In this report, we will try to explain how China has been displacing the U.S. from its historical area of influence, with the low prices of its goods. Before seeing in more detail how the SURPASS from Chinese imperialism, we must observe in broad outline the evolution of capitalism in Latin America since the beginning of the 20th century.

From the blockade to the development of productive forces

There are several factors that historically blocked the development of productive forces in Latin America.

The pre-capitalist industrial traditions exported from the Iberian Peninsula to Latin America were a determining factor that helped block the development of the productive forces (of the industry of all Latin America). In reality it was the intellectual and industrial reflection of the backwardness of Spain and Portugal in Europe, after their defeat in the anti-colonial wars of these metropolises. This backwardness and paralysis were already part of the Latin American Creole bourgeoisies before and after their independence. These pre-capitalist peninsular traditions, in addition to blocking bourgeois modernization and economic development, also facilitated the penetration, influence and control of English imperialist capitalism first and US imperialism later. Added to all this, the Anglo-American victories in the first and second imperialist world wars, gave them an arrogance and a superpower that allowed them to maintain all Latin America as their GREAT RESERVE of abundant and cheap raw materials. **GREAT RESERVE controlled and administered by a comprador bourgeoisie, but, in general, not entrepreneurial.** The Latin American rentier and parasitic bourgeoisie facilitated this process.

Spanish imperialism was penetrating into Latin America stealing a lot of business from the US. The EU became its second partner, after the US. But a new competitor entered the market, and especially since 2005 it began to invest in the continent, to make trade pacts, free trade agreements... Chinese imperialism began to penetrate Latin America and today it is the first trading partner of many Latin American countries, and in Central America its capitals are creeping in despite all the resistance put up by the US to have its backyard under its control.

While the general policy of the older capitalisms has been to plunder raw materials from Latin America, Chinese capitalism, which is setting the technological pace worldwide, not only plunders the raw materials of the region, but also comes loaded with banknotes: *"China is the most important trading partner and an essential source of direct investment (about 10 billion dollars invested each year in the region)".* (La Vanguardia, 28-04-2019). And that is a candy in the mouth of the entire bourgeoisie, whether local or foreign, which has opened the doors to Chinese imperialism. Infrastructure development (roads, railways, subways, ports, etc.), training in new technologies, investments in industry. The Chinese bourgeoisie has not only dedicated itself to lend money to the Latin American bourgeoisies or to take their raw materials.

Number of wage earners in Latin America

Another material fact which makes it possible for the Chinese bourgeoisie to develop the productive forces in the region has been the existence of an enormous mass of wage earners to exploit and extract from them **SURPLUS VALUE.**

According to the bourgeois organization of the World Bank *"In 2021, the estimated total* population [including all social classes] *of Latin America and the Caribbean was approximately 667 million inhabitants, the most populated sub-region being South America. The southern part of the American continent is home to approximately 431 million people, while Central America and the Caribbean are home to a total of 80 million inhabitants."* **The only source of SURPLUS VALUE for the capitalist system is the proletarian class.**

Therefore, we must look at what percentage of this population corresponds to the working class, which is the class that produces.

Specifically, in 2019 it had 62.2% of wage earners in relation to the total population (World Bank). To these data must be added the number of proletarians who have been forced to work in the underground or informal economy: *"(...) 70% of the jobs that have been created in recent months are within the underground economy. (...) around 76% of self-employed workers, and slightly more than a third of salaried workers, were informal, (...)".* (Expansión, 27-09-2021). According to data from the bourgeois ILO, between 2019 and 2020, the "informal" workforce has represented **more than half of the total number of employed wage earners in at least nine Latin American countries:** Argentina 46.4%, Bolivia 84.9%, Brazil 47.1%, Chile 24.3%, Colombia 62.1%, Ecuador 63.5%, Mexico 55.7%, Paraguay 68.9%, Peru 68%, etc.

The great mass of wage earners in Latin America represents a plethora of labor force merchandise for the bourgeoisie, its real gold mine.

