0 million
22. **Spain** - 2017: \$1,761.5 million
23. **Sweden** - 2016: \$630.0 million
24. **Switzerland** - 2016: \$706.4 million
25. **UK** - 2015: \$3,054.7 million

AIIB in the global South: Latin America



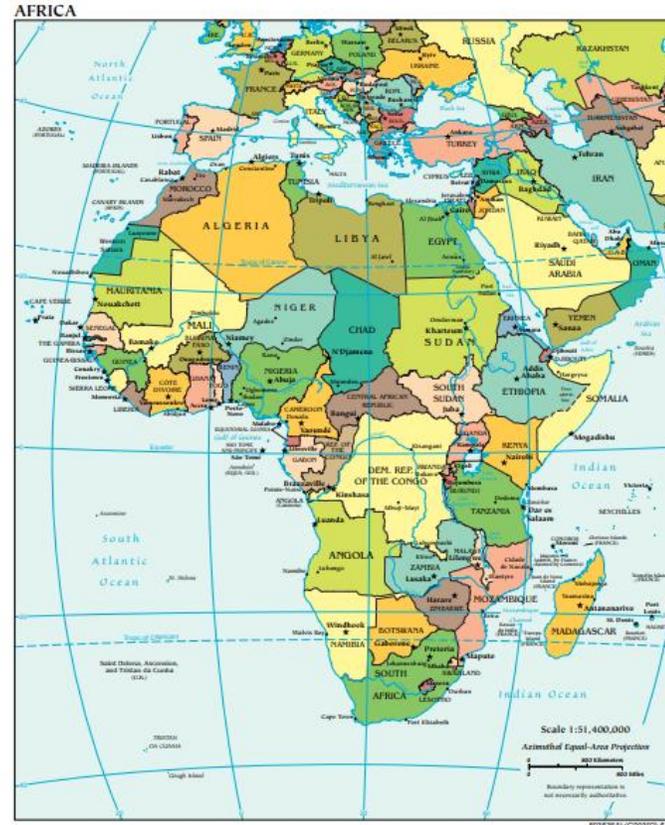
Latin America

1. **Argentina** - 2021: \$5.0 million
2. **Brazil** - 2020: \$5.0 million
3. **Chile** - 2021: \$10.0 million
4. **Ecuador** - 2019: \$5.0 million
5. **Peru** - 2022: \$154.6 million
6. **Uruguay** - 2020: \$5.0 million

North America

1. **Canada** - 2018: \$995.4 million

AIIB in the Global South: Africa



AIIB African Full Members 2024[†]



1. Algeria - 2019: \$5.0 million
2. Benin - 2020: \$5.0 million
3. Côte d'Ivoire - 2020: \$5.0 million
4. Egypt - 2016: \$650.5 million
5. Ethiopia - 2017: \$45.8 million
6. Ghana - 2020: \$5.0 million
7. Guinea - 2019: \$5.0 million
8. Libya - 2023: \$52.6 million
9. Madagascar - 2018: \$5.0 million
10. Morocco - 2022: \$5.0 million
11. Rwanda - 2020: \$5.0 million
12. South Africa - 2023: \$5.0 million
13. Sudan - 2018: \$59.0 million
14. Togo - 2023: \$5.0 million
15. Tunisia - 2022: \$5.0 million

[†] Egypt is non-regional founding member. Three are other “prospective” members like South Africa who has not completed its membership

Egypt (first non-regional country to get a project approved by the AIIB)



APPROVAL YEAR	MEMBER	SECTOR	FINANCING TYPE	PROJECT NAME	FINANCING AMOUNT	STATUS
2023	Egypt	Multi-sector	Sovereign	Egypt: Egypt Sustainable Transport and Digital Infrastructure Guarantee	Approved Financing: USD200 million	Approved
VIEW DETAILS						
2022	Egypt	Transport	Sovereign	Egypt: Alexandria – Abou Qir Metro Line	Approved Financing: EUR250 million	Approved
VIEW DETAILS						
2021	Egypt	CRF- Economic Resilience/PBF	Sovereign	Egypt: Inclusive Growth for Sustainable Recovery DPF Program	Approved Financing: USD360 million	Approved
VIEW DETAILS						
2019	Egypt	Multi-sector	Nonsovereign	Egypt: National Bank of Egypt On-Lending Facility for Infrastructure	Approved Financing: USD150 million	Approved
VIEW DETAILS						
2018	Egypt	Water	Sovereign	Egypt: Sustainable Rural Sanitation Services Program, Phase-2	Approved Financing: USD300 million	Approved
VIEW DETAILS						
2017	Egypt	Energy	Nonsovereign	Egypt: Egypt Round II Solar PV Feed-in Tariffs Program	Approved Financing: USD210 million	Approved
VIEW DETAILS						

2023 Annual Meeting (Egypt)



Inauguration of AIIB's UAE Office “AIIB Abu Dhabi Hub”



- One of the key milestones in AIIB’s short history is the inauguration of its first overseas office in the United Arab Emirates (UAE).
- This office strategically positions AIIB as a hub connecting the bank with Europe, Middle East and Africa.

Abu Dhabi Hub (19 September 2023)



Challenges and Future Prospects



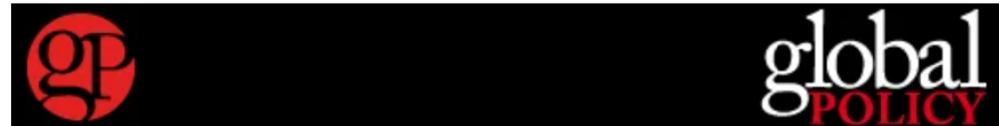
- ✓ US (and Japan) likely to continue opposing the Bank (at least publicly).
- ✓ The Abu Dhabi hub likely to serve as a bridge between the AIIB outside Asia
- ✓ The hub will facilitate more loans in the region too (some projects in the pipeline – Oman).
- ✓ Wealthy members like Saudi Arabia and UAE likely to access funds too.
- ✓ Infrastructure key to peace-building – officials at the AIIB acknowledge this in private (particularly EU officials).

