



Brasil

China

Índia

2ª CONFERÊNCIA INTERNACIONAL
17 E 18 DE ABRIL DE 2007 – SÃO PAULO

DESAFIOS EMERGENTES

a ascensão econômica de
China e Índia e seus
efeitos para o **Brasil**

China
Índia

Brasil



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Asia Pacific Foundation of Canada

China as a Global Competitor

Emerging Challenges: China, India & Brazil

Brazil-China Business Council 2nd International Conference
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Sao Paulo, Brazil

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OVERVIEW

I. Rise of the Dragon

II. Dragon's Global Reach

III. Dealing with the Dragon



I. Rise of the Dragon

1. China's growth story
2. New challenges
3. China as a complexity



I. Rise of the Dragon

1. China's growth story

1) The re-orientation of state

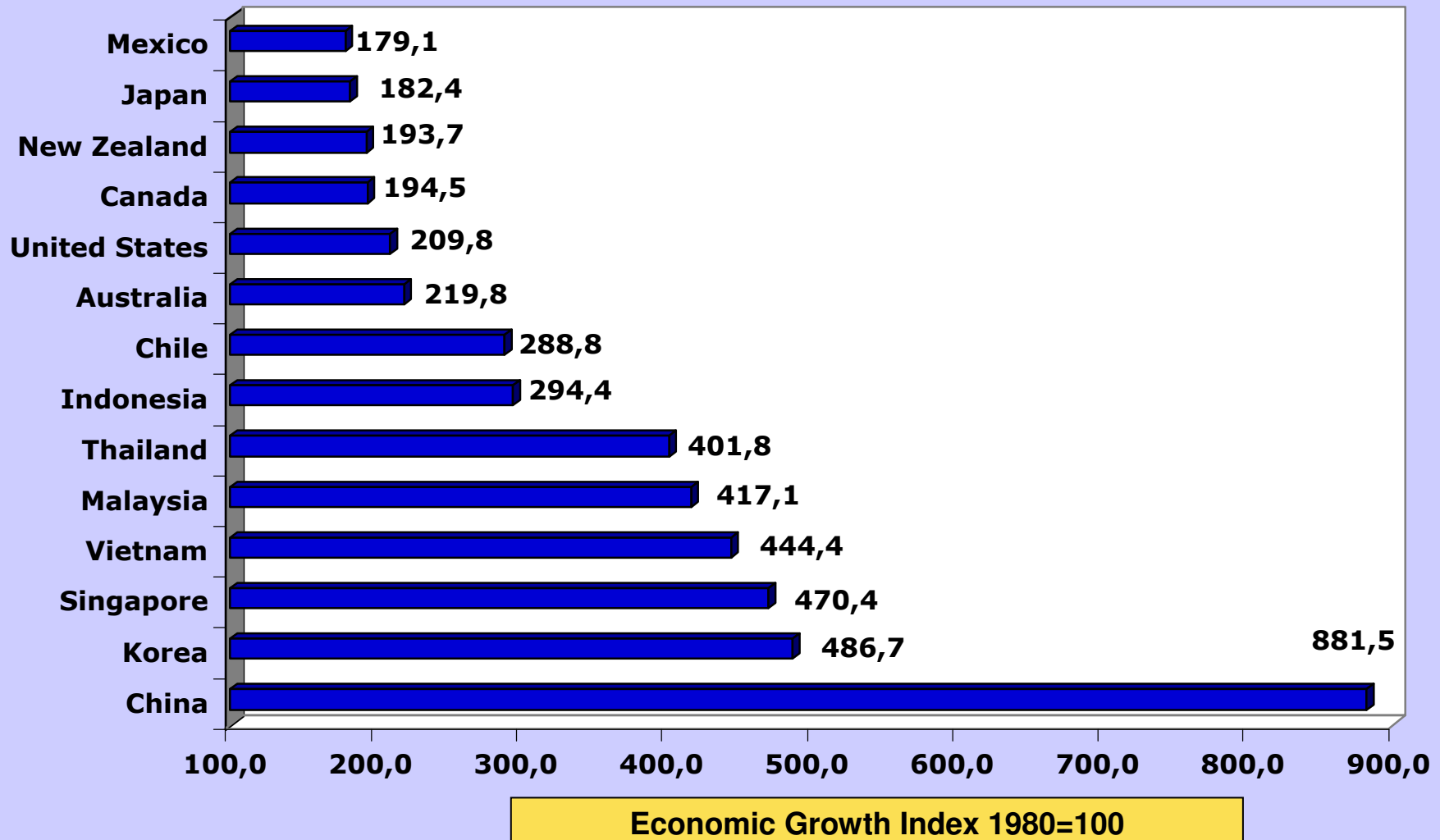
2) Competitive market economy

3) Integration with the world

