Relations between **Latin America** and **the Caribbean** and **China**

Areas of opportunity for more productive, inclusive and sustainable development

Contribution by the Economic Commission for Latin America and the Caribbean (ECLAC) to the Fourth Ministerial Meeting of the Forum of China and the Community of Latin American and Caribbean States (CELAC)

13 May 2025

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ECLAC

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Introduction

The present document is a contribution by the Economic Commission for Latin America and the Caribbean (ECLAC) to the discussions of the Fourth Ministerial Meeting of the Forum of China and the Community of Latin American and Caribbean States (CELAC), to be held in Beijing on 13 May 2025.

ECLAC has pointed out that Latin America and the Caribbean is faced with three development traps: one of low capacity for growth; another of high inequality and low social mobility and cohesion; and a third of weak institutional capacities and governance. A major regional priority, then, is to energize and change the direction of growth to make it stronger and more sustained, as well as more inclusive and sustainable, through a great productive transformation supplemented by social and environmental policies.

This being so, trade and investment, infrastructure development and science and technology cooperation with Latin America and the Caribbean's main trading partners are essential to escape these development traps and drive indispensable change. Contributions to the financing of these and other regional development needs are also crucial.

The region's relations with its strategic partners can contribute substantially to this indispensable change, which includes higher growth rates and more rapid processes of productive transformation, job creation and poverty reduction. Strategic partners include China, the European Union, the United States and the region itself.

Since the late 1990s and during the twenty-first century, the relationship between Latin America and the Caribbean and China has been growing in maturity and complexity. For one thing, both have undergone profound socioeconomic changes; for another, and no less importantly, there has been a shift in international trade and investment flows, accompanied by the emergence of new regulations and policies that are affecting them.

The relationship between Latin America and the Caribbean and China has also undergone profound changes, such as the growing socioeconomic presence of China in the region and of the region in China, and in the areas of trade, financing, investment and infrastructure projects (Dussel Peters, 2025a; Salazar-Xirinachs, 2024). Again, global value chains have become increasingly sophisticated in respect of technology and innovation in areas such as electric vehicles, renewable energy, digitalization and inputs for numerous high-technology global value chains. In the current context of transformation and reconfiguration of the international economic landscape, it is essential to understand the scope and implications of the relationship between China and Latin America and the Caribbean, as well as the opportunities and potential for cooperation that it presents for the future.

The establishment of the CELAC-China Forum in 2015 marked a turning point in this relationship and in mutual cooperation, and it has since become the main regional forum for promoting relations with China. The three ministerial meetings of the Forum and the respective cooperation plans and joint action plans for cooperation in key areas reflect commitments and potential in specific areas of cooperation.

This document contains four sections. The first examines the development traps faced by the region, as noted above. The issues analysed reflect current needs that the region will have to address in the short, medium and long term in the interests of more productive, inclusive and sustainable development. Awareness of these conditions is essential for a broad appreciation of the importance of the region's relationship with its strategic partners.

The second section examines five areas of socioeconomic relations between Latin America and the Caribbean and China in the twenty-first century: the current international situation, trade in goods, investment, financing and infrastructure projects. The analysis will provide an understanding of the trends that have contributed to a more mature, complex and dynamic relationship in the twenty-first century, as well as the challenges for future changes in it.

The third section reviews existing mechanisms for regional cooperation between Latin America and the Caribbean and China (without overlooking bilateral, multilateral and subregional cooperation or cooperation with groups of countries in the region) and highlights the priorities that have driven cooperation with China.

The fourth and last section focuses on areas of opportunity for strengthening and energizing the relationship between Latin America and the Caribbean and China in the interests of more productive, inclusive and sustainable development. Among other areas, these include institutional arrangements, trade, financing, investment, infrastructure, science and technology, and cultural relations.

Chapter I

Regional development challenges and potential

Latin America and the Caribbean is faced with structural challenges that are constraining its growth and sustainable development. In the document *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (Economic Commission for Latin America and the Caribbean [ECLAC], 2024a), the Economic Commission for Latin America and the Caribbean (ECLAC) presented the governments of the region with a new vision for progress towards a more productive, inclusive and sustainable development model[1].

The region is in a development crisis that is manifested in three major traps: one of low capacity for growth, another of high inequality, low social mobility and weak social cohesion, and a third of low institutional capacity and ineffective governance. In a more detailed diagnosis, ECLAC has identified a set of 10 structural gaps that have constrained the region's development and proposed 11 essential transformations of a prescriptive nature with the aim of encouraging dialogue about the measures to be taken and the best way of implementing them for these gaps to be narrowed or closed.

In line with this approach, ECLAC has stressed the importance of a new generation of productive development policies, among them the promotion of a set of sectors capable of driving higher, diversified, sustained, inclusive and sustainable growth. This section summarizes the ECLAC diagnosis and proposal in order to analyse the potential contributions of major strategic partners, including China, to the productive transformation of the region.

A. The regional diagnosis: traps, gaps and a transformative vision

1. The three development traps

(a) Low capacity for growth

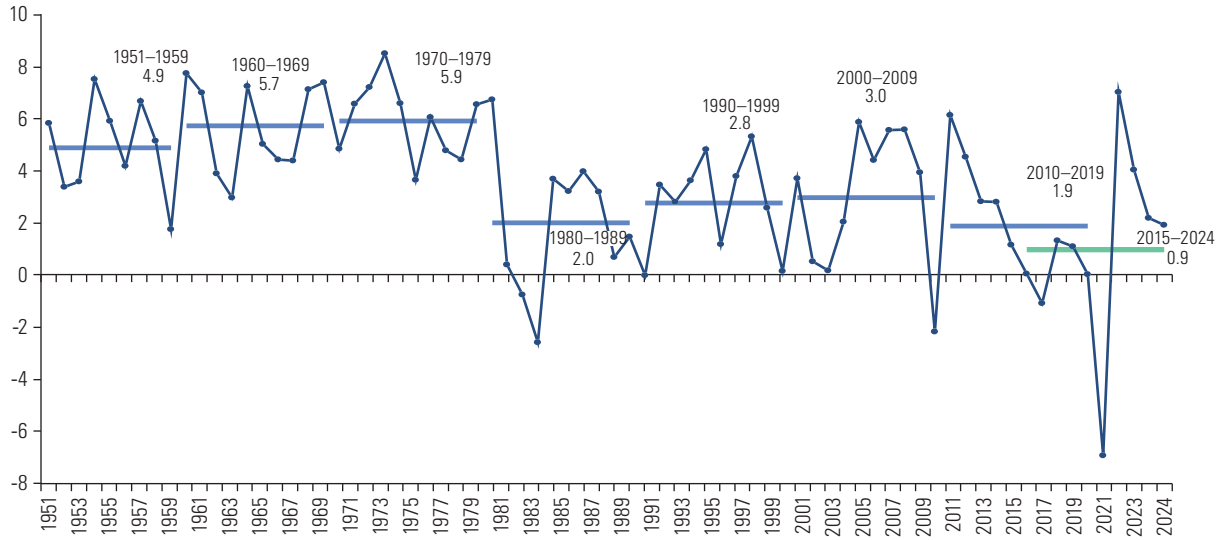
Between 2015 and 2024, the economies of Latin America and the Caribbean recorded average annual growth of 0.9% (weighted average), which is less than half the 2.0% observed during the "lost decade" of the 1980s (see figure I.1).

This low growth is part of a historical trend of weakening growth capacity. Average regional growth rates fell from 5.5% in 1951–1979 to 2.7% in 1980–2009 and 1.8% in 2010–2024, while per capita GDP was stagnant between 2013 and 2023 (ECLAC, 2024a).

This trap is associated with three interrelated factors that negatively reinforce one another: (i) low productivity growth, (ii) low investment and (iii) the inadequate quality of human resources. For example, while labour productivity doubled between 1950 and 1980, by 2023, 43 years on from the debt crisis, average productivity was 4% lower than in 1980. Investment also slowed sharply. It grew at annual rates of 5.6% and 6.3% in the 1960s and 1970s, respectively; contracted by 2.1% in the 1980s; increased moderately in the 1990s (3.6%) and 2000s (3.4%); and grew by only 0.8% in the 2010s. Employment growth has also been low, as evidenced by an average job creation rate of 1.5% in the period 2011–2019, the lowest annual average rate in the last 70 years (ECLAC, 2024a).

[1] The document was presented during the fortieth session of ECLAC. This is the organization's most important biennial meeting and provides an opportunity to orient its work, analyse the issues that are most important for the economic and social development of the region's countries and review the progress of its activities. On this occasion, it was held in Lima from 9 to 11 October 2024.

Figure I.1
Latin America and the Caribbean: gross domestic product growth rates, 1951–2024
(Percentages, on the basis of constant 2018 dollars)

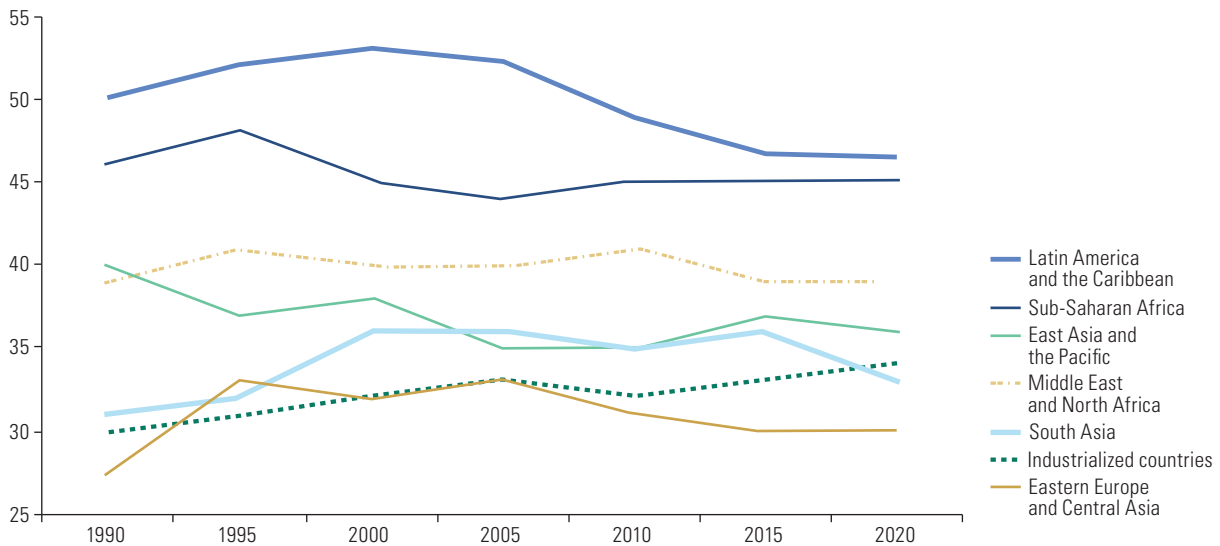


Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures.

(b) High inequality, low social mobility and weak social cohesion

High inequality in multiple dimensions limits sustainable development, violates rights, holds back growth and weakens social cohesion. Despite a slight reduction in income inequality (the Gini index fell from almost 50 in the 1990s to 44.9 in 2022), the region remains the most unequal in the world (see figure I.2) (ECLAC, 2024a).

Figure I.2
Latin America and the Caribbean and other world regions: inequality levels and trends, Gini index, 1990–2020



Source: Alvaredo, F., Bourguignon, F., Ferreira, F. H. G. and Lustig, N. (2023), Seventy-five years of measuring income inequality in Latin America, *IDB Working Paper Series* (IDB-WP-01521). Inter-American Development Bank.

ECLAC has identified six main factors behind the high levels of inequality and low social mobility and cohesion in the countries of Latin America and the Caribbean.

(i) Low growth, which leads to sluggish and highly informal labour markets, and large disparities in productivity, which generate segmented labour markets with large pay disparities.

(ii) Regressive tax systems.

(iii) Weak social and social protection policies that do little to reduce the effects of production-based inequality.

(iv) Education systems with serious deficiencies, not only in terms of high dropout rates in secondary education, but also in relation to poor learning outcomes that are unequal to the new needs arising from the technological revolution and the labour market, and that are too segmented to act as powerful mechanisms of social mobility.

(v) Gender inequality.

(vi) Large inequalities and spatial segregation in urban areas, where 80% of the region's total population lives.

Inequality in the region transcends income inequality and affects the exercise of rights, the development of capabilities and access to power and decision-making. In turn, it is associated with low social mobility and weak social cohesion, in a vicious circle that is exacerbated by structural factors (socioeconomic status, gender, race and ethnicity, age, territory, disability status, migration status and sexual orientation). The low level of social cohesion is reflected in high interpersonal and institutional distrust, which has adverse effects on governance and reinforces feelings of vulnerability, helplessness and injustice (Latinobarómetro Corporation, 2022).

At the same time, the region has low social mobility, which makes it harder for people in the most disadvantaged strata to achieve greater well-being for themselves and their descendants. The proportion of the population in vulnerable situations has remained almost unchanged (77.4% in 2010 and 76.2% in 2020). This lack of mobility is associated, among other factors, with the poor functioning of two significant drivers of upward mobility: education and the labour market. Deficits in education access and quality reproduce inherited inequalities, and low economic growth keeps labour markets sluggish and quality job creation low (ECLAC, 2024a).

(c) Low institutional capacity and ineffective governance

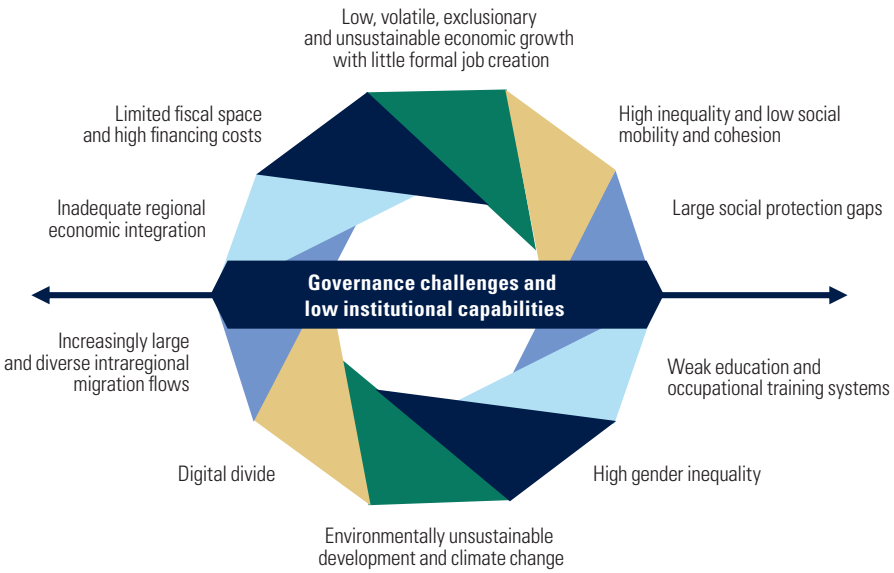
Weak institutional capacity characterized, among other things, by administrative inefficiency, poor bureaucratic quality, poor public administration quality, weak long-term and prospective planning capabilities and deficiencies in Weberian characteristics, such as meritocratic recruitment processes, job stability and professionalization, limits the ability of governments to implement effective policies and respond efficiently to the needs of society (ECLAC, 2024a).

Ineffective governance results in weak capacities for guiding the economy and society, low private sector and citizen participation in decision-making, inadequate accountability, political instability and increases in crime, violence, corruption and the vulnerability of the rule of law. Thus, while Hanson and Sigman (2021) identify weak State capacities in most of the region's countries, the World Bank's Worldwide Governance Indicators show that, unlike the high-income countries of the Organisation for Economic Co-operation and Development, which are around or above the eighty-fifth percentile on the index, Latin American countries are concentrated around the sixtieth percentile, with a downward trend from 2012 to 2022 (ECLAC, 2024a).

2. The decalogue of structural gaps

In an effort to summarize and clarify the diagnosis of the situation in the countries of the region, José Manuel Salazar-Xirinachs, Executive Secretary of ECLAC, has proposed a list of 10 structural gaps in development models, which is presented in diagram I.1. The areas encompassed by this list of structural gaps are not independent of one another, but are interrelated and often mutually reinforcing, creating vicious circles.

Diagram I.1
Ten structural gaps in the development model



Source: Salazar-Xirinachs, J. M. (2023, December). Rethinking, reimagining and transforming: the "whats" and the "hows" for moving towards a more productive, inclusive and sustainable development model. *CEPAL Review* (141) (LC/PUB.2023/29-P/-*). Economic Commission for Latin America and the Caribbean.

The decalogue of gaps includes low, volatile, exclusionary and unsustainable economic growth, reflecting a long-term trend, and high inequality that, together with low social mobility and cohesion, stands in the way of social justice and stability. There are also gaps in social protection, reflected in high levels of poverty and vulnerability with limited access to pensions and universal protection systems. Education and vocational training systems are also weak, with increasingly slow progress and significant setbacks following the educational shutdown caused by the pandemic, which has heightened inequalities in school completion and learning.

This is compounded by gender inequality, which is at unacceptable levels and is affecting both human rights and economic efficiency. At the same time, environmental development is proving unsustainable in the face of climate change, rapid deforestation and increasing pollution, while the digital divide highlights deficiencies in access to and take-up of the technologies that are essential for the economy of the future.

Growing intraregional migration flows and inadequate economic integration, reflected in low investment and trade between countries in the region, further complicate the picture. Lastly, limited fiscal space and high financing costs constrain the potential for increasing the investment needed to overcome these interrelated and mutually reinforcing gaps.