Global Policy Special Issue on the AIIB (2019-2020 – top articles to date)



Special Section I

The AIIB in Global Perspective: Early Development, Innovation and Future Agenda Edited by Gregory T. Chin, Giuseppe Gabusi, Carla P. Freeman, Giovanni B. Andornino *This special section is dedicated to Robert W. Cox, who inspired generations of scholars.*



Special Section Article

Latin America and the AIIB: Interests and Viewpoints

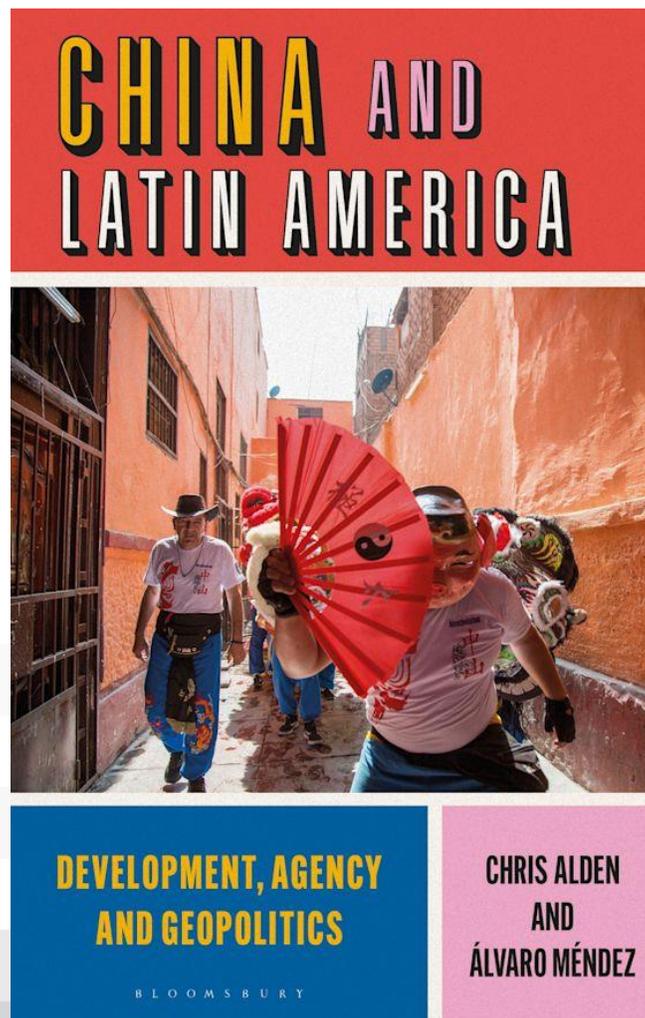
Alvaro Mendez

First published: 13 September 2019 | <https://doi.org/10.1111/1758-5899.12733> |

Citations: 9



China's Economic & Geopolitical Stacraft: the case of Latin America



Latin American Countries



1. Antigua and Barbuda
2. Argentina
3. Bahamas
4. Barbados
5. **Belize**
6. Bolivia
7. Brazil
8. Chile
9. Colombia
10. Costa Rica
11. Cuba
13. Dominican Republic
14. Ecuador
15. El Salvador
16. Grenada
17. **Guatemala**
18. Guyana
19. **Haiti**
20. Honduras
21. Jamaica
22. Mexico
25. **Paraguay**
26. Peru
27. **Saint Lucia**
28. **St. Kitts and Nevis**
29. **St. Vincent & the Grenadines**
30. Suriname
31. Trinidad and Tobago
32. Uruguay
33. Venezuela

POOR MEXICO, SO FAR FROM GOD AND SO CLOSE TO THE UNITED STATES.

- PORFIRIO DIAZ -

+ - 1824

LIBQUOTES.COM



Poor Latin America, so far from God, the rest and so close to China.

Alvaro Mendez 2024

Early Cultural Diplomacy

Asia and the Pacific Regional Peace Conference (1952)



Diplomatic History (1)

Asia and the Pacific Regional Peace Conference (1952) in Beijing

12 countries from the region sent 110 delegates to the conference.

Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Peru.

Early example of cultural diplomacy

Cultural Delegations – 1950s



- During the 1949-1960s period a high percentage of the Latin American visitors to China came in so-called *cultural delegations*.
- Teachers, physicians, lawyers, journalists, and other professionals were of particular interest to the Chinese because of the great influence they had in their countries.
- Senator **Salvador Allende** (later President) led a ten-man delegation from Chile in 1954 (professors, doctors, & lawyers).
- **Jacobo Arbenz** is said to have been in China a year or so after his overthrow in Guatemala (around 1955).

Diplomatic History (2)

1954: Chinese People's Association for Friendship is created

Beijing hesitant about LAC: Geography & Politics

VP Nixon in Peru in 1958

1960: China-Latin America and the Caribbean Friendship Association is created.

DECATUR HERALD
 NIXON STONED IN PERU; REDS BLAMED

Students Jeer, Spit at U.S. Vice President

Trains Ordered From School At Little Rock

Train Wreck in Brazil Kills More Than 140

Rock Grazes Neck of Vice-President as He Defies Communists

Peruvians Apologize for Attacks on Nixon

Embarrassed Amends Made Vice-President as He Turns Other Check After Assault

Water Traps 22 Miners in West Virginia

AIRCRAFT DISPUTE PEACE HOPE RISES

Industry Granted Respite From Union Strike Action as New Talks Arranged

BY HOWARD KENNEDY, Times Labor Editor

An uneasy and tentative truce yesterday gave the Southern California aircraft and missile industry an indeterminate respite from union strike action and raised hopes that renewed negotiations can bring permanent labor peace to the nation's vital defense plants.

Federal Minister Henry Kissinger said today that the industry and the union have agreed to a 90-day truce. Kissinger said the industry has agreed to a 90-day truce. Kissinger said the industry has agreed to a 90-day truce.

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TIMES' OWN STORY OF NIXON RIOT

Los Angeles Times 9 A.M. FINAL

FRIDAY MORNING, MAY 9, 1958

RED-GOADED PERU MOB STONES NIXON



UNDER FIRE—Hooping students surge toward Vice-President Nixon as he is thrown in the air by one of them.

Rock Grazes Neck of Vice-President as He Defies Communists

BY ROBERT F. HARTMANN
 Times Washington Bureau Chief

LIMA, May 8—Vice-President Nixon today twice walked through a shower of stones and saliva into a hysterical mob of Communist-led university students as the atmosphere of violence in this Peruvian capital reached the explosive point.

