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## **El banco de la Nueva Ruta de la Seda incorpora nuevos miembros**

Entre ellos, Bolivia y Chile. Los miembros llegan a 77.

### [China-led AIIB approves seven new members ahead of new Silk Road summit](#)

Reuters Sat May 13, 2017

The China-backed Asian Infrastructure Investment Bank (AIIB) said on Saturday it had approved seven new members to join the bank, a day before China's biggest diplomatic event of the year kicks off.

Leaders from 29 countries will attend China's new Silk Road forum in Beijing on Sunday and Monday, an event orchestrated to promote President Xi Jinping's vision of expanding links between Asia, Africa and Europe underpinned by billions of dollars in infrastructure investment.

Delegations from around the world will attend including the United States and North Korea.

The new members are Bahrain, Bolivia, Chile, Cyprus, Greece, Romania and Samoa, bringing the bank's total membership to 77 countries.

The bank's president Jin Liqun held a joint press conference with Chilean President Michelle Bachelet to announce the new members.

"Better infrastructure across Asia will allow Chilean goods to access new markets, more investment in Chilean infrastructure in turn will further bind together the two great continents of Asia and Latin America," said Jin.

"We think there are a lot of projects that can link Asia with or through Latin America," said Bachelet, adding that she had spoken with Jin about the possibility of investing in a Trans-Pacific optic fiber cable to improve digital connectivity between Asia and Latin America.

"The cable could be considered a part of the 'One Belt, One Road Initiative' and transform the Pacific Ocean into a bridge between our regions," she added, using another name for China's "Belt and Road Initiative" or new Silk Road plan.

Other investments could include tunnels and highways across the Andes Mountains and ports to link Latin America and South America to Asia, Bachelet added.

Thirteen prospective new AIIB members from around the world, including Canada, were approved in March.

"Expanded membership to Africa, Europe and South America, along with the addition of further members in Asia shows the level of global commitment towards the bank's mission and illustrates the momentum that has gathered since 20 countries signed initial memoranda on establishing the bank less than three years ago," said Jin.

The multilateral institution, seen as a rival to the Western-dominated World Bank and Asian Development Bank, was initially opposed by the United States but attracted many U.S. allies including Britain, Germany, Australia and South Korea as founding members.

(Reporting by Sue-Lin Wong; Editing by Eric Meijer)

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## **Los miembros del AIIB aprueban la incorporación de Argentina, Madagascar y Tonga**

Son nuevos miembros futuros, con los cuales los miembros llegan a 80.

### [AIIB Approves Membership of Argentina, Madagascar and Tonga](#)

The Bank's approved membership rises to 80.

AIIB. June 16, 2017

Today, the Asian Infrastructure Investment Bank (AIIB) announced that its Board of Governors has adopted resolutions approving three applicants to join the Bank, bringing the Bank's total

approved membership to 80. This round of approved applicants includes one regional and two non-regional prospective members.

Regional Prospective Members	Non-Regional Prospective Members
Tonga	Argentina
	Madagascar

“Well-integrated infrastructure and enhanced connectivity between Asia and the rest of the world has far reaching benefits for the global economy,” said Jin Liqun, President, AIIB. “Tonga is well known as the Friendly Islands in the South Pacific, while Argentina and Madagascar are important economies in South America and Africa, respectively. I look forward to the role our new members will play once they fully join the Bank.”

The three prospective members will officially join AIIB once they complete the required domestic processes and deposit the first installment of capital with the Bank. The shares allocated to the new prospective members come from the Bank’s existing pool of unallocated shares.

“Since launching only 18 months ago, the Bank has welcomed 23 new members from around the world,” said Sir Danny Alexander, VP and Corporate Secretary, AIIB. “Interest in the Bank remains high and our door remains open to new members that will be joining later this year.”

At its launch in January 2016, there were 57 signatories to AIIB’s Articles of Agreement, and in March and May 2017, the Bank announced the approval of another 20 prospective members, who are currently in the process of finalizing their membership. The Bank expects to continue welcoming new members later this year.

## **China comparte material genético de la soja con Uruguay para asegurar su alimentación**

El gigante asiático comparte con el país latinoamericano material genético de cinco variedades de soja no transgénica dedicada al consumo humano, un mercado hasta ahora vedado a los países productores.

Magdalena Martínez

El País. Montevideo 27 MAY 2017

China ha dado un enorme paso al compartir con Uruguay material genético de cinco variedades de soja no transgénica dedicada al consumo humano, abriendo un mercado hasta ahora vedado a los países productores, ya que las enormes exportaciones de soja que viajan hasta los puertos chinos tienen como objetivo exclusivo la alimentación animal y la fabricación de aceites. El germoplasma procedente de la Academia de las Ciencias de China corresponde a cinco variedades adaptadas a la fabricación de productos como tofu y que, además de no ser transgénicas, tienen mayor valor proteico además de tamaño y forma diferentes.