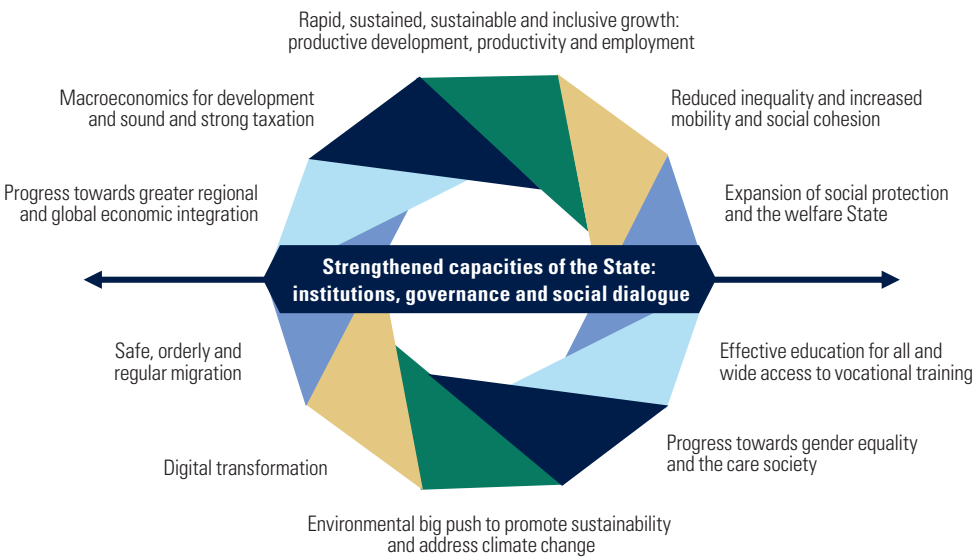
The region additionally has to cope with an eleventh, cross-cutting gap that has also been characterized as one of the three traps: a gap of low institutional capacity and ineffective governance. These weaknesses limit the capacity of public policies and the ability of States to manage the transformations needed to reduce the gaps identified and escape the traps (ECLAC, 2024a).

3. The 11 vital transformations

Unlike diagram I.1, which presents a list of structural gaps by way of a diagnosis, diagram I.2 prescribes 11 great transformations in the development model with a view to encouraging dialogue about what needs to be done, and how, to close or narrow the gaps. These 11 great transformations in the development model of the region's countries are considered essential for moving towards a more productive, inclusive and sustainable future.

These transformations correlate with each of the 10 structural gaps specified, plus a further, cross-cutting gap that relates to the "how", namely the strengthening of institutional, governance and social dialogue capacities in support of public policies; this also corresponds to the third of the traps mentioned as affecting the region.

Diagram I.2
Eleven great transformations in the development model



Source: Salazar-Xirinachs, J. M. (2023, December). Rethinking, reimagining and transforming: the "whats" and the "hows" for moving towards a more productive, inclusive and sustainable development model. *CEPAL Review* (141) (LC/PUB.2023/29-P/-*). Economic Commission for Latin America and the Caribbean.

A key ingredient of the ECLAC proposal for what needs to be done and how in order to avoid a third lost decade, boost economic growth and put it on a more sustained, inclusive and sustainable footing is the expansion by the countries of their productive development policies, with a focus on latest-generation policies. This requires sectoral commitments and the use of a cluster approach as a concrete and effective way of organizing collaboration and management processes in pursuit of productive development and improving the governance of productive development policies.

In pursuit of this great productive transformation, ECLAC has identified sectors or areas that can drive growth. Because of their spillover effects and, in many cases, because they coincide with

the countries' potential competitive advantages, they offer major opportunities to lead productive transformations that not only boost the momentum and productivity of growth, but also increase traction in innovation and decent job creation, the energy transition, nature- and planet-friendly production and environmental sustainability.

It should be noted that the proposal for this set of sectors is not expected to be applied uniformly in all countries and territories, but is rather meant as an illustrative list of a possible set of sectoral promotion measures with high returns for development, it being taken for granted that each country or territory must set its own priorities and thus remove some sectors and add others to balance a group of sectoral promotion efforts in accordance with its own competitive advantages and institutional capacities.

B. Dealing with the low growth capacity gap: a new generation of productive development policies

How can higher, sustained, inclusive and sustainable growth be achieved? The first of the three traps faced by the region is its low capacity for growth. Between 2014 and 2023, Latin America and the Caribbean registered an average annual growth rate of just 0.9% (weighted average). As a result, per capita GDP increased by only 0.1% per year, which had a negative impact on the well-being of the population. It should be noted that this slow growth is part of a long-term trend and not limited to the last decade.

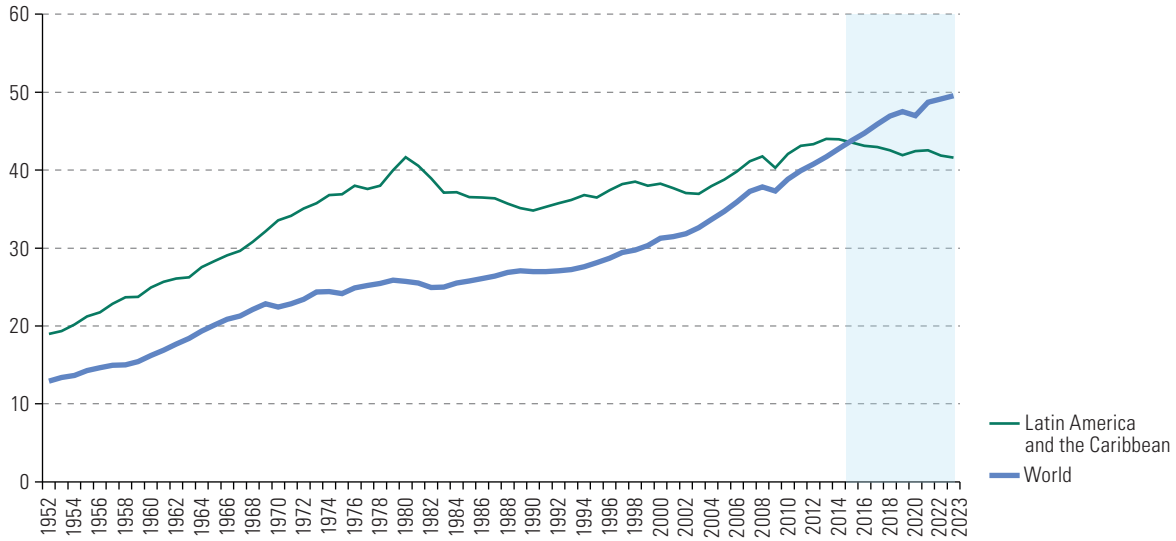
The region's low capacity for growth is associated with low investment rates and an inadequate level of human resource skills, but above all with stagnant or declining productivity, which is in turn a reflection of the inadequacy of efforts to incorporate greater knowledge and technology into the production sphere and to bring about a structural shift towards more productive activities (ECLAC, 2019 and 2024a).

Various studies have shown that, historically, labour productivity in the region grew strongly between 1950 and 1980, but subsequently stalled and even declined in certain periods (ECLAC, 2024a). This poor performance, contrasting with strong growth in Asian countries, meant that by 2015 regional labour productivity was below the global average (see figure I.3). Not only is productivity low, but its levels and trends have been very heterogeneous, varying by economic sector, company size and subnational territory within the same country.

The low growth capacity trap can only be dealt with by pursuing a great productive transformation, which in turn will only be made possible by a major increase in the ambition and scope of productive development policies, following a modern conception of these. This conception encompasses a wide range of growth sectors and is not merely a commitment to industrialization; it sees these policies primarily as collaborative efforts between key actors; it combines horizontal and vertical efforts in specific sectors, in the latter case through working methodologies such as cluster initiatives; it stresses the need to balance "top-down" policies with "bottom-up" ones from the territories; and it adopts an internationalization approach.

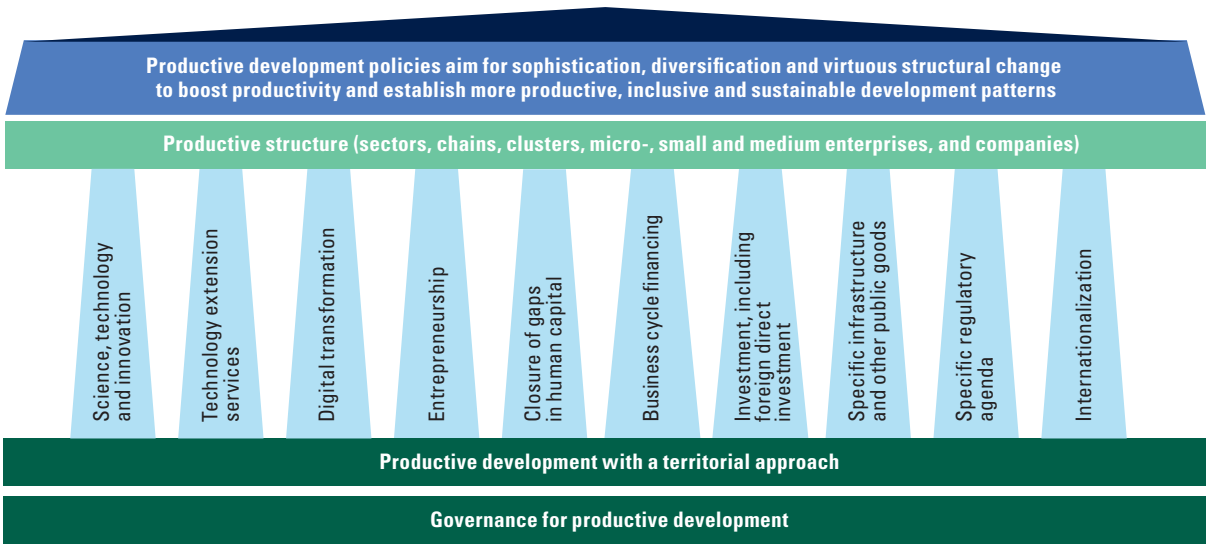
Diagram I.3 describes the main areas covered by productive development policies (Salazar-Xirinachs and Llinás, 2023), providing an overview of the number of fronts that need to be combined and coordinated. These areas are: science, technology and innovation; technology extension services; digital transformation; entrepreneurship; closure of gaps in human capital; business cycle financing; investment, including foreign direct investment; specific infrastructure and other public goods; a specific regulatory agenda; and internationalization.

Figure I.3
Latin America and the Caribbean (13 countries) and world (133 countries): labour productivity, 1952–2023
(Thousands of international dollars at 2022 prices and at purchasing power parity)



Source: Economic Commission for Latin America and the Caribbean, on the basis of The Conference Board.

Diagram I.3
Definition and scope of productive development policies



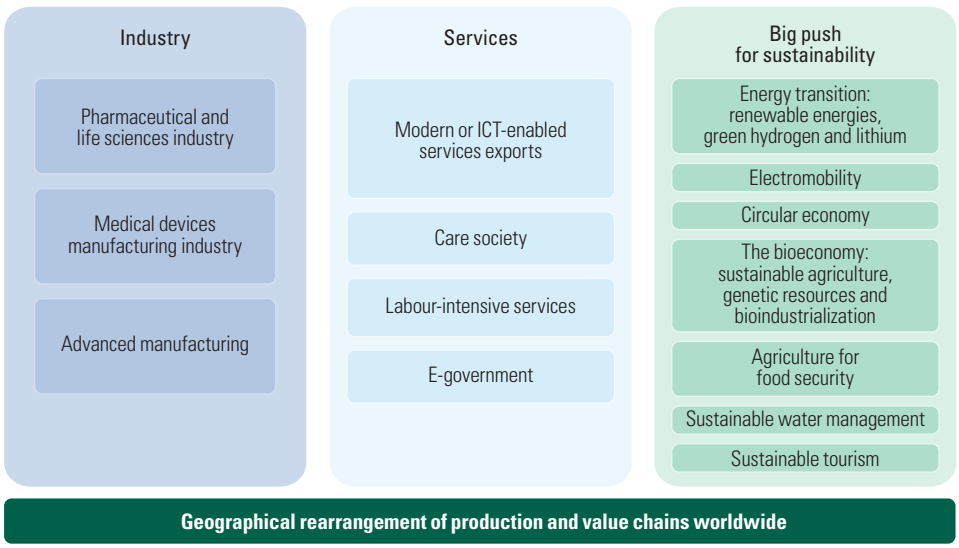
Source: Salazar-Xirinachs, J. M. and Llinás, M. (2023, December). Towards transformation of the growth and development strategy for Latin America and the Caribbean: the role of productive development policies. *CEPAL Review* (141) (LC/PUB.2023/29-P/-*). Economic Commission for Latin America and the Caribbean.

It is essential for a set of growth-driving sectors to be selected. ECLAC has identified 14 sectors grouped into three categories: industry, services, and the big push for sustainability (see diagram I.4), which can be prioritized within the framework of productive development policies. The cross-cutting dimension, or the opportunity offered by the geographical relocation of production and value chains,

is a key trend affecting several of these sectors. Because of their characteristics, these sectors have the potential to energize and transform growth and productivity, orienting them towards greater social inclusiveness and environmental sustainability. It is important to note that this list is illustrative, meaning that each country and territory must set its sectoral priorities according to its own conditions, with a clear vision aimed at fostering a comprehensive productive transformation.

Diagram I.4

Great productive transformation for productivity, inclusion and sustainability: portfolio of driving sectors



Source: Salazar-Xirinachs, J. M. and Llinás, M. (2023, December). Towards transformation of the growth and development strategy for Latin America and the Caribbean: the role of productive development policies. *CEPAL Review* (141) (LC/PUB.2023/29-P/-*). Economic Commission for Latin America and the Caribbean.

The implementation of productive development policies requires institutions to have the capacity to design, manage, monitor and evaluate different areas with leadership and technical, operational, political and prospective (TOPP) capabilities (ECLAC, 2024a). Technical capabilities involve the ability to build and implement productive development strategies that are consistent with other dimensions of development within a comprehensive planning framework; operational capabilities involve the possession of mechanisms for organizing and coordinating efforts; policy capabilities are the ability to establish and maintain relationships between different actors and manage coalitions for the purpose of altering the political equilibria that are holding back productivity; and prospective capabilities involve understanding technology and market trends, generating future scenarios and making course corrections in response to changing or disruptive conditions.

The ECLAC proposal also highlights the importance of strengthening the territorial dimension through cluster initiatives or other forms of productive linkage, together with an experimentalist governance approach and mechanisms to ensure long-term policy continuity (ECLAC, 2024a).

Chapter II

The evolution and dynamics of the economic relationship between Latin America and the Caribbean and China in the twenty-first century

This chapter examines in detail five areas of the relationship between Latin America and the Caribbean and China: the current international situation, trade in goods, investment, financing and infrastructure projects. Together with the aspects covered in the first chapter, this analysis forms the basis for the review of cooperation mechanisms and the exploration of different areas of opportunity that are presented in the following chapters.

A. The current international situation

During the period 2015–2024, economic growth in Latin America and the Caribbean was just 0.9%, even lower than the average annual growth rate in the "lost decade" of the 1980s (ECLAC, 2024e). The International Monetary Fund (IMF, 2025) estimates that global GDP growth in 2024 was 3.2%, with expectations of 2.8% and 3.0% per year for 2025 and 2026 respectively, figures significantly lower than the historical average.

Although recent anti-inflation policies have yielded good results, a combination of uncertainty surrounding trade and fiscal policies —particularly in some Asian and European countries affected by political instability, and in economies where policy shifts are expected to occur under the new governments elected in 2024— and geopolitical tensions (IMF, 2025, p. 2) continue to be a source of concern both globally and in Latin America and the Caribbean. Massive subsidies granted to generate incentives at the national level have significantly affected international trade and foreign direct investment (FDI) flows (Reinert, 2025; UNCTAD, 2025b), and more recently, in April 2025, the global economy experienced a severe shock owing to tariffs imposed by the United States Government, raising concerns about the possible onset of a costly tariff war.

Cuts in central bank interest rates have had a positive, albeit slow, impact on the productive apparatus in Latin America and the Caribbean and have improved the region's prospects of increasing investment and receiving more FDI (ECLAC, 2024d, pp. 69–78; UNCTAD, 2025a). Recent reductions in interest rates, which nevertheless remain high, have increased the overall liquidity rate and financing for the productive sector. However, the global socioeconomic environment is very uncertain, particularly owing to the armed conflicts in Ukraine and in the State of Palestine and Lebanon, as well as rivalry and tensions between the major economic powers. This challenging international environment has also contributed to the persistent volatility of global financial markets and has affected the exchange rates of Latin American currencies against the United States dollar.

The Trans-Pacific Partnership Agreement, signed in February 2016 by the United States with the aim of countering competition from China, can be seen as the origin of the trade tensions between these two major economies. In 2017, the United States Government decided to withdraw from the Agreement before it came into force and instead opted to unilaterally confront the challenge posed by China, as part of its strategy of "great power competition". Since then, successive measures implemented to restrict trade with China have intensified greatly (Bown and Irwin, 2025). The tariffs imposed on Chinese imports since 2018, the restrictions on exports of high-technology goods and semiconductors to China and the increasing limitations on Chinese investment in the United States and United States investment in China have had a significant impact on bilateral relations and resulted in extensive decoupling. Until 2024, the United States' strategy was to "invest, align, compete" (Blinken, 2022). In 2022, the country devoted nearly 15% of GDP to three industrial conversion and infrastructure renewal programmes explicitly aimed at countering growing competition from China[1] and launched multiple initiatives with various countries and regions to contain China's growing socioeconomic presence in the world.

