

Covid-19, China and Latin America

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Paulina Garzón
Latinoamérica Sustentable

During the past two years, Chinese financing has drastically reduced compared to the last decade. On 2018 and 2019, China loaned US \$ 3.2 billion to Latin America and the Caribbean (LAC) whereas that in the past decade China loaned US \$ 125.8 billion to the region. In fact, economies in LAC already depend on China, and their ability to overcome the Covid-19 pandemic will also, to a large extent, depend on China.

Unfortunately, the core of the China-LAC relation is focused primarily on infrastructure and extractive projects; this will remain unchanged in the short term. The vast majority of South American governments announce new plans to build infrastructure, like the “Pro-Brazil” plan, and plans to increase extraction of



Diego de Robles y Pampite Esquina,
Edificio Impaqtó. Quito-Ecuador

- Teléfono: (+593) 2 602 2078
- Email: info@latsustentable.org
- Web: <http://latsustentable.org>

natural resources, like mining projects Ecuador and Peru. These initiatives are announced to be of central importance in their strategies to overcome Covid-19. In addition, countries most heavily indebted are desperately looking for ways to renegotiate their loans with their creditors and undertake new ones in better conditions. In all these fronts, China will remain a central player. For the past two months, China has reaffirmed its friendship and support to the governments in the region through important donations of medical supplies, in-person calls, and letters from the President Xi Jinping to his Latin-American counterparts.

Interestingly enough, the pandemic could also open an opportunity window to bring China and other international actors to take stronger and more decisive measures to stabilize and revitalize the economy in an ecologically-safe, people oriented, and sustainable way. It is important to note that one of the measures the Chinese government has taken in order to protect its enterprises and foreign investments in face of the losses caused by the pandemic, is to provide economic support to their so called “high-quality” projects. In our understanding, a “high-quality” project should not negatively impact forests, rivers, ecosystems, and diversity, especially in those fragile and necessary areas to keep the local and global environmental equilibrium, neither should negatively impact the communities that depend on them. Those “high-quality” projects, are the ones that Latin America needs.



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