Son cinco paquetes de semillas de unos 200 gramos, embolsados y trasladados por avión por ingenieros agrónomos uruguayos, en realidad un enorme tesoro procedente del país donde se origina toda la especie y están sus mejores variedades. Si los científicos logran implantarlas con éxito en los campos uruguayos, se abriría un nuevo mercado, mucho más rentable que el de la soja para animales, y la posibilidad de transformar las plantas en un producto manufacturado.

”Para nosotros es histórico porque hay una gran asimetría entre un país pequeño como Uruguay y un gigante como China. Aquí hay un terreno de verdadera investigación conjunta que va en la línea de lo que busca Uruguay: salir de la exportación de materias primas para avanzar hacia un mercado con agregado de valor ligado a la industria de los alimentos”, explica Álvaro Roel, presidente del Instituto Nacional de Investigación Agropecuaria (INIA) de Uruguay.

Para China es un nuevo avance en su política de seguridad alimentaria. El Gobierno de Pekín está confrontado al crecimiento de su población y de la clase media, que pide un aumento de la porción de proteínas en su dieta, un suministro que el vasto territorio chino no puede proveer, obligando a buscar aprovisionamiento en el extranjero.

Las variedades transgénicas son admitidas para el ganado, pero el consumidor final es mucho más exigente y la reglamentación excluye los organismos modificados del consumo humano.

”El consumidor chino ha puesto sus reglas, en cierto modo al igual que sucedió en Europa, el consumidor no quiso lo transgénico y la legislación se adaptó a eso”, afirma Nicolás Gutiérrez, uno de los coordinadores del proyecto dentro del INIA.

El importador chino se ha convertido en un demandante de calidad, busca trazabilidad e impone fuertes reglamentaciones sanitarias.

Durante los próximos tres años, dos equipos científicos trabajarán en Montevideo y Pekín para lograr que el material genético se convierta en cosechas. Si todo sale bien, en cinco años Uruguay podría tener sus primeros cultivos para consumo humano.

#### Vivero de recursos

”Visualizamos un país que cada vez tiene recursos más finitos, que cada vez tiene menos tierras. Y por decisiones políticas, Uruguay está llamado a responder a parte de estas necesidades”, asegura Roel, presidente del INIA.

El Gobierno de Pekín ha elegido a Uruguay como una de sus plataformas de desarrollo hacia Latinoamérica. El país rioplatense tiene como principal cliente al gigante asiático, del que depende un ciclo de más de diez años de bonanza económica. Uruguay vende principalmente soja y carne, este último producto, destinado al consumo de alta calidad.

En el 2016 ambos países firmaron una batería de acuerdos que deberían llevar a la firma de un Tratado de Libre Comercio (TLC), que según los uruguayos, podría estar listo en el 2018.

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### **China hace un juego de poder en Brasil y Argentina**

China aprovecha las necesidades de inversión de ambos países, especialmente en energía, para proyectar grandes inversiones en ellos.

#### [China makes a power play en Brazil and Argentina](#)

Stratford WorldView—02/06/2017

The last two years have been hard on Argentina and Brazil. A sweeping corruption investigation and the impeachment of President Dilma Rousseff have sent Brazil's currency tumbling. The

country's economy contracted by 3.8 percent in 2015 and by another 3.6 percent the following year. The Argentine peso, meanwhile, fell 40 percent against the U.S. dollar after the government lifted currency controls in late 2015. But for foreign investors, the two South American nations' economic hardship presents an opportunity. The depreciated currencies in both countries, combined with their governments' need for investment, has enabled Chinese companies to buy up cheap assets and launch major infrastructure projects in Argentina and Brazil alike. The electricity sector in particular has been a focus of their activities.

### Power Down

In Brazil, the economic decline has hit the electricity sector hard, especially after years of government price controls. Rousseff passed a measure in 2012 forcing power companies in Brazil to lower their rates to renew their 30-year contracts with the government. Then a severe drought in 2013-15 diminished the country's water reservoirs, causing many power companies to switch from hydroelectric to thermoelectric energy. The transition was costly. State-owned energy firm Petroleo Brasileiro, for example, had to import 30 percent more natural gas from Bolivia in 2013 to fuel its thermoelectric plants. Most power companies had to sell off some of their assets to offset the added expense. Today, Brazil's electricity sector has the second-largest debt of any of its industries, behind oil and natural gas; its outstanding obligations surpassed \$54 billion last year. President Michel Temer, however, is trying to change the country's regulatory framework to alleviate the power companies' troubles. Temer is working on a measure that would allow the firms to sell the electricity they generate to commercial customers, such as electricity trading companies or large industrial consumers, at a higher price for a limited time.

