

PROSPECT OF CHINA-BRAZIL RELATIONS FROM THE PERSPECTIVE OF “THE BELT AND ROAD INITIATIVE”¹

PROSPECTOS DA RELAÇÃO CHINA-BRASIL NA PERSPECTIVA DA “INICIATIVA CINTURÃO E ROTA”

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Abstract: Since the beginning of the new century, have become important considerations for Brazil's foreign strategy. On this basis, the relationship between China and Brazil has entered a stage of rapid advancement, and significant cooperation results have been achieved in various fields. Political relations have shown a “gradual escalation” trend, and economic and trade cooperation has achieved mutual benefit and win-win results. With the content of strategic partnerships, global governance cooperation has become an important growth point in bilateral relations. This paper attempts to analyze the current status and characteristics of China-Brazil relations, clarify the problems and competitions in the relations between the two countries, and look forward to the prospects of bilateral relations between China and Brazil from the perspective of “the Belt and Road”.

Keywords: Brazil, China, strategic partnership, a community of shared future, the Belt and Road Initiative

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Resumo: Desde o início do novo século, a ascensão da China tornou-se uma variável estratégica para a política externa brasileira. Com base nisso, a relação entre a China e o Brasil entrou em um estágio de rápidos avanços, com significativos resultados alcançados pela cooperação foram em vários campos. As relações políticas mostraram uma tendência de "escalada gradual", e a cooperação econômica e comercial alcançou benefícios mútuos e resultados ganha-ganha. Com o conteúdo de parcerias estratégicas, a cooperação em governança global tornou-se um importante ponto de crescimento nas relações bilaterais. Frente a isso, este artigo procura analisar o estado atual e as características das relações sino-brasileiras, aclarar alguns problemas e disputas nas relações bilaterais e traçar algumas perspectivas sobre as relações entre China e Brasil a partir dos conceitos da "Iniciativa Cinturão e Rota".

Palavras-Chave: Brasil; China; Parceria estratégica; Comunidade de futuro compartilhado; Iniciativa Cinturão e Rota.

1 - Introduction

As two emerging powers on the rise, the regional and international influence of China and Brazil has been greatly enhanced in the last decade. Along with this process, a gradual transition from "foreign countries" to "central countries" is taking place, as to the identity of China and Brazil in the international system. Especially since the beginning of the new century, the cooperation between the two countries in politics, economy, trade and culture has entered a new era of rapid development. China-Brazil relations has not only become a model of current South-South cooperation, but has also become an important influence in the major power relationship in the international relations.

2 - Current status and characteristics of China-Brazil strategic partnership

In the mid-1970s, Brazil's foreign policy began to change the previously adopted "pro-US" diplomatic policy, abandoning the diplomatic ideology of "ideology frontier" and turning to the diplomatic strategy of "responsible pragmatism". The transformation of Brazilian diplomatic thought promoted relations between Brazil and the "third world" countries and directly contributed to the establishment of diplomatic relations between Brazil and the People's Republic of China (August 1974). After the restoration of democracy in Brazil in 1985, in order to further enhance the autonomy of Brazilian diplomacy, the Brazilian Sarnerian government vigorously promoted a diversified diplomatic strategy. Among them, the development of relations with China became an important part of Brazil's foreign policy at that time. In 1988, Sarney's successful visit to China promoted the pragmatic and rapid development of China-Brazil relations. The two countries finally established a "strategic partnership" in 1993, and Brazil became the first to establish a "strategic strategy" with China. The country of partnership. The establishment of "strategic partnership" not only reflects the importance of current bilateral relations, but also points to the direction of future development of bilateral relations. Although China and Brazil may have certain differences in the interpretation of "strategic partnership", there is no doubt that "strategic mutual needs" is the common starting point for the development of China and Brazil relations, and it is also the basis for deepening cooperation between the two countries.

Since the beginning of the new century, relations between China and Brazil have entered a stage of rapid development. The two countries have established a relatively solid foundation for cooperation. The relationship between the two countries has also ushered in the best period of development in history and has maintained good development. The current financial crisis and the status quo of the international situation have created a wider range of cooperation opportunities for the two countries, and the new challenges they face together highlight the importance and urgency of

China-Brazil cooperation. With the economic development of the two countries and the increasing emphasis on China-Brazil relations between the two governments, China-Brazil relations will enter a stage of continuous and rapid development, and it is also expected that the future China-Brazil relations will also be given more international meaning, and become an important part of the future major power relations.

2.1 - The political relationship develops step by step.

The second half of the 1970s coincided with the most severe phase of the "Cold War." Due to the international environment and the differences in the political systems of the two countries, and the fact that the two countries are far apart and know little about each other, the two countries have been cautious in a relatively long time contacts with each other after the establishment of diplomatic relations. At this stage, China's focus on Latin American policy is to seek recognition and support from the Latin American countries for the Chinese government, and to expand and consolidate China's diplomatic positions in Latin America. As a major Latin American country, Brazil is particularly important in China's Latin American strategy. Although Brazil adopted the "responsible pragmatism" foreign policy since 1974, the ideological and diplomatic thought still restricts the development of China-Brazil relations until 10 years after the establishment of diplomatic relations (1984), when João B. Figueiredo became the first Brazilian president to visit China. Four years later, President José Sarney visited China. During the meeting between Sarner and Deng Xiaoping, the two sides proposed that the 21st century will be the "Pacific Century" and the "Latin American Century." This consensus led the relationship between China and Brazil to the normal development.