Nixon was spit upon and one stone grazed his neck. Another broke the tooth of John Sturwood, his chief Secret Service guard. But otherwise, no injuries were reported by Americans, although U.S. newsmen were lashed and cuffed by frenzied demonstrators shouting "Papa Nixon! Go away Nixon!"

"To be glad to but don't you want the truth first?" he shouted. He was being demonstrated at the gate to San Marcos University. Nixon stood up in an open car shaking his fist in the air and defying the mob with shouts of "All right, you coward!"

Compared and ungrateful after a 15-minute jostling by the student mob, Nixon became livid when he learned Lima police stood passively by while demonstrators tore the American flag from a front porch he had placed at the state of San Martin, Peru's liberator, before a silver, nylon crowd of onlookers.

After the flag incident and the second mob attack on Nixon, steel-helmeted soldiers dressed into the Plaza San Martin and quickly drove the students back with warning clubs.

Crack news scope stood by at the outset of the ungrateful melee with guns and tear gas ready.

Flood with the elements of backing off from the first rough stuff of the Red challenge during his good-bye tour of South America or this country's red, Nixon lost his flimsy second will the last moment.

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140 Believed Dead in Crash of Brazil Trains

Two crashed electric Southern California street and missile industry in its commuter trains crashed together tonight in a rain night. The electrical, mechanical and structural damage was so severe that the wreckage was being removed by heavy machinery.

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COUNTY AID APPLICATIONS DROP 15%

County relief applications dropped 15 percent in the month of April, according to the Bureau of Public Assistance.

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Peruvians Apologize for Attacks on Nixon

Embarrassed Amends Made Vice-President as He Turns Other Check After Assault

BY A Times Representative

LIMA, May 8—Mortified Peruvians attempted to make embarrassed amends to Vice-President Nixon this afternoon for incidents in which the American flag was desecrated and Nixon was stoned and spat upon.

"Turning the other cheek," the American minister Nixon said, "is an 'I'm in the American' character trait." He said he would not be the first to strike back.

But in a recent press conference at which the minister discussed the attack on Nixon, he said that he was not a pacifist and that he would not be the first to strike back.

Water Traps 22 Miners in West Virginia

Twenty-two miners were trapped in a mine shaft in West Virginia when a rock fall blocked the entrance.

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Nasser on Tour

Gamal Abdel Nasser is on a tour of the Middle East, visiting several countries.

GAMAL ABDEL NASSER, Egyptian Premier, is on a tour of the Middle East, visiting several countries.

THE WEATHER

Forecast for the next few days: Partly cloudy with light winds.

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HOVER HONORED BY BOYS CLUBS

Charles H. Hoover, former U.S. Ambassador to Russia, was honored by the Boys Clubs.

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LAST-MINUTE NEWS

Summary of news items from the past 24 hours.

Summary of news items from the past 24 hours.

EX-AMBASSADOR DAVIES DIES

Joseph P. Davies, former U.S. Ambassador to Russia, died at home early today.

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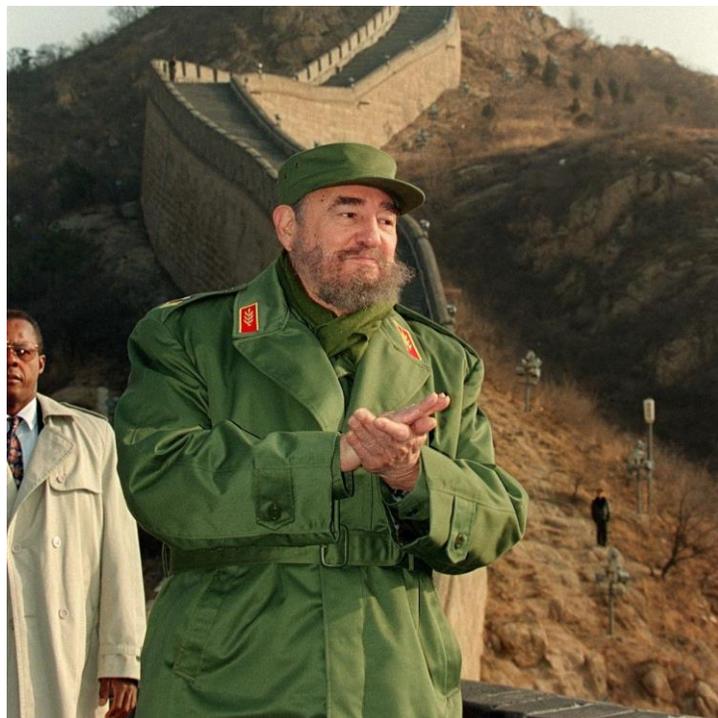
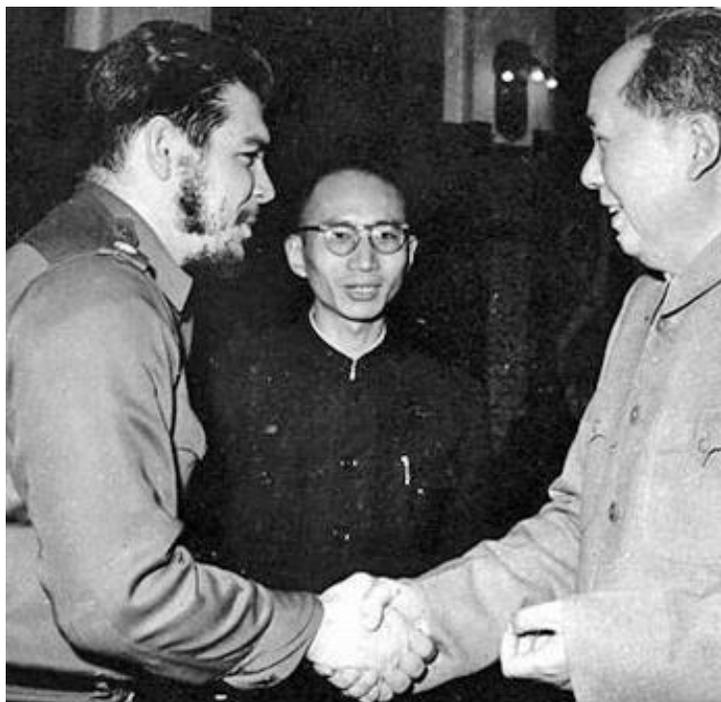
China, Latin America & the Cold War



- Cuba established diplomatic relations with China on 28 September 1960.
- Cooperation between Havana and Beijing diminished drastically during the Sino-Soviet split in the 1960s.
- Ties with China were never broken but the engagement was minimized.

