

The Panda Hugs the Tucano: China's Relations with Brazil

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- ❖ One of the best models of South-South cooperation:
- ❖ More than one hundred million dollars of trade everyday;
- ❖ Cooperation in almost all the fields (politics, judiciary and legal affairs, agriculture, high-tech, space, financial and fiscal sectors, energy, culture, sports, military, etc.)



- ❖ There is no “best”, only “better”.
- ❖ How to further promote the China-Brazil relations? What are the problems?



1. Trade frictions

- ❖ Even though China was granted so-called "market economy status" in November 2004, Brazil continues to levy anti-dumping tariffs against China.
- ❖ In October 2005, President Lula signed an order that allowed the government to restrict imports of Chinese products by imposing temporary safeguards until 2013.



- ❖ Roberto Giannetti da Fonseca, head of trade issues at the Industrial Federation of the State of São Paulo, said that China is “not a strategic partner,” and it merely “wants to buy raw materials with no value added and to export consumer goods” (*The Economist*, August 4, 2005).



2. Lack of direct investment

- ❖ Not much Brazilian investment in China.
- ❖ Brazil also wishes more direct investment from China, saying that its promises are “lots of smoke and little fire”.
- ❖ Why not more direct investment going from China to Brazil?
- ❖ On the Brazilian side, it needs to improve its investment environment.



On the Chinese side, it needs to:

- Take more actions to implement the “going global” strategy;
- Offer more incentives to the investors;
- Take more social responsibility;
- Change the conditions of the domestic market so that chemicals and water won't be made to become milk.

For both China and Brazil



- ❖ Exchanges of market information should be facilitated.
- ❖ Better understanding of each other's strategic importance is urgently needed.
- ❖ Problems related to geographical distance, language barriers and cultural differences need to be tackled.





3. UN reforms

- ❖ China supports Brazil, the largest country in Latin America, to play a more important role in the UN reform process.
- ❖ The UN reform should give priority to increasing representatives from developing countries, in line with the principle of balancing the geographical distribution.



The future

- ❖ Brazil is the country of the future.
- ❖ Relations between China and Brazil will continue to be the model of South-South cooperation of the future.
- ❖ According to the *Joint Communiqué Between China and Brazil on Further Strengthening China-Brazil Strategic Partnership* (Beijing, 19 May 2009), there will be 12 areas of actions:



1. The China-Brazil High-Level Coordination and Cooperation Committee (COSBAN) will be given a more important role.
2. More high-level exchanges will be carried out through bilateral exchange mechanisms in the foreign ministries and legislatures.



3. Customs cooperation will be deepened.
4. Quality control cooperation including animal and plant quarantine and inspection will be emphasized.
5. Two-way investment will be encouraged in such areas as infrastructure, energy, mining, agriculture, and industry.



6. Bilateral financial cooperation and dialogue on monetary policy will be intensified.
7. In the next five years a work plan on science and technology and innovative will be carried out.



8. Space cooperation will be further promoted.
9. Closer cooperation in areas such as education, culture, media, tourism and sports will be promoted.



10. Mutual understanding will be strengthened through exchanges between their academic, cultural, media and sports communities.
11. Cooperation in multilateral affairs will be reinforced.
12. A Joint Action Plan (2010-2014) covering the whole spectrum of bilateral cooperation will be designed.



Easier said than done?

- ❖ Both governments need to take more determined actions.
- ❖ Macao might be able to play a certain role.
- ❖ BRIC summit helps the top leadership of China and Brazil to coordinate their position on major international issues and gain a better understanding of each other.

Thank you