In the 1990s, the end of the "Cold War" created a favorable international environment for the development of China-Brazil relations. In addition, the Franco government (Itamar Franco, 1992-1994) amended the diplomatic policy of "disengaging from the third world and integrating into the first world" of the Colon government (Fernando Collor de Mello, 1990)

and proposed the idea of “de-politicization” of diplomacy, which strengthened its relations with major powers such as China, India and Russia. From then on, the frequency of Chinese leaders' visits to Brazil has increased markedly. The increase in high-level visits has enhanced the political mutual trust between the two countries and led to the establishment of a "strategic partnership" between the two countries in 1993. The establishment of a strategic partnership reflects the fact that the two countries have improved each other's position in their diplomacy respectively . With the continuous deepening of economic reforms in both countries, the economic potential of China and Brazil has been further revealed, and through the practice of multilateral diplomacy, the regional and international influences of the two countries have been greatly enhanced, which is the fundamental cause for the establishment of China-Brazil's "strategic partnership".

Since 2003, especially after the successful exchange of visits between the leaders of the two countries and the signing of the "Joint Communiqué" in 2004, China-Brazil bilateral relations have entered a stage of rapid development. At this stage, the Lula government has always placed the development of China's relations at the top of Brazil's foreign policy. In 2004, President Hu Jintao's speech in the Brazilian Congress stated that “China-Brazil's strengthening of its strategic partnership will not only benefit the prosperity and progress of the two countries, but also help maintain world peace and promote common development”, which accurately summarizes the essence and the direction of China-Brazil relations development. In February 2009, Chinese Vice President Xi Jinping said during his visit to Brazil that "China and Brazil are two important emerging powers and the significance of their further cooperation transcends the bilateral relations and has more and more global and strategic influence." It is China's further positioning of China-Brazil relations, indicating that China-Brazil relations have the meaning of a relationship between major powers. In May 2009, Lula said that his second state visit to China was "the most successful visit in his term of service" and also reflected Brazil's recognition of the status quo of China-Brazil relations development.

In addition, the mechanism of bilateral interaction has been strengthened during the rapid development of China-Brazil relations. Since China and Brazil signed a memorandum of understanding on the establishment of the China-Brazil High-level Coordination and Cooperation Committee in 2004, the two sides have established 8 sub-committees of politics, economy, trade, science and technology, aviation, culture, agriculture, energy and minerals and education under this mechanism. In 2006, the two countries also established a regular exchange mechanism for legislative bodies. In 2007, a strategic dialogue mechanism was established and launched. Since 2008, high-level exchanges between the two countries have been frequent. In May 2009, the heads of China and Brazil signed the "Joint Communique on Further Strengthening China-Brazil Strategic Partnership." In April 2010, President Hu Jintao visited Brazil and attended the second meeting of BRICS leaders in Brazil. The two heads of state signed the "Joint Action Plan for the Two Governments 2010-2014". The variety of the communication between the two sides will not only help enhancing the mutual understanding between two countries. but also provide more opportunities for the deepening of China-Brazil bilateral relations. In June 2012, China and Brazil issued a joint statement and decided to upgrade China-Brazil relations into a comprehensive strategic partnership. The statement pointed out that the promotion of China-Brazil relations to a comprehensive strategic partnership reflects the increasing global and strategic influence of the two countries. Under the background of profound changes in the international situation, the cooperation between the two countries will be more extensive. In the same year, the two governments signed the Ten-Year Cooperation Plan, which improved the policy arrangements for bilateral cooperation in various fields. In February 2009, when Chinese Vice President Xi Jinping visited Brazil, he said, the significance of further strengthened cooperation between China and Brazil, as two important emerging powers, transcended bilateral scope and became more and more influential globally and strategically. This can also be seen as the latest positioning of the Chinese government on current China-Brazil relations, and it also defines the direction for the future development of

China-Brazil relations. In 2014, when President Xi Jinping visited Brazil, he clearly emphasized that China and Brazil have become a community of shared future. This is also the latest positioning of Chinese leaders on China-Brazil bilateral relations, which fully reflects the breadth, depth and influence of China-Brazil relations.

2.2 - The achievements of "economic and trade priority" policy are significant.

At the beginning of the establishment of diplomatic relations between China and Brazil, economic and trade relations became the main link between the two countries at the time. The "economic and trade priority" has thus become a common strategy for the Chinese and Brazilian governments to develop bilateral relations during the "cold war." Over the past 30 years since the establishment of diplomatic ties, China-Brazil economic and trade relations have experienced a qualitative leap. In 1974, the bilateral trade volume between China and Brazil was only 17.42 million US dollars, and was basically within 1 billion US dollars before 1993, except that it reached 1.2 billion US dollars in 1985 . In 1993, the trade volume between China and Brazil increased to 1.08 billion U.S. dollars. Since then, China-Brazil trade has entered a stage of rapid growth, with only negative growth in 1998 and 1999.