Cuba was the first country in LAC to establish diplomatic ties with the PRC (28 September 1960)





Cuba & China

UN Recognition

- On 25 October 1971, a large number of states voted to expel Taipei and seat Beijing at the UN.
- Seven of those countries were from Latin America: Cuba, Chile, Peru, Ecuador, Guyana, Mexico and Trinidad and Tobago.



LAC Countries Votes for UN *Resolution 2758* in favour of seating the PRC at the UN in 1971

Votes in Favour (7 of 76)	Votes Against (12 of 35)	Abstained (5 of 17)
Chile	El Salvador	Argentina
Cuba	Bolivia	Barbados
Ecuador	Brazil	Colombia
Guyana	Costa Rica	Jamaica
Mexico	Dominican Republic	Panama
Peru	Guatemala	
Trinidad and Tobago	Haiti	
	Honduras	
	Nicaragua	
	Paraguay	
	Uruguay	
	Venezuela	

Source: Mendez (2020)

Egypt voted in favour

Incredible footage from 25 October 1971

3 parts (1) US pushing a two China Policy; (2) Draft resolution by Taipei to prevent consider PRC's membership (3) PRC's Membership



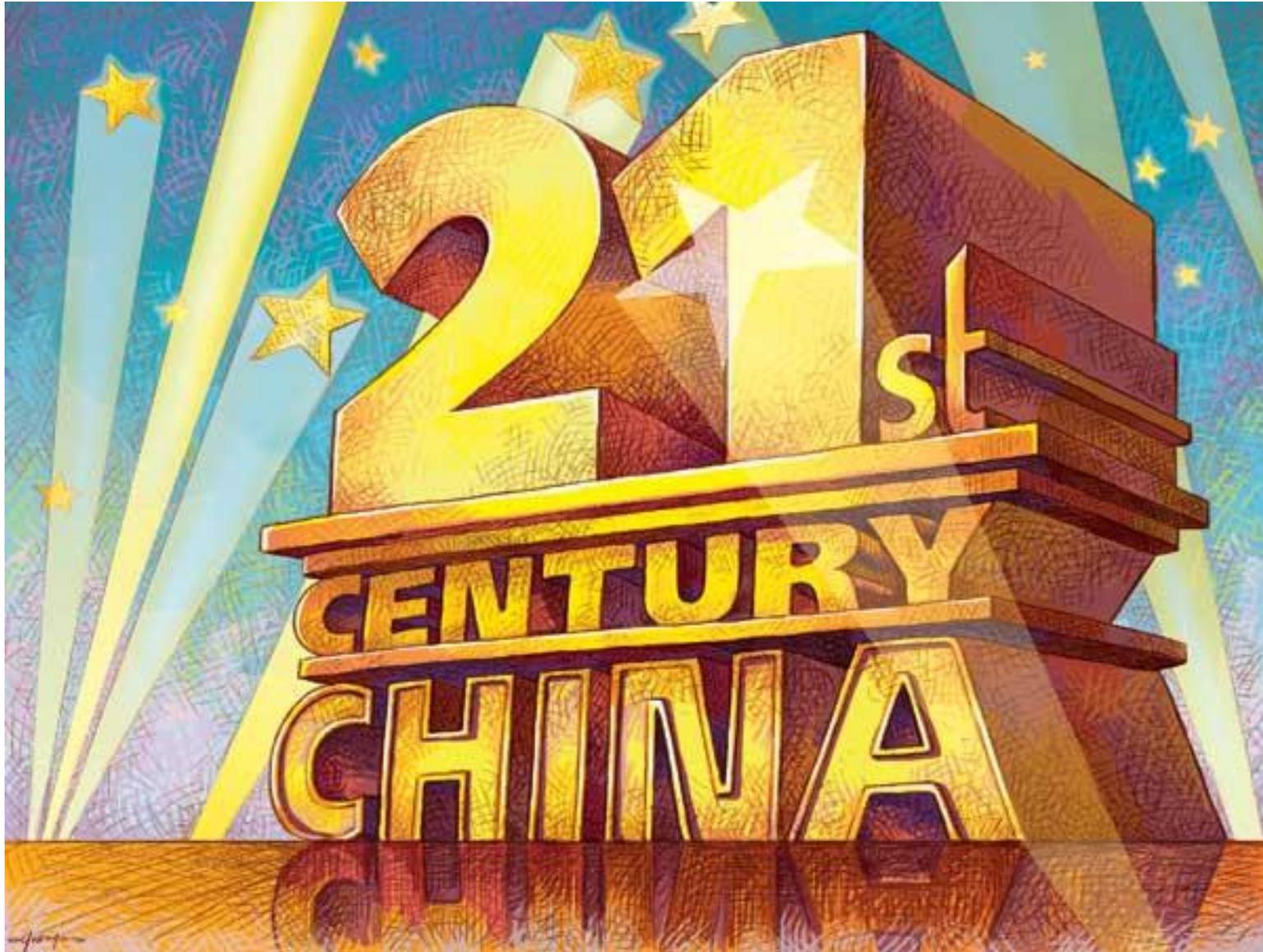
1. Cuba	Fidel Castro	Mao Zedong	28 September 1960
2. Chile	Salvador Allende	Mao Zedong	15 December 1970
3. Peru	Juan Velasco	Mao Zedong	02 November 1971
4. Mexico	Luis Echeverría	Mao Zedong	14 February 1972
5. Argentina	Alejandro Agustín Lanusse	Mao Zedong	19 February 1972
6. Guyana	Linden Forbes Burnham	Mao Zedong	27 June 1972
7. Jamaica	Michael Manley	Mao Zedong	21 November 1972
8. Trinidad and Tobago	Eric Eustace Williams	Mao Zedong	20 June 1974
9. Venezuela	Carlos Andrés Pérez	Mao Zedong	28 June 1974
10. Brazil	Ernesto Geisel	Mao Zedong	15 August 1974
11. Suriname	Johan Ferrier	Mao Zedong	28 May 1976
12. Barbados	Jon Michael Geoffrey	Hua Guofeng	30 May 1977
13. Ecuador	Jaime Roldós Aguilera	Hua Guofeng	02 January 1980
14. Colombia	Julio César Turbay Ayala	Hua Guofeng	07 February 1980
15. Antigua and Barbuda	Vere Bird	Hu Yaobang	01 January 1983
16. Bolivia	Hernán Siles Zuazo	Hu Yaobang	09 July 1985
17. Grenada	Herbert Bleize	Hu Yaobang	01 October 1985 ¹
18. Uruguay	Julio María Sanguinetti	Zhao Ziyang	03 February 1988
19. Bahamas	Hubert Ingraham	Jiang Zemin	23 May 1997
20. Dominica	Roosevelt Skerrit	Hu Jintao	23 March 2004
21. Costa Rica	Óscar Arias	Hu Jintao	01 June 2007
22. Panama	Juan Carlos Varela	Xi Jinping	12 June 2017
23. Dominican Republic	Danilo Medina	Xi Jinping	01 May 2018
24. El Salvador	Salvador Sánchez Cerén	Xi Jinping	21 August 2018
25. Nicaragua	Daniel Ortega	Xi Jinping	10 December 2021
26. Honduras	Xiomara Castro	Xi Jinping	26 March 2023

