Exercise Economics

THE BRICS PROCESS

New Platform for Development Forged at China-CELAC Meet

by Cynthia Rush

Jan. 12—At the opening session of the two-day China-CELAC Forum ministerial meeting Jan. 8 in Beijing, which included representatives of 30 of the 33 nations of the Community of Latin American and Caribbean States (CELAC) and China, Chinese President Xi Jinping laid out a long-range perspective of economic and strategic cooperation between the Chinese government and the nations of CELAC. He told the gathered leaders, "Let's make this meeting a new starting point, seize the new opportunity of collective cooperation, and work toward a new phase of bilateral development between China and CELAC."

"Every CELAC country, no matter if it's rich or poor, is equal under the framework of the Forum," Xi said. "All sides should keep friendly consultation, hold common development and consider interests from all sides in order to ensure a firm political foundation for cooperation." The Chinese leader pointed out that south-south cooperation, of the kind represented by China and CELAC, has led to the creation of a new world order which is "more just," as the BRICS grouping has also proposed.

"The Forum sends the world a positive message about deepening relations between China and Latin America. We should jointly build this new cooperative platform from a strategic perspective and a long-range vision.... China is willing to work with Latin America and the Caribbean to create a new platform of joint cooperation." That cooperation, he added, reflects "both sides' common interests, and, at the same time, favors

peace and development of the Asian nation, Latin America and the Caribbean, and the entire world." The two regions, which together represent one-fifth of the planet, a sixth of the world's population, and a seventh of the world economy, have many common interests and can collaborate to their mutual benefit. Xi underscored.

A Year in the Making

The Forum was formed in July of 2014, in the context of the historic summit of the BRICS in Fortaleza, Brazil, but its beginnings go back to September 2013, when CELAC representatives discussed establishing such a body. At the Havana meeting of CELAC in January 2014, which was also attended by Xi, the decision was made to formalize it within the year.

CELAC itself was established in Venezuela in 2011, and is comprised of all the states of the Americas, with the exception of the United States and Canada.

The Joint Declaration of the Forum, issued July 17, 2014 in Brasilia, committed the parties to drawing up a 2015-19 Chinese-Latin American-Caribbean Cooperation Plan, on the basis of "unrestricted respect for the objectives and principles of the United Nations Charter, international law, the peaceful solution of controversies, international cooperation for development, the prohibition of use of force, self-determination, sovereignty, territorial integrity, non-interference in the internal affairs of countries, the State of Law, and the protection and promotion of all human rights."

This outlook stands in dramatic contrast to the impe-



President Xi Jinping addresses the China-CELAC Forum Jan. 8; Venezuelan President Nicolas Maduro (c) and Costa Rican President Luis Guillermo Solis are seated to his left, in the Great Hall of the People in Beijing.

rial, anti-development outlook offered by the governments of the rotting trans-Atlantic system, and it was reflected throughout the Jan. 8-9 meeting in Beijing.

A Great Projects Perspective

President Xi explained that the China-CELAC forum should be guided by the "1+3+6" formula, of "one program, three motors, and six priority areas." Over the next five years, he said, the "three motors" of trade, investment, and financial cooperation must be revved up to their full potential. As for the six priority areas, "we are putting together agreements on a series of great projects for cooperation in energy, natural resources, building infrastructure, agriculture, manufacturing, and information and innovation technology."

The specifics are breathtaking: The Chinese President noted that trade between the two regions has grown from \$10 billion in 2000, to \$257 billion in 2013, but said that over the next ten years, China wants to double that figure. Moreover, his government seeks to increase direct investment in the region to \$250 billion over the next five years.

Xi also reported, according to *Andes.info* Jan. 8, that China is in the process of putting into place a special \$20 billion credit line for infrastructure investment in the region, a \$10 billion preferential credit line, a \$5 billion infrastructure fund, and a \$50 billion fund for agricultural cooperation. This is in line with the Joint Declaration of July 2014, which stressed "the importance of building and modernizing infrastructure, such as rail-

roads, highways, ports, airports, and telecommunications, and the efforts to make good use of the Sino-Latin American-Caribbean Special Loans for Infrastructure."

A program of 6,000 scholarships for Latin American and Caribbean students for training and education in China is also being set up, along with a scientific and technological association, a young scientists' exchange program, and a regional China-CELAC exchange program in 2016.

Bilateral Agreements as Well

In the days leading up to the ministerial meeting, government officials from the CELAC countries met with their Chinese counterparts to sign many bilateral agreements covering infrastructure development, industry, energy, tourism, science, and tech-

nology, among other areas. Highlights include:

- Venezuela: China will make \$20 billion available in investments in Venezuela, to help shore up an economy, now being battered by the oil price plunge and an offensive by the imperial Project Democracy apparatus. In his meeting with President Nicolás Maduro, Xi said he hoped Venezuela would access the bilateral financing mechanisms already existing in the China-Venezuela High-Level Mixed Committee to channel more funds to energy, mining, agriculture, and industry.
- Ecuador: In meetings with President Xi and other government officials, President Rafael Correa, who will now take up the post of CELAC's president protem for the coming year, concretized a \$7.5 billion credit line from China. Addressing the final session, Correa said: "The current order is not only unjust, but in many examples, immoral. Some arbitrary organizations are not fair and have been used as political tools for a long period of time."
- Costa Rica: Agreements were signed between Xi and President Luis Solís in economic technology, special economic zones, animal inspection and quarantine, cultural exchange, and tourism, and they announced the creation of the China-Costa Rica Strategic Partnership of Equality, Mutual Trust and Win-Win Cooperation. Solis, who is an enthusiastic proponent of the inter-oceanic Nicaragua Canal, indicated his eagerness to receive Chinese investment to develop Costa Rica's industry and infrastructure.

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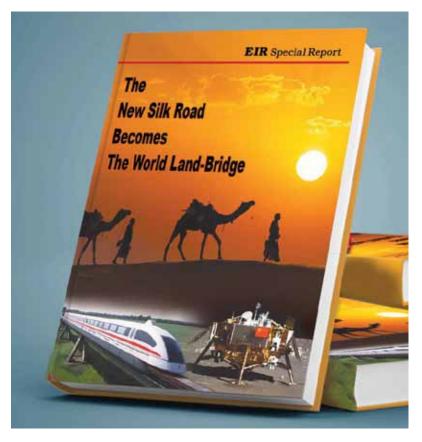


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