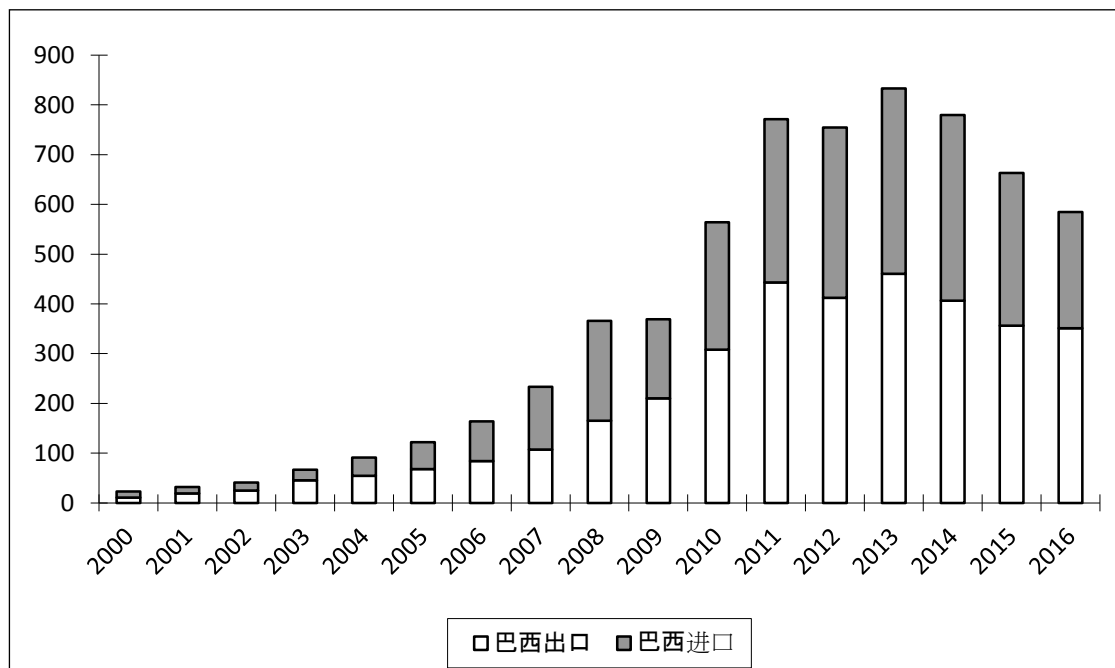
Since 1999, the trade growth between the two countries has been strong. According to official Brazilian statistics, China-Brazil trade increased from 2.31 billion U.S. dollars in 2000 to 83.33 billion U.S. dollars in 2013, an increase of nearly 35 times in 13 years. In March 2009, China surpassed the United States for the first time to become Brazil's largest export market; in April, China replaced the United States for more than 70 years as the "Brazil's largest trading partner", while Brazil also became China's ninth largest source of imports. Webber Barar, an official with the Brazilian Ministry of Industry, Development and Foreign Trade, said that this was a "historic change" and that China became the fourth largest trading partner in Brazilian history after Portugal, the United Kingdom and the United States. At the same time, Brazil has maintained as the largest trading

partner of China's in Latin America, accounting for more than 30% of China-Latin America's total trade, and Brazil has become one of China's top ten trading partners in the world. In addition, the trade structure between the two countries is becoming more diversified, and the proportion of high-tech, high-value-added products such as regional aircraft in Brazil has increased in Brazil's exports to China.

Overall, China-Brazil trade growth is a two-way stable growth. In other words, Brazil's exports to China and its imports from China have both achieved rapid growth. From 1999 to 2013, Brazil's exports to China totaled 670%, while Brazil's imports from China increased by 420% over the same period. The former is about 1.6 times the latter. Because of this, Brazil has been at a relatively poor level in trade with China since 1999, with only a small deficit in 1999, 2000, 2007 and 2008. In 2011, Brazil's trade surplus in China-Brazil trade was as high as US\$11.5 billion, accounting for 39% of Brazil's total foreign trade surplus. In addition, the rapid growth of China-Brazil trade can also be reflected in the changes in China's share of Brazil's foreign trade. For example, in 1999, China-Brazil trade accounted for 1.6% of Brazil's total foreign trade, and in 2013 it rose to 17.3%; In 1999, Brazil's imports from China accounted for 1.75% of its total imports, which, in 2003, increased to 15.57%; and the proportion of exports to China to its total exports increased from 1.41% to 19.01%. According to the statistics of the General Administration of Customs of China, the proportion of China-Brazil trade in China's total foreign trade increased from 0.5% in 1999 to 2.2% in 2013. Brazil's share of China's total exports increased from 0.4% in 1999 to 1.6 % in 2013, and the proportion of China's total imports rose from 0.6% to 2.75%. Since the 1980s, Brazil has been China's largest trading partner in Latin America, accounting for 34.5% of China-Latin America trade in 2013. At the same time, Brazil has become one of China's top ten trading partners in recent years. Since 2013, China-Brazil bilateral trade has shown a downward trend, but the decline is also far below the decline in Brazilian foreign trade. From January to October 2017, the import and export volume of bilateral goods between China and Brazil was US\$63.95 billion, an increase of 28%, accounting for 20.7% of Brazil's total foreign trade during

the same period. Among them, Brazil's exports to China totaled US\$41.35 billion, up to 34.6% year-on-year growth; imports from China totaled US\$22.61 billion, up to 17.4% year-on-year growth; Brazil achieved US\$18.75 billion in bilateral trade between China and Brazil, compared with the same period in 2016 (US\$1.145 billion), the growth rate is 63.8%, accounting for 32.1% of the total foreign trade surplus.

Figure 1: China-Brazil trade development (2000-2016)



Source: Statistics from the Ministry of Development, Industry and Foreign Trade of Brazil.