China, Latin America's largest trading partner

Looking at the bilateral trade data for the year 2020 for the different regions of Central and South America, we can observe the displacement of the EU and the US in favor of China. Although in the year 2020, due to the confinements, there was a drop in trade worldwide, the following data will help us to see the percentage that each country occupies in its trade relationship with Latin America. The data are taken from a study by the University of Northumbria with data from the European Commission.

Mercosur (Argentina, Brazil, Paraguay and Uruguay): China is the largest trading partner. Trade with China accounted for 27.6% of total trade (109,563M€), above the 16.1% of the EU (63,735M€) and the USA, which ranked third with 12.7% (50,288 M€). <u>The volume of business with China was almost the sum of that of the EU and the USA combined.</u> Fourth place went to Chile with 2.5%. Fifth place went to India with 2.4%.

For the Andean region (Colombia, Ecuador, Peru, excluding Bolivia): the USA accounted for 24.7% of total trade (€38,122M) followed by China with 21.3% (€32,879M), which ousted the EU with only 13.8% (€21,326M). Brazil and Mexico were fourth and fifth (4.3% and 3.9%). Japan sixth (3.1%), Chile seventh (3.0%).

Caribbean: The first place was occupied by the USA with 41.6% of total trade (€25,635M); but China has managed to penetrate and was <u>the third trading partner</u> representing 11.3% of total trade (€6,943M) closely following the EU which had 13% (€7,979M). Fourth place went to Canada and fifth and sixth to Brazil and Mexico respectively.

Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama): The USA continues to be the main trading partner with 42.7% of total trade (€29,862M). Second place went to the EU with 12.7% (€8,878M), but China was close on its heels with 12.1% (€8,418M). The fourth largest trading partner was Mexico with 8.2% (€5,752M).

Mexico: the comparative data for Mexico are from 2018 and are collected from the study *EU trade with Latin America and the Caribbean* (December 2019) which gives only the percentages. In Mexico, China accounted for 10.2% of total trade in 2018, beating the EU (8.6%) for second place. The US was its first trading partner with 62.3%. Fourth place went to Canada (2.7%) and fifth to Japan (2.5%).

It is worth noting that the US-Mexico trade deficit has been increasing in recent years: the US imports more from Mexico than it exports. If we compare total trade between 2014 ($536,737.2M) and 2020 ($536,692.9M) we will see that for a similar total volume of trade, the US trade deficit has doubled in 6 years: in 2014 it was -$54,772.8M and in 2020 it will be -$113,730.9M (United States Census Bureau). This is influenced by the China-US trade conflict, which has contributed to an increase in the entry of Mexican products: *"exports of Mexican goods to the United States amounted to a value of 33,399 billion dollars, which represented a growth of 10.9 percent at an annual rate."* (El Financiero, 05-05-2021).

China has had commercial relations with Mexico since 1999. The IMF unsuccessfully tries to curb Chinese penetration in Mexico, but in 2018, coinciding with the arrival of Manuel López Obrador's current government, there was a wave of cyber-attacks on foreign companies with investments in Mexico. *"Attacks on foreign companies are already the hallmark of Andrés Manuel López Obrador's presidency. Repeatedly, he has said that they came to Mexico to "plunder" and sign "leonine" contracts that "abuse" the treasury. In particular, he singles out Spanish energy companies and Canadian mining companies (...) But China, a country whose companies have been quietly gaining ground in Mexico, does not suffer from the president's hostility. On the contrary, its firms have won government contracts".* (El País, 27-04-2021).

"According to Luz María de la Mora, Undersecretary of Foreign Trade of the Ministry of Economy, China is a strategic partner for Mexico, with whom ***we have increased our exports during the last 10 years by 70.6%, and just from January to November 2020 we increased 11.5%.*** *(...) The lowering of tariffs initiated by the Chinese government since 2019 for 850 fractions and that in 2021 amount to 883, benefited Mexican exports."* (Estrategia Aduanera, 11-02-2021).