4) Four modernizations program

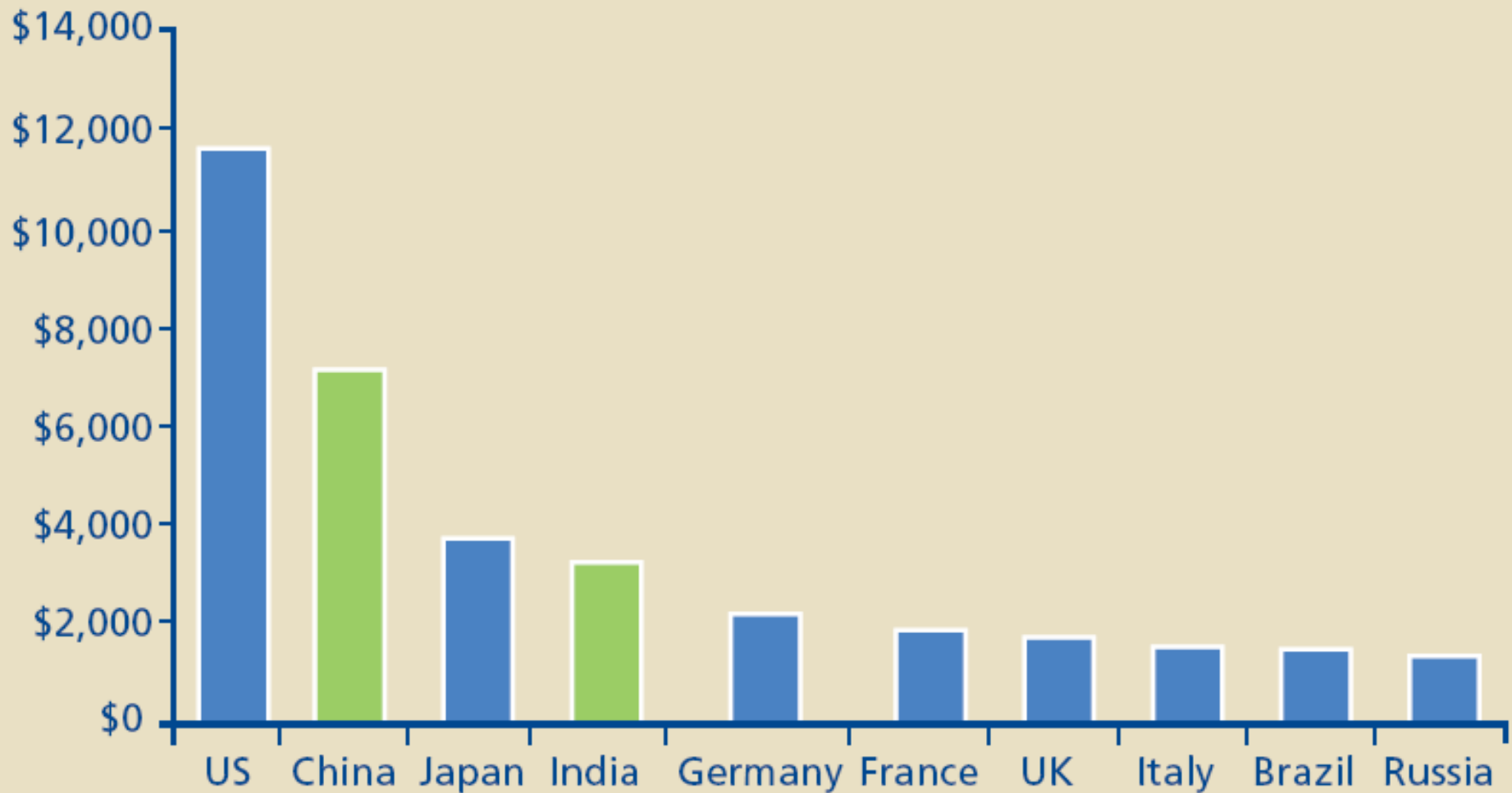
5) Strong desire for a better life

Economic Growth 1980 to 2004



Source: World Bank, 2004

World's Largest Economies



Source: Economist

The ascending dragon

1st in foreign direct investment inflow

1st in foreign trade to GDP ratio

1st in foreign currency reserve

2nd largest energy consumer

2nd largest energy producer

2nd largest power market

2nd largest CO2 emitter

3rd largest trader

4th largest economy

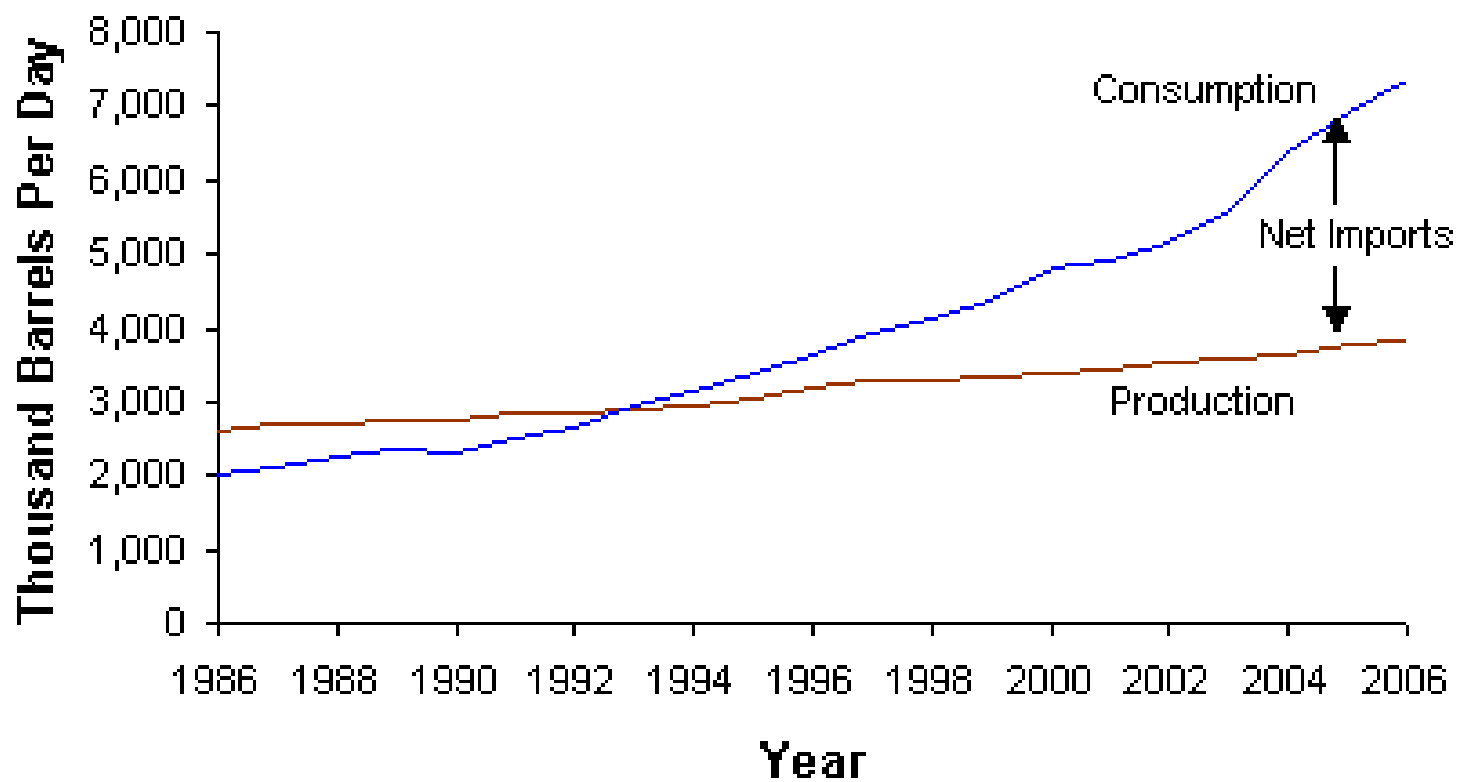
Home to 16 of 20 most polluted cities

I. Rise of the Dragon

2. New challenges

- 1) One-party state limitations**
- 2) Further market reforms**
- 3) Less favorable international environment**
- 4) Energy, resources & environment**
- 5) Urbanization & growing inequality**

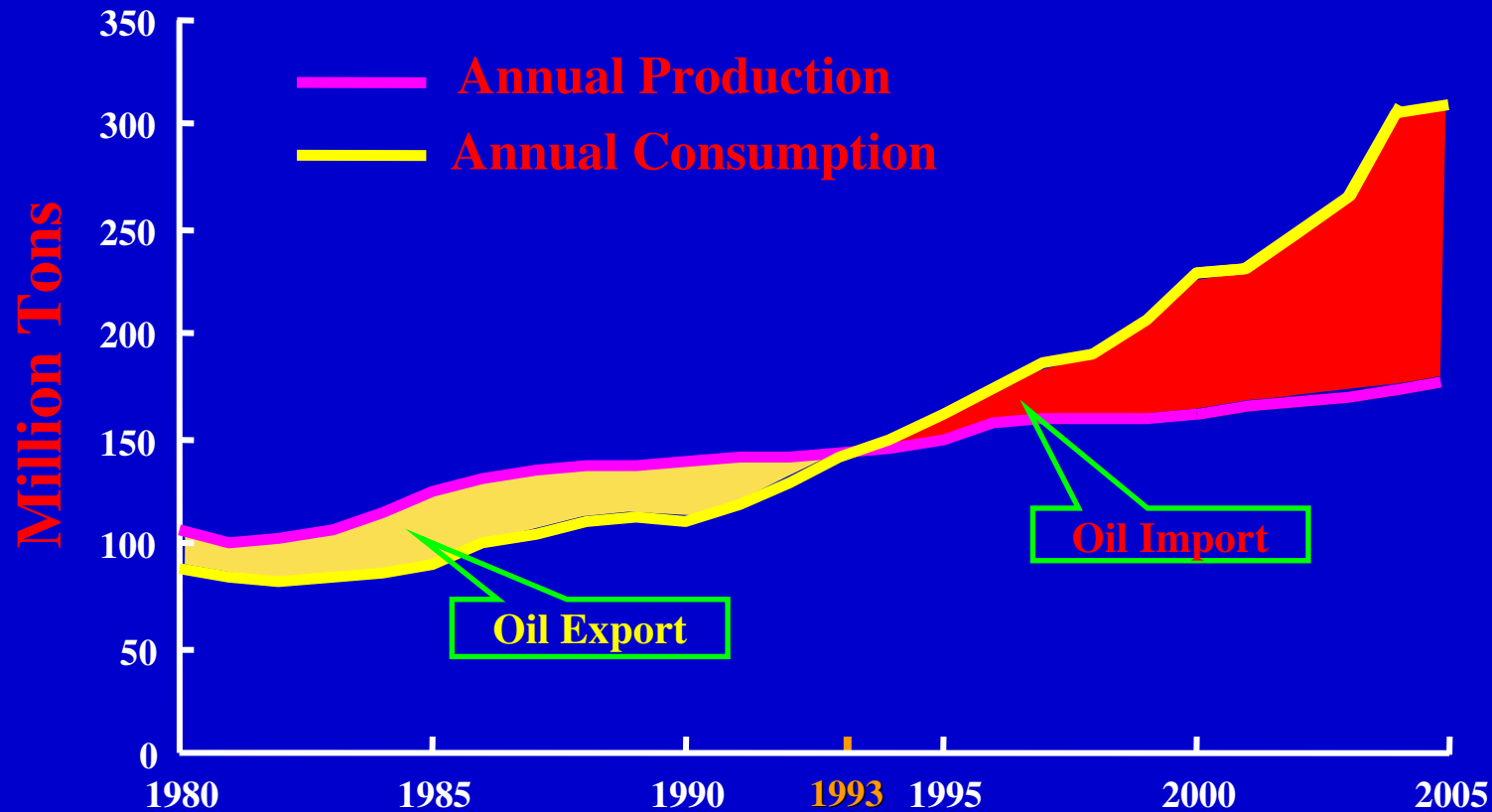
China's Oil Production and Consumption, 1986-2006*