Economic and trade exchanges between the two countries have extended from general trade to deeper mutual investment. According to Brazilian media reports, a large number of Chinese enterprises have come to Brazil to invest in the industry. The total investment continued to rise, and has reached 40 billion US dollars. China has become an important source country of investment for Brazil. Especially in the situation that the Brazilian economy has experienced a continuous sharp decline in 2015 and 2016, and the international capital mobility is sluggish, Chinese investment has played a positive and important role in the recovery of the Brazilian economy. According to the latest report released by the China-Brazil

Entrepreneur Committee (CEBC), between 2007 and 2013, the total amount of investment projects announced by China to Brazil reached US\$56.5 billion, and the confirmed investment amount was US\$28.3 billion. From the perspective of investment, it is also expanding from the previous energy and mining sectors to manufacturing, high-tech industries, and service industries. In 2014-2015, there were 33 investment projects with a total amount of US\$11.4 billion. The number of confirmed investment projects was 25, with an investment amount of US\$9.2 billion, of which infrastructure investment accounted for a large share. Under the current background of the Brazilian government's tightening fiscal policy, the entry of large-scale enterprises such as China's State Grid and the Three Gorges Group has made important contributions to strengthening infrastructure construction in Brazil. It is worth noting that China's rise in investment in Brazil is highly correlated with the economic crisis that Brazil was facing in the last two years. Affected by the political and economic crisis and the corruption scandals of large enterprises, Brazilian companies generally have severely shrunk in their profitability. In order to reduce debt levels, the cases of Brazilian companies selling assets has increased. Coupled with the continued depreciation of Brazilian Real, there has been an upsurge of merging of Brazilian assets, in which the Chinese companies are the main participants. According to statistics, in 2016, Chinese companies announced the acquisition of Brazilian assets of 4 billion US dollars, the highest since 2010, in the areas like mining, power infrastructure, real estate, agriculture, and aviation, etc. Brazil is a country with a serious long-term shortage of investment, with an investment rate less than 20% , even less than the other Latin American neighbors. With the sharp decline in the economy in the last two years (-3.8% in 2015, -3.1% in 2016), the investment rate has shrunk for several consecutive quarters. According to figures released by the Brazilian Bureau of Geography and Statistics (IBGE), Brazil's investment rate in the third quarter of 2016 was only 16.5%, the lowest since 2003. Because of this, in order to get out of the economic crisis as soon as possible, and even with implementing its "re-industrialization" strategy, Brazil's desire for foreign investment has never been so strong as it is now,

and under the multiple pressures of shrinking international capital liquidity, capital flight, and US dollar interest rate hike, China Investment is quite a timely assistance for Brazil. Because of this, Temer officially visited China twice after he officially took office. He emphasized the importance of China-Brazil economic and trade relations to Brazil. It can be predicted that with the improvement of Brazil's economic situation and the deepening of the internationalization strategy of Chinese enterprises, investment will become another important support for China-Brazil economic and trade relations in the future.

2.3 - Science and technology cooperation created a model of South-South cooperation.

Compared with the areas of politics, economy and trade, China-Brazil cooperation in science and technology started relatively late. From the signing of the Agreement on Science and Technology Cooperation in 1982 to the signing of the 1988 Protocol on the Approval of the Development of Earth Resources Satellites between the two governments, and then to 1999 when the two countries successfully launched the first Earth Resources Satellite, through repeated explorations and researches, China and Brazil finally selected the focus of scientific and technological cooperation between the two countries in the aerospace field. In 1999, 2003, 2007, 2011 and 2014, China and Brazil jointly developed and successfully launched five Earth resource satellites. The cooperation of Earth Resources Satellite has opened up a broad field of cooperation between China and Brazil in the development of remote sensing satellites and the application of resource satellite data. It has ended the long history of China and Brazil relying solely on foreign Earth observation satellite data, and is known as the model of "South-South High-tech cooperation". In fact, when China and Brazil planned space cooperation, the two countries attached great importance to the cooperation project. After China and Brazil established a "strategic partnership" in 1993, China-Brazil Earth Resources Satellite Cooperation was considered by both countries. as one of the "most strategic " part in the partnership between them, with which China-Brazil political relations and complementary

economic and trade relations jointly support and promote the development of bilateral relations between China and Brazil.

In addition to space cooperation, in May 2009, the Ministry of Science and Technology of the two countries signed the "Science, Technology and Innovation Cooperation Work Plan" to identify agricultural science, agricultural energy, renewable energy, biotechnology and nanotechnology as priority areas for cooperation in the next five years. In April 2010, the two sides signed a memorandum on the China-Brazil Earth Resources Satellite Image Data Distribution Policy and the cooperation in space science and agricultural science. In April 2011, the "Joint Communiqué of the People's Republic of China and the Federative Republic of Brazil" signed by the leaders of China and Brazil positively evaluated the progress of bilateral cooperation in science and technology and innovation, and expressed the desire of both sides to further strengthen mutually beneficial cooperation in science and technology. It was decided to formulate the Ten-Year Cooperation Plan (hereinafter referred to as the Ten-Year Cooperation Plan) to clarify the priority areas and key projects of the two sides in terms of science and technology, innovation, economic cooperation and humanities exchange from 2012 to 2021. In June 2012, the Chinese and Brazilian governments announced that they would upgrade China-Brazil relations to a comprehensive strategic partnership and sign the 10-year cooperation plan of the China-Brazil government, clearly emphasizing that the cooperation in science, technology and innovation is one the focuses of the 10-year cooperation plan