China's trade conflict with the US has influenced a large number of Chinese companies to relocate to Mexico. *"By the end of October 2020, the Jiangsu Chamber of Commerce of China in Mexico announced to the press that until 2025 thousands of Chinese companies from different sectors will accelerate their investments in Mexico (...) around 70,000 Chinese businessmen had taken their investments out of US territory and that, consequently, the sectors that will receive the greatest Chinese investment in Mexico would be manufacturing, textiles, automotive, biosecurity and hydrocarbons."* (América Economía, 11-06-2021).

As Mexico is part of the Free Trade Agreement between the United States, Mexico and Canada, the goods from China that flood the Mexican market, reach the United States from there. The Mexican private sector is dedicated to buying Chinese intermediate goods because they are cheaper and of better quality. This means that they are actually **produced in China, packaged in Mexico and sold in the US.**

Chile: the data for Chile are also from 2018 (from the same EU study). China is its first trading partner: 25.8% with a weight almost equal to that of the USA (16.3%) and the EU (13.2%) combined. The fourth partner is Brazil (6.7%) and the fifth is Japan (6.3%).

By 2020, Chile-China bilateral trade was $45,009M. With the USA $20,261M. With the EU of $15,493M. At the exchange rate in euros: €55.230M with China, €24.862M with the USA; €19.011M with the EU. In other words, trade with China alone was already greater than the sum of trade with the US and the EU combined.

Of Chilean exports to the Asian giant, the mining sector is the one that has the most weight and according to official data from Chilean customs increased during 2020: *"China remained the main buyer of products produced in Chile, with a 36.6% share of total exports from January 1 to October 31. The mining sector represented 79.2% of shipments, with US$ 16,318 million, which implied an increase of 18.7% over the same period of the previous year. (...) shipments of copper ores and concentrates were outstanding, representing 51.8% of the mining sector's exports, and copper, the second in participation, with 39.1%, and a positive variation of 24.3%".* Now lithium is added to copper, and Chinese companies are competing to win the bids for its extraction.

Bolivia: Bolivia's data provided by its Ministry of Foreign Affairs correspond to trade from January to March 2020. Data are separated between imports and exports and are given in percentages. In terms of exports Brazil ranked first (18%), followed by Argentina (14%), India (11%), Japan (9%), USA ranked ninth with 4%, the same as China. In terms of imports, China ranked first (22%), followed by Brazil (20%), Argentina (8%), USA (7%), Peru (7%), Chile (4%), Japan (3%), Russia (3%).

It can be seen how China is the main importer of goods from Bolivia and how Brazil is its main trading partner, followed by Argentina. Bolivia's main trading partners are the Latin American countries themselves, followed by Asian countries.

From these data we can conclude that China is already the first trading partner of Chile and Mercosur as a whole; the second partner of Mexico and the Andean region. In Central America and the Caribbean, it is in third place, close on the heels of the EU.

Excluding Mexico and Bolivia (the latter because it only has the percentages), the total trade of all these regions with China in 2020 was €213,003M and with the USA €168,769M. **In other words, China ranked first for the entire region as a whole (excluding Mexico and Bolivia in the calculation).** The volume of trade increased in 2021 but the 2020 data serve us to see the displacement of the USA and the EU in favor of China.

From the data collected we can also observe how Brazil and Mexico are the two capitalist countries of Latin America with the greatest weight in trade exchanges, as we also saw in "The Internationalist Proletarian" No. 8 when analyzing the data of the first 500 companies by turnover in Latin America of which

Brazil occupied the first place with 170 and Mexico the second with 142.

Treaties and trade agreements with China

China has free trade agreements (FTA) with three countries: Chile, the first signed by China in Latin America and entered into force in October 2006; Costa Rica (2011), Peru (2010). An example of the increase in trade brought about by these treaties is clear in Peru: *"(...) In 2019 alone, bilateral trade amounted to 23.36 billion dollars, that is, 3.7 times more than before the implementation of the agreement."* (Andina, 15-12- 2020). In addition, *"In Peru there are more than 170 companies with Chinese capital, with an accumulated investment of more than US$ 30 billion."* (ProActivo, 15-09-2020).