Source: EIA *International Petroleum*

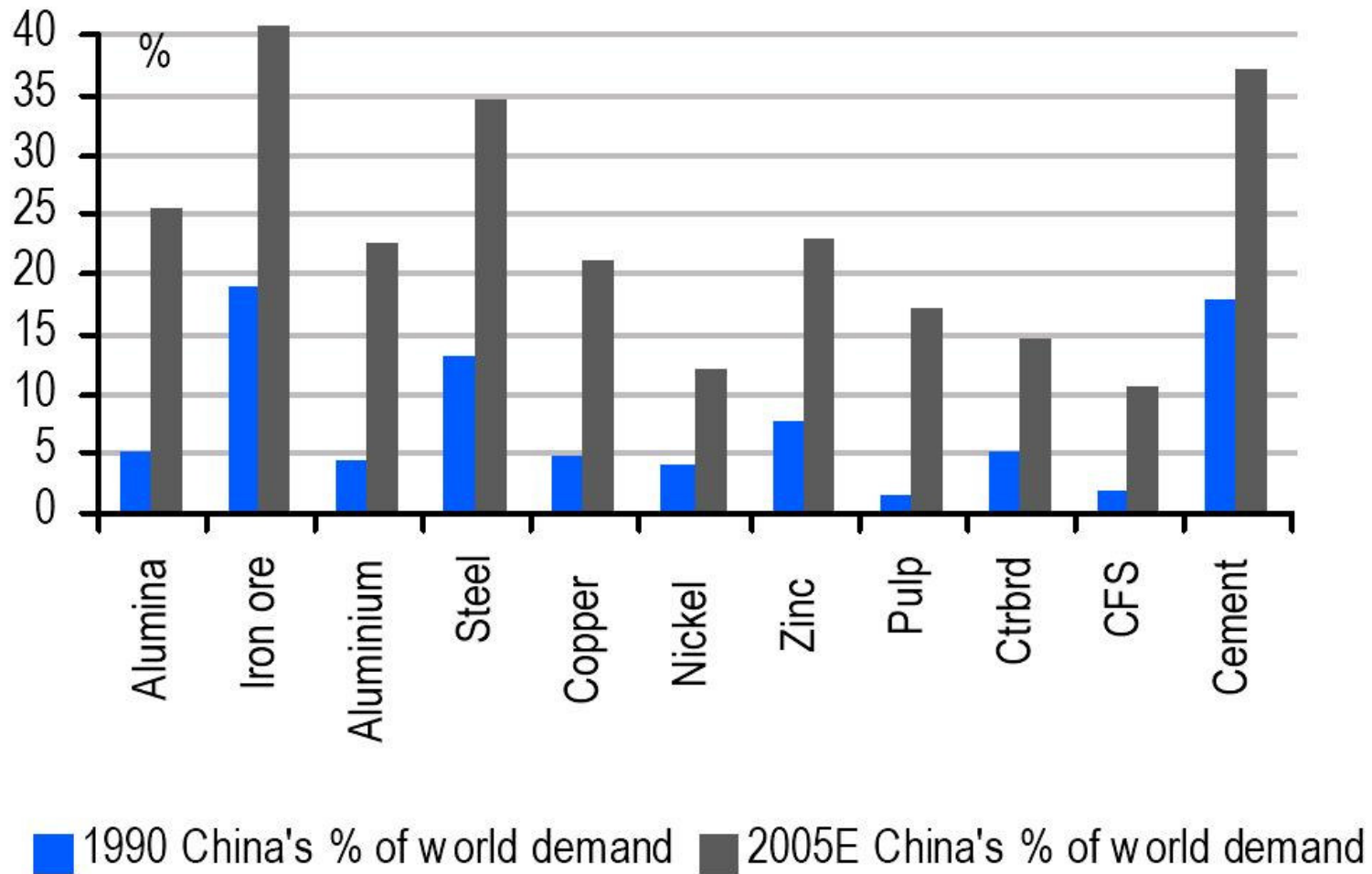
*2006 is Jan-Aug only

China's Oil Consumption and Production

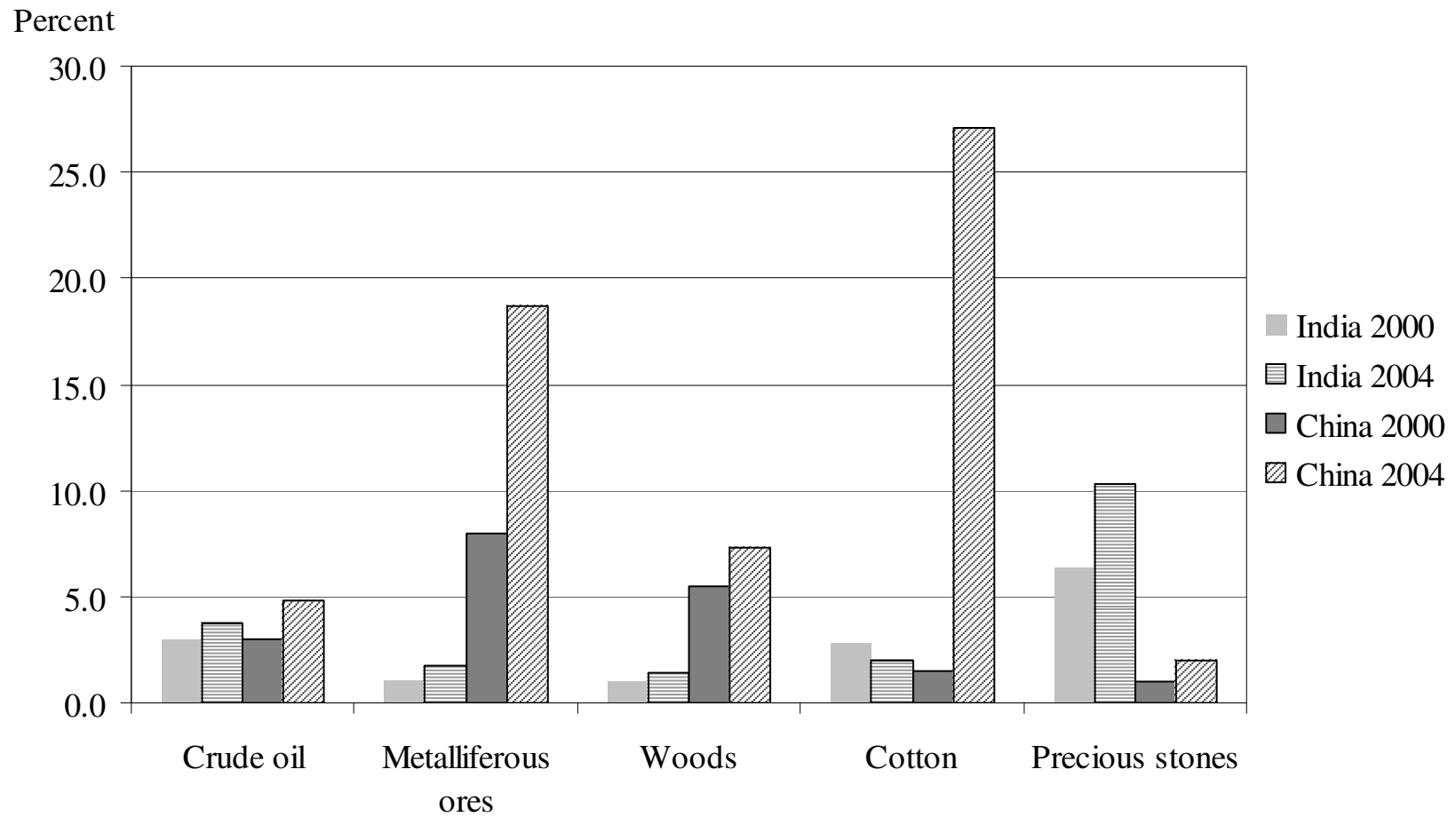


- China became a net oil importer in 1993, import has been increasing since then.
- But the rate of import increase has been significantly reduced since 2005.
- Oil import will grow moderately due to efforts of boosting domestic production.
- Currently China's oil import is 23% that of the US and 56% that of Japan