In general, in the bilateral scientific and technological cooperation between China and Brazil, extend a particular experience to an entire sector a situation of “combining points and points and combining points” has gradually formed. First, the Earth Resources Satellite project entered the second-generation satellite cooperation development phase and has initiated the planning of space cooperation for the next decade. Secondly, the successful cooperation between China and Brazil in the field of regional aircraft manufacturing has become another successful case of scientific and technological cooperation between the two countries. Moreover, the

cooperative research between China and Brazil in the fields of renewable energy, agricultural science, biotechnology and new materials will help to broaden the scope of scientific and technological cooperation between the two countries and further explore new concrete science and technology cooperation projects. In addition, the Ten-Year Cooperation Plan signed by the two governments defines science and technology and innovation as the priority areas for future bilateral cooperation between China and Brazil, and has set the goals, methods and contents of bilateral cooperation for different scientific and technological fields, which will further enhance the science and technology cooperation between China and Brazil, thus better serving the economic and social development of the two countries.

3 - China-Brazil cooperation in international affairs is increasingly strengthened.

China and Brazil are the largest developing countries in the Eastern and Western Hemispheres, and they are also the main representatives of BRICS. This means that the two countries face similar opportunities and challenges, and also bear the common responsibility for the interests of developing countries. From the International Hague Conference in the early 20th century to the founding of the United Nations in the latter part of the Second World War, Brazil has made many attempts to integrate into the world power center. However, due to the lack of comprehensive national power and the rigid nature of the international system, Brazil's international influence has not been substantially enhanced and it has not been universally recognition by great powers. In the second half of the 1990s, while achieving economic stability and steadily growth, Brazil increased its participation in international affairs and achieved good results. Both China and Brazil adhere to the diplomatic principles of multilateralism, advocate the democratization of international relations and the multi-polarization of the world, and call for the establishment of a new international political and economic order. In this sense, China-Brazil relations in the new era have a broader international meaning. This is also the reason why China-Brazil relations can attract more and more international attention. Edmundo

Susumu Fujita, former director of the Asia-Pacific Division of the Brazilian Ministry of Foreign Affairs, said: "In many international affairs, Brazil and China share the same perspective. They all value the diversified international system rather than trying to establish unilateral control and infinitely expand in the pursuit of international interests." Because of this, the two countries have adopted the same or similar standpoints on most major international issues.

As two emerging powers, China and Brazil have the will and potential to reform the current international order and achieve a multi-polar international structure. In addition, the two countries take the similar standpoints in the major international affairs, like international financial system reform, food security, energy security, global climate change, and the UN Millennium Goals. Common will and similar standpoints are the basis for China and Brazil to expand bilateral cooperation in international affairs. In recent years, the two governments have been enhancing their cooperation in international multilateral institutions and forums such as the United Nations, the World Trade Organization, the International Monetary Fund, the World Bank, the G20, and the G8+5 Summit. Especially after many informal meetings, BRICS successfully held the first summit, which provided another direct dialogue and cooperation channel between China and Brazil. Through the new BRICS platform, China and Brazil can achieve broader cooperation with other developing countries (especially with large developing countries), enhance the overall voice of developing countries in international affairs, and promote the new world political and economic order, and the establishment of an international multi-polar pattern. It is precisely because of the increasing international cooperation between the two countries in international affairs, there is no doubt that the strengthening of the attention of the two governments to each other will inject new vitality into the development of China-Brazil relations and a comprehensive and pragmatic strategic partnership between the two countries. It will be further broadened and deepened, and China-Brazil negotiation and cooperation in international affairs will also play a more important role. For both China and Brazil, this rapid and comprehensive development and mutual benefit and

win-win bilateral relations are in accordance with the fundamental interests of their respective countries.

4- China-Brazil relations from the perspective of Brazil

With the rapid development of China-Brazil relations, the rise of Brazil and the rise of its international status, the Brazilian government has made a significant change in its appeal to China. "Equality and reciprocity" has become an important principle of the Brazilian government's China policy, and is prevalent in the Brazilian industry. The "China threat" argument puts tremendous pressure on the Rousseff government, and strengthening the protection of its own industry will be one of the starting points for Rousseff's China policy. In international affairs, the argument that "there is a big difference between China and Brazil" has risen. Among them, the differences between China and Brazil on the reform of the UN Security Council are structural.

In the trade field, there is a problem of imbalance in the trade structure between the two countries. Brazil becomes the "supply of raw materials for China" and there is the "de-industrialization trend". In a survey report, the National Confederation of Industries (CNI) of Brazil pointed out that in the four major industries of metallurgy, leather, footwear and textiles, the entry of Chinese products has brought the shrink of the domestic market share of more than half of Brazilian companies, while in the electronic and communications products and textile industries, this proportion exceeds 70%. In addition, China-Brazil competition in the third-country market is particularly evident, with 67% of Brazilian exporters losing some of their markets, which is 10% higher than in 2006. From the reason analysis, low wages, ultra-low interest rates, effective infrastructure, large-scale production, and low bureaucratic obstacles are important factors for Chinese products to be competitive, but the key factor is China's exchange rate policy.