[1] With the passing of the Inflation Reduction Act, the CHIPS and Science Act and the Infrastructure Investment and Jobs Act (McNeece, 2023).

In 2025, the United States adopted a set of unilateral measures to limit imports from all countries, including China. The various executive orders issued up to March 2025 reflect the growing priority given to national security in the country's relationship with China, to the detriment of other aspects such as trade, investment and technological development.[2] The America First Investment Policy (The White House, 2025) not only reaffirms the idea of moving strategic production activities to safe countries and allies ("security-shoring"), on the grounds that economic security is national security (The White House, 2025, p. 3), but also explicitly restricts investment in adversary countries, particularly China, as well as Chinese investment in the United States and in third countries.[3] Accordingly, outward investment from the United States began to change profoundly in 2019.[4]

Meanwhile, China has not only significantly increased its economic presence, both globally and in Latin America and the Caribbean (see the following sections), but has also consolidated its institutional presence through instruments such as the Belt and Road Initiative (since 2013) and the Asian Infrastructure Investment Bank (since 2015). The three global initiatives proposed by China between 2022 and 2023, on development, security and civilization, are also examples of its efforts in this regard.

Despite recent socioeconomic problems in the country, particularly as regards the dynamism of its domestic market and real estate, the Chinese government has implemented major measures in recent years to compete and generate disruptive innovations in sectors such as artificial intelligence, robotics, connected vehicles, 6G networks, advanced materials, quantum technology, nanotechnology and biotechnology. In the context of competition with the United States, it has succeeded in closing technology gaps and even becoming the leading country in a significant group of core technologies.[5] China now spends 2.6% of GDP on research and development, a figure similar to those of its main competitors (Zhang, 2024). The concept of "new quality productive forces" has been a key plank of China's economic policy, which has sought since 2023 (Kwan, 2024; Xi, 2022) to continue to break into international markets for high-technology goods through companies such as Huawei, SMIC, Yangtze Memory Technologies, CATL, Fourier Intelligence, Xiaomi, Unitree Robotics, DeepSeek, BYD, Baidu, Tencent and Alibaba. The conclusions of the 2025 "Two Sessions" (Li, 2025), the annual parallel meetings of the National People's Congress and the Chinese People's Political Consultative Conference, indicate that China will continue along this technological path and carry on making proactive fiscal efforts in the short and medium term (Dezan Shira & Associates, 2025).

All these data suggest that geopolitical tensions, and specifically the confrontation between China and the United States, will continue in the short and medium term, particularly in the technological and trade spheres.

2 Lighthizer's (2025) analysis is very useful for understanding the strategy and instruments used by the United States since 2025. His explicit reference to the Bretton Woods institutions and the country's break with them, and to the importance of developing new global institutions that reflect the differences between the United States and China, are particularly important.

3 Pressure exerted by the United States on CK Hutchison Holdings (CKHH), one of the main Chinese investors in ports in Latin America and the Caribbean, resulted in the announcement of the sale of 80% of its assets (on 4 March 2025), including several ports in Panama and the rest of the region (Chen, 2025). Ten days later, however, senior Chinese government officials declared the CKHH sale to be a "betrayal of the whole Chinese people" (Lam, 2025).

4 During the period 2012–2018, China was the country where foreign affiliates of transnational enterprises from the United States generated the most employment, although in 2021 it was surpassed by India and the United Kingdom. During the period 2010–2022, the largest number of jobs generated by United States affiliates abroad were in Canada, China, India, Mexico and the United Kingdom (Bureau of Economic Analysis, 2024).

5 According to Wong Leung, Robin and Cave (2024), China was already a leader in 57 of 64 essential technologies considered in the period 2019–2023, while the United States was a leader in 60 of 64 technologies in the period 2003–2007.

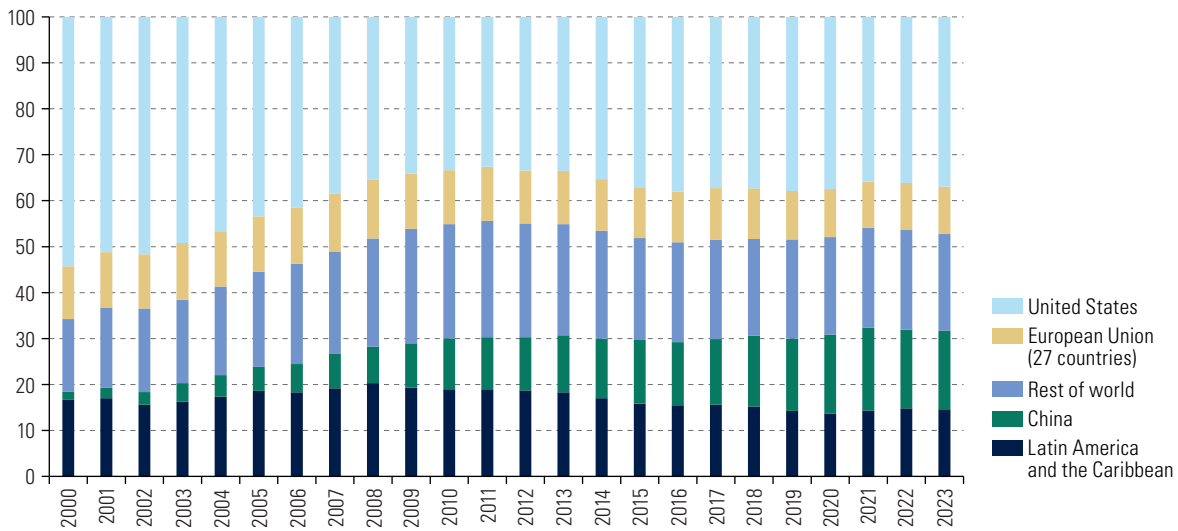
B. External trade in goods

Where goods trade is concerned, the trading relationship with China has been the region's most dynamic in the twenty-first century.[6] Recent studies have examined China's growing importance as one of the region's engines of growth, together with its contribution to global economic growth since 2000 and its accession to the World Trade Organization (WTO) in 2001 (ECLAC, 2023, chap. II).

As regards Latin America and the Caribbean's external trade and its relationship with China, at least six aspects are fundamental to an understanding of the maturity of this relationship and the ways in which it has changed during the twenty-first century.[7] First, it is important to recognize China's growing presence in Latin America and the Caribbean's external trade (the sum of exports and imports) during this century. In a relatively short period, the region's goods trade with China increased from 1.7% of the total in 2000 to 17.0% in 2023. Since 2019, China has been the region's second-largest trading partner, surpassing the European Union and Latin America and the Caribbean itself (see figure II.1A). In 23 years, the region's external trade with China grew exponentially to a value almost 38 times as great as in 2000, while the region's total external trade grew by a factor of approximately 3.8. In this context, there was a reduction in the shares of intraregional trade and, in particular, of trade with the United States, which fell from 54% of the total in 2000 to 37% in 2023.

Figure II.1
Latin America and the Caribbean: goods trade with the region's main trading partners, 2000–2023
(Percentages)

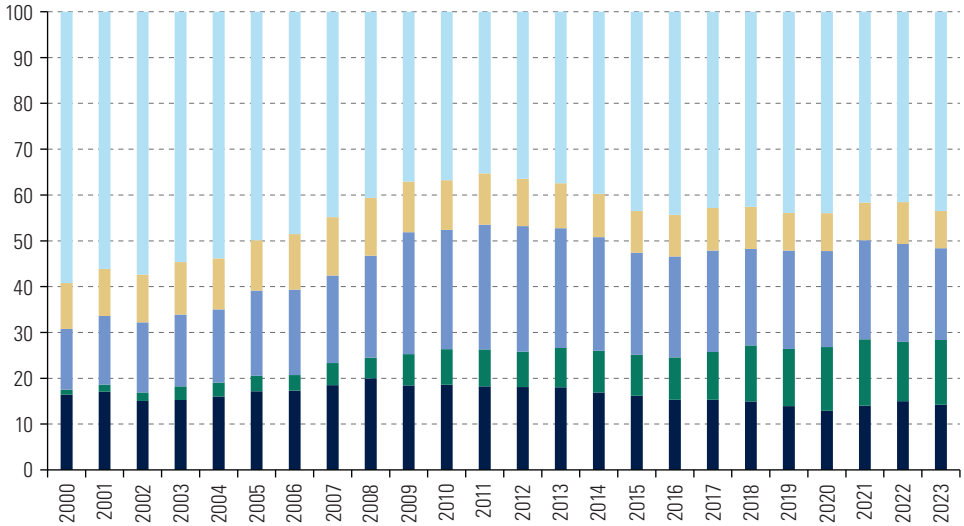
A. Total trade



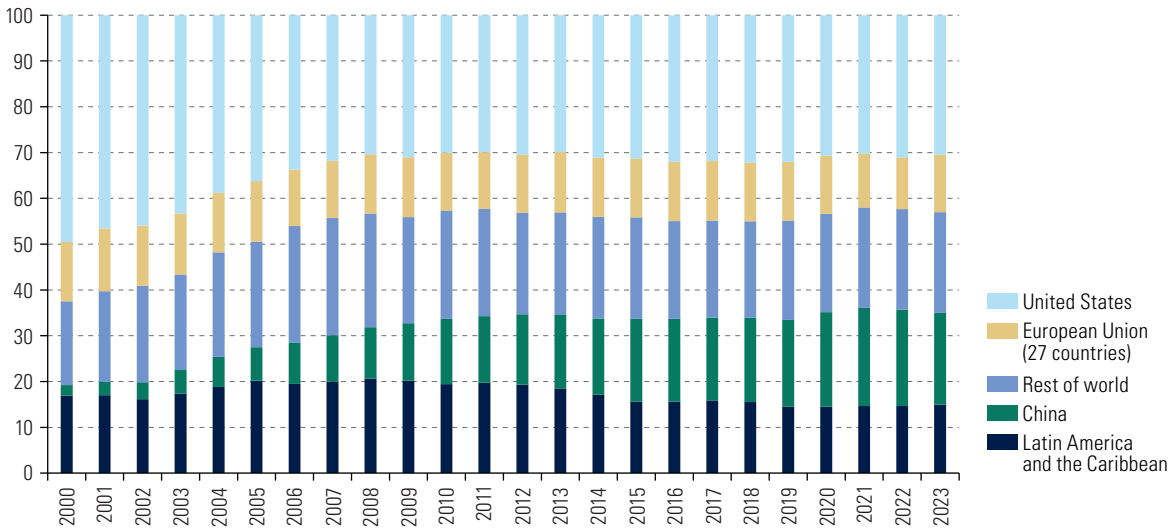
6 See ECLAC (2013, 2015 and 2018) and Dussel Peters and Jenkins (2009) for an analysis of stages and differences between countries in their trade relations with China since the end of the twentieth century.

7 By the end of 2024, China had signed free trade agreements with Chile (2005), Peru (2009), Costa Rica (2010), Ecuador (2023) and Nicaragua (2024), as well as updating existing treaties. It had also entered into negotiations with Honduras, Uruguay and other countries of the region (Office of the Leading Group for Promoting the Construction of the Belt and Road Initiative and Latin America Institute, Chinese Academy of Social Sciences, 2024, pp. 7–9).

B. Exports



C. Imports



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.

As for exports from Latin America and the Caribbean, the proportion going to China increased from 1% in 2000 to 14% in 2023, with the value of these exports rising 50-fold in real terms during the period. Since 2020, China has been positioned as the second-largest market for exports from Latin America and the Caribbean, surpassing the region itself and the European Union. The United States share of Latin American and Caribbean exports fell from 59% in 2000 to 44% in 2023, although there was a slight recovery between 2021 and 2023, while the share of exports going to other intraregional markets fell from 20% in 2008 to 14.23% in 2023. Figure II.1B shows that the European Union's share of Latin American and Caribbean exports also declined.

Lastly, Latin American and Caribbean imports from China underwent the most significant changes, increasing from 2.3% to 20.0% between 2000 and 2023. In 2015, China became the region's second-largest source of imports, surpassing the region itself and the European Union. The shares of Latin America and

the Caribbean and the European Union fell slightly over the whole period, but the decline was particularly large in the case of the United States, whose share fell from 49.5% to 30.5% (see figure II.1C). Between 2000 and 2023, imports from China increased by a factor of approximately 32.5, while total imports to the region grew by a factor of around 3.7 and imports from the United States by a factor of about 2.3.

The large increase in trade between Latin America and the Caribbean and China has been due to both exports and imports, although China accounts for a much larger share of the region's imports than of its exports (see table II.1). It is essential to understand that China's increased presence in the external trade of Latin America and the Caribbean has resulted from its contribution (i.e., its share of the increase in total external trade) in every subperiod analysed between 2000 and 2023, but particularly the subperiods 2010–2019 and 2020–2023, the most recent. Having begun with only a small share of the region's total trade, China accounted in the subperiod 2010–2019, for example, for 39% of the increase in the region's trade, with figures of 40% for imports and 38% for exports (see table II.1).

Table II.1
Latin America and the Caribbean: trade in goods and contributions to its growth, 2000–2023
(Percentages)

	Share *(Percentages of the total)*				Contribution *(Percentages of total growth)*			
	2000–2009	2010–2019	2020–2023	2000–2023	2000–2009	2010–2019	2020–2023	2000–2023
Exports								
Latin America and the Caribbean	17.55	16.58	14.14	16.25	20.64	-11.25	17.11	13.46
China	3.79	9.46	13.83	8.99	13.07	37.85	14.55	18.68
Rest of world	19.04	24.15	20.98	22.02	41.01	-3.18	18.14	22.43
European Union	11.55	9.65	8.48	9.88	12.17	-5.86	7.72	7.47
United States	48.07	40.17	42.57	42.86	13.09	82.44	42.48	37.97
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Imports								
Latin America and the Caribbean	19.16	17.15	14.73	17.08	24.22	-7.59	15.86	14.28
China	8.14	16.85	20.77	15.57	25.09	39.62	18.92	26.50
Rest of world	23.15	22.09	21.88	22.31	29.18	12.73	22.94	23.34
European Union	12.95	12.83	11.98	12.65	13.21	13.97	12.18	12.35
United States	36.63	31.07	30.64	32.39	8.42	41.00	30.13	23.55
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Trade								
Latin America and the Caribbean	18.34	16.87	14.44	16.67	22.36	-9.26	16.44	13.87
China	5.93	13.23	17.33	12.31	18.83	38.81	16.88	22.59
Rest of world	21.07	23.10	21.44	22.17	35.34	5.46	20.70	22.89
European Union	12.24	11.27	10.25	11.28	12.67	4.91	10.10	9.91
United States	42.44	35.53	36.55	37.58	10.85	59.93	35.89	30.75
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.

The second aspect of the trade relationship between Latin America and the Caribbean and China that is worth highlighting is the growing complexity of trade with the country, but also with the region's main partners. Although China is currently the region's second-largest trading partner, the United States is still the main one: in the period 2020–2023, of the 32 countries considered, the United States was the main trading partner of 16, Latin America and the Caribbean of 11 and China of 4 (the Bolivarian Republic of Venezuela, Brazil, Chile and Peru) (see table II.2).

Table II.2
Latin America and the Caribbean (32 countries): main trading partner, by country, 2000–2023

	2000–2009	2010–2019	2020–2023	2000–2023
Antigua and Barbuda	4	1	1	1
Argentina	3	3	3	3
Bahamas (The)	1	1	1	1
Barbados	1	1	1	1
Belize	1	1	1	1
Bolivia (Plurinational State of)	3	3	3	3
Brazil	3	2	2	3
Chile	3	2	2	2
Colombia	3	1	1	1
Costa Rica	1	1	1	1
Cuba	4	3	4	4
Dominica	3	3	3	3
Dominican Republic	1	1	1	1
Ecuador	3	3	3	3
El Salvador	1	3	3	1
Grenada	1	3	1	1
Guatemala	1	1	3	3
Guyana	3	3	3	3
Honduras	1	1	1	1
Jamaica	1	1	1	1
Mexico	1	1	1	1
Nicaragua	3	3	3	3
Panama	1	2	1	1
Paraguay	3	3	3	3
Peru	3	3	2	3
Saint Kitts and Nevis	1	1	1	1
Saint Lucia	1	1	1	1
Saint Vincent and the Grenadines	3	3	1	3
Suriname	4	3	3	3
Trinidad and Tobago	1	1	1	1
Uruguay	3	3	3	3
Venezuela (Bolivarian Republic of)	1	3	2	1
Latin America and the Caribbean	**1**	**1**	**1**	**1**

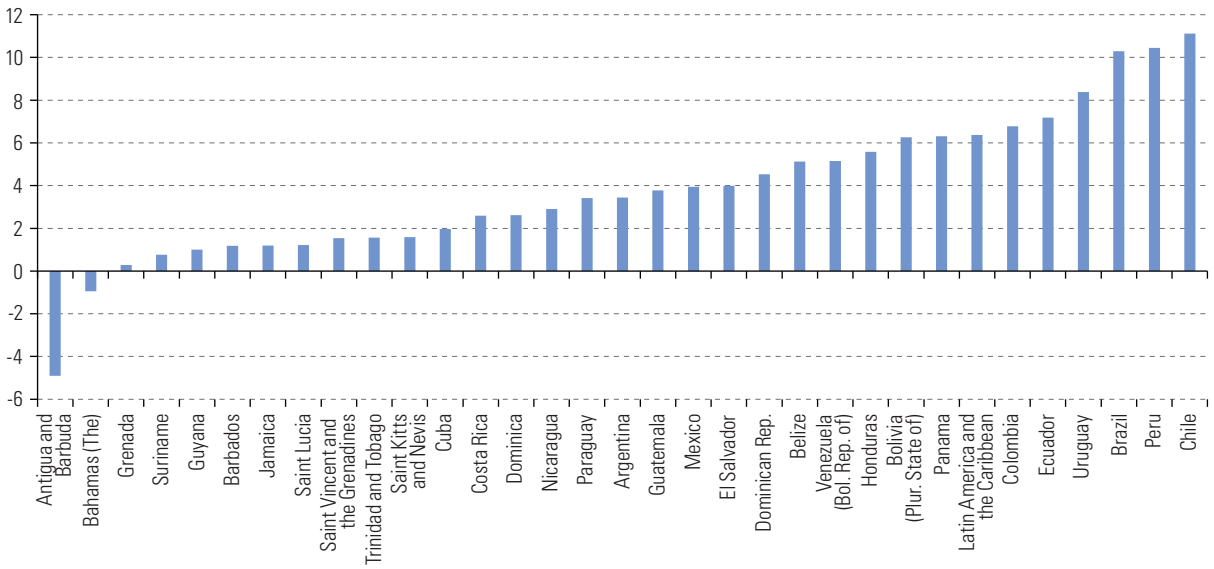
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.
Note: 1 = United States; 2 = China; 3 = Latin America and the Caribbean; 4 = European Union.

