# Conclusion

China's metamorphosis from a planned, essentially rural and completely closed economy to a state capitalism with an externally focused strategy has transformed the giant's relationship with Latin America in the last two decades. Apart from the jump in trade, it was a period of high financing by Chinese entities and the growing prominence of Chinese companies in various sectors in the region. Following this process, today Chinese investments have become part of the daily lives of millions of Latin Americans, from the roads they travel on and the cell phones they use to the electricity they consume.

This advance has been reconfiguring the scenario in key areas. Energy, mining and infrastructure in the region are industries that today are very different from what they were before the arrival of Chinese investments. There is also an evident before-and-after in trade.

"The two big losers in the region's trade due to the growth of trade with China are the United States and Latin American integration," says LAC-China Network's Dussel Peters. "The intense trade that was carried out between Argentina and Brazil or between Central American countries has been decreasing due to the role that China has gained."

Such profound changes in a relatively short period raise questions. Although the growth of Chinese investments has not far exceeded the 10% threshold of total FDI in Latin America in any year, the Chinese emergence and its growing prominence in critical segments raises logical concerns. However, beyond objections, the relationship continues to consolidate, and, in this trend, a key factor is the learning curve achieved in the relationship. "15 or 20 years ago, Chinese companies came to Latin America wanting to do things their own way, and obviously they had problems because the cultural and social characteristics of our countries are very different," says BCRG's Ribeiro. "Over time they understood that they could not impose their way of seeing business; the agreements with local partners, in addition to the advice of consultancies that understand the local market, led to Chinese investments in the region becoming a little more sophisticated."



Added to this learning around how to do business is a growing selectivity. Everything indicates that in the coming years, Chinese investments will continue to focus on new technologies, electric cars, lithium batteries and, more in the medium term, energy storage and green hydrogen, among other items included in the so-called "new industries." Along these lines, the composition of trade is also likely to vary. "They will continue to lead in the same categories, but within these there will be changes in the basket of goods," says Bórquez. "China no longer only imports copper, but also lithium; in food, it not only imports apples or cherries, but also salmon, wines and soy derivatives."

In any case, the continuity of this shift in China's focus for Latin America will be tied to the evolution of its economy at the domestic level. "The relationship going forward will very much depend on what happens inside China," says Myers. "The ability of Chinese companies abroad will be contingent on whether the major reforms that the government is now making in its economy are ultimately successful."

This is not the only condition for the bond to continue strengthening. "For decades the relationship between Latin American countries and China was complementary to the one they had with the United States, but now that has changed," says Sanborn. The growing geopolitical dispute between the two great global powers will force the governments of the region to redouble their efforts to prioritize the interests of each country in the face of cross pressures.

From quantity to quality, from tradition to innovation, from concentration to diversification. More than two decades after the beginning of a huge leap in the relationship, Latin America and China are going through a new stage. Beyond the questions and pressures, the bond will undoubtedly continue to strengthen whenever mutual convenience can be found.