China has trade agreements with Argentina, Chile, Brazil, Bolivia, Peru, Colombia, Venezuela, Panama, Dominican Republic, Cuba.

China also has agreements to implement its trade route the *New Silk Road* in Latin America. In May 2017 the first *New Silk Road* forum was held and in May 2019 the second one. But the first Community of Latin American and Caribbean States (CELAC)-China forum was already held in 2014 to reach agreements on infrastructure investments, loans, etc. and let's remember that the BRICs were created in 2001. China was awarded the concession of Panama's two main ports as early as 1995 and established trade relations with Mexico in 1999, so the penetration of Chinese capitalism in Latin America goes back a long way.

The countries with which China has so far reached a trade agreement for the *New Silk Road* are: Dominican Republic, Cuba, Costa Rica, Antigua and Barbuda, Barbados, Jamaica, Panama, El Salvador, Guyana, Venezuela, Trinidad and Tobago, Ecuador, Peru, Bolivia, Uruguay, Chile, Argentina. To date, Brazil and Mexico have not yet signed up.

Brazil exited CELAC in January 2020: *"The government of Jair Bolsonaro announced Thursday that it decided to withdraw Brazil from the Community of Latin American and Caribbean States (CELAC) because it considered that it "gave prominence to non-democratic regimes"."* (Dw, 17-01-2020). But, its first trading partner has been China since 2009: *"In 2009, China became Brazil's largest trading partner, leaving the United States in a distant second place. Today, China is the destination of 27% of Brazilian exports, the United States represents 12%."* (diálogochino.net, 07-01-19). *"Business between the two countries translated into some **69.1 billion dollars.**"* (El País, 26-09-2020). While business with the US amounted to **29.8 billion dollars.** That is, less than half. 32.3% of Brazil's agricultural exports depend on China: *"The Brazilian agricultural sector continued to lead the country's exports last year, with a volume increase of 7.4%. <u>Part of this leadership is due to agricultural exports to China, which increased by 17 percent to 32.3 percent of the total.</u>"* (Xinhua, 15-01-2021). Brazil's strong agricultural production potential cannot be underestimated by China, which has the largest population in the world. It has also reached agreements with Argentina to feed its population: *"The Argentine government has advanced a memorandum of understanding with China (...) The objective is to export some 900,000 tons of meat per year to Beijing. (...) it is estimated that in a first stage they will install some 25 production farms of approximately 12,500 pigs each, to meet China's growing demand for this meat. All this would mean new exports for about 2,500 million dollars".* (Cronista, 12-07-2021).

Brazil is also one of the world's main mineral exporters. Its main resource is iron, which being of high quality has made it the third largest producer in the world: *"In 2020 and despite the pandemic, Brazil increased its share in total world exports of iron ore destined for China by almost ten percentage points compared to the previous year."* (Anave, 25-03-2021).

All this has been possible due to the reinstatement by the US of aluminum and steel tariffs on Mercosur allies. In June 2018 the US suspended the tariffs, in a failed attempt not to lose its influence.

In addition, China has agreements with the main banks in Latin America: with the CAF- Development Bank of Latin America and the Caribbean; with the Inter-American Development Bank; the China-Mexico fund to make investments in infrastructure, oil, gas, manufacturing....

The Latin American bourgeoisie's general bet on the withdrawal of support to U.S. capitalism in favor of Chinese capitalism is so consolidated that with an orchestrated and organized maneuver they have made a puppet replacement at the head of the Development Bank of Latin America (CAF). After forcing the resignation of the previous president, with US support, accusing him of labor harassment, the new president of the CAF, the Colombian candidate, is the candidate supported by China.