Price controls in Argentina, likewise, have hindered the country's electricity sector. The measures discouraged investment in power generation, and now Argentina lacks the infrastructure to handle peak demand. Buenos Aires had to import electricity from Uruguay and Brazil last summer to accommodate the spike in usage. Even so, Argentina experienced several power outages. The number of blackouts in the country, in fact, doubled between 2004 and 2014, according to Argentine electricity company Edesur. Electricity prices for energy providers also increased over a similar timeframe by over 400 percent. Yet prices for consumers rose just 10 percent. To remedy the sector's problems, which prompted the country's energy minister to declare a state of emergency in December 2015, President Mauricio Macri introduced an unpopular measure to raise consumer electricity rates – in some cases by over 300 percent.

## Cashing In

Despite the political steps they've taken to rehabilitate their decrepit electricity sectors, leaders in Brazil and Argentina understand that legislation can only do so much. To truly address the issue, they need money – and China is happy to oblige. Since 2015, Chinese companies have spent a total of \$21 billion to purchase 21 Brazilian electricity companies. The transactions included an arrangement early this year in which the State Grid Corp. of China bought a majority stake in Brazil's third-largest power company, CFPL Energia, for \$4.5 billion. State Grid already operates close to 10,000 kilometers (more than 6,000 miles) of power lines throughout Brazil. The Shanghai Electric Corp., meanwhile, is considering acquiring Brazilian power company Eletrosul for over \$1 billion.

On top of that, China pitched in \$15 billion for a joint investment fund that will finance energy projects in the country along with logistics, mining, technology and agribusiness ventures. (Beijing's partners, Brazilian Development Bank and Caixa Economica Federal, another Brazilian state-owned bank, will provide the other \$5 billion.) The fund, which entered operation June 1, will pave the way for Chinese companies to win contracts for the infrastructure projects it finances, especially since most of Brazil's biggest engineering companies are wrapped up in the corruption probe. The investigations have limited the Brazilian firms' access to credit and caused them financial problems. Their plight is part of the reason the Brazilian government is trying to draw foreign investment to help fund major infrastructure projects. If Beijing's interest in the country is any indication, the efforts are paying off. All told, China is expected to invest more than \$20 billion in Brazil this year, a 68 percent increase over 2016.

And it's not far behind in Argentina. On May 17, Macri met with Chinese President Xi Jinping and signed an agreement for a \$17 billion loan that Buenos Aires will use to construct two nuclear power plants, as well as solar energy and railway projects. The leaders also discussed expediting negotiations over a deal Chinese firms made to invest in four new hydroelectric dams in Argentina. That endeavor, like the power plant project, is a legacy of former President Cristina Fernandez de Kirchner's time in office. After assuming the presidency, Macri put the brakes on the initiatives, arguing that the Chinese firms involved had negotiated the deals directly with his predecessor rather than going through the Foreign Ministry in accordance with protocol. His misgivings notwithstanding, though, Macri opted to move forward with the projects because Argentina needs capital to increase its electricity output.



Beijing has taken advantage of the economic recession and decaying electricity sectors in Argentina and Brazil to increase its presence in the countries. Its activities in the region play into its overarching plan to internationalize its companies and expand its influence abroad. And the Brazilian and Argentine governments are so desperate for cash that they've laid aside their concerns that Beijing could use the investments to insinuate itself in their most strategic sectors.

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## **¿Cuál es el Nuevo trato de Donald Trump con China?**

EE.UU. y China firmaron un acuerdo de 10 puntos sobre diversos temas de su relación económica. No refleja la retórica confrontativa del Trump pre electoral.

### [What is Donald Trump's new trade deal with China?](#)

The deal is a sign relations on trade may be easing between US President Donald Trump and his Chinese counterpart Xi Jinping

By Tim Wallace

12 MAY 2017 - 3:58 PM

Donald Trump talked tough on trade with China before his election. He blamed the world's second-largest economy for taking manufacturing jobs away from the US, unfairly depressing its currency to gain a competitive advantage over the US and dumping artificially cheap materials such as steel onto the world markets.

But now the US and China have agreed a 100-day action plan as part of their "comprehensive economic dialogue" in an apparent change of tone from the President.

**What have the US and China agreed to?**

The two countries have published a 10-point action plan on topics ranging from meat imports and exports to financial services to biotechnology.

China will allow US beef into the country while the US says it will take steps towards allowing "China origin cooked poultry" imports.

China has agreed to evaluate eight US biotechnology product applications, and the US is encouraging the country to buy its liquified natural gas (LNG), too.

US officials have agreed to extend a ruling which does not punish the Shanghai Clearing House for regulatory failings, and promise to treat Chinese finance firms in the same way as they treat any other foreign businesses in the US.

The Chinese authorities have decided to allow foreign-owned credit ratings agencies to examine the quality of borrowers in the country.

This is by no means a free trade deal, nor even a step towards any sort of comprehensive agreement, however.

#### **When does it come into force?**

Some of it is already in force - the US has already decided not to punish the clearing house, for example, so this agreement is an extension of an existing policy rather than a new idea.