PRC Diplomatic Relations with LAC

26 Countries

1960-2023

US did not establish ties with the PRC
officially until 1979



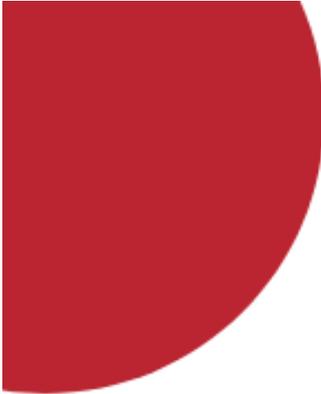


ACCESSION TO THE WTO

10 Nov. 2001



The accession of China to the WTO in 2001 facilitated trade with the region when it was combined and enhanced by adoption of the strategic Go Out policy in 2001, as part of China's five year development plan.

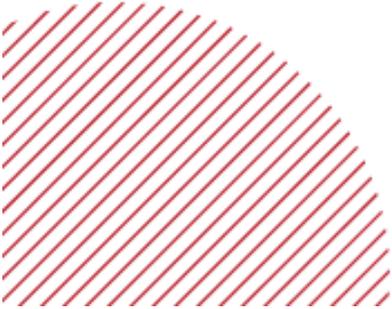


US\$12 BILLION IN 2000



**In 2018 the total volume of
Chinese - Latin American
trade was 25.5 times larger
than it was in 2000**

US\$306 BILLION IN 2018
(CRS, 2019)