Lia Valls, director of the Foreign Trade Research Center at the Vargas Foundation's Brazilian Institute of Economic Research (IBRE), believes that although Brazil benefits from China's economic growth, the two countries

are not partners but competitors. China and Brazil have fierce competition in the foreign trade field. China has seized Brazil's export market. Take the US market as an example. The proportion of Brazil's exports to the US has dropped from what was 23.8% a few years ago to what is now 9.6%. China is a country relying on the export of manufactured goods, and no country has ever been able to replace its position as tot the output of industrial products. Antonio Barros de Castro, chairman of the Brazil-China Research Council and former president of the Brazilian National Development Bank, believes that the current industrial structures of most countries are depending on China, which many countries have realized this and is taking corresponding countermeasures. In contrast, Brazil is in a relatively close position, because China first entered the other markets, and the time China entered the Brazilian market was comparatively late, but it grew at a rapid rate. Because of this, Brazil has resumed its growth after 25 years of stagnation. Now the question is how to deal with this situation, to guide the development of the industry independently and adapt to this new "China-centric" international environment.

In the investment field, the rapid momentum of Chinese investment in Brazil has aroused the vigilance of the Brazilian government and enterprises. The Brazilian industry has called on the government to strengthen the protection of its strategic industries and limit Chinese investment that poses a threat to Brazilian sovereignty. Sergio Amaral, chairman of the Brazil-China Entrepreneur Committee and former Brazilian Minister of Industry and Trade, stressed that the challenge from China is not only the size and characteristics of its investment in Brazil, and the price advantage of Chinese exports, it is more about China brings both opportunities and challenges for Brazil, which means that it cannot be dealt with in the usual way. Matias Spektor, director of the Vargas Foundation's Center for International Relations Studies, also believes that anti-China voices are rising rapidly in Brazilian society. For example, China is seen as a trigger for Brazil's "de-industrialization" and a threat to Brazil's natural resource sovereignty. Many people doubt the motive behind Chinese investment and believe that China has geopolitical considerations.

In the field of international affairs, the Brazilian academia generally believes that China and Brazil share common interests, but their focuses are not the same. In the process of transformation of the global system, the Brazilian academia recognized that the rise of China is a good thing for developing countries. The BRICS and the G20 will not exist without China. However, Matthias Spector, director of the Vargas Foundation's Center for International Relations Studies, believes that the power gap between China and Brazil is widening, and while China is gaining its own interests, it can accept or ignore Brazil's demands. China and Brazil hold different viewpoints on the issues like trade, finance, nuclear non-proliferation, human rights and climate change, and the difference will continue to expand. In South American and African Portuguese-speaking countries with traditional Brazilian influence, the rise of China's influence poses enormous competition and challenges for Brazil. In addition, in the reconstruction of the international order, China is not willing to have a joint reform. It is more satisfied with the status quo than Brazil. If the status quo changes profoundly, China will lose more.

In terms of UN reform, China and Brazil have structural contradictions, which is, the contradiction between "conservatives" and "innovationists." During the Lula government, Brazilian Foreign Minister Celso Amorim believed that China and Russia have obtained economic benefits because of their permanent membership in the UN Security Council. This is one of the important reasons for China and Russia to boycott UN reform. If Chinese and Russian companies want to mine Iranian oil, they may be able to avoid sanctions from the United States, but it is impossible for Petrobras. China and Russia have obtained certain benefits from the United States because they support the new US sanctions against Iran. Matthias Spector, director of the Vargas Foundation's Center for International Relations Studies, also believes that China is reluctant to move forward on the issue of UN reform.

Because of this, the Brazilian academia has called on the government to formulate a comprehensive and systematic China policy to weaken China's advantages and reduce its own costs. Matthias Spector pointed out

that although Brazil's trend of being included in the Chinese track is difficult to reverse, if Brazil does not quickly learn to influence other countries for its own interests, she will then lose the ability to choose independently. Currently, Brazil does not have the tools to control Beijing. If this is the case in the long run, Brazil's position in the world will become worse and worse. If there are no channels and means to influence China's decision-making process, it will not weaken China's advantages. In this case, when they ask for something, Brazil cannot resist the pressure from China. Brazil's former ambassador to China, Roberto Abdenur, believes that the Brazilian government is working hard to improve the conditions of Brazil's relations between the two countries. The current bilateral relationship is unequal and unbalanced. However, China-Brazil relations are essentially a positive relationship. Brazil cannot keep China out of itself. It is in Brazil's interest to increase trade and attract Chinese investment. However, the Brazilian government should emphasize the principle of "equality and mutual benefit" in its relations with China.

From the government level, Brazil's attitude toward China is generally positive. Marco Aurélio Garcia, special assistant for international affairs in Brazil's presidential palace, believes that Brazil does need to formulate a comprehensive China policy. There is no geopolitical dispute between China and Brazil, which is a very important point that both countries should make good use of. Brazil does not intend to confront China, but it must be clear where the problem lies, where there are differences, which should be made known clearly, and be resolved.

5 - The "Belt and Road" and China-Brazil relations

At present, "China Opportunity" and "Pacific Awareness" have become important considerations for most Latin American countries' foreign strategies, and Asia's status in Latin American diplomacy has generally risen. With the tightening of the Trump administration's trade policy and the possible withdrawal of US capital from Latin America, Latin American countries, including Brazil, have a strong willingness to strengthen their cooperation with China. The Belt and Road Initiative will provide another

channel of cooperation for the development of China and Brazil relationships.