China's share of world demand 1990 and 2005



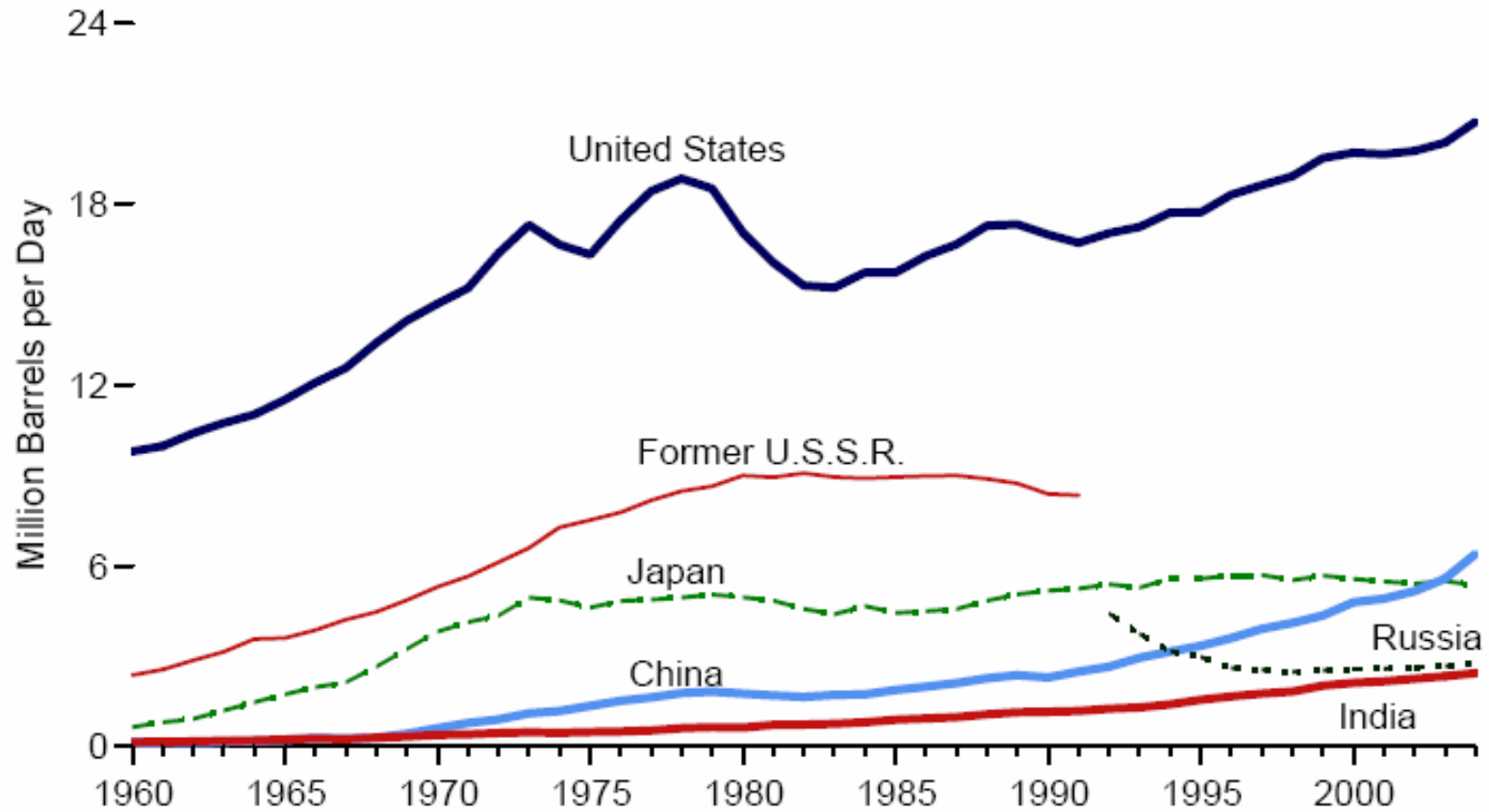
Shares of China and India in world imports of major primary commodities