Others are harmless commitments which have little actual effect - the 10th point on the list, for example, explains that “the US recognizes the importance of China’s One Belt and One Road initiative and is to send delegates to attend the Belt and Road Forum in Beijing May 14-15”.

That is supportive of China’s efforts to increase its trade across Asia and into Europe, but requires little effort on the US’s part.

Many of the pledges are agreements to try to strike an agreement in the future, covering very limited topics.

The beef and chicken agreements fall into this category, as both sides have agreed to try to resolve the current situation, pledging to begin work on that by July 16, with no set deadline for any actual final decision.

Other points apply to more countries than the US - the promise that China will allow foreign-owned credit ratings agencies to operate in the country, for example - and so are hardly specific to this action plan.

On top of that, this element of the deal is not even new. China's government proposed it in December 2016 in the hope that allowing in foreign assessors would give its indebted companies and state agencies more credibility with investors.

The pledge to treat Chinese finance firms in the same way as any other non-US businesses is also a continuation of the official status quo.

The newer element - that the People's Bank of China and the US's Commodity Futures Trading Commission will work towards a memorandum of understanding regarding exchanging information needed to oversee cross-border clearing - is another example of an agreement to work towards an agreement, rather than a solid deal.

In a sense those elements can be seen as part of China's broader move to open up to the world, rather than to the US.

#### **Is this a U-turn from The Donald?**

While it does not actually change a great deal in terms of the letter of the law or the conditions under which each country trades, this is a sign that relations between Washington and Beijing have improved substantially.

Before his election, Mr Trump said: "On the first day of my term of office, my administration will immediately... direct the Secretary of the Treasury to label China a currency manipulator."

He also campaigned on a promise to whack substantial tariffs on Chinese imports - policies which it was feared could lead to a full-blown trade war with retaliatory taxes and restrictions hitting back at US exports.

But China has not been labelled a currency manipulator and this document certainly makes no mention of border tariffs - those elements of the President's rhetoric have been dialled down significantly.

However, Mr Trump had also taken issue with the persistent trade deficit which the US runs with China, arguing that the US gets a bad deal because it imports more goods from China than China buys from the States.

In a small step to tweak the balance, the deal does open the way for more beef exports to China as well as seeking to encourage LNG sales.

It also looks to increase Chinese chicken sales into the US - but as part of a give-and-take agreement, this may pass the President's "fair trade" test.

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## **Empresarios de China, América Latina y el Caribe se reunirán en Uruguay**

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Por Abel Rosales Ginarte

BEIJING, 8 jun (Xinhuanet) -- La primavera del Hemisferio Sur acogerá la Cumbre Empresarial China-América Latina y el Caribe (China-LAC) entre el 30 de noviembre y el dos de diciembre de 2017. Tal evento se anuncia como la instancia más importante de acercamiento entre China y la región. La ciudad uruguaya de Punta del Este que posee una excelente infraestructura para el turismo de convenciones, alto nivel en hotelería y opciones gastronómicas reconocidas mundialmente será la sede. El Punta del Este Convention & Exhibition Center equipado con la tecnología más avanzada, con capacidad para cuatro mil personas y un pabellón de exhibiciones de más de 6.700 metros cuadrados acogerá a los empresarios de China, América Latina y el Caribe.

Actualmente China es el principal socio comercial de Uruguay. Empresas reconocidas mundialmente como COFCO, GEELY, HUAWEI, LIFAN entre otras invierten en ese país.

Antonio Carámbula, director ejecutivo del Instituto Uruguay XXI de Promoción de Inversiones, Exportaciones e Imagen País, durante su estancia en Beijing aseguró: "Temas importantes de la cumbre serán la iniciativa del gobierno chino de una Franja y una Ruta, desde Latinoamérica estamos muy interesados en ver de qué manera nos podemos insertar en la misma, el crecimiento de la región en los últimos años exige un mejoramiento de la infraestructura, la posibilidad de desarrollar energías con fuentes renovables, temas logísticos, intercambio turístico, agronego-

cio, producción de alimentos y como se insertan las empresas chinas en las mismas, servicios globales, entre otros”.

La óptima plataforma de distribución regional, la sólida estabilidad política y social de Uruguay lo convierte en la puerta de entrada al Mercosur, un mercado de más de 250 millones de habitantes. Posee una de las mejores redes de carreteras de América del Sur, puertos de primer nivel y un régimen de Puertos y Aeropuerto Libre, único en la costa atlántica.