In the third place, it is interesting to analyse the behaviour of the different Latin American and Caribbean countries' goods trade with China, beyond the aggregate trends described above (see table II.2). A comparison of the shares of the region's countries in this trade between 2000–2009 and 2020–2023 reveals that the difference between the two periods was 6.4 percentage points for the region as a whole. Only two countries (Antigua and Barbuda and The Bahamas) showed a negative trend; the other 30 countries increased their goods trade with China, while Brazil, Peru and Chile experienced increases of more than 10 points (see figure II.2).

The fourth aspect worth mentioning is that, as a result of aggregate import and export trends, the region ran an increasingly large deficit in its external trade with China during the twenty-first century, the largest with any trading partner. This deficit narrowed during the coronavirus disease (COVID-19) pandemic, but rose above US$ 100 billion again in 2022 (see figure II.3). Mexico has the largest trade

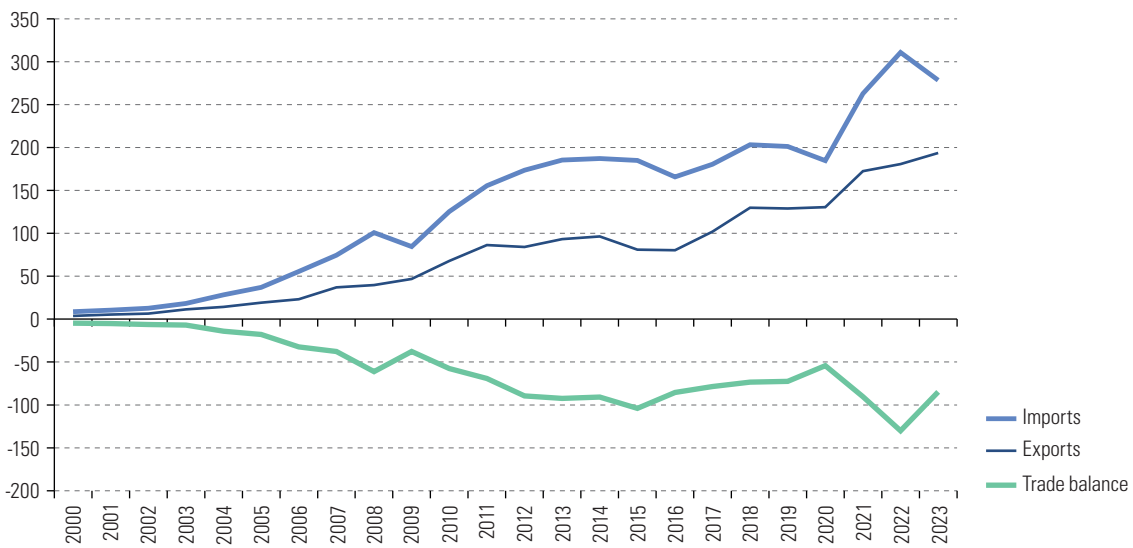
deficit with China of any of the countries, averaging US$ 92.646 billion a year during the period 2020–2023, while the deficit for the region as a whole was US$ 89.912 billion a year. In the region, only Brazil, Chile and Peru run trade surpluses with China.

Figure II.2
Latin America and the Caribbean (32 countries): changes in China's share of goods trade, 2020–2023 relative to 2000–2009
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.

Figure II.3
Latin America and the Caribbean: trade with China, 2000–2023
(Billions of dollars)



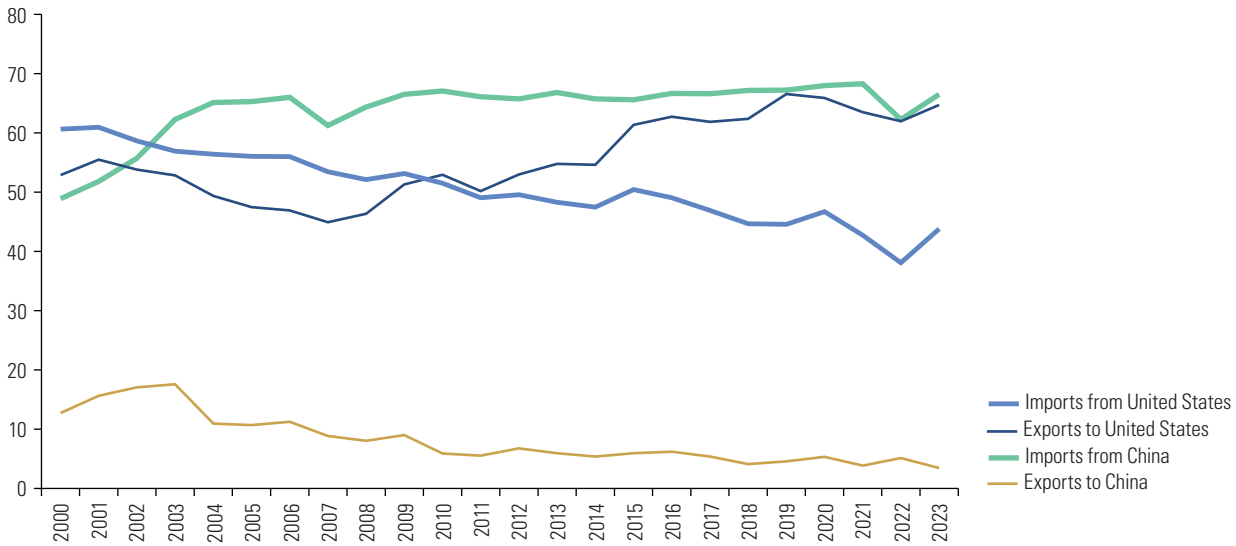
Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.

A fifth significant aspect of Latin America and the Caribbean's external trade with China is its technological content.[8] The information available on this trade indicates a growing technology gap between exports to China and imports from the country: medium- and high-technology exports from the region to China fell from levels above 10% up until 2003 to levels below 5% from 2018 onward, while medium- and high-technology imports from China have exceeded 60% since 2003 (see figure II.4). Trade in goods with the United States by technology level, on the other hand, has a significantly different structure: in 2010, medium- and high-technology exports from Latin America and the Caribbean to the United States were already greater than such imports from the country, and between then and 2023 the region succeeded in widening the gap. These differences relative to the structure of the region's external trade with China reflect major challenges in the bilateral relationship, as will be seen below.

Figure II.4

Latin America and the Caribbean: structure of trade in medium- and high-technology goods with China and the United States, 2000–2023

(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.

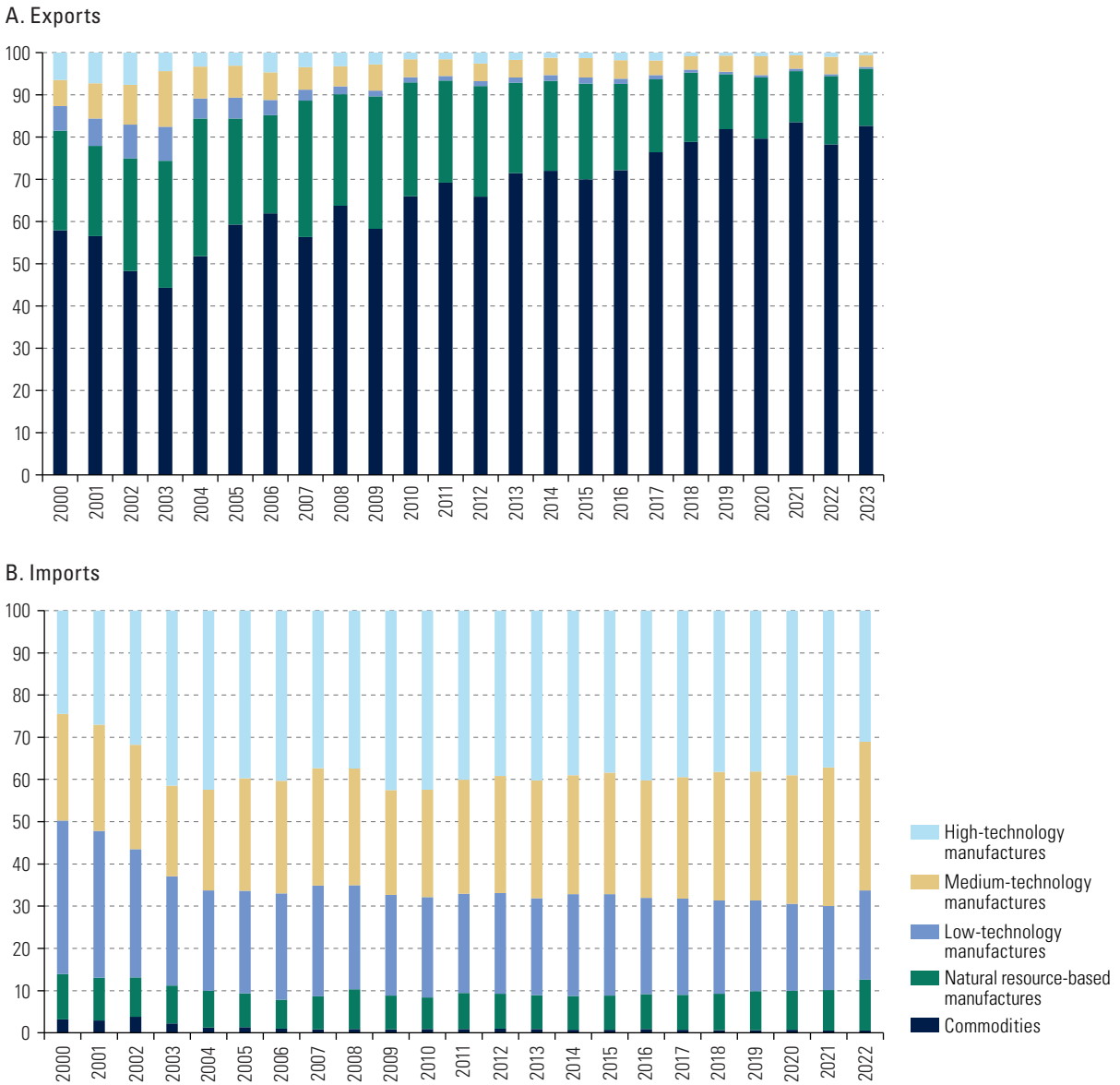
This significant gap in the goods trade between Latin America and the Caribbean and China originates in the technology intensity categories of the goods exported and imported during the period 2000–2023 (see figure II.5). While exports of commodities from Latin America and the Caribbean to China accounted for 74% of the total during this period, and even showed an upward trend from 2012, imports from China of commodities and natural resource-based manufactures represented only just over 10% of the total, with medium- and high-technology manufactures accounting for the bulk of regional imports from China.

In the sixth and last place, it should be noted that a number of studies over the last decade have examined the concentration of goods trade between Latin America and the Caribbean and China in detail (ECLAC 2023; Dussel Peters, 2016 and 2025a). These analyses show Latin American and Caribbean exports to China to be highly concentrated (more than 67% to 2022) in a relatively small number of products (soybean-related products, copper and iron ores, and oil),[9] with imports from China being much more diversified and dominated by manufactured goods (ECLAC, 2023, p. 103; Dussel Peters, 2025a).

[8] This subject has been thoroughly analysed in ECLAC (2023, pp. 89–90), Dussel Peters (2016 and 2025a) and Jenkins (2018).

[9] These results were already being reported in the earliest analyses of China by ECLAC (2013, table 2): the number of products exported to China was small, smaller in fact than the number exported to Japan, in contrast to products exported to the region itself, the European Union and the United States.

Figure II.5
Latin America and the Caribbean: structure of trade with China by technology intensity categories, 2000–2023
(Percentages)



Source: Economic Commission for Latin America and the Caribbean, on the basis of United Nations, *UN Comtrade Database*. https://comtrade.un.org/.

C. Investment

Over the course of the twenty-first century, China has become one of the world's three largest recipients of foreign direct investment (FDI), as well as a source of FDI outflows. The ratio between China's FDI outflows and inflows was 95% during the period 2010–2024. This is indicative of the dynamism in global capital flows in these categories (Dussel Peters, 2025a; UNCTAD, 2025a and c).

Over the last decade, a number of organizations have regularly reviewed Chinese investment in Latin America and the Caribbean.[10] These analyses have revealed a set of features characterizing such investments in the twenty-first century.

Even in its earliest analyses of Chinese investment in the region, the Economic Commission for Latin America and the Caribbean (ECLAC, 2010, pp. 20–21), drawing on official information from China's Ministry of Commerce (MOFCOM), emphasized the importance of tax havens in Latin America and the Caribbean and the need for greater diversification out of raw materials and into manufacturing and services. In the first decade of the twenty-first century, FDI flows from China to Latin America and the Caribbean were relatively small and highly concentrated in a small group of investments.[11]

Thanks to the establishment of the Forum of China and the Community of Latin American and Caribbean States (CELAC) in 2015 and the supporting documents prepared by ECLAC, analysis has become more thorough and sophisticated. Initially, ECLAC (2015, p. 34) indicated that "official data on Chinese FDI in Latin America and the Caribbean do not reflect the real scope of these investments" and recognized the importance of Chinese investments in raw materials, particularly oil and gas, in all countries of the region. This diagnosis changed significantly over the period from the first half of the 2010s until 2023 (ECLAC, 2018, 2021 and 2023), as China's presence grew dramatically and took on different characteristics depending on the country and sector.

From 2010 to 2020, Chinese FDI in Latin America and the Caribbean mainly went into mergers and acquisitions and was heavily concentrated in Argentina, Brazil, Chile and Peru and in the electricity, transport infrastructure construction and communications sectors (ECLAC, 2021, chap. II). Until 2023, China, including Hong Kong (China), was not among the top 10 countries of origin for FDI in Latin America and the Caribbean, and its FDI averaged US$ 1.912 billion per year (1.3% of total FDI inflows into the region from 2010 to 2023) (ECLAC, 2024d, chap. I). During this period, the main recipients of Chinese investment were Brazil (39%), Argentina (27%) and Mexico (15%).

To remedy some of the shortcomings of statistics on Chinese FDI in Latin America and the Caribbean mentioned above (ECLAC, 2021, chap. II; Jenkins, in press),[12] since 2017 the Academic Network for Latin America and the Caribbean has published a brief annual report accompanied by a database of transactions for each Chinese FDI operation in the region called *Monitor of Chinese OFDI in Latin America and the Caribbean 2025*. The analysis is based on multiple information sources and compiles FDI transactions, distinguishing between these and infrastructure projects (Dussel Peters, 2025b). Among the main findings of the 2025 edition, at least five aspects stand out.

First, according to estimates by the Academic Network, China's share of total FDI in Latin America and the Caribbean has declined over the last decade: from 9% between 2015 and 2019 (its all-time peak was 14% in 2010), it fell to 7% in the period 2020–2024 (in 2024 it was 4.9%, the lowest level since 2012). Similarly, the scale of Chinese FDI has declined relative to other variables such as GDP and gross fixed capital formation (see table II.3).

[10] Of particular relevance in this regard are the analyses by the Economic Commission for Latin America and the Caribbean (ECLAC, 2021, chap. II and 2024c) and the Academic Network for Latin America and the Caribbean (Dussel Peters, 2025b).

[11] ECLAC (2013, p. 21) pointed out that three quarters of Chinese FDI in Latin America and the Caribbean up to 2010 had been accounted for by two transactions: one by China Petroleum and Chemical Corporation (Sinopec) in Brazil and the other by China National Offshore Oil Corporation (CNOOC) in Argentina.

[12] Specifically, official figures for FDI in general and Chinese FDI in particular only record the last origin of the capital and not necessarily the original source and country of the transaction.