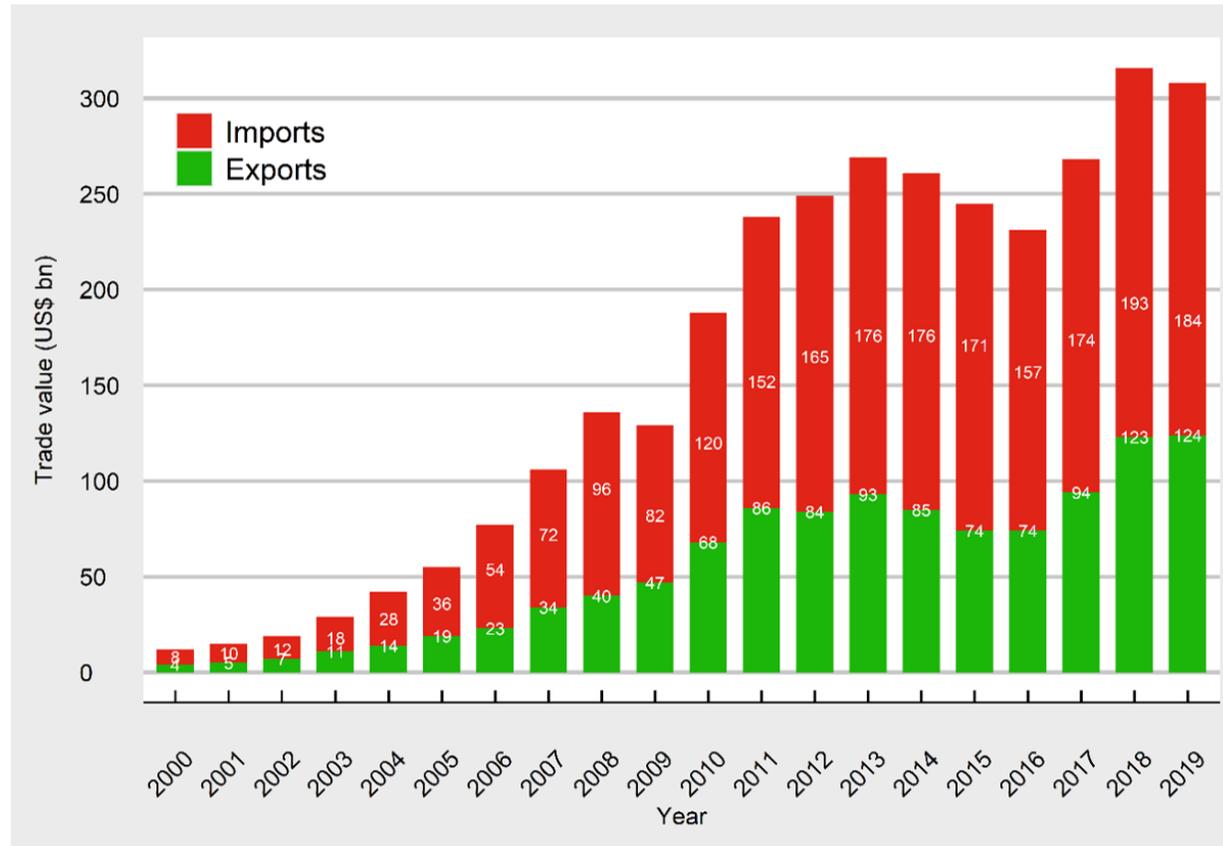


Imports, Exports and Total trade between LAC and China

Year	Imports (US\$ bn)	Exports (US\$ bn)	Total trade (US\$ bn)
2000	8.31	3.86	12.17
2001	10.29	5.28	15.57
2002	12.40	6.51	18.91
2003	17.95	11.25	29.20
2004	27.72	14.33	42.05
2005	36.34	19.13	55.47
2006	54.40	23.14	77.54
2007	71.79	33.82	105.61
2008	96.00	39.55	135.55
2009	81.62	46.84	128.46
2010	120.34	67.81	188.15
2011	152.25	86.34	238.59
2012	165.27	83.80	249.07
2013	175.68	92.91	268.59
2014	175.59	85.06	260.65
2015	170.64	74.49	245.13
2016	157.20	74.38	231.58
2017	173.88	94.22	268.10
2018	193.11	122.52	315.63
2019	184.20	123.74	307.94

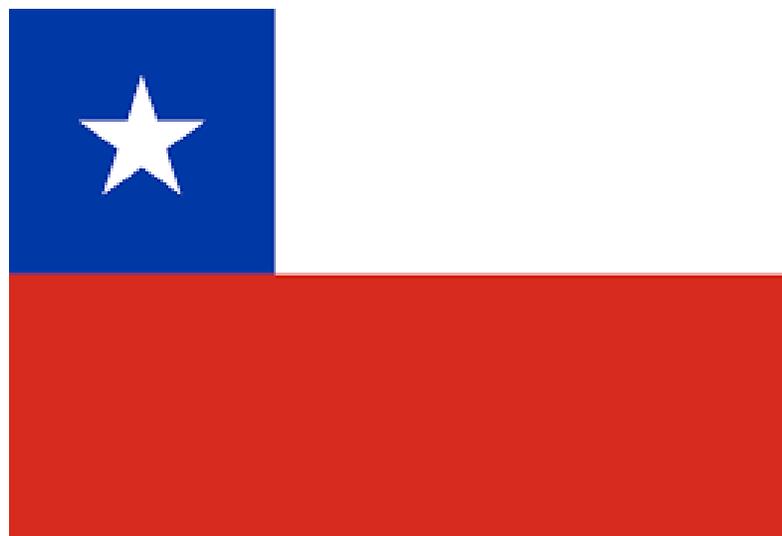
Source: Adapted by Authors from World Bank Data (<https://wits.worldbank.org/>)

Bar Chart - Trade between LAC and China 2000-2019



Source: Adapted by Authors from World Bank Data (<https://wits.worldbank.org/>)

China is already
the main trading
partner of
Uruguay, Brazil,
Peru and Chile



**China is now the LARGEST
Trading partner of South America**

**The US still the largest trading
Partner of the region as a whole**

ETA

CHINA - LATIN AMERICA

CHILE

Signed in November 2005 by Ricardo Lagos, entered into force in October 2006.

In 2017 Chile and China agreed to upgrade their FTA.

The upgrade came into force on 1 March 2019. This is only China's second FTA upgrading agreement after the China-ASEAN FTA

PERU

Signed on April 28, 2009 by Alan Garcia, entered into force in March 2010.

On 22 November 2016, Peru and China signed a Memorandum of Understanding for the Optimization of the Peru-China FTA.

Peru & China are negotiating an upgrade of their FTA, but Lima has not been very clear with what it wants (due to domestic problems).

COSTA RICA

Signed in April 2010 by Oscar Arias, entered into force on August 1, 2011.

For China, goods trade covers products from textile industry, light industry, machinery, electronics, vegetables and fruits, automobiles, chemicals, and leather.

For Costa Rica, it covers coffee, beef, pork, pineapple juice, frozen orange juice, jam, fish powder, minerals and hides.

China – Ecuador FTA 2023 (Signed, but not ratified)

Ecuador's New Free Trade Pact With China Provokes Lots of Excitement and Even More Questions

  [Economy](#) [South America](#) [Trade](#) May 19, 2023 by LSE IDEAS [Share](#)



The signing ceremony in Quito of Ecuador's new free trade agreement with China on May 12, 2023. Image via @Produccion_Ecu.

By Chris Alden and Alvaro Mendez

China – Nicaragua FTA (just signed in Sep 2023)



China, Nicaragua sign FTA, demonstrating resolve to deepen economic integration

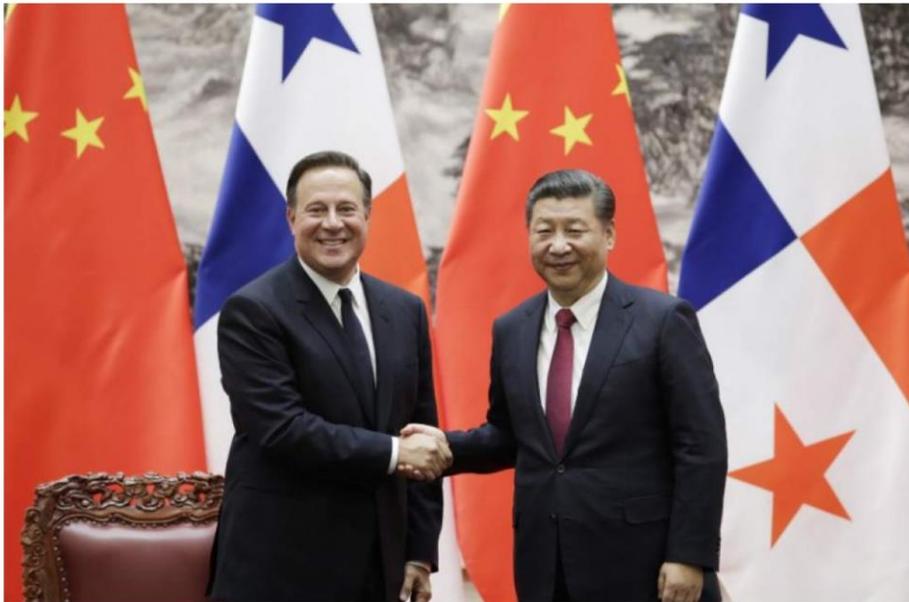
By Global Times

Published: Aug 31, 2023 12:52 PM



New FTAs with China in the horizon?