Sobre los vínculos de Uruguay con China, Fernando Lugris, embajador de ese país en el dragón asiático ha dicho: “La relación ha llegado a un estado de madurez después de casi 30 años de trabajo, de un comercio que ha venido creciendo, de un diálogo político muy fluido que se ha dado en todas estas décadas a través de todos los gobiernos de Uruguay con el Partido Comunista de China y con el Gobierno de este país. Una asociación estratégica nos llama a trabajar intensamente en todas las áreas posibles de la relación apuntando a un mayor entendimiento en áreas clave como la ciencia y tecnología. Uruguay apuesta por la innovación, apuesta a la ciencia y la tecnología y teniendo a China como su principal socio comercial es fundamental que esta área de la relación se profundice. Por supuesto, manteniendo nuestra gran prioridad en los asuntos de la cooperación agrícola, en ese sentido nuestro ministro de agricultura participó el pasado mes de mayo en el Foro ‘Una Franja y Una Ruta’, dado que Uruguay se presenta en esta estrategia china como un país agrooteligente que produce alimentos sanos para el mundo y como un nodo logístico importante para el agronegocio y también para todas las otras formas de comercio en el Atlántico Sur”.

La cumbre China-LAC es organizada por el Consejo Chino Para el Fomento del Comercio Internacional, Uruguay XXI y el Banco Interamericano de Desarrollo. Es una iniciativa incluida en el Plan de Cooperación con América Latina 2015-2019, lanzado por China a instancias de la CELAC (Comunidad de Estados Latinoamericanos y Caribeños). La Web [www.chinalac2017.com](http://www.chinalac2017.com) ofrece información detallada sobre el evento en español, chino e inglés.

Los organizadores de la cumbre adelantan que un pabellón de exhibiciones de más de 2.000 metros cuadrados permitirá a los países y a las empresas mostrar sus ofertas y contactar potenciales clientes y socios comerciales. También se organizarán visitas técnicas con el objetivo de que los visitantes puedan conocer en profundidad empresas exitosas de primera línea en logística y del sector agropecuario.

Muchas interrogantes serán aclaradas durante el evento como por ejemplo: ¿Cómo se inserta Latinoamérica en la Ruta de la Seda del Siglo XXI? ¿Qué podemos aprender de las experiencias exitosas de negocios entre ambas regiones? ¿Cómo sumar valor agregado y hacer posibles más encadenamientos productivos? ¿Cuál es el rol de la moneda china en el comercio internacional y particularmente con la región? Reconocidos especialistas analizarán estos y otros temas.

Uruguay se presenta ante el mundo como uno de los países que ofrece mejores facilidades para hacer negocios. Garantiza un trato igualitario para los inversores y una operativa exenta de restricciones para la actividad empresarial, tanto en materia de movilidad de capitales y dividendos, como en lo relativo a la compra y venta de moneda extranjera. El país está trabajando continuamente para lograr un adecuado clima de negocios y las mayores facilidades para el inversor. En este sentido ha impulsado una serie de reformas que implican una importante mejora de la eficiencia y agilidad de los procesos estatales, como son aperturas de empresa en el día, facturación y firma electrónica o ventanilla única de comercio exterior, entre otros.

En total existen 10 razones para acercarse a un país que ofrece majestuosos escenarios naturales, es amigable con el medio ambiente y posee exquisitos sabores en su gastronomía. Aceites de oliva, caviar, quesos, miel, cítricos y vinos son un auténtico regalo al paladar. El ganado ovino y bovino alimentado de pastos naturales y una trazabilidad por ley, garantizan la seguridad total de las carnes uruguayas valoradas en el mundo entero.

El Banco Mundial reconoce que Uruguay es el país de la región con una mayor población de clase media y una mejor distribución de los ingresos. China-LAC 2017 reunirá a cerca de medio millar de compañías chinas, latinoamericanas y caribeñas de diversos sectores e industrias con el objetivo de fortalecer las relaciones comerciales a través del intercambio.

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## **Las aerolíneas chinas tienen una creciente presencia en América Latina**

ALC no es un mercado estratégico para las aerolíneas chinas pero los están considerando porque el gobierno chino las impulsa a tener una presencia global.

### [China's airlines' growing presence in Latin America: China Eastern considers Mexico City](#)

Chinese airlines are turning their focus to Latin America at the direction of their government, which wants a global presence from its airlines. Air China serves São Paulo and Havana (which it considers part of Latin America), and in Apr-2017 China Southern launched Mexico City as a tag from Vancouver.

HNA partially owns Brazil's Azul and Portugal's TAP, which HNA can feed into from a forthcoming Beijing-Lisbon flight on the HNA group carrier Beijing Capital Airlines.

China Eastern has relied on codeshare access to Latin America but is now considering placing its own metal in the region. China Eastern is understood to be evaluating a nonstop Shanghai-Mexico City service, with a tag continuing to lower South America. China Eastern could work in partnership with Aeromexico for the service, and to obtain Mexico City slots. Guiding the development is Delta Air Lines, which has stakes in both Aeromexico and China Eastern.

#### **Latin America not strategically core, but Chinese airlines must have a footprint**

Growing examples of Chinese airline service to Latin America reflect a number of themes in Chinese aviation: profit is hardly the sole metric to evaluate value from an airline; there is a core central role of the government in airline planning; and there is a growing confidence of Chinese airlines to fly nearly anywhere.