Table II.3
Latin America and the Caribbean: Chinese foreign direct investment (FDI) flows and shares on different macroeconomic measures, 2000–2024
(Percentages and millions of dollars)

	FDI/regional GDP *(Percentages)*	FDI/gross fixed capital formation *(Percentages)*	Chinese FDI in Latin America and the Caribbean *(Millions of dollars)*	Chinese FDI *(Percentages of the total in each category)*		
				Regional FDI	Gross fixed capital formation	GDP
2019	2.99	15.90	19 231	12.16	1.93	0.36
2020	2.07	11.25	9 277	10.10	1.14	0.21
2021	2.73	13.54	12 704	9.08	1.23	0.25
2022	3.36	16.51	15 441	7.88	1.30	0.26
2023	2.96	16.29	9 672	5.01	0.82	0.15
2024[a]	2.75	-	8 530	4.85	-	0.13
2000–2004	3.05	16.41	2 839	0.88	0.14	0.03
2005–2009	2.67	13.06	16 447	3.34	0.44	0.09
2010–2014	3.09	14.65	59 310	6.48	0.95	0.20
2015–2019	2.84	14.89	69 150	9.11	1.36	0.26
2020–2024[b]	2.81	14.70	55 624	6.98	1.12	0.20
2000–2024[c]	2.89	14.60	203 369	6.19	0.91	0.18

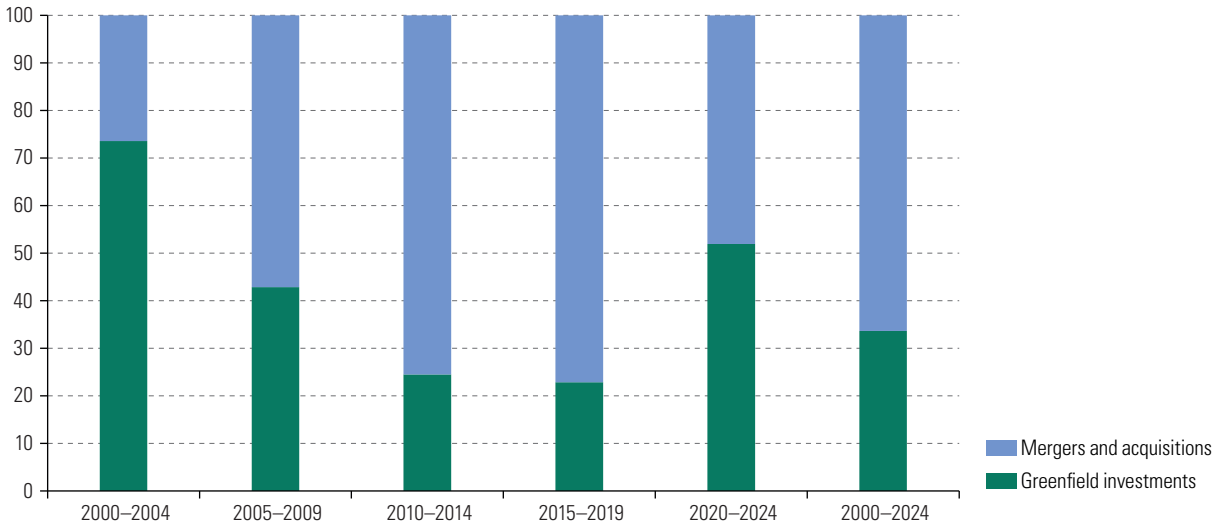
Source: Prepared by the authors, on the basis of Dussel Peters, E. (2025). *Monitor of Chinese OFDI in Latin America and the Caribbean 2025*. Latin America and the Caribbean Academic Network on China; data from the United Nations Conference on Trade and Development (UNCTAD): *Global Investment Trends Monitor* (2025a); *Global Trade in 2025: Resilience under Pressure* (14 March 2025) (2025b); and *UNCTADstat. Foreign direct investment: Inward and outward flows and stock, annual* (2025c).
Note: Figures for FDI inflows from China are based on estimates from the *Monitor of Chinese OFDI in Latin America and the Caribbean 2025* and may differ from official figures from the countries.
[a] Preliminary figures.
[b] Average annual gross fixed capital formation is calculated for 2020–2023.
[c] Average annual gross fixed capital formation is calculated for 2000–2023.

Second, Chinese FDI in Latin America and the Caribbean exhibited particular characteristics and significant changes during the period 2000–2024. For one thing, there was a considerable increase in greenfield investment, which accounted for 52% of the total in the most recent period (2020–2024), compared with 34% between 2000 and 2024. Although mergers and acquisitions continued to dominate in the period 2000–2024 (66%), these figures reflect a learning process with regard to Chinese FDI in Latin America and the Caribbean, given that transactions are now being carried out directly, without the need to purchase existing assets (see figure II.6A). One of the most significant characteristics of Chinese FDI generally, and in Latin America and the Caribbean in particular, is the ubiquity of public enterprises (Dussel Peters, 2025a): 69% of Chinese FDI in the region by value during the period 2000–2024 came from Chinese public enterprises, although the trend was downward between 2010 and 2014 (see figure II.6B). The diversification of Chinese FDI into new investments and a slow shift towards private companies, as discussed earlier, can also be seen at the country level: historically, the largest share of Chinese FDI has gone to Brazil (the average annual flow between 2000 and 2024 was US$ 2.678 billion, i.e., 33% of total Chinese FDI in the region, although the proportion fell to around 30% from 2015 onward), while the shares of countries such as Argentina (20%), Peru (18%) and Mexico (17%) increased significantly in the period 2020–2024 (see figure II.6C).[13]

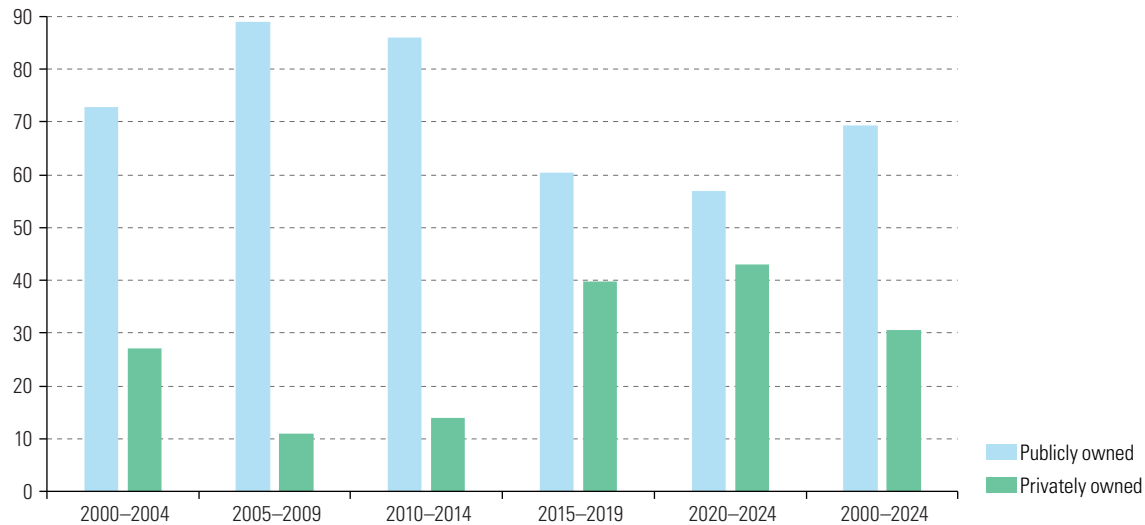
[13] The differences between the countries of the region are considerable. In Mexico, for example, 82% of Chinese FDI in 2000–2024 was in the form of new investments, and 75% of investment was by the private sector (Dussel Peters, in press-b).

Figure II.6
Latin America and the Caribbean: foreign direct investment (FDI) from China, by transaction type, ownership type and destination country, 2000–2024
(Percentages)

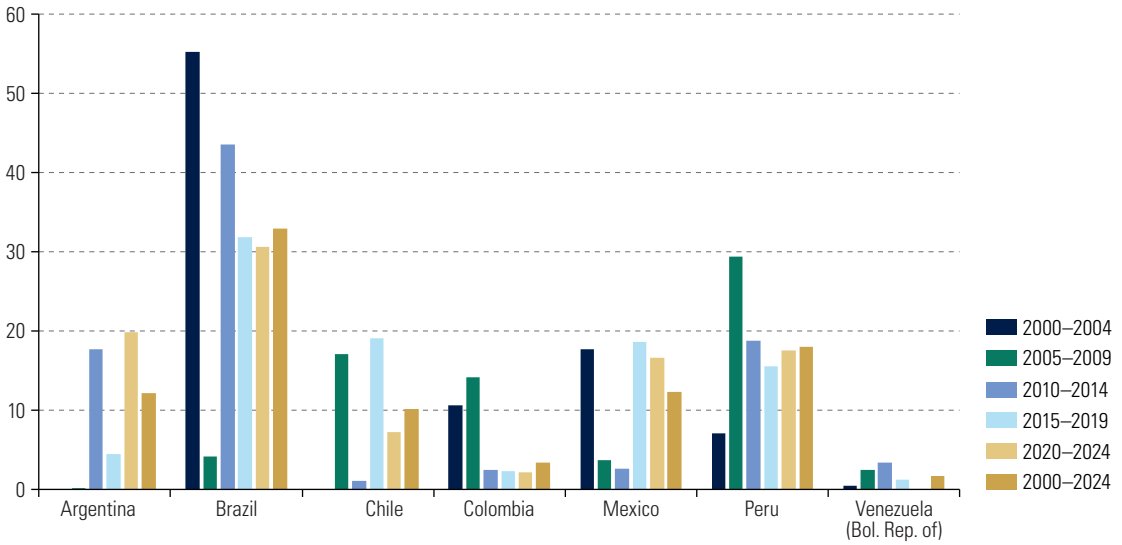
A. Transaction type



B. Ownership type



C. Destination country



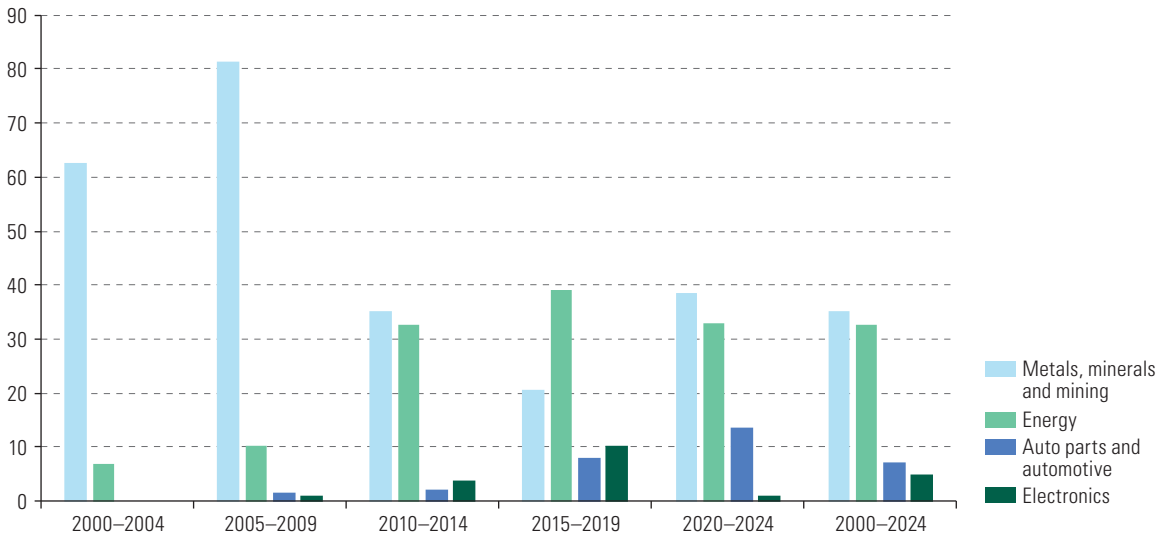
Source: Prepared by the authors, on the basis of Dussel Peters, E. (2025). *Monitor of Chinese OFDI in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

Third, Chinese FDI in Latin America and the Caribbean by transaction type and destination country has also diversified from a sectoral perspective. In aggregate terms, raw materials accounted for the bulk of Chinese FDI in the region until 2010–2014, reaching as much as 95% of the total in 2005–2009. However, the figure has fallen below 50% since then (dropping to 46% in 2020–2024) (Dussel Peters, 2025b). FDI transactions linked to manufacturing (which accounted for 24% of FDI in 2020–2024) and, in particular, to domestic market-oriented services and activities (28%) have been the most dynamic since 2015; the first Chinese FDI transaction in Latin America and the Caribbean for the purchase of technology was recorded in 2015, and this still plays a minor role. These profound sectoral changes can be seen most clearly from a disaggregated sectoral perspective: while the share of the metals, minerals and mining sector in Chinese FDI in the region fell from 81% in 2005–2009 to 38% in 2020–2024, that of energy increased from 7% in 2000–2004 to 33% in 2020–2024. The increase in Chinese FDI in the auto parts and automotive industry has been particularly substantial, as it came to account for 14% of the country's FDI in the region in 2020–2024 (see figure II.7).

Fourth, an issue that has received little attention to date is the increasing focus of Chinese FDI on renewable (or non-fossil) energy activities.[14] A review of the 99 Chinese FDI transactions in the Latin American and Caribbean energy sector between 2000 and 2024 reveals a growing specialization in renewable energy-related transactions. While all transactions up to 2009 were in non-renewable energy activities, the share of renewable energy transactions since then has been very considerable. By 2024, there had been 70, totalling more than US$ 33 billion and creating more than 30,000 jobs. Thus, 51% of Chinese FDI in the Latin American and Caribbean energy sector during the period 2000–2024 went to renewable energy activities, and the figure between 2020 and 2024 was 59% (see figure II.8). The leading investors were China Three Gorges Corporation (CTG), Power Construction Corporation of China (PowerChina), Sinohydro Corporation, Solarever and Trina Solar Energy.

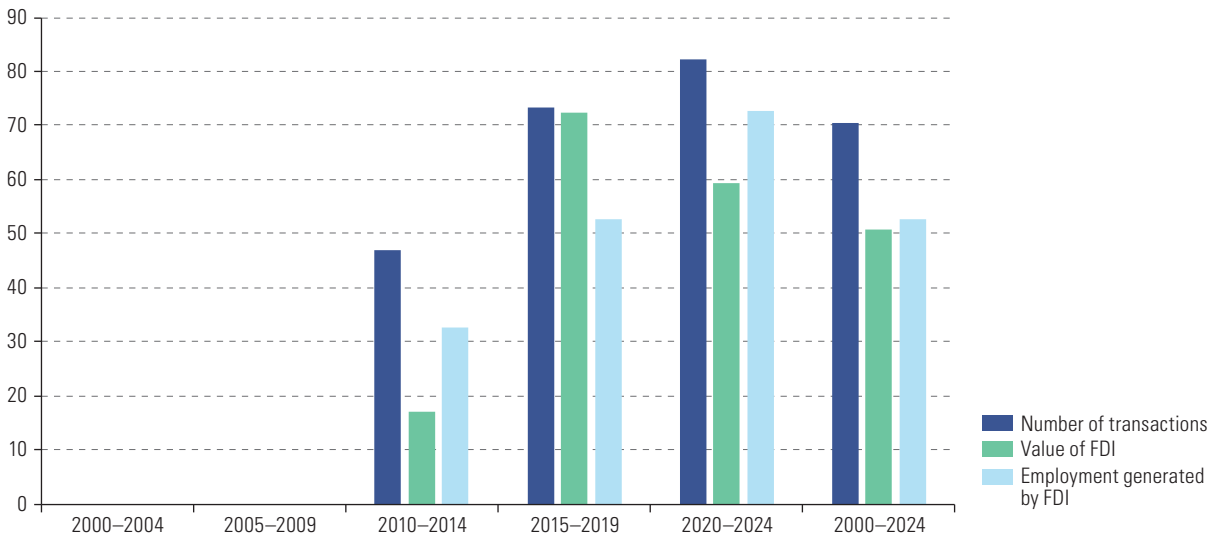
[14] The renewable energy category includes transactions in wind, solar, hydroelectric and nuclear energy.

Figure II.7
Latin America and the Caribbean: foreign direct investment (FDI) from China, by main sectors, 2000–2024
(Percentages)



Source: Prepared by the authors, on the basis of Dussel Peters, E. (2025). *Monitor of Chinese OFDI in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

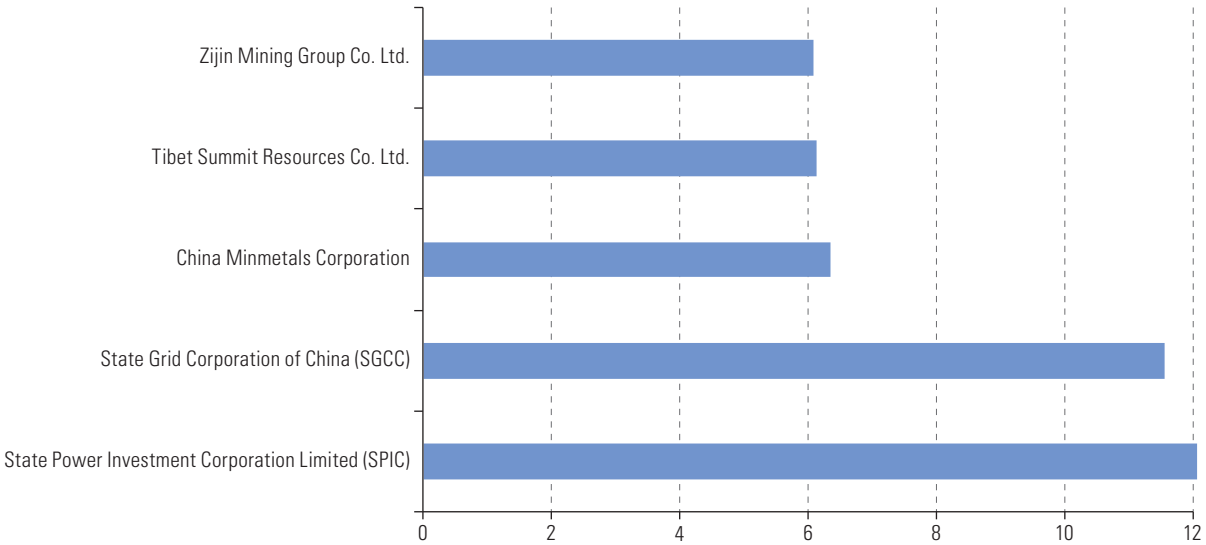
Figure II.8
Latin America and the Caribbean: renewable energy foreign direct investment (FDI) from China, 2000–2024
(Percentages)



Source: Prepared by the authors, on the basis of Dussel Peters, E. (2025). *Monitor of Chinese OFDI in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

Fifth, despite the growing presence of Chinese FDI in Latin America and the Caribbean, it is very largely accounted for by a relatively small group of Chinese companies. The five leading firms for FDI during the period 2000–2024, namely State Power Investment Corporation Limited (SPIC), State Grid Corporation of China (SGCC), China Minmetals Corporation, Tibet Summit Resources Co. Ltd. and Zijin Mining Group Co. Ltd., accounted for 42% of Chinese FDI in the region (see figure II.9). This point is particularly important for the areas of opportunity that will be presented in the last chapter.