Source: UN Comtrade database

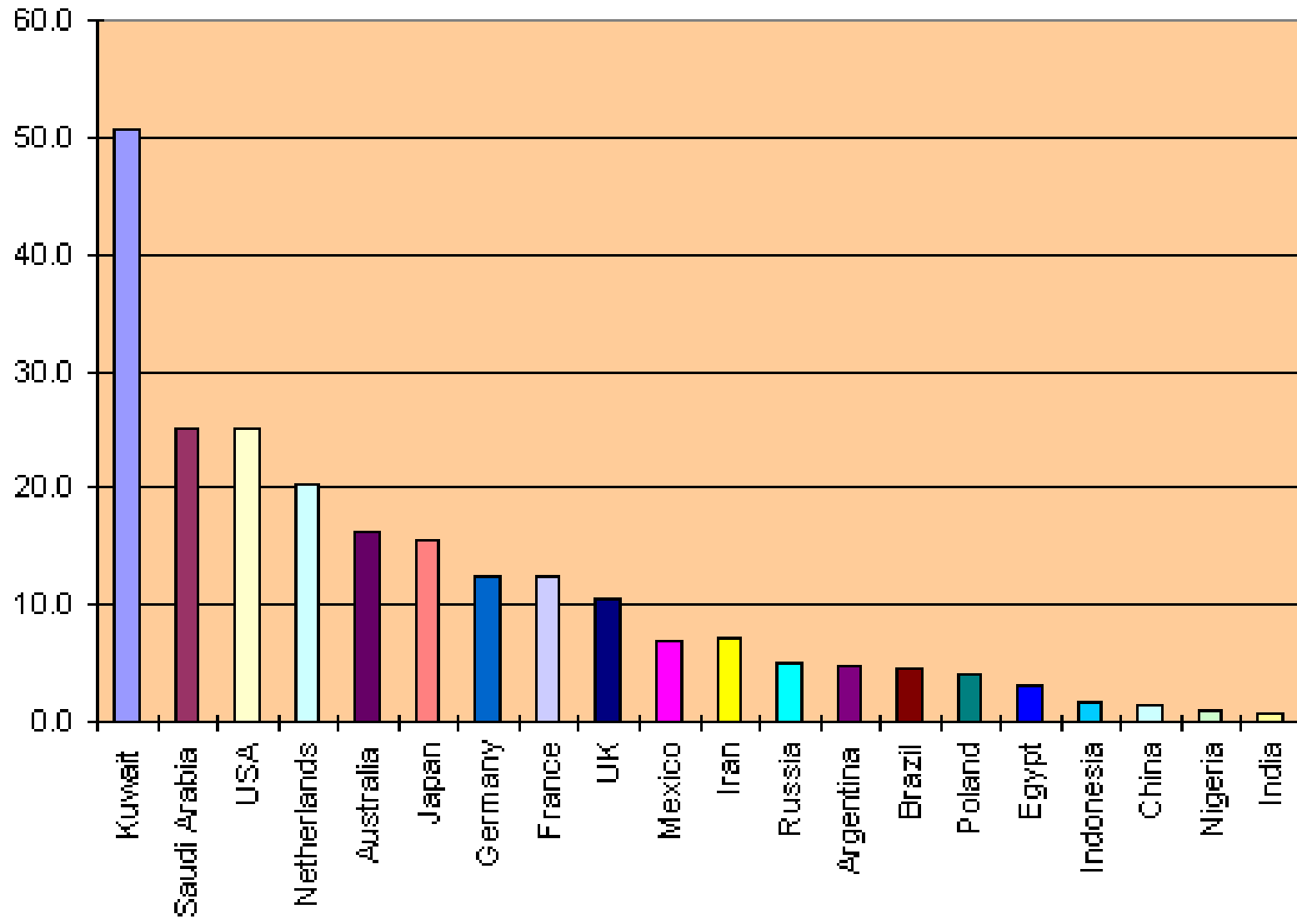
World Petroleum Consumption

Top Consuming Countries, 1960-2004

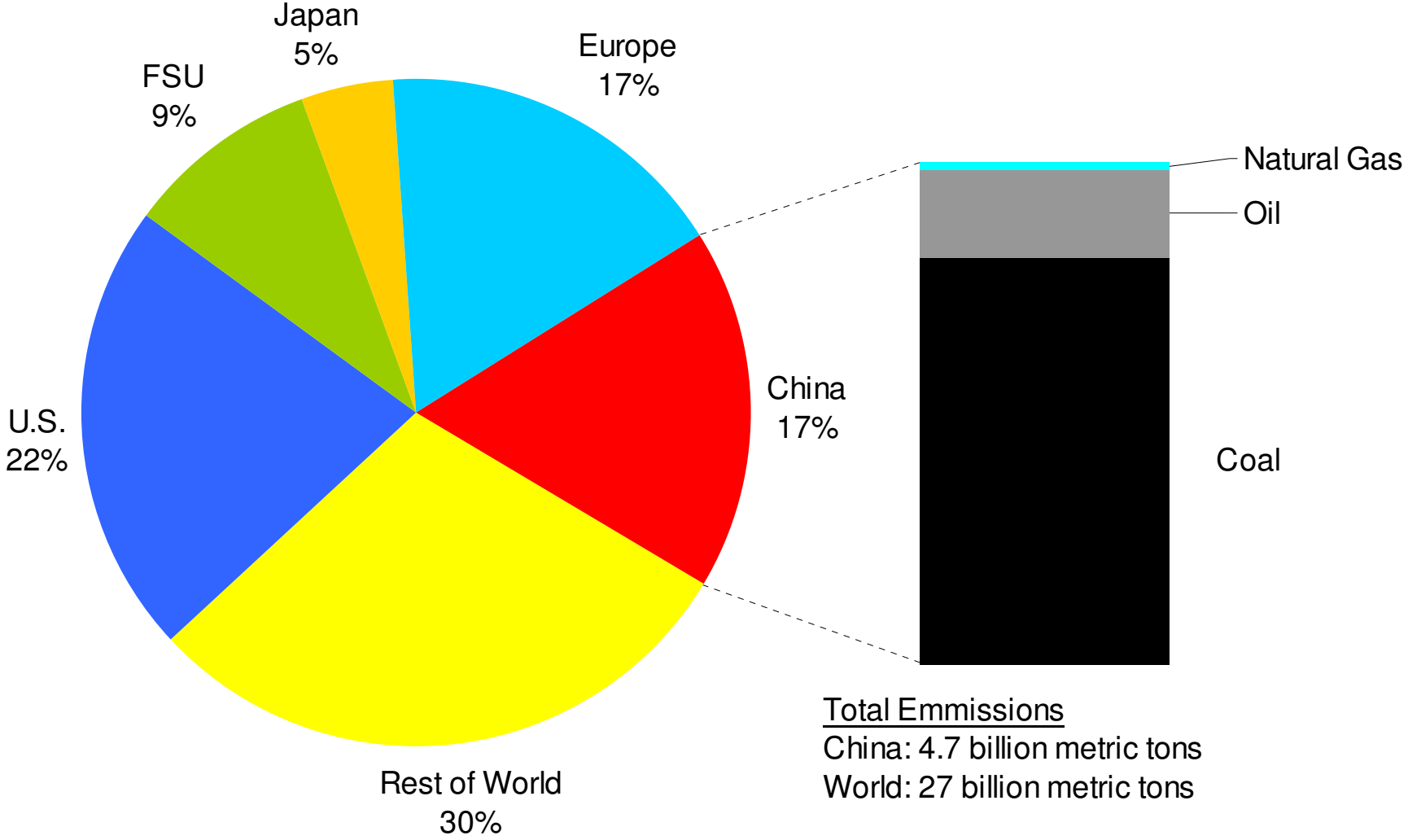


Source: EIA

Per Capita Oil Consumption - bbl/yr - 2001

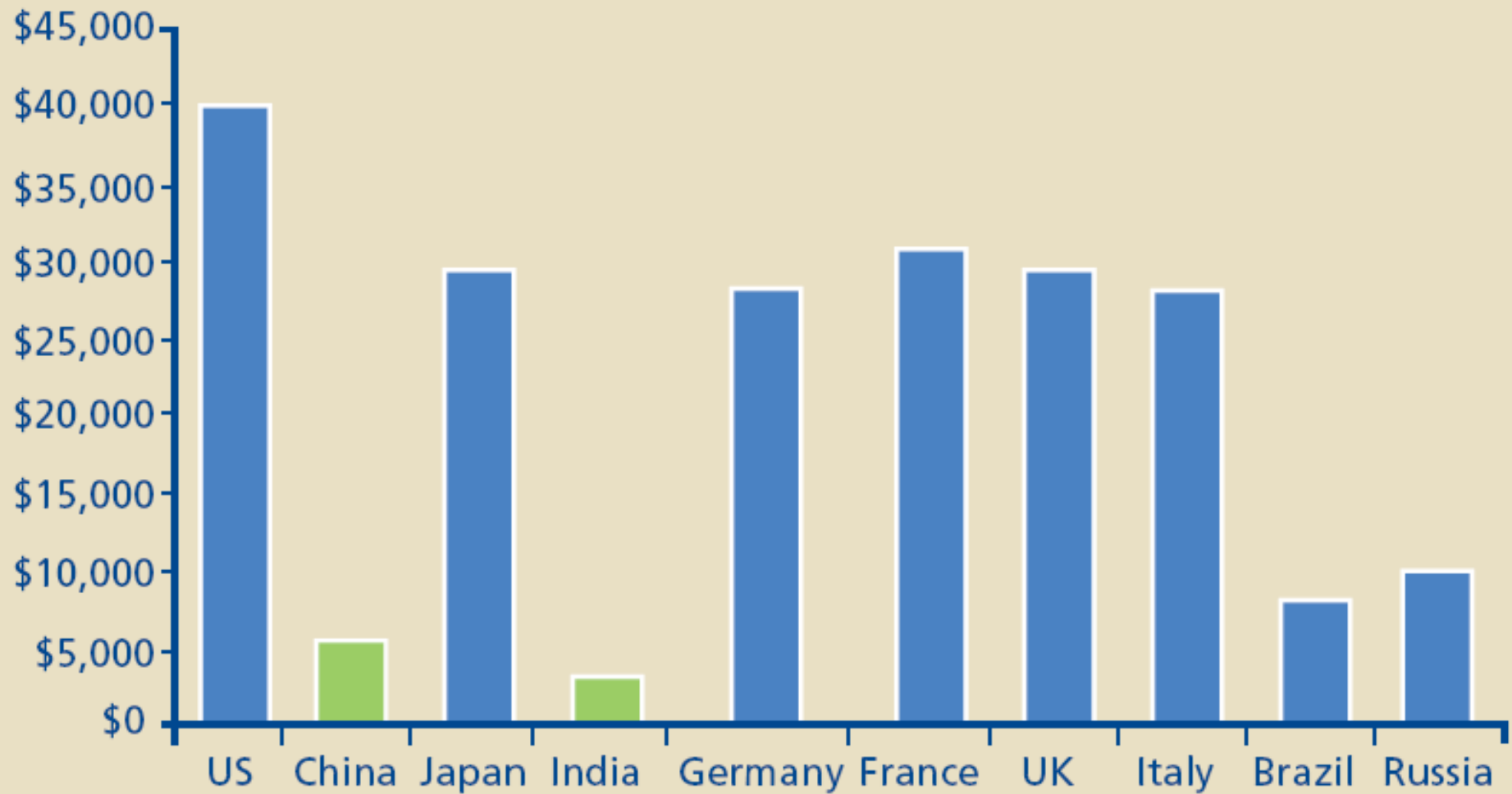


Carbon Dioxide Emissions from Energy Activities, 2004



Source: EIA International Energy Annual

Per Capita GDP



I. Rise of the Dragon