Latin America is not commercially important to Chinese airlines – at least in a direct manner. But indirectly the services are important because they originate with the Chinese government, which wants its airlines to be global. Increasingly, their concept of global has few exceptions. (After Hainan Airlines issued an April Fools' joke about a new flight to Antarctica, some quipped it would be real in a few years.)

In exchange for fulfilling strategic directives from the government, Chinese airlines – especially the state owned ones – receive protection.

Traffic between Latin America and Asia is growing fast but off a small base, limiting commercial feasibility. Intermediate airlines in Europe, the Gulf and North America have historically captured Asia-Latin America traffic flows and are well suited to doing so. Aside from Tokyo-São

Paulo, the market between Asia and Latin America experiences fragmented traffic flows, limiting strong O&D pairs. Even if strong O&D volumes emerge, serving them nonstop is nearly impossible given the large distance between Asia and Latin America. Mexico City is a reach from Asia, and flying deep into South America from Asia nonstop is impossible with the current pipeline of aircraft.

Subsidies and incentives have been critical for most new Chinese international services. This is true for Chinese airlines' international flights where they can "double dip" or dip even more, since they receive support from parties in China, an intermediate hub, and the Latin American point.

#### **Intermediate airports and countries can support with fifth freedom rights**

With limited opportunities to fly nonstop from China to Latin America, intermediate stopover points will be used for most Chinese airline services. This creates an opportunity for airports and countries to secure more flights. The pitch is more difficult, since the commercial plan is more complex and the airport needs its government to line up stopover and, ideally, fifth freedom rights.

Beyond traffic rights have often been an afterthought in China's air services negotiations. Although some foreign airlines may begrudgingly accept that their governments will grant broad third and fourth freedom traffic rights to China, fifth freedom rights are more contentious.

For example, Canadian airports (Vancouver especially) would like Chinese airlines to use Canada as a stopover en route to Latin America, but airports have to balance this prospective offer with the wishes of Air Canada. Canadian airports are tied to Air Canada for their lifeblood, and upsetting Air Canada could mean that they lose services.

Canada provides another example of complexity, in that beyond rights are limited. China has not succeeded in securing more third and fourth freedom traffic rights, so asking for more fifth freedom rights could result in them needing to reduce third/fourth freedom requests, or be prepared to offer more to the other party in exchange. Besides the matter of stopover rights, there is the matter of whether through transit is possible (complex in Canada, and not possible in the US).



### China Eastern considers Mexico City service with tag to South America

The next China-Latin America service could come from China Eastern. Air China and China Southern have existing services to Latin America, leaving China Eastern out as the only state owned airline without a Latin American service. China Eastern also does not serve Africa (Air China and China Southern do), so the airline is looking delinquent in fulfilling strategic objectives. However, historically China Eastern has lagged in long haul services so is catching up still.

For a few years China has called on its airlines to fly to Latin America but China Eastern had tried to meet that expectation by having SkyTeam codeshares to the region. Now, however, China Eastern is considering placing its own metal into Latin America and is understood to be evaluating a flight nonstop from Shanghai to Mexico City, with a tag to a point in lower South America.

Aeromexico flies nonstop from Shanghai to Mexico City (three times weekly on the 787-8) but on the return makes a stop in Tijuana. Mexico City's high altitude, limited runway length and the longer nature of flying westbound preclude a nonstop. It is understood China Eastern wants to fly nonstop in both directions by utilising new aircraft technology (in 2016 it ordered A350-900s and 787-9s). The Mexico City airport will further enhance operational feasibility.

China Eastern regards Aeromexico as a partner and not a competitor. They can pool their schedules for a larger offering and leverage each other's hubs in China and Mexico; Aeromexico accounts for 39% of Mexico City's seat capacity in Apr-2017 according to OAG data.

Aeromexico could also help China Eastern obtain preferred slots at the saturated Mexico City airport. Delta Air Lines has a gentle hand in this strategic development, since Delta has stakes in both Aeromexico (substantial) and China Eastern (small). The stakes are minority, of course, but Delta provides much greater strategic input.

### China Southern and ANA serve Mexico City

A China Eastern service to Mexico City would give Mexico City its second Chinese airline and third Asian airline passenger service. China Southern and All Nippon Airways launched services to Mexico City in Feb-2017. (Cathay Pacific has freight only services to Mexico City.) Aeromexico links Mexico City with three Asian cities: Seoul (from May-2017), Shanghai and Tokyo.

Mexico City is China Southern's first point in Latin America. The airline launched Mexico City in Apr-2017 with three weekly 787-8 flights on a Guangzhou-Vancouver-Mexico City routing. China Southern does not have local pick up rights for Vancouver-Mexico City as it appears that Air China used the few available fifth freedom rights that China has from Canada to cover its Montreal-Havana tag.

China Southern's three weekly Guangzhou-Vancouver-Mexico City flights brought its overall Guangzhou-Vancouver frequency to 10 weekly.