Figure II.9
Latin America and the Caribbean: foreign direct investment (FDI) from China, by main companies, 2000–2024
(Percentages)



Source: Prepared by the authors, on the basis of Dussel Peters, E. (2025). *Monitor of Chinese OFDI in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

D. Financing

Chinese financing, internationally and in Latin America and the Caribbean, has not received sufficient attention to date, unlike other aspects examined in this chapter. A few years ago, ECLAC (2018, pp. 22–24) highlighted the limitations of official information on Chinese financing, together with its main structures by country and sector and the potential of the currency swap agreements used by Argentina, Brazil, Chile and Suriname during the period 2005–2016 (Stanley, 2020). Since then, a number of aspects of Chinese financing in the region have been analysed in greater detail.

At the same time, China has been a net international creditor since 2004 and the largest one since 2021, if Hong Kong (China) is included (ECLAC, 2021; Dussel Peters, 2025a). However, its banking system is still much less internationalized than those of other countries such as the United States and the members of the European Union, and its international assets are still very small compared to its domestic assets (Cerutti et al., 2020). These same studies positively associate China's financing with its foreign trade, but not with international investment, and in the case of portfolio investment the association is negative.

In the second place, the enormous significance of Kaplan's analysis (2021) should be highlighted, given his empirical work on Chinese financing in Latin America and the Caribbean and a remarkable set of case studies, as well as his emphasis on the particular characteristics of Chinese financing, internationally and in the region. According to this perspective, Chinese banks focus on trade conditionality, usually with flexible interest rates, and secure their loans on commodities (oil, gas or minerals, among others) and contracts with Chinese companies for the amount of the financing. Thus, Chinese banks do not need to intervene in the internal and fiscal affairs of borrowing countries (unlike Western banks) and appear to offer more favourable terms to Latin American and Caribbean countries. In the coming decades, it will be possible to examine the differences between the various financing conditionalities from a Latin American perspective in much greater detail.

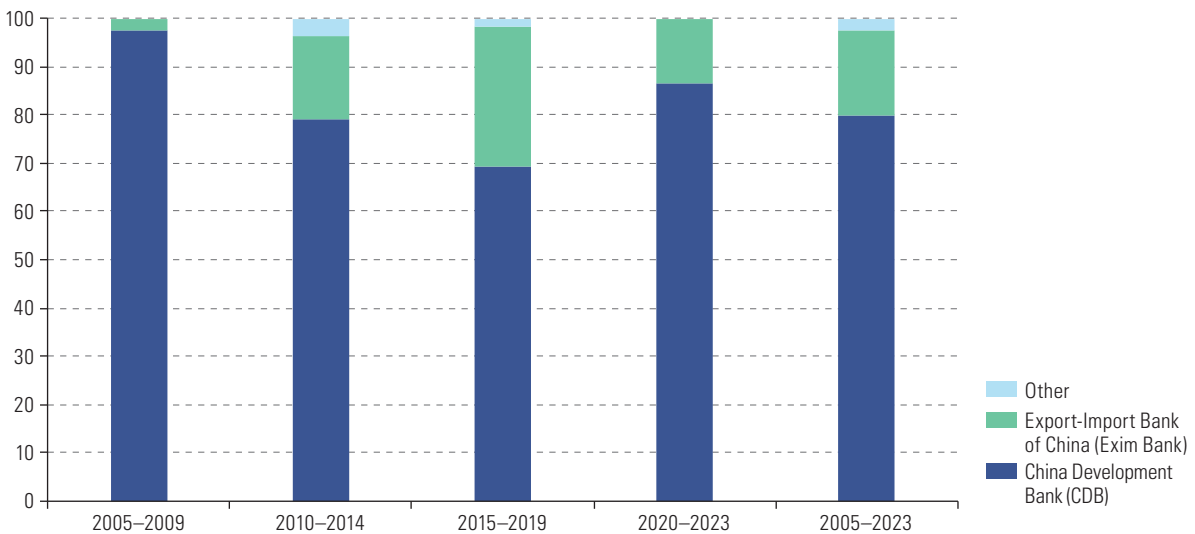
In the third place, it should be noted that the main institution currently working to record Chinese financing in Latin America and the Caribbean is the Global Development Policy Centre at Boston University, through the contributions of Gallagher and Ray (Gallagher, 2016; Gallagher and Cipoletta Tomassian, 2017; Ray and Myers, 2024). Bearing in mind the significant limitations of the database,[15] several important findings may be highlighted. One is that 133 Chinese loans worth over US$ 120 billion were granted in the region during the period 2005–2023, with an average amount of US$ 905 million per loan. Over the entire period, the China Development Bank accounted for 81% of financing to Latin America and the Caribbean, and Export-Import Bank of China (China Eximbank) for 18% (see figure II.10A). In addition, financing from these two banks peaked between 2010 and 2014, with an annual average of $12.534 billion. During the period, Chinese financing exceeded that of the World Bank and the Inter-American Development Bank (IDB) combined (Ray and Myers, 2024). Since then, however, financing from the two Chinese banks has plummeted, with an annual average of just US$ 473 million during the period 2020–2023 (see figure II.10B).[16] The same source shows that, in the period 2005–2023, the Bolivarian Republic of Venezuela received 49% of the loans, followed by Brazil (27%), Ecuador (10%) and Argentina (6%). In other words, the Bolivarian Republic of Venezuela and Brazil received 76% of China's total financing for Latin America and the Caribbean. This structure has diversified significantly: although the Bolivarian Republic of Venezuela received 71% of financing in the period 2010–2014, its last loan from China Development Bank was disbursed in 2015 (Piña, 2019). In contrast, Brazil has significantly increased its share of Chinese lending since then (Hiratuka and Deos, 2019) (see figure II.10C).

From a sectoral perspective, and taking into account the considerable limitations of the information, the energy sector has been the most significant recipient of Chinese financing in Latin America and the Caribbean, accounting for 32% of the total between 2005 and 2023, although there was a significant downward trend over the periods considered (from 52% in 2005–2009 to 37% in 2015–2019 and 0% in 2020–2023). Other sectors such as commerce, transport and industrial services have received more financing from China in recent years (Ray and Myers, 2024).

Figure II.10

Latin America and the Caribbean: financing from China, by bank, annual averages and destination country, 2005–2023
(Percentages and billions of dollars)

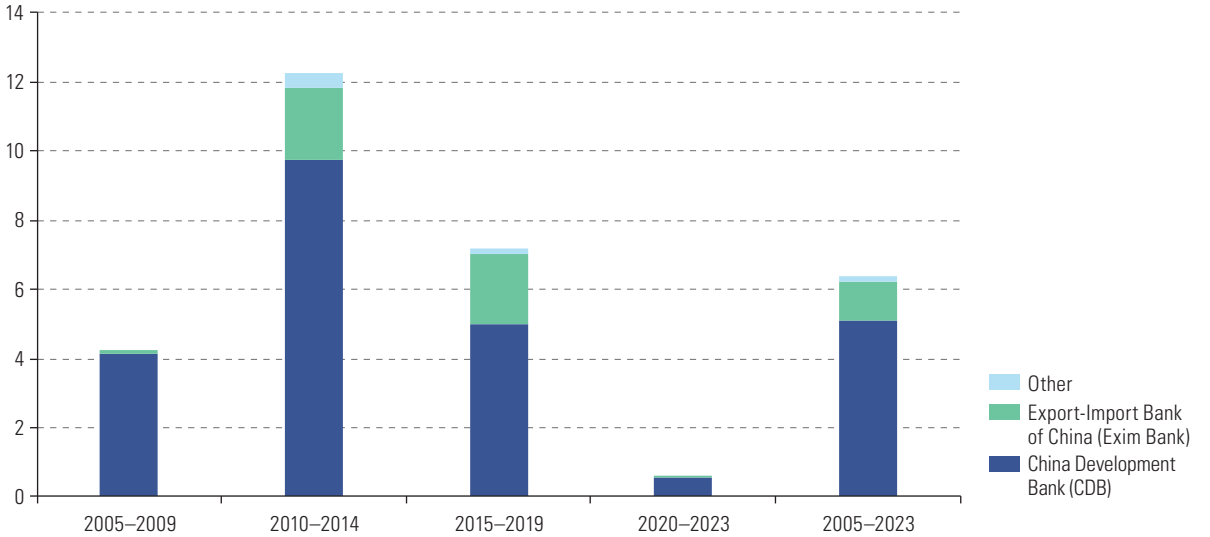
A. Banks
(Percentages)



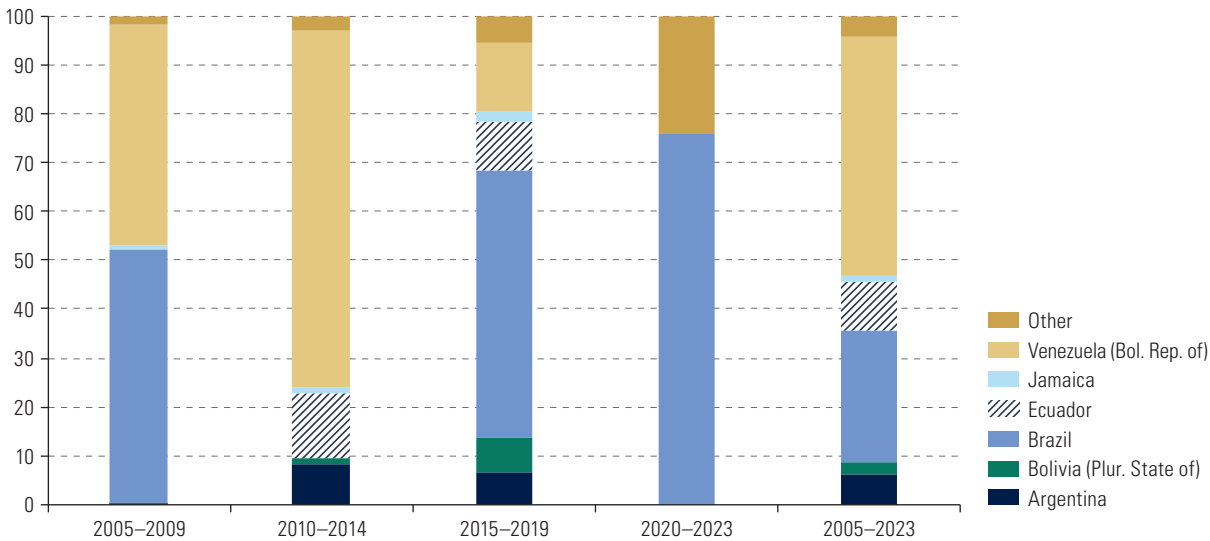
[15] The information is only for two major Chinese development banks, China Development Bank and Export-Import Bank of China. See Springer, Moses and Ray (2024) and Dussel Peters (2020) for a discussion of the methodological framework.

[16] See Song (2020) and Hernández Cordero (2020) for an analysis of the strategies and trends of the two Chinese banks in Latin America and the Caribbean.

B. Annual averages
(Billions of dollars)



C. Destination country
(Percentages)



Source: Prepared by the authors, on the basis of Ray, R. and Myers, M. (2024). *Chinese Loans to Latin America and the Caribbean Database*.

E. Infrastructure database

The first chapter highlighted the enormous importance of infrastructure projects for Latin America and the Caribbean. Institutions such as the Development Bank of Latin America and the Caribbean (CAF), IDB and ECLAC have been insisting for decades on the impact of infrastructure projects on productive development and people's quality of life. It is particularly important to recognize the demand for infrastructure projects in the region and the effective supply of such projects. Recently, different authors (Saade Hazin and Constantivo, 2024, pp. 9–14) have established as desirable a minimum

expenditure level of 5.2% of GDP (or as much as 7.9%, as in several countries of South-East Asia), but public infrastructure investment in Latin America and the Caribbean represented only 1.5% of GDP during the period 2015–2023 (Infralatam, 2025). This infrastructure gap in the region is one of its main socioeconomic challenges today.

The *Monitor of Chinese Infrastructure in Latin America and the Caribbean* (Dussel Peters, in press-a) has become one of the main specialized sources recording Chinese infrastructure projects in the region. The annual report, which has been produced since 2020, is based on a database of infrastructure projects and the distinction made between these and FDI[17] (see section II.C). At least five aspects are important for understanding China's infrastructure projects in Latin America and the Caribbean.

First, China implemented 294 infrastructure projects in the region worth over US$ 129 billion during 2005–2024, generating more than 950,000 jobs (see table II.4).[18] Unlike Chinese FDI, infrastructure projects in the region experienced continuous growth in the periods considered: from 2020 to 2024, China's 146 infrastructure projects were worth $62.137 billion and generated 397,521 jobs, the highest value of all subperiods. There are two other key aspects. First, the average number of jobs created per infrastructure project has been declining significantly, from 4,131 jobs per project in 2015–2019 to 2,723 jobs in 2020–2024. Second, the amount per project has held fairly steady, at around US$ 440 million per infrastructure project since 2015 and in the subperiods considered. This is closely connected to the new countries and sectors in which infrastructure projects are being carried out in the region, as will be explained further on.

Table II.4

Latin America and the Caribbean: number of Chinese infrastructure projects, amounts invested and jobs created, 2005–2024
(Numbers and millions of dollars)

Year or period	Number of infrastructure projects	Amount *(Millions of dollars)*	Employment *(Number of employees)*
2019	41	20 297	253 586
2020	32	24 863	170 156
2021	30	4 835	22 133
2022	32	6 759	14 302
2023	27	5 877	23 183
2024	25	19 802	167 747
2005–2009	11	1 603	21 367
2010–2014	49	26 049	170 833
2015–2019	88	39 267	363 543
2020–2024	146	62 137	397 521
2005–2024	294	129 057	953 264

Source: Prepared by the authors, on the basis of Dussel Peters, E. (in press). *Monitor of Chinese Infrastructure in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

Second, when the ownership of the Chinese companies executing infrastructure projects in the region is considered, it can be seen that 92% of China's infrastructure projects in the region by value over the whole period 2005–2024 were carried out by public companies.[19] In addition, growth in the

[17] Infrastructure projects are the most sophisticated component (compared to the trade, finance and FDI projects examined in this section) in Latin America and the Caribbean's relationship with China, given the knowledge of national, regional and local regulations and of customers, tendering processes and suppliers which they require from the Chinese (and Latin American) companies involved. Furthermore, infrastructure projects differ from FDI transactions in that these services entail a relationship between a customer and a supplier, a contract formalizing this inter-company relationship, and ownership by the customer (Dussel Peters, in press-a).

[18] China's first infrastructure project in Latin America and the Caribbean was recorded in 2005 (Dussel Peters, in press-a).