When the “Belt and Road” initiative was first put forward, Brazil was basically on the sidelines and did not respond actively. The main point of view is that the initiative aims to transfer China’s excess domestic production capacity and accelerate the pace of Chinese companies’ overseas investment. On one hand, it will protect China’s energy and food security, and on the other hand, it can consolidate China’s economic and trade ties with Asian and European countries. Through the “Belt and Road” initiative, and the establishment of mechanism of the Asian Investment Bank and the SCO, the influence of China in the areas along the “Belt and Road” will be enhanced, which can hedge the “Asia-Pacific rebalancing” strategy implemented by the United States. Based on this analysis, the consensus among Brazilian is that the “Belt and Road” Initiative is likely to change the geopolitical order of Eurasia, and as the two most important countries in the region, the influence of China and the United States along the “Belt and Road” region will inevitably have a "trade-off relationship." Based on this judgment, Latin American countries, including Brazil, initially recognized the “Belt and Road” Initiative as follows: First, the “Belt and Road Initiative” is China’s geostrategic arrangement aimed at expanding China’s strategic expansion in Eurasia. To surpress the US strategic influence in the Asia-Pacific region; second, the “Belt and Road” initiative is limited to the surrounding areas of China, and Latin America is an “outside” region. Therefore, similar to the principal judgment of the United States, it takes a “strategic suspicion” attitude on the initiative.

The change in Brazil’s standpoint took place after the US presidential election and the “Belt and Road” international cooperation summit. After the impeachment of President Rousseff in 2016, the Temer government made adjustments to the internal and external foreign policy of the Labor Party: on the one hand, it promoted market opening up and integrated into the global value chain; on the other hand, it played down the diplomatic spirit of "South-South cooperation", advocating the diplomatic thought of "North-South balance." From a diplomatic perspective, the Latin American center-

right government, including Brazil, hopes to strengthen cooperation with the United States. Despite the willingness to strengthen relations with developed countries in Europe and America, Trump's victory in the US election brought about the possibility of the "re-adjustment" to Temer's adjustment of Brazil's US policy.

In fact, before the results of the US presidential election came out, the development of the political situation in Latin America is very favorable for the interests of the United States in the region: the left-wing of Latin American e fell from power, while the right-wing gradually grasp it, and enhancing the relationship with the United States became the principal policy of the Latin America right-wing countries In the alteration of the left-wing power and right-wing power in Latin America, the Latin American regional integration temporarily got stuck, and the awareness of "joint anti-Americanism" has been significantly weakened; the thawing of US-Cuba relations has eased this sensitive relationship in the US-Latin America relationship; Brazil and Argentina have a better attitude toward the United States, and the United States faces a "recovery" of its influence on the South American continent. However, Trump's policy of returning to manufacturing, reassessing free trade agreements, and restricting immigration are a huge dislocation with Latin American countries' appeals to the United States. It can even be said that for Trump's election, Latin American countries are one of the world's most frustrated groups. After all, Latin American countries generally have a high dependence on the United States, and most Latin American countries have chosen to "strengthen relations with the United States" as the main policy in diplomacy. Because of this, the uncertainty of the Trump government's foreign policy may make the relationship between the US and Latin America at disadvantage in the interest connection. Under this circumstance, it is necessary for the Latin American countries including Brazil to "re-adjust" their foreign policies. In this situation, China's "Belt and Road" international cooperation initiative is pragmatic for the policy needs of the open market in Latin America. The participation of Chile and Argentina in the "Belt and Road" summit reflects the keen judgment of Latin American countries on the changes in the global market environment and directly

enhances the enthusiasm of Latin America for the “Belt and Road” initiative. Since then, Brazil has shown a strong willingness to dock China's “Belt and Road” initiative. Overall, the current focus of the “Belt and Road” initiative for Latin American countries such as Brazil is mainly reflected in the following two aspects:

First, strengthen the economic and trade ties with Asia-Pacific region and integrate into the Asia-Pacific production chain. In response to the “Trump Impact”, opening up the Asian market and attracting Asian investment have become important policy options for Brazil. From 2000 to 2016, the trade between Asia (excluding the Middle East) and Brazil increased from less than 15 billion to about 105.4 billion. Asia's share of Brazil's total foreign trade increased from 13.5% in 2000 to 32.7% in 2016, and from 11.5% to 33.5% accounting for Brazil's exports. The importance of Asia to Brazilian foreign trade has become irreplaceable. At the same time, the investment of Asian countries represented by China and Japan in Brazil has shown a rapid increase. Obviously, the Asia-Pacific region has become an important external variable affecting the Brazilian economy through the two major channels of trade and investment. The “Belt and Road” provides Brazil with an important medium to connect with the Asia-Pacific market. It not only stimulates the demand for Brazilian raw materials in the Asia-Pacific market, but also creates opportunities for capacity cooperation and enhances Brazil's competitiveness in global value chains. In 2017, the Asia-Pacific region is another focus of Brazilian diplomatic attention. President Temer paid a state visit to China when the Xiamen BRIC Summit took place. In addition, Brazilian Foreign Minister Aloysio Nunes visited three Southeast Asian countries, Malaysia, Singapore, and Vietnam on September 5-12. And strengthening economic and trade ties with the Asia-Pacific market and integrating into the Asia-Pacific value chain have become the core objectives of the Brazil's Asia-Pacific policy. During his visit to Southeast Asia, the Brazilian Foreign Minister also emphasized the need to expand Brazil's diplomatic frontier to Southeast Asia, where economic vitality is strong, and to explore Brazil's economic and trade potential in Southeast Asia. In 2016, the total trade volume between Brazil and ASEAN