Beijing Capital Airlines proposed a Beijing-Mexico City service to the CAAC, using A340s it would acquire just for those flights. This route application was made, along with other ambitious proposals, at a time when Beijing Capital was seeking to gain favour with Beijing authorities in order to be given high preference for Beijing's second airport at Daxing. Beijing Capital has since dropped plans to fly to Mexico City.

#### **Air China serves São Paulo and Havana**

Air China has China's oldest service to Latin America and the country's only service to lower South America. Air China opened Beijing-Madrid-São Paulo service in 2006. Air China flies the route twice weekly with the 787-9. Air China is the only remaining Asian airline in South America – after Korean Air and Singapore Airlines exited Brazil.

Air China also flies to Havana. Although Cuba is technically part of North America, China considers Cuba part of Latin America from a strategic and cultural perspective.

In Sep-2015 Air China started Beijing-Montreal service and in Dec-2015 it continued the flight to Havana. Air China did not launch the Havana tag at the same time as Montreal because it was apparently trying to persuade Beijing that the Havana tag should not be offered (or at least without a significant subsidy). The argument was run that it would be extremely unprofitable, and require large asset utilisation.

Beijing, however, wanted a Cuba service for geopolitical reasons. As an indicator of the route's viability, Air China launched Havana three times weekly but then cut services to a mere once weekly flight, despite offering Beijing-Montreal four times a week.

Although Air China is one of the country's three state owned airlines it is the only "flag carrier", and consequently has to fly more geopolitically important routes than do China Eastern or China Southern.

#### HNA seeks links with Azul and TAP investments

Hainan Airlines, of the expansive HNA Group, is China's de facto fourth carrier of the national flag.

For its own Latin America presence HNA has an intriguing set of assets to work with, since HNA has stakes in Brazil's Azul and Portugal's TAP. Azul flies to Lisbon five times a week – its sole European service. (Azul also serves North America, should Azul and HNA Group airlines overlap there.)

TAP is the fifth largest airline between Europe and Latin America, with approximately 15,000 weekly one ways and a 4.7% share. The market leader Air France has approximately 40,000 weekly one way seats. Still, TAP's Latin America is sizeable for HNA to link into.

TAP does not serve Asia but HNA is planning a link between China and Portugal – the first flights ever between the countries. Beijing Capital Airlines plans to launch three times weekly Hangzhou-Beijing-Lisbon A330-200 service from 06-Jul-2017. This will enable HNA to offer Latin America connections via Lisbon, although details, and how well the connections work, are yet to be determined.

#### Outlook: Latin America a strategic market, although not a large focus for Chinese airlines

There will be increasing route developments between China and Latin America but these will largely follow geopolitical requirements. Commercial sustainability will be challenging, even if Chinese airlines leverage connections and partnerships.

In the short term, Latin America is attractive thanks to subsidies and lack of traffic rights to core long haul markets like Canada, the US and Germany.

Open access to Australia and more traffic rights to France, New Zealand and the UK do present options, however. Open access to Australia and more traffic rights to France, New Zealand and the UK do present options, however. Those markets will continue to define Chinese airlines' long haul presence – and profitability.

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## **Firmas europeas y chinas expresan interés en el túnel Chile-Argentina**

Se trata de un proyecto para conectar ambos países a través de los Andes.

### [Chinese, European firms express interest in Chile-Argentina tunnel](#)

Ten consortiums are keen to build a landmark US\$1.5 billion structure under the Andes mountains to connect Argentina and Chile

By REUTERS JUNE 1, 2017

Ten consortiums including companies from China and Europe formally expressed interest on Wednesday in building a landmark US\$1.5 billion tunnel under the Andes mountains to connect Argentina and Chile.

Chinese companies Power China and the Chinese Communications Construction Company, Spain's OHL and FCC, and Italy's Astaldi and Salini Impregilo are among the interested parties, Chile's minister of public works Alberto Undurraga said.

China Power is one of the country's biggest companies, with involvement on major infrastructure projects, both abroad and at home, such as the Three Gorges Dam.

The planned Agua Negra tunnel would be over 13km in length and would connect Chile's Coquimbo region with the Argentine province of San Juan, both mining regions. The tunnel would be able to operate year round, unlike existing cross-border roads that pass over the Andes and often must close during winter snowstorms.

Both Chile and Argentina are revamping their infrastructure, drawing interest from Asian companies for the first time. Infrastructure in the area has traditionally been dominated by Spanish and Italian companies.

On Tuesday, Chile said it received five offers to build a new highway in Santiago, including the first bid by a Chinese company for a metropolitan highway concession in Latin America.

Building the tunnel would be an ambitious and complex project that would likely take more than 10 years to complete, Argentine Transport Planning Secretary German Bussi said at the event.

The tender for the project is due to start in September or October, said Undurraga.

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### **Repensando la Próxima China.**

China busca crecer aumentando el consumo, pero esto se ha mostrado difícil. La nueva vía es la inversión externa como la de la Nueva Ruta de la Seda, pero esta opción puede bloquear reformas necesarias en las empresas chinas.