3. China as a complexity

1) The success has its costs

2) China is not a monolithic bloc

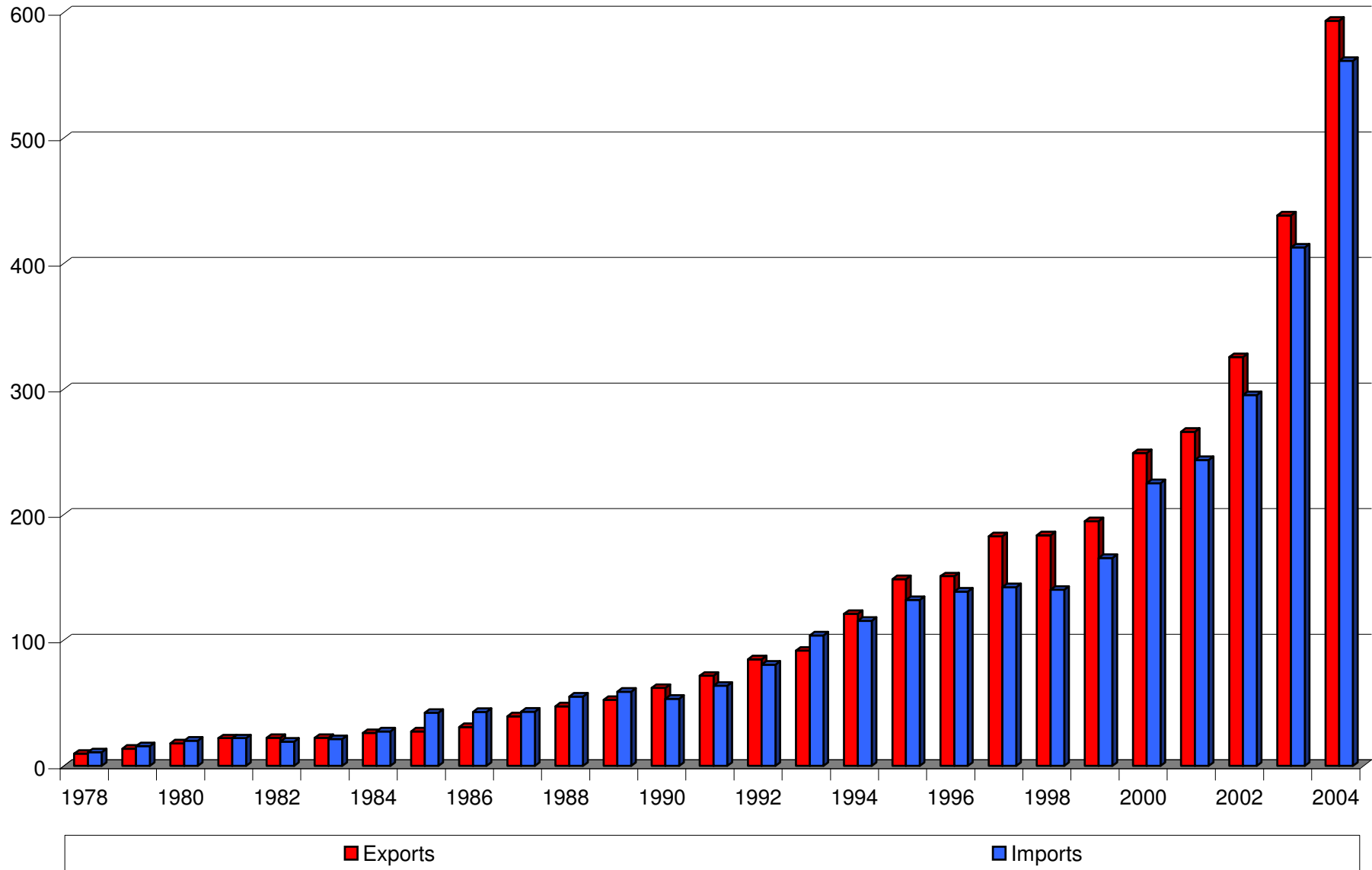
3) Both threats and opportunities

II. Dragon's Global Reach

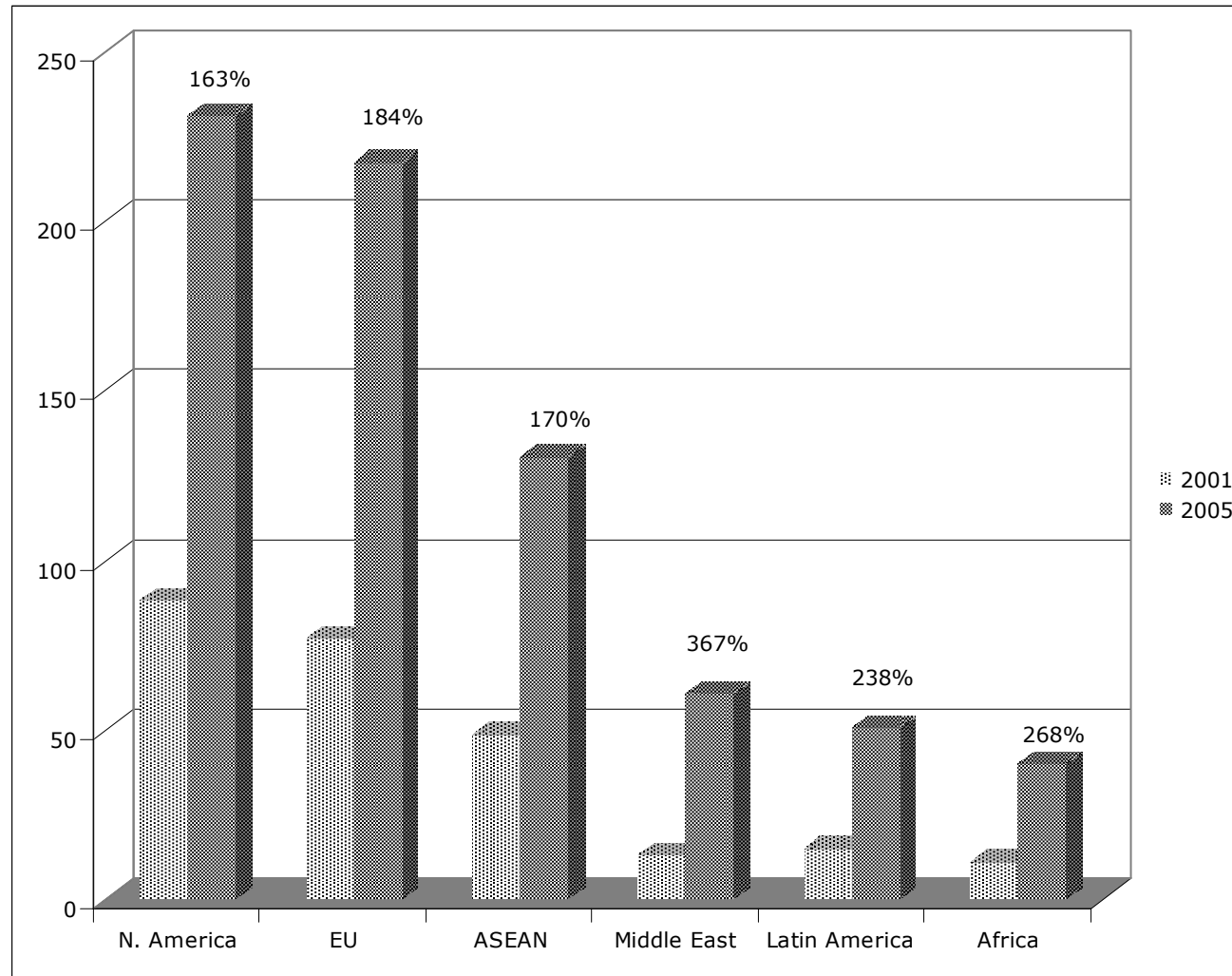
1. A mercantilist state?
2. An unfair trading power?
3. A low-wage manufacturer?
4. A currency manipulator?



China's Exports & Imports 1978 – 2004 (billion US \$)