Panama- China FTA
5 Rounds of negotiations, but things
stalled in 2019, the door still open



Economy 09-07-2018

China and Panama begin negotiation
rounds for the FTA

China – Uruguay FTA
Ongoing negotiations but
challenging due to
Mercosur.



Xi Jinping in Latin America (LAC): 2013-2023

Visits by Chinese President Xi Jinping to Latin America (2013-2019)

Date	Countries Visited
June 2013	Trinidad and Tobago, Costa Rica & México
July 2014	Brazil, Argentina, Venezuela & Cuba
November 2016	Ecuador, Perú & Chile
December 2018	Argentina & Panama
November 2019	Brazil

Source: Mendez (2020)

After 10 years in office, Xi Jinping has visited 11 countries (Brazil & Argentina twice). He has not been to the region since 2019, but is planning to visit again in 2024.

This is more than President Obama, Trump, and Biden combined in 14 years.

Geopolitics

Taiwan in LAC is one of the geopolitical dimensions of the relationship of the region with China.

This is significant because Taiwan is only recognized by 12 countries around the world, more than 50% in LAC (7 in total).

Washington has tried to stop more countries switching diplomatic ties from Taipei to Beijing, but this has been rejected.

Taiwan and Lating America



▼ East Asia and Pacific

 Marshall Islands	 Republic of Nauru
 Palau	 Tuvalu

▼ Africa

 Eswatini
--

▼ Europe

 Holy See
--

7 of the 13 are from LAC

▼ Latin America and Caribbean

 Belize	 Republic of Guatemala	 Haiti
 Republic of Honduras	 Paraguay	 Federation of Saint Christopher and Nevis
 St. Lucia	 Saint Vincent and the Grenadines	

Taiwan's critical battle to keep its diplomatic allies from switching sides



▼ Latin America and Caribbean

 Belize	 Republic of Guatemala	 Haiti
 Republic of Honduras	 Paraguay	 Federation of Saint Christopher and Nevis
 St. Lucia	 Saint Vincent and the Grenadines	

Maybe Paraguay?

➔ Presidential Elections on 30 April 2023 – candidates have different views on Taiwan

BRI & LAC

LAC Countries endorsing the BRI as of July 2023

LAC Country	Endorsement Date
1. Panama	17 November 2017
2. Trinidad & Tobago	15 May 2018
3. Antigua & Barbuda	6 June 2018
4. Bolivia	19 June 2018
5. Dominica	13 July 2018
6. Guyana	27 July 2018
7. Uruguay	20 August 2018
8. Costa Rica	3 September 2018
9. Venezuela	14 September 2018
10. Grenada	21 September 2018
11. Suriname	23 September 2018
12. El Salvador	01 November 2018
13. Chile	02 November 2018
14. Dominican Republic	02 November 2018
15. Cuba	09 November 2018
16. Ecuador	14 December 2018
17. Barbados	26 February 2019
18. Jamaica	15 April 2019
19. Peru	26 April 2019
20. Nicaragua	12 January 2022
21. Argentina	6 February 2022
22. Honduras	13 June 2023

Source: Authors' table from multiple sources.

Four countries who have not endorsed the BRI as of 23 October 2023



1. Brazil (Xi wanted, but Lula did not do it)
2. Mexico (not likely – due to US).
3. Colombia (Maybe?)
4. The Bahamas (not sure)

Plus of course the **seven** countries that do not have diplomatic ties with the PRC.

Why is France thinking about China in LAC?



NOTE D'ANALYSE

ÉTAT DES LIEUX DE LA PRÉSENCE CHINOISE EN AMÉRIQUE LATINE ET CARAIBES

Février 2024

Professor Alvaro Mendez, London School of Economics

Mr. Gaspard Estrada



**MINISTÈRE
DES ARMÉES**

*Liberté
Égalité
Fraternité*

What is the largest country bordering France?



French Guiana (Part of France)





La France des Outre-Mer

- www.facebook.com/senat.fr
- www.youtube.com/Senat_Direct
www.twitter.com/Senat_SfS
- www.dailymotion.com/Senat

Départements et régions d'outre-mer

Collectivités d'outre-mer

Nouvelle-Calédonie

Terres australes et antarctiques françaises



Why is France thinking about China in Latin America?