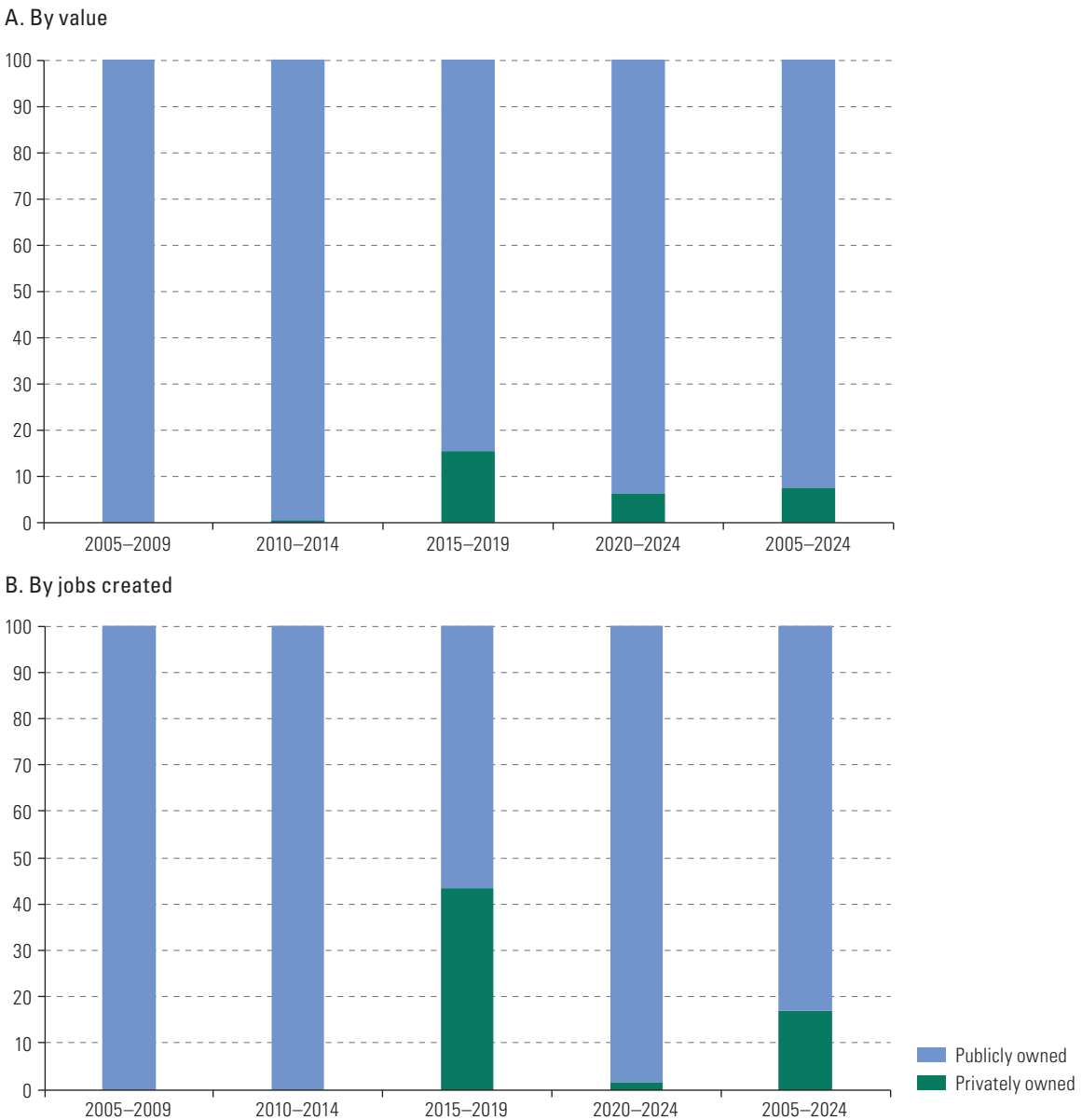
[19] A more detailed analysis of the issue (Dussel Peters, in press-a) reveals that central government companies (accounting for 98% of public sector infrastructure projects) were the most important in Latin America and the Caribbean during the period 2005–2024, although there is a small group of other public companies, particularly municipal ones, that are also carrying out infrastructure projects.

share of Chinese companies has been slow since 2015–2019 (see figure II.11A). In terms of employment, the share of private companies has been much higher, as they generated 44% of the jobs created by Chinese companies in infrastructure projects in Latin America and the Caribbean between 2015 and 2019 (see figure II.11B). This is important given the ubiquity of publicly owned companies in Chinese infrastructure projects in the region and the slow growth of private Chinese companies' participation, particularly in job creation. Private Chinese companies are much more labour-intensive than public companies, which is important when it comes to the sectoral specialization of Chinese infrastructure projects in Latin America and the Caribbean.

Figure II.11

Latin America and the Caribbean: infrastructure projects implemented by Chinese investors, by investing company ownership type, 2005–2024

(Percentages)



Source: Prepared by the authors, on the basis of Dussel Peters, E. (in press). *Monitor of Chinese Infrastructure in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

Third, China's infrastructure projects in Latin America and the Caribbean have also diversified by country during the twenty-first century (see table II.5). Between 2005 and 2024, Argentina accounted for 36 infrastructure projects financed by China (12% of China's projects in Latin America and the Caribbean as a whole), representing value added of US$ 29.125 billion (equivalent to 23% of total Chinese investment in the region) and generating more than 95,500 jobs (approximately 10% of the employment associated with all these projects). In value terms, Argentina was followed by Brazil (15%), Ecuador (8%), the Bolivarian Republic of Venezuela (7%) and Colombia (7%). In the most recent period (2020–2024), however, Argentina increased its share of Chinese infrastructure projects in terms of investment amounts (27%), while countries such as Brazil (16%), Chile (11%) and Mexico (10%) also consolidated their shares. In terms of job creation, Brazil accounted for the largest share, with more than 210,000 jobs created between 2005 and 2024 (see table II.5).

Table II.5

Latin America and the Caribbean: number of Chinese infrastructure projects, amounts invested and jobs created, by destination country, 2005–2024

(Numbers, millions of dollars and percentages)

	2005–2009	2010–2014	2015–2019	2020–2024	2005–2024	2005–2009	2010–2014	2015–2019	2020–2024	2005–2024
						(Percentages)				
Latin America and the Caribbean										
Number of infrastructure projects	11	49	88	146	294	100.00	100.00	100.00	100.00	100.00
Amount invested *(Millions of dollars)*	1 603	26 049	39 267	62 137	129 057	100.00	100.00	100.00	100.00	100.00
Employment *(Number of employees)*	21 367	170 833	363 543	397 521	953 264	100.00	100.00	100.00	100.00	100.00
Argentina										
Number of infrastructure projects	0	2	17	17	36	0.00	4.08	19.32	11.64	12.24
Amount invested *(Millions of dollars)*	0	3 090	9 040	16 995	29 125	0.00	11.86	23.02	27.35	22.57
Employment *(Number of employees)*	0	4 540	27 229	63 830	95 599	0.00	2.66	7.49	16.06	10.03
Bolivia (Plurinational State of)										
Number of infrastructure projects	1	7	8	10	26	9.09	14.29	9.09	6.85	8.84
Amount invested *(Millions of dollars)*	44	1 479	3 737	5 421	10 681	2.74	5.68	9.52	8.72	8.28
Employment *(Number of employees)*	0	3 241	34 130	5 800	43 171	0.00	1.90	9.39	1.46	4.53
Brazil										
Number of infrastructure projects	2	4	11	20	37	18.18	8.16	12.50	13.70	12.59
Amount invested *(Millions of dollars)*	669	2 020	7 322	9 617	19 627	41.73	7.75	18.65	15.48	15.21
Employment *(Number of employees)*	7 350	57 726	43 411	103 618	212 105	34.40	33.79	11.94	26.07	22.25
Chile										
Number of infrastructure projects	0	0	5	16	21	0.00	0.00	5.68	10.96	7.14
Amount invested *(Millions of dollars)*	0	0	737	7 152	7 889	0.00	0.00	1.88	11.51	6.11
Employment *(Number of employees)*	0	0	5 905	36 408	42 313	0.00	0.00	1.62	9.16	4.44

	2005–2009	2010–2014	2015–2019	2020–2024	2005–2024	2005–2009	2010–2014	2015–2019	2020–2024	2005–2024
						(Percentages)				
Colombia										
Number of infrastructure projects	0	0	3	13	16	0.00	0.00	3.41	8.90	5.44
Amount invested *(Millions of dollars)*	0	0	5 163	3 341	8 504	0.00	0.00	13.15	5.38	6.59
Employment *(Number of employees)*	0	0	26 742	57 666	84 408	0.00	0.00	7.36	14.51	8.85
Ecuador										
Number of infrastructure projects	0	14	11	8	33	0.00	28.57	12.50	5.48	11.22
Amount invested *(Millions of dollars)*	0	5 907	3 423	362	9 692	0.00	22.68	8.72	0.58	7.51
Employment *(Number of employees)*	0	66 958	21 052	25 037	113 047	0.00	39.20	5.79	6.30	11.86
Jamaica										
Number of infrastructure projects	1	4	1	2	8	9.09	8.16	1.14	1.37	2.72
Amount invested *(Millions of dollars)*	65	1 289	353	393	2 100	4.05	4.95	0.90	0.63	1.63
Employment *(Number of employees)*	3 000	9 060	20 000	2 375	34 435	14.04	5.30	5.50	0.60	3.61
Mexico										
Number of infrastructure projects	0	0	10	29	39	0.00	0.00	11.36	19.86	13.27
Amount invested *(Millions of dollars)*	0	0	2 137	6 117	8 253	0.00	0.00	5.44	9.84	6.40
Employment *(Number of employees)*	0	0	143 794	23 971	167 765	0.00	0.00	39.55	6.03	17.60
Peru										
Number of infrastructure projects	0	0	7	8	15	0.00	0.00	7.95	5.48	5.10
Amount invested *(Millions of dollars)*	0	0	698	706	1 405	0.00	0.00	1.78	1.14	1.09
Employment *(Number of employees)*	0	0	5 215	2 991	8 206	0.00	0.00	1.43	0.75	0.86
Venezuela (Bolivarian Republic of)										
Number of infrastructure projects	2	6	3	0	11	18.18	12.24	3.41	0.00	3.74
Amount invested *(Millions of dollars)*	478	5 446	3 290	0	9 214	29.82	20.91	8.38	0.00	7.14
Employment *(Number of employees)*	10 196	3 650	2 690	0	16 536	47.72	2.14	0.74	0.00	1.73

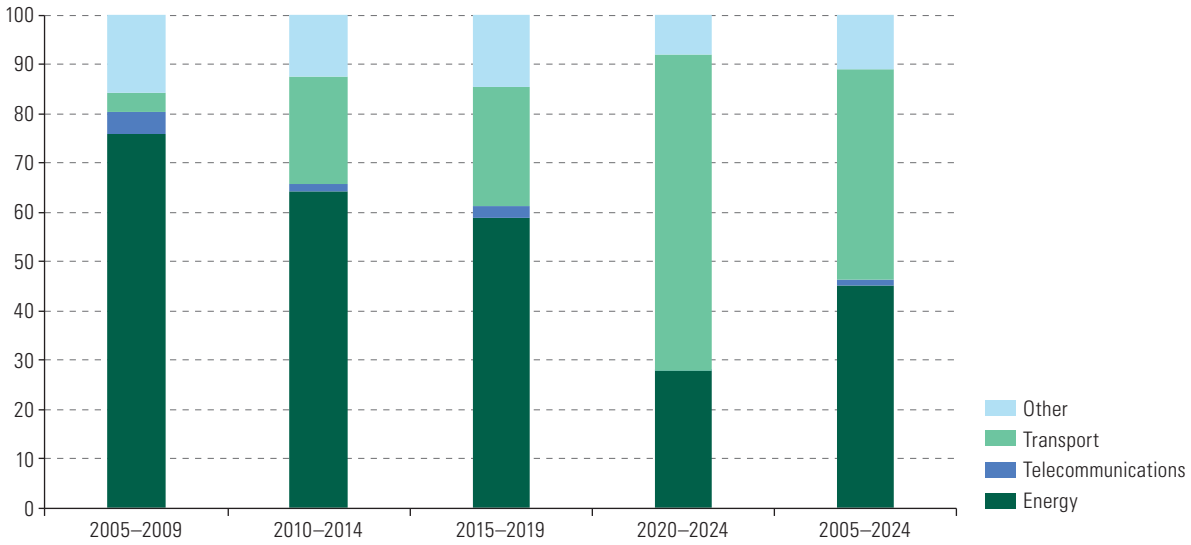
Source: Prepared by the authors, on the basis of Dussel Peters, E. (in press). *Monitor of Chinese Infrastructure in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

Fourth, China's infrastructure projects in the region also changed significantly from a sectoral perspective during the period 2005–2024. Historically, infrastructure projects have been concentrated in the energy sector, which accounted for 76% of the total between 2005 and 2009, although its share fell to 28% in the period 2020–2024 (see figure II.12A). However, Chinese infrastructure projects in the transport sector (which includes roads, airports, public transport, underground railways, rail infrastructure and ports) have increased strongly, accounting for 64% of infrastructure projects in the region during 2020–2024. It should also be noted that, notwithstanding the decline in energy infrastructure projects referred to, there is a

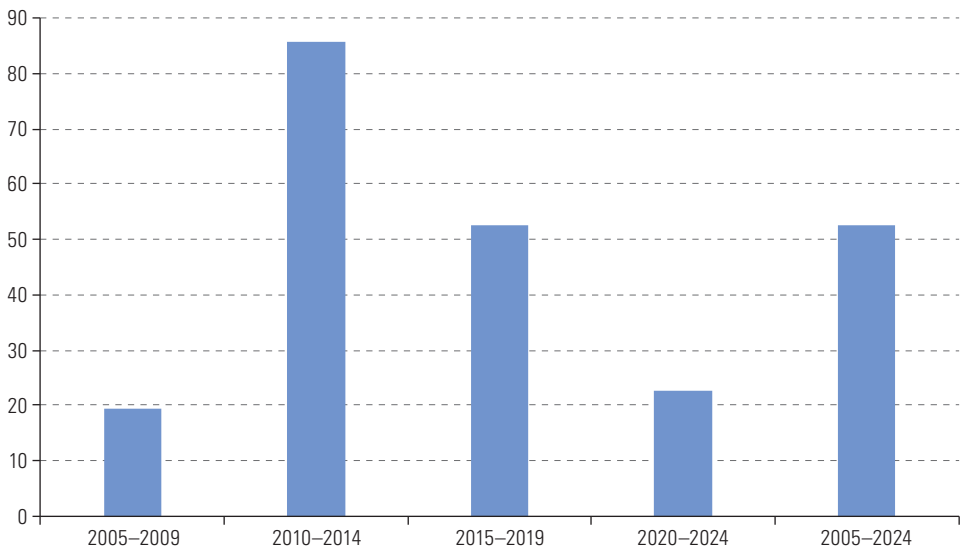
large component of infrastructure projects in the field of renewable energy,[20] accounting for 53% over the entire period 2005–2024 and proving particularly strong in 2010–2014 (when 86% of infrastructure projects were energy-related), although it has declined since then (see figure II.12B).

Figure II.12
Latin America and the Caribbean: infrastructure projects implemented by Chinese investors, by sector, 2005–2024
(Percentages)

A. Projects by sector



B. Proportion of renewables projects in the energy sector



Source: Prepared by the authors, on the basis of Dussel Peters, E. (in press). *Monitor of Chinese Infrastructure in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

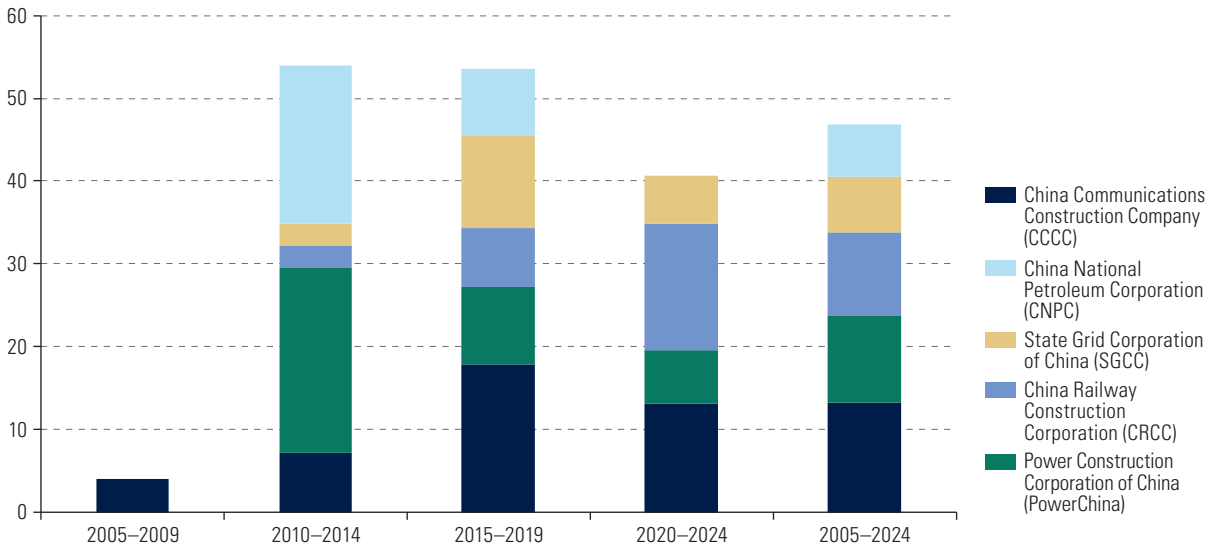
[20] The renewable energy category includes transactions in wind, solar, hydroelectric and nuclear energy and electric transport infrastructure projects.

Fifth, as with Chinese FDI in Latin America and the Caribbean (see figure II.9), the great bulk of Chinese infrastructure projects in the region are accounted for by a relatively small group of public companies. Going by the amounts invested by the leading companies during the period 2020–2024, the five largest companies, namely China Communications Construction Company (CCCC), Power Construction Corporation of China (PowerChina), China Railway Construction Corporation (CRCC), State Grid Corporation of China (SGCC) and China National Petroleum Corporation (CNPC), carried out 90 infrastructure projects worth more than US$ 60 billion and generated 426,000 jobs, representing 31%, 47% and 45% of the total, respectively (see figure II.13). The share of these five companies in the total value of infrastructure projects in the region since the 2010–2014 period has been remarkably high.

Figure II.13

Latin America and the Caribbean: infrastructure projects implemented by Chinese investors, by investing company, 2005–2024

(Percentages)



Source: Prepared by the authors, on the basis of Dussel Peters, E. (in press). *Monitor of Chinese Infrastructure in Latin America and the Caribbean 2025*. Academic Network for Latin America and the Caribbean.

