





## Continued: China's Investments in Latin America

**Source:** “El ascenso de China y su impacto en América Latina (China’s Growing Impact in Latin America),” *America Latino in Movimiento*, 20 March 2019. <https://www.alainet.org/es/articulo/198832>

*This source garnered multiple conclusions from their research, but three are listed in this excerpt. The first is that Latin America has become one of China’s principal commercial partners. The second is that Latin America has helped China grow as Latin American countries purchase more from China than they export in many cases. This has produced trade deficits in many Latin American countries. The third is that China could play a role in depleting Latin American natural resources.*

*This source also points out that increased exports to China from Latin America countries from the 90’s to present day have benefited the region. However, it has made some countries vulnerable in the sense that they depend on China to buy their products. The most extreme case in South America is Chile where 25% of all their exports go to China. Peru, Brazil and Venezuela are not far behind as they also export 15-20% of their goods to China.*

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**Source:** “China Hoy: Latinoamérica, foco de la Ruta de la Seda (China Today: Latin America Focuses on the Silk Route),” *Miami Diario*, 8 May 2019. <https://miamidiario.com/china-hoy-latinoamerica-foco-de-la-ruta-de-la-seda-ii/>

*China continuously works to maintain strong diplomatic ties with Latin American countries. One way in which they achieve this is by providing third-world countries’ infrastructure, loans or other support they may need. For example, China has discussed the idea of creating a corridor between the Isthmus of Tehuantepec in Mexico. If the plan is successful, it would create a new trade corridor for both Mexico and China (this idea is further discussed in excerpt 4). A second proposed project is to build a railway that would connect Peru and Brazil. China’s rationale behind financing products of this nature is that they would potentially improve and facilitate both exports/imports to and from these countries and China.*

**Source:** “The Isthmus of Tehuantepec Rail Line; Interest from China and Backbone of the Special Economic Zones,” *Mazatlán Post*, 18 May 2018. <https://themazatlanpost.com/2018/07/11/the-isthmus-of-tehuantepec-rail-line-interest-from-china-and-backbone-of-the-special-economic-zones-zees/>

*China has proposed financing to revitalize a rail corridor across the Isthmus of Tehuantepec, where the Atlantic and Pacific oceans are just 200 kilometers apart. In theory, this would serve as a Panama Canal-lite, opening up a shortcut to the Atlantic. The rail corridor of the Isthmus of Tehuantepec will be the backbone of the Special Economic Zones (ZEEs) established in the southeast of the country and will make the region competitive with the Panama Canal.*