#### [Rethinking the Next China](#)

Stephen Roach

Pojetct Syndicate

25/05/2017

NEW HAVEN – For the past seven years, I have taught a popular class at Yale, called “The Next China.” From the start, the focus has been on the transitional imperatives of the modern Chinese economy – namely, the shift from a long-successful producer model to one driven increasingly by household consumption. Considerable attention is devoted to the risks and opportunities of this rebalancing – and to the related consequences for sustainable Chinese development and the broader global economy.

While many of the key building blocks of China’s transitional framework have fallen into place – especially rapid growth in services and accelerated urbanization – there can be no mistaking a new and important twist: China now appears to be changing from an adapter to a driver of

globalization. In effect, the Next China is upping the ante on its connection to an increasingly integrated world – and creating a new set of risks and opportunities along the way.

The handwriting has been on the wall for several years. This strategic shift is very much a reflection of the leadership imprint of President Xi Jinping – in particular, his focus on the “China Dream.” Initially, the dream was something of a nationalist mantra, framed as a rejuvenation by which China would recapture its former position of global prominence, commensurate with its status as the world’s second largest economy.

But now the China Dream is taking shape as a concrete plan of action, centered on China’s One Belt, One Road (OBOR) plan. This ambitious pan-regional infrastructure initiative combines economic assistance with geostrategic power projection, supported by a new set of China-centric financial institutions – the Asian Infrastructure Investment Bank (AIIB), the New (BRICS) Development Bank, and the Silk Road Fund.

For those of us studying China’s economic transformation, this is hardly a trivial development. While the shift remains a work in progress, I would stress three tentative implications.

First, China has not made a full about-face. As an economist, I am prone to placing too much emphasis on models and on the related presumption that policymakers can flip the switch from one model to another. Yet it is not that black and white – for China or for any other country.

China’s leaders have, for all practical purposes, now conceded that a consumer-led growth strategy is tougher to pull off than originally thought. The consumption share of GDP has risen just 2.5 percentage points since 2010 – far short of the boost to personal incomes that might be expected from the 7.5-percentage-point increase in the share of services and a 7.3-percentage-point increase in the high-wage urban share of its population over the same period.

This disconnect largely reflects a porous social safety net that continues to foster high levels of fear-driven precautionary saving, which is inhibiting the growth of discretionary consumption. While still committed to urbanization and services development, China has elected to draw on a new external source of growth to compensate for a shortfall of internal demand.

Second, this global push has many of the features of the old producer model. It enables an increasingly worrisome overhang of domestic excess capacity to be directed at OBOR’s infrastruc-

ture requirements. And it relies on state-owned enterprises (SOEs) to drive that investment, forestalling long-needed reforms in this bloated segment of Chinese industry.

The flip side of this newfound support for the producer model has been a de-prioritization of consumer-led growth. In Prime Minister Li Keqiang's annual Work Report – the official statement of economic policy – emphasis on the consumer-led structural transformation has been downgraded in each of the last two years (ranked third in both 2016 and 2017, as so-called supply-side initiatives have gained higher priority).

Third, China's new global approach reflects a recasting of governance. Xi's consolidation of domestic power is only part of the story. The shift in economic decision-making away from the State Council's National Development and Reform Commission (NDRC) toward Party-based Leading Small Groups is particularly important, as are the anti-corruption campaign, heightened Internet censorship, and new regulations on non-governmental organizations (NGOs).

The irony of such power centralization is unmistakable. After all, Xi issued early promises to break up deeply entrenched power blocs, and the Third Plenum reforms of November 2013 emphasized the promotion of a more decisive role for markets.

But there is an even deeper irony for China's new global push. It runs against the grain of a populist anti-globalization backlash that is brewing in many developed countries. As a producer-focused economy, China has long been the greatest beneficiary of globalization – both in terms of export-led growth and poverty reduction stemming from the absorption of surplus labor. That approach has now been stymied by China's mounting internal imbalances, a post-crisis slowdown in global trade, and an increase in China-focused protectionism. As a result, China's new attempts to gain increased leverage from globalization are not without serious challenges of their own.

A more global China also has important ramifications for Chinese foreign policy. Territorial disputes in the South China Sea loom particularly large, but China's footprints in Africa and Latin America are also drawing heightened scrutiny. This new strategy raises perhaps the biggest issue of all – whether China fills a hegemonic void created by the isolationist “America first” approach of US President Donald Trump.

In short, the Next China is shaping up to be more outwardly focused, more assertive, and more power-centric than I envisioned when I started teaching this course in 2010. At the same time,

there appears to be less commitment to a market-based reform agenda featuring private consumption and SOE restructuring. The jury is out on whether this changes the final destination of Chinese rebalancing. I hope that is not the case. But that is what makes it more interesting to teach an applied course, where the focus is always a moving target.

**Editor responsable del Boletín: Julio Sevares.**