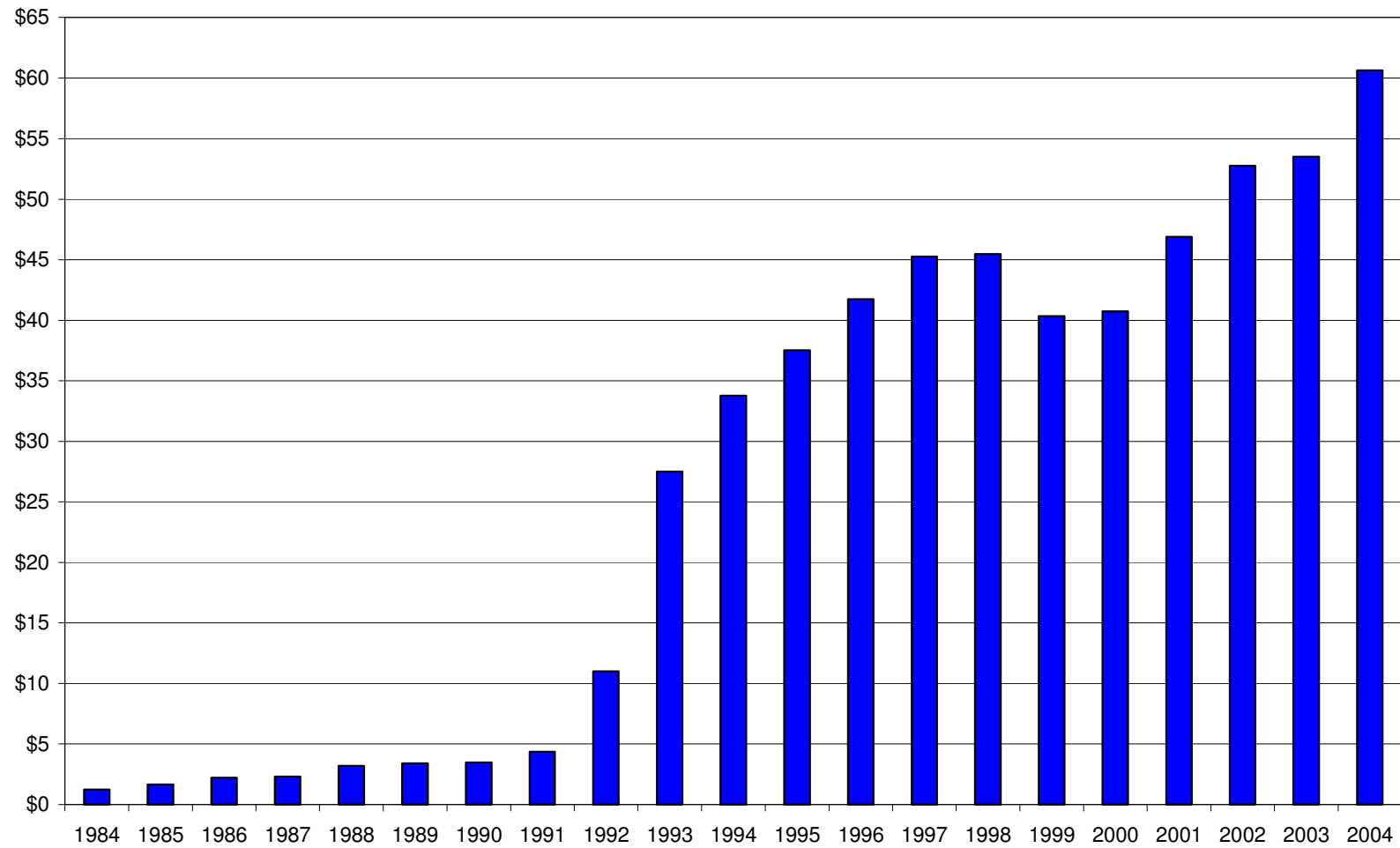


China's trade growth with major regions of the world 2001-2005



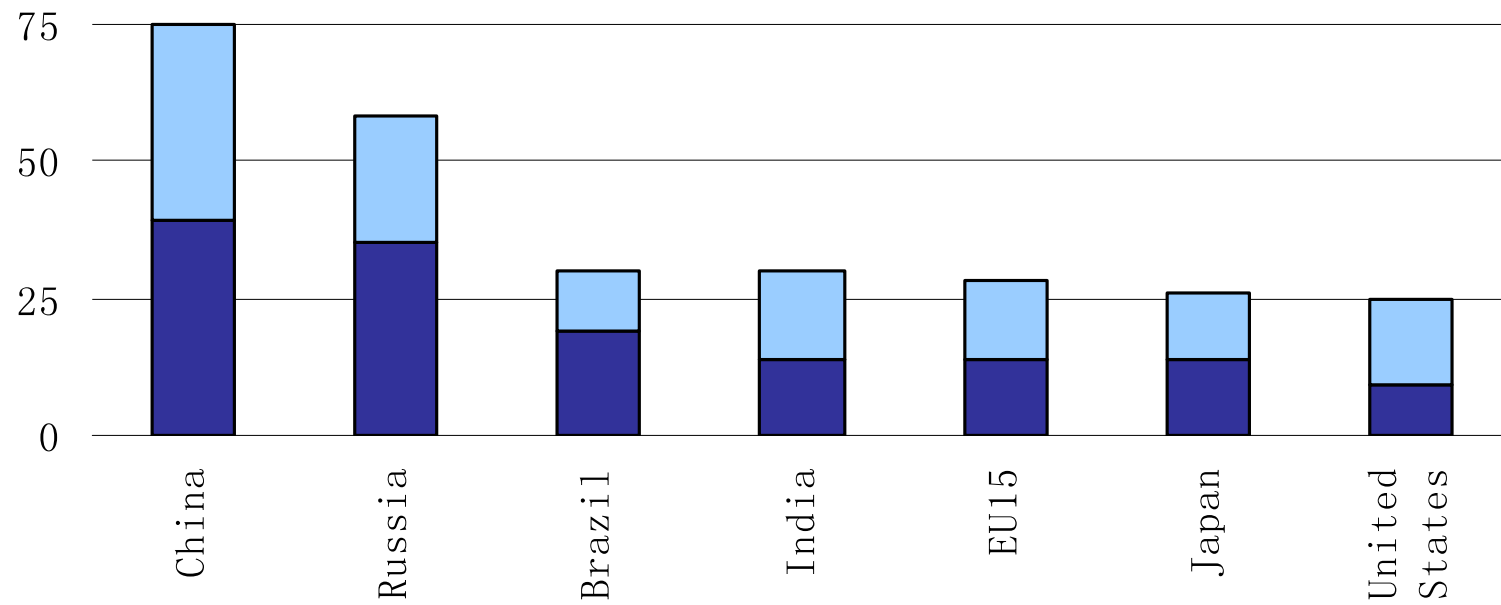
Source: calculated by author based on Chinese Customs statistics

Foreign Direct Investment in China 1984 – 2004 (billion US \$)



• Source: www.olemiss.edu

Trade in goods and services as % of GDP, 2004



III. Dealing with the Dragon

1. Strategic thinking
2. Opportunities



III. Dealing with the Dragon – Strategic thinking

- 1. Ignore the dragon?**
- 2. Contain the dragon?**
- 3. Slay the dragon?**
- 4. Lure the dragon?**
- 5. Dance with the dragon?**

Figure 3.1: Chinese Crude Oil Imports by Source, 1992

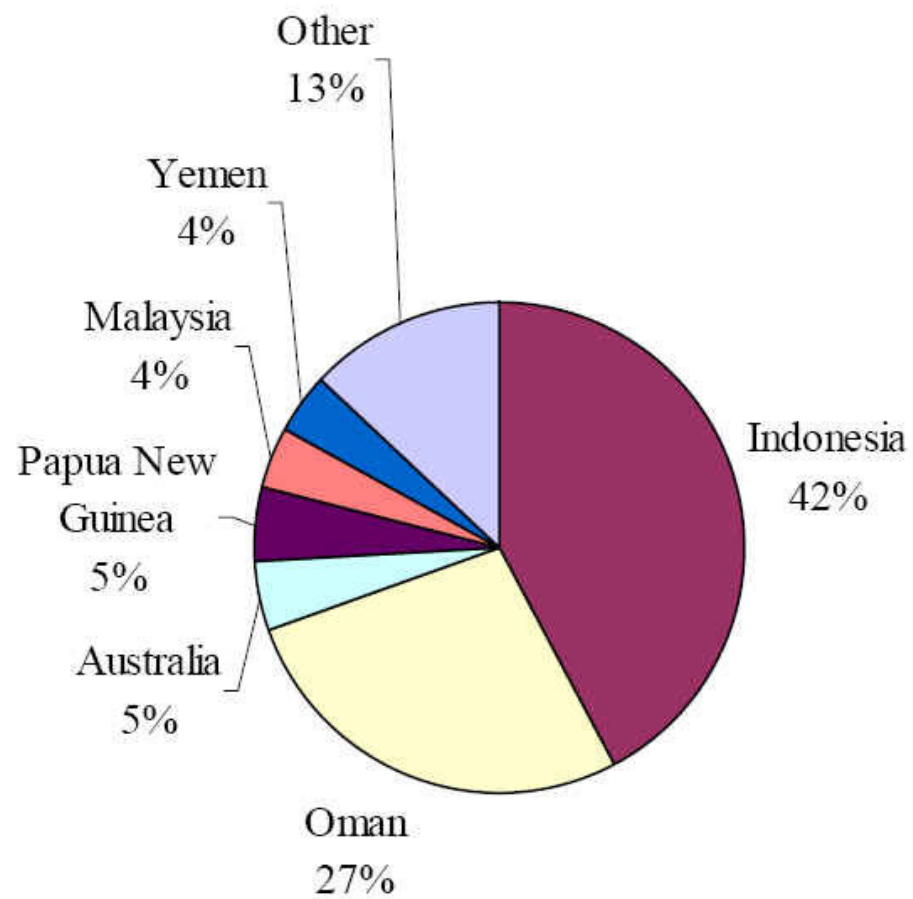
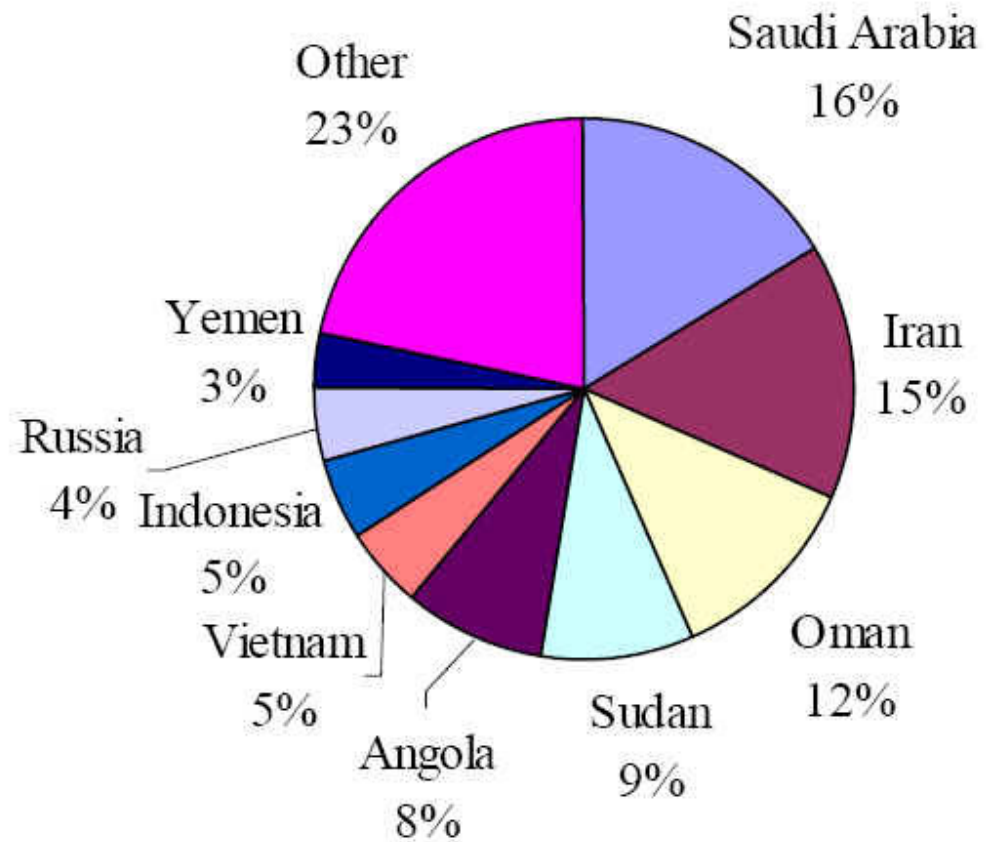
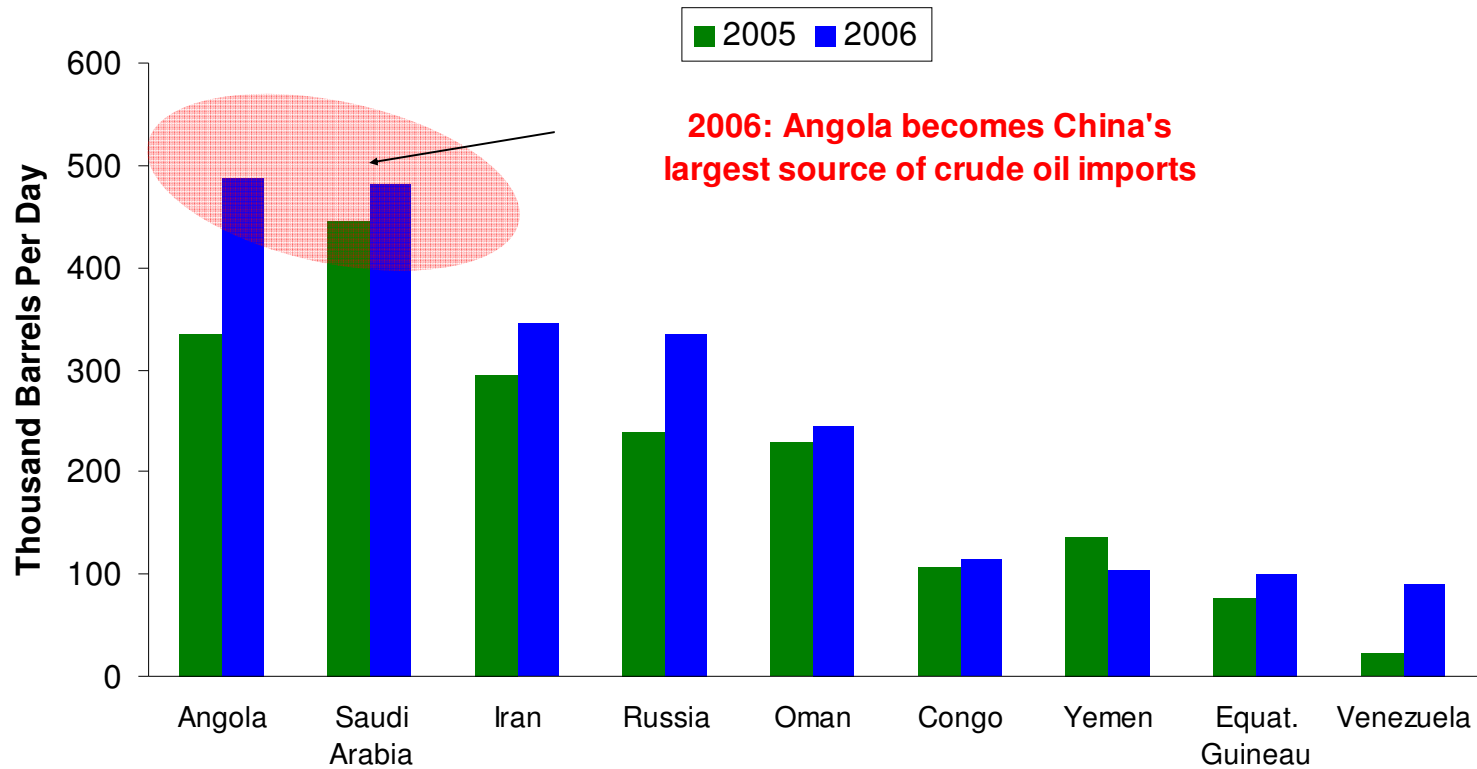