was US\$16.62 billion. From January to August 2017, Brazil's exports to ASEAN were approximately US\$7.427 billion, and imports from ASEAN were approximately US\$4.767 billion. The 10 ASEAN countries accounted for approximately 5.09% of Brazil's exports during the same period. In addition, it is worth noting that during his visit to Singapore, the Brazilian Foreign Minister held a joint meeting with Brazilian ambassadors in Singapore, the Philippines, Thailand, East Timor, Myanmar and Indonesia. When he visited China in June, the Brazilian Foreign Minister also held a joint meeting with four ambassadors from India, Japan and Singapore. On August 25th, Brazilian Deputy Foreign Minister Sérgio França Danese hosted The the diplomatic mission chiefs from the seven ASEAN countries (Singapore, The diplomatic mission chiefs of the Philippines, Indonesia, Malaysia, Myanmar, Thailand and Vietnam) in Brasilia intending to strengthen the relationship between Brazil and ASEAN, and restart the ministerial meeting between the MERCOSUR and ASEAN, and seek for possibilities of trade negotiations.

Second, "free-riding" brings about "interconnection" in South America. Latin America (especially South America) has a relatively integrated infrastructure integration plan, and achieving regional "interconnection" is the most basic and important component of Brazil's great power strategy. However, due to factors such as insufficient investment capacity of Latin American countries and limited financing channels, the implementation of regional "interconnection" planning is not good. For example, in the 2016 South America Infrastructure Integration Initiative project, the government is responsible for financing or investing 475 projects, accounting for 82% of the total number of projects, with a total investment of about 117.7 billion US dollars, accounting for 61% of the total investment. Since the South American economy has declined significantly over the past two years, seeking external funding has become a common demand in Latin America. However, in an environment where international capital liquidity is still sluggish, Brazil is also facing multiple pressures such as the US dollar interest rate hike and Trump's "American capital return". On the contrary, the rapid advancement of China's overseas investment is in line with Brazil's current policy orientation. In particular, the "Belt and Road" initiative, which

is centered on infrastructure, may not only supplement the scarce funds in the region, but also directly accelerate the pace of the “interconnection” in South America. In September 2017, President Temer’s “China Tour” achieved remarkable results. The two countries signed a number of cooperation agreements covering various areas like power, aviation, agriculture, finance, steel, and new energy vehicles. In addition, Temer also signed a framework agreement on setting up a \$1 billion agricultural investment fund in Brazil by Chinese enterprises. With Brazil's continued economic downturn and insufficient international capital liquidity, China's market demand and investment have become an important external channel for Brazil to deal with economic difficulties as soon as possible.

In fact, from the perspective of policy orientation, Brazil's current economic reforms with market opening up as the core is in accordance with China's “Belt and Road” cross-regional cooperation with the “five links” as the core. Over the past ten years, China and Brazil have established and improved bilateral and multilateral cooperation mechanisms. The two countries have upgraded their bilateral relations to a comprehensive strategic partnership. The establishment of new mechanisms such as the “BRIC countries”, “BASIC countries” and “China-CELAC Forum” has greatly broadened the dimensions of policy communication between the two countries. In terms of infrastructure, although the two countries do not connected through land, China’s infrastructure investment in Brazil has shown a “spurt” increase, effectively making up the long-term lack of infrastructure investment capacity for economic development for Brazil, and the “Central Bi-Oceanic railway” project across the South American continent helps Brazil to integrate into the Asian market more easily. At the trade level, China has replaced the United States as Brazil’s biggest trading partner in the past decade. And the gradual advancement of capacity cooperation between the two countries will help the two countries achieve more balanced and sustainable growth in trade. At the same time, to help Brazil solves the problem of “de-industrialization” and to adjust and upgrade its industrial structure will be more beneficial for Brazil to integrate into the

global production chain. In terms of currency circulation, China and Brazil have carried out some effective practices.

The two countries not only carried out the practice of currency swap, but also the business of the financial institutions of the two countries grew rapidly in each other's market. Both two countries are founding members of the BRICS Development Bank and the Asian Infrastructure Investment Bank, and the currency circulation is very likely to become an important breakthrough in future bilateral relations. The people's exchanges between the two countries have greatly strengthened the non-governmental exchanges between China and Brazil. The "Chinese language craze" and "Chinese research craze" have become new phenomena in Brazil in recent years. Because of this, the educational exchanges between the two countries have changed a lot, especially the number of the Brazilian students who are studying in China has grown particularly rapidly. Moreover, with the development of "BRIC cooperation" and the normalization of the "BRICS" think tank exchanges, the participants of China-Brazil think tank exchanges increased significantly, and the contents of think tank exchanges have expanded from previous personnel exchanges to the dimensions of cooperative publishing, joint research, and academic network construction.

6- Final Remarks

In general, China-Brazil relations have achieved important breakthroughs in the past ten years. The relationship between the two countries has transcended the scope of bilateral relations and become more and more meaningful as to the global strategic cooperation. And the "BRICS cooperation" is the important annotation for the upgrading of China-Brazil relations. Because of this, the relationship between China and Brazil has become an important part of the relationship between the major powers globally. The "Belt and Road" initiative is a policy for China to connect with the world, deepen cross-regional cooperation, explore common development, and build a community of shared future. Although it differs from the "BRICS cooperation" in some dimensions, but the two policies are complementary to each other logically.

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