Chapter III

The development of mechanisms for cooperation between Latin America and the Caribbean and China

The institutional framework for cooperation between Latin America and the Caribbean and China has been significantly enhanced and expanded over the course of the twenty-first century, facilitating dialogue and collaboration in new and different areas and thereby laying the groundwork for analysis of the future areas of opportunity discussed in the next chapter. The relationship has increasingly taken on a multidimensional character. New global, multilateral, regional and, to a lesser extent, bilateral initiatives will now be reviewed.

At the international and multilateral level, Latin America and the Caribbean and China participate and cooperate in a significant group of institutions. At the present time, particular mention may be made of cooperation projects intended to contribute to the 2030 Agenda for Sustainable Development and other initiatives conducted within a United Nations framework (Salazar-Xirinachs, 2024). The three initiatives recently launched by China, namely the Global Development Initiative (2021), the Global Security Initiative (2022) and the Global Civilization Initiative (2023), are important for understanding the specifics of cooperation between Latin America and the Caribbean and China. The Belt and Road Initiative framework, presented in 2013, and numerous efforts to improve the quality and institutions of development and the Initiative itself through a community with a shared future for humanity (Xi, 2023) laid the foundations for the current cooperation between Latin America and the Caribbean and China.[1]

The regional cooperation relationship between Latin America and the Caribbean and China is based on two white papers published by China in 2008 and 2016 and on the "1+3+6" scheme for Latin America and the Caribbean, encompassing three driving forces (trade, investment and financial cooperation) and six priority areas (energy and natural resources, infrastructure development, agriculture, industry, scientific and technological innovation, and information technology). The creation in 2015 of the Forum of China and Community of Latin American and Caribbean States (China-CELAC Forum) and its First Ministerial Meeting held that same year established the Forum from that time onward as the main regional dialogue mechanism dedicated to cooperation with China and to the coordination of these regional efforts in particular. The ministerial meetings of 2015, 2018 and 2021 produced joint declarations and specific cooperation plans reflecting a wide range of activities (Economic Commission for Latin America and the Caribbean [ECLAC], 2015, 2018). The institutional arrangements and operating rules of the Forum have remained unchanged since then (Forum of China and Community of Latin American and Caribbean States [China-CELAC Forum], 2015a).[2]

It is important to appreciate the emphasis, depth and breadth of the array of regional cooperation projects between Latin America and the Caribbean and China that have been proposed at the ministerial meetings of the China-CELAC Forum and that will lay the groundwork for future proposals (see chapter IV).

The China-Latin American and Caribbean Countries Cooperation Plan (2015–2019) was presented at the First Ministerial Meeting of the China-CELAC Forum, held in January 2015. The Plan established 14 priorities (China-CELAC Forum, 2015b), including politics and security; trade, investment and finance; infrastructure and transport; energy and natural resources; agriculture; industry, science and technology, and aviation and aerospace; education and human resources training; culture and sports; tourism; and environmental protection, risk management, disaster reduction, poverty eradication and health. This

[1] For a detailed examination of this issue and aspects related to institutions such as the Group of 20, the World Trade Organization, Asia-Pacific Economic Cooperation and BRICS Plus, see Anguiano Roch (2020), Cui and Pérez García (2016), Guerrero Vázquez et al. (2024), Office of the Leading Group for Promoting the Construction of the Belt and Road Initiative and Latin America Institute, Chinese Academy of Social Sciences (2024) and Rivero Soto and Raggio (2022).

[2] The institutional provisions of the China-CELAC Forum (2015a) provide for its basic functioning, including aspects related to the pro tempore presidency and ministerial meetings every three years. They establish that ad hoc meetings may be held when necessary (China-CELAC Forum, 2015a, p. 1) and that the country hosting the ministerial meetings will be responsible for preparing the relevant documents. The provisions state that "the Chinese side has established the Chinese Committee of the Follow-up Actions of the CCF, responsible for coordination among the Chinese institutions" (China-CELAC Forum, 2015a, p. 2). The Committee reports to the Chinese Ministry of Foreign Affairs. However, no equivalent body has been identified in the case of CELAC.

extensive initial agenda was implemented via dozens of initiatives in each of the areas mentioned, examples being initiatives to strengthen collaboration with multilateral organizations such as the United Nations (with explicit references to its leadership in international affairs and issues related to sustainable development, climate change and poverty eradication); increase two-way trade to US$ 500 billion and the investment stock to at least US$ 250 billion over 10 years; leverage existing financial resources in the relationship between Latin America and the Caribbean and China (such as the China-LAC Cooperation Fund and preferential credit lines made available by China); strengthen cooperation on infrastructure and transport in specific areas such as ports, roads, information technologies, agriculture and energy; promote the industrialization of value added products in Latin America and the Caribbean (with a particular focus on industrial parks and special high-technology economic zones); step up agricultural collaboration and encourage the development of modern agricultural technologies; and expand cultural, sports and tourism initiatives. The training of experts in renewable energy development and specific programmes, and likewise the provision of government scholarships (6,000 places for training in China and 400 places for vocational master's degrees), reflected the interest of both sides in pursuing close cooperation in this area in the short, medium and long term.

The CELAC and China Joint Plan of Action for Cooperation on Priority Areas (2019–2021) (China-CELAC Forum, 2018) covered nine general priorities, including politics and security; infrastructure and transport; trade, investment and finance; agriculture; industry, science and technology; cooperation on the environment; and cultural exchange. The Plan of Action reiterated the main commitments made in 2015 in the areas of infrastructure, transport, commerce, investment, finance, agriculture, science and technology, and the environment. However, there was less of a commitment in the area of educational and academic exchanges.

The China-CELAC Joint Action Plan for Cooperation in Key Areas (2022–2024) (China-CELAC Forum, 2021) was presented at the Third Ministerial Meeting of the China-CELAC Forum, held virtually under the pro tempore presidency of Mexico. In general terms, this action plan is similar to its predecessors, prioritizing issues such as political and security cooperation; trade and investment; finance; agriculture and food; science and technology; aviation and aerospace; energy; and the environment. Of particular importance are the space given to cooperation on public health, especially in the context of the coronavirus disease (COVID-19) pandemic, and the references to the global initiatives presented by China during the period 2021–2023, as mentioned above, and to the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank.

To understand the dynamics, depth and scope of cooperation between Latin America and the Caribbean and China, two important aspects must be highlighted. One is the involvement of a variety of sectors in bilateral cooperation. For example, the business sector, considered critical to the regional relationship (ECLAC, 2013), has met every year since 2007 at the China-Latin America and the Caribbean Business Summit, which has been attended by tens of thousands of businesspeople, officials, members of employers' organizations and representatives of specialized agencies from Latin America and the Caribbean and China. The sixteenth China-Latin America and the Caribbean Business Summit, held in November 2023, was attended by more than 1,000 participants from 26 countries and institutions such as the China Council for the Promotion of International Trade, the People's Bank of China and the Inter-American Development Bank. The Summit, whose theme was "Open innovation, shared development", saw the launch of the China-Latin America and the Caribbean Business Cooperation Beijing Initiative. A number of think tanks are also actively involved in the relationship between China and Latin America and the Caribbean. By 2024, several forums had been held, the most recent of them, in October 2024, being organized by the China Institute of International Studies of the Chinese Ministry of Foreign Affairs. Similarly, following the High-level Academic Forums of 2017 and 2021, ECLAC and the Institute of Latin American Studies of the Chinese Academy of Social

Sciences held the Third CELAC-China High-level Academic Forum in April 2025. The 2025 Forum examined issues related to existing cooperation mechanisms, trade and cultural strategies, political dialogue and technical cooperation from a sustainability perspective.

There are also numerous initiatives connecting Latin America and the Caribbean with China, particularly bilateral ones with national governments, but also with political parties, business organizations specializing in China, research groups and cultural centres. The recent report by the Office of the Leading Group for Promoting the Construction of the Belt and Road Initiative and Latin America Institute, Chinese Academy of Social Sciences (2024) recognizes that 22 countries in Latin America and the Caribbean had signed memoranda of understanding within the framework of the Belt and Road Initiative as of 2024. There are also 180 twinning arrangements between cities in China and 17 countries of the region and a growing presence of business organizations and specialist centres of very high quality both in Latin America and the Caribbean and in China (Dussel Peters, 2025a). In Brazil (Rosito, 2020) and Mexico (Arsovska et al., 2024), for example, efforts have been made to establish bilateral agendas with China, taking into account the richness of the historical, sectoral and economic context and the new challenges posed by the confrontation between the United States and China (see chapter II).

To illustrate the strength of this relationship, there were 53 presidential visits from Latin American and Caribbean countries to China in the period 2010–2023 (Ray et al., 2024). For his part, President Xi Jinping has visited the region five times since 2013. China's considerable efforts in this regard have been evinced through its diplomatic representations. In 2023, China topped the list of countries with the largest number of diplomatic representations worldwide, as it had more than the United States in Africa, East Asia, the Pacific islands and Central Asia, although fewer than the United States in other regions, such as Europe and South Asia. In Latin America and the Caribbean, the United States had more diplomatic representations (46) than China (34) as of 2023 (Neelam and Sato, 2024).[3]

Lastly, it is important to consider that, although the China-CELAC Forum has been in existence for more than 10 years, a comprehensive report detailing the Forum's various activities and outcomes has yet to be prepared, nor has there been one for the China-Latin America and the Caribbean Business Summit, established in 2007. The Office of the Leading Group for Promoting the Construction of the Belt and Road Initiative and Latin America Institute, Chinese Academy of Social Sciences (2024, pp. 26–32) has provided a valuable compilation of the main actions involving Latin America and the Caribbean and China within the framework of the Belt and Road Initiative, but a detailed report on the many tasks carried out at the China-CELAC Forum is still needed, particularly given the wide range of activities implemented since 2015. The Office of the Leading Group for Promoting the Construction of the Belt and Road Initiative and Latin America Institute, Chinese Academy of Social Sciences (2024) has provided a record of the meetings of the China-LAC Infrastructure Cooperation Forum and the China-Latin America and the Caribbean Scientific and Technological Innovation Forum. It has also compiled information on meetings between political party leaders and the creation of the China-Latin American Production Capacity Cooperation Investment Fund, and on free trade initiatives involving five Latin American and Caribbean countries and China.

[3] In the original calculation (Neelam and Sato, 2024), the diplomatic representations include Canada as part of North America, but it is not counted here in the total for the representations of China and the United States in Latin America and the Caribbean.

Chapter IV

Areas of opportunity for strengthening cooperation between China and Latin America and the Caribbean and pursuing more productive, inclusive and sustainable development

The analysis in this document shows that Latin America and the Caribbean and China have long-standing socioeconomic ties that have been significantly deepened, broadened and enhanced in the twenty-first century. The unprecedented dynamism that characterizes the current relationship is the result of numerous efforts by both sides, and the potential for the future remains very promising.

Presented below are nine areas of opportunity for strengthening cooperation between China and Latin America and the Caribbean in the short, medium and long term that may have a particularly important role to play in driving productive transformation and higher, sustained, inclusive and sustainable economic growth in the region.

Area 1: Institutional modernization. Given the intensification of political dialogue and the maturity, depth and breadth of the socioeconomic relationship between Latin America and the Caribbean and China, it is worth optimizing the functioning of the China-CELAC Forum to provide it with a more robust and sustainable institutional framework. The work of its pro tempore presidency would be strengthened by the support of a specialized technical team responsible for identifying new opportunities for cooperation with China and following up on initiatives already under way. This analytical support would enhance the Forum, support the work of the country holding the pro tempore presidency and contribute to the continuity of the joint agenda.[1]

Area 2: Trade in goods. As discussed in chapter III, the first Latin American and Caribbean-China Cooperation Plan (2015–2019) aimed to increase two-way trade to US$ 500 billion over the next 10 years and the stock of Chinese investment in Latin America and the Caribbean to at least US$ 250 billion. Despite the major impact of the coronavirus disease (COVID-19) pandemic, flows of goods (see chapter II.B) and investment (see chapter II.C) in 2024 were surprisingly close to these expectations. Recognizing these efforts in the area of goods trade, the two sides could more systematically analyse the challenges that have emerged with the dynamism of bilateral trade. Chapter II.B highlights three important aspects of their trade that they should address: the significant technology gap in the trade relationship, the growing trade deficit of Latin America and the Caribbean, and the considerable concentration of the region's exports in a relatively small group of products. These challenges could be examined in detail and the analysis complemented by proposals to address them.

Area 3: Investor experiences and information on Chinese investment in Latin America and the Caribbean. Chapter II.C presents in detail the main trends related to Chinese foreign direct investment in Latin America and the Caribbean. It also recognizes the existence of a growing group of companies from the region that have been investing in China since the beginning of the twenty-first century. It is important for institutions on both sides to strive to promote greater awareness of their experiences in order to facilitate future investments. Designing reciprocal training programmes (to orient Chinese companies regarding the region's regulatory, socioenvironmental and business frameworks and, in turn, to provide Latin American officials and suppliers with up-to-date information on Chinese standards and operating processes) can drive a new cycle of investment based on the experience accumulated in recent years. Business chambers, public bodies and universities on both sides can help to coordinate these efforts.

Area 4: Major trends in Chinese financing in Latin America and the Caribbean (see chapter II.D). There are considerable limitations on the recording of these trends; in particular, new forms of financing do not show up in the statistics. It seems important for the region as a whole to explore ways of increasing financing from Chinese public banks for a group of important activities, such as infrastructure projects in the renewable energy and tourism sectors, which would help to support the region's productive transformation efforts (see chapter I).

[1] This would require a change to the institutional provisions (see Forum of China and Community of Latin American and Caribbean States [China-CELAC Forum], 2015a).

Area 5: Renewable energy in infrastructure projects. As noted in chapter II.E, the use of fossil fuels in Chinese-implemented infrastructure projects in the region has been significantly reduced, as these projects have been reoriented towards renewable energies. Within the framework of the different activities of the China-CELAC Forum and the China-Latin America and the Caribbean Business Summit, the two sides could explore ways to pursue projects aimed at developing renewable energies in the region (see chapter I).

Area 6: The productive transformation of Latin America and the Caribbean. China's progress in a number of technology-related sectors and areas could contribute greatly to the productive transformation of the region's countries, as is already occurring in the fields of healthcare, digital transformation and electrical interconnection, among others (Salazar-Xirinachs, 2020). China's experience has also provided important lessons on ways of strengthening science, technology and innovation policies through greater collaboration and the establishment of partnerships with universities, technology centres and the private sector. The training of academic and specialized personnel is an area with great potential, as is the implementation of joint projects with Latin American higher education institutions through the dissemination of calls for proposals, selection processes and implementation.

Area 7: Cultural exchange. The activities of the China-CELAC Forum in the field of culture need to be further developed. Latin America and the Caribbean and China carry out numerous cultural activities every year, and the number has been growing substantially. They include film screenings, exhibitions and educational, academic, student and youth exchanges between China and Latin America and the Caribbean. In addition, there are other initiatives implemented by Confucius Institutes and Confucius Classrooms in Latin America and the Caribbean, as well as in dozens of schools and higher education institutions in the region and China. It is proposed that the initiative of creating 400 professional master's degree places in China which was included in the China-Latin American and Caribbean Countries Cooperation Plan (2015–2019) of the China-CELAC Forum should be followed up on. With the coordination of specialized institutions such as the Association of the Universities of Latin America and the Caribbean (UDUAL), the number of places could reach 500 in the short term. These professional master's degree places in China, in specialist sectors such as tourism, Spanish-Chinese interpreting and technological development, could create new conditions in the short run (between two and four years) for stronger relations between the two sides. For example, the creation of bachelor's degrees in Chinese language and culture would be an important step that would help to increase knowledge about China in the region over the medium and long term. Here, it is important to build on the many initiatives implemented in the region and its countries over recent decades in relation to science and technology, research centres and educational, academic and youth exchanges.

Area 8: Sustainable tourism. Although tourism has been included in the Cooperation Plan since 2015, the results to date have been insufficient. There is great potential for tourism between Latin America and the Caribbean and China, particularly from China to the region. To strengthen this pillar, it is proposed that efforts be focused on sustainable, resilient, low-carbon tourism models, in line with the 2030 Agenda for Sustainable Development and the priorities of small island developing States.

Area 9: Employment. Recent studies (Dussel Peters and Pérez Santillán, 2023; Salazar-Xirinachs et al., 2018) have highlighted the creation of China-related jobs in Latin America and the Caribbean, thanks to net trade, investment and infrastructure projects. According to initial estimates, 14.7% of jobs in the region were associated with these activities in the period 1995–2018. Another conclusion is that the issue is extremely important for the region, both quantitatively and qualitatively, and that efforts must be redoubled and strategies formulated to improve the quality of jobs generated by Chinese companies across the region.

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This document is a contribution by the Economic Commission for Latin America and the Caribbean (ECLAC) to discussions of the Fourth Ministerial Meeting of the Forum of China and the Community of Latin American and Caribbean States (CELAC). It describes the areas of opportunity for advancing towards a common cooperation agenda that fosters more productive, inclusive and sustainable development It draws on the ECLAC analysis of the development traps facing the region and the strategies to overcome them through a set of vital transformations and a new generation of productive development policies intended to drive higher and more sustained growth. With this in mind, the relationship between the region and China during the twenty-first century is examined, and found to be increasingly mature, complex and wide-ranging in areas such as trade, investment, financing, infrastructure and cooperation in science and technology. The document also highlights institutional progress made since the First Ministerial Meeting in 2015, as well as the multilateral mechanisms that have strengthened dialogue and cooperation between both parties.

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