Figure 3.2: Chinese Crude Oil Imports by Source, 2002

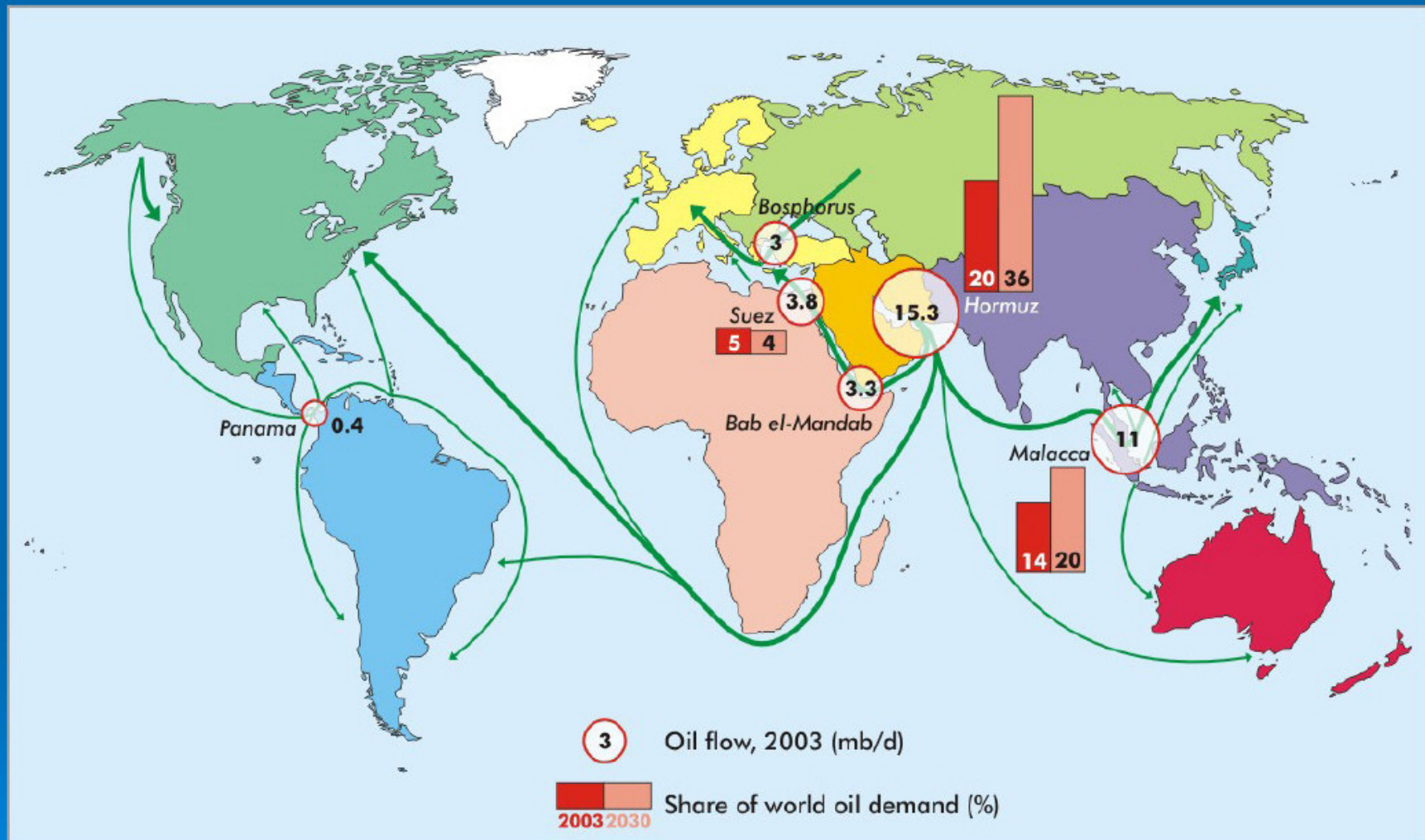


Top Sources of China's Crude Oil Imports, 2005 and 2006*



Source: FACTS, Inc. *China Oil and Gas Monthly*
*2006 data is January through September only

Oil Flows & Major Chokepoints: The “Dire Straits”



**Oil flows through the Malacca Straits will roughly triple by 2030.
Will China continue to focus on overseas assets?**

III. Dealing with the Dragon -- Opportunities

- 1. China & India as large potential markets**
- 2. Oil, gas, nuclear, renewable, alternative**
- 3. New technologies for leap-frogging**
- 4. Carbon credit, CDM**
- 5. Environment**

Thank you



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