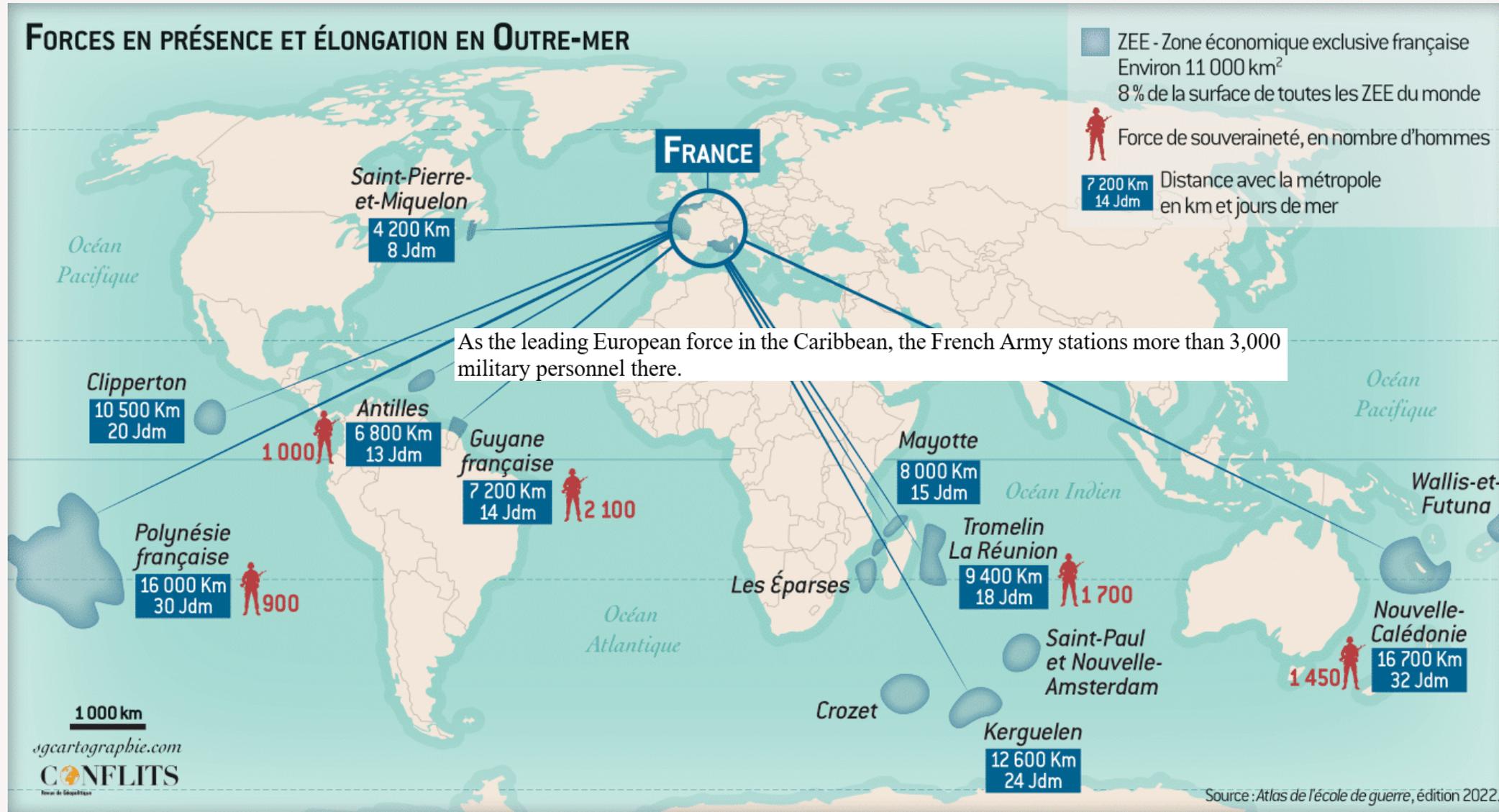
China has sold millions of dollars in military equipment to diplomatic allies in LAC. This includes military aircraft, ground vehicles, air defence systems, and small arms sold to countries like Venezuela, Ecuador, and Bolivia.

Countries in CAC like Cuba have also strengthened military ties with the PRC by welcoming the People's Liberation Army Navy on several port visits.

The Dominican Republic abandoned Taiwan in 2018 and now has strong ties with China. It is likely that Haiti will abandon Taiwan also in the not so distant future.

The proximity of Haiti (and the DR as well) to French overseas departments like Guadeloupe and Martinique – and French Guiana in South America – is very relevant for France.

As the leading European force in the Caribbean, the France stations more than 3,000 military personnel there.



Scenario 1 (short term):

The One-China Policy is achieved throughout LAC † *



† Hypothetical scenario

* The one-China Policy as seen by Beijing

Scenario 2 (medium/long term): The PRC becomes a major political and security actor in LAC †



† Hypothetical Scenario, but it is already happening in some respects.
Defence cooperation, space agreements, surveillance



Scenario 3 (disruptive): LAC becomes a theatre of operations in a global confrontation between Washington and Beijing †

† Hypothetical Scenario



**ANY
QUESTIONS?**

Please note that the UZBEKISTAN and
TURKMENISTAN WERE NOT COVERED IN
THE LECTURES.

Egypt

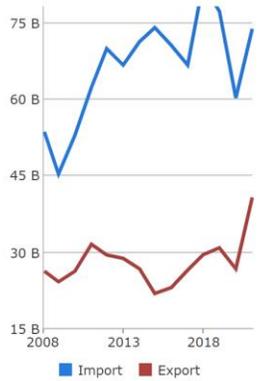


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At a Glance | Summary | Partner | Product Group | Country



Exports	Imports
Exports (in US\$ Mil): 40,702	Imports (in US\$ Mil): 73,781
No. Of products: 2,989	No. Of products: 4,060
No. Of partners: 176	No. Of partners: 179

Exports (US\$ thousand)	Imports (US\$ thousand)
Petroleum oils, etc, ...: 6,030,910.77	Petroleum oils, etc, ...: 3,805,966.07
Natural gas, liquefi ...: 3,917,289.74	Petroleum oils and o ...: 3,728,828.94
Petroleum oils and o ...: 2,916,217.83	Durum wheat: 2,463,551.00
Gold in unwrought fo ...: 1,080,555.00	Maize (excl. seed): 2,410,682.87
Urea: 1,078,607.98	Other medicaments of ...: 2,260,269.60

TOP 5 EXPORT AND IMPORT PARTNERS

Market	Trade (US\$ Mil)	Partner share(%)
Unspecified	2,715	6.67
Turkey	2,647	6.50
Italy	2,580	6.34
India	2,327	5.72
United States	2,159	5.30

Exporter	Trade (US\$ Mil)	Partner share(%)
China	10,010	13.57
Unspecified	7,628	10.34
Saudi Arabia	6,251	8.47
United States	5,105	6.92
Germany	3,297	4.47

EXPORTS AND IMPORTS OF PRODUCT GROUPS

Product Categories	Exports		Imports		
	Export(US\$ Mil)	Product share(%)	Import(US\$ Mil)	Prod share(%)	Weighted Average (%)
Raw materials	6,619	16.26	18,123	24.56	...



China, 53 African countries that have established diplomatic relations with China and the Commission of the African Union. The 54 African members are:

Algeria	Angola	Benin	Botswana	Burkina Faso
Burundi	Cabo Verde	Cameroon	Central Africa	Chad
Comoros	Congo	Cote d'Ivoire	Congo(Kinshasa)	Djibouti
Egypt	Equatorial Guinea	Eritrea	Ethiopia	Gabon
Gambia	Ghana	Guinea	Guinea-Bissau	Kenya
Lesotho	Liberia	Libya	Madagascar	Malawi
Mali	Mauritania	Mauritius	Morocco	Mozambique
Namibia	Niger	Nigeria	Rwanda	Sao Tome and Principe
Senegal	Seychelles	Sierra Leone	Somalia	South Africa
South Sudan	Sudan	Tanzania	Togo	Tunisia
Uganda	Zambia	Zimbabwe	The Commission of the African Union	