Chinese capitalism is also introducing its currency in Latin America: *"Argentina asked China for an extension of its bilateral currency swap in yuan (...) in view of the heavy maturities with the International Monetary Fund (IMF) (...) the Argentine government will try to get its Chinese **counterpart to extend its current swap of 130 billion yuan (the equivalent of USD 20.6 billion) by an additional 20 billion yuan, about USD 3 billion. (...) The currency swap between the central banks of Argentina and China represents more than half of Argentina's total stock of gross reserves.** (...) the People's Bank of China has a yuan account in the Argentine central bank, and the latter has a peso account located in China."* (Infobae, 26-01-2022). Argentina's public debt with the IMF *"amounted at the end of last April to 323,192.6 million dollars, about 89.5% of GDP."* (EFE, 20-05-2020) and *"in the case of Latin America and the Caribbean the figure would be 81.6%."* (La República, 15-10-2020). This strangulation throws Latin American countries into the arms of China. In 2012, China signed an agreement with Brazil to trade in yuan: *"The Bank of China will finance its trade with Brazil so that it can be conducted in yuan. Through the swap, the money is deposited in the Bank of China and is discounted as Brazil buys products from the Asian country. **In turn, this allows China to buy Brazilian products without resorting to the dollar.**"* (El Papel, 05-07-2012).

All these agreements also put the EU in trouble, which has to admit in the words of its own foreign minister that Chinese capitalism has taken the lead: *""I think that this must have a political solution because if we do not establish more and better relations with Latin America we will be displaced by China (...) they have displaced us, <u>we are no longer the second trading partner of Latin America, the second is China</u>", he assures."* (La Vanguardia,17-12-2020).

The US has free trade agreements with Mexico (T-Mec, the Canada-US-Mexico agreement), Panama, Colombia, Peru, Central America (Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua) and Chile. But this has not stopped the entry of Chinese goods and capital.

Since the FTA signed between Colombia and the USA came into force in 2012, imports of agricultural products to Colombia have only increased. This has caused a drop in price and a displacement of these products produced in national territory, leading the agrarian petty bourgeoisie to mobilize, dragging the proletariat of the countryside, into an interclass struggle to safeguard their privileges as exploiters. *"According to the Colombian Association of Micro, Small and Medium Enterprises (Acopi), up to August of this year more than 23,000 tons of potatoes had entered the country as a "product of the Free Trade Agreements (FTA) and the economic opening", for which they asked the Government to "defend and promote national production".* (EFE, 13-11-2020).

Dialectically, this US agreement with Colombia has served as the basis for the displacement of the mass of wage earners from the countryside to the city, which Chinese capitalism has not been slow to appropriate: *"China is already the largest Asian investor in Colombia. The 29 projects that recently arrived represent investments for US$1,191 million in regions such as Antioquia, Atlántico, Bolívar, Meta, Valle del Cauca and Bogotá. According to investors, this would generate more than 31,000 jobs."* (Forbes, 27-04-2021). *"In the last few days, the National Government signed the formal signing of the awarding of the Ruta Caribe 2 road project, on the Atlantic coast, which will connect Barranquilla with Cartagena. (…) with investments for approximately $4.3 billion that will generate 4,800 direct jobs."* (Opinión Caribe, 22-08-2021).

Historically, the U.S. has never focused on developing infrastructure in Latin America, acting mainly as a lender and plunderer of raw materials, maintaining a comprador or rentier bourgeoisie there. Let us not forget that the US promoted military coups in the 1970s to stop the development of an entrepreneurial bourgeoisie, which led to the so-called "lost decade".

But 50 years later the situation has changed, and to counter Chinese penetration in 2018, the US had to launch an investment plan in infrastructure, energy, etc... which it called America Grows: *"Since the initiative was launched in 2018 and expanded in 2019, 10 countries have signed América Crece agreements with the United States, including El Salvador, Ecuador, Brazil, Honduras and Bolivia. (...) The DFC plans to invest over $12 billion across Central America over the next five years, Kozak said."* (ShareAmerica, 25-11-20).

This plan did not take off so in June 2021 the US came up with another plan together with the G7 countries (Canada, France, Germany, Italy, Japan, United Kingdom, United States). They have called it Build Back Better World... and their plan is to build infrastructure in "developing countries" until 2035 to the tune of $40 trillion.

This plan comes 10 years after China launched the new Silk Road, and more than 20 years after Chinese capital started landing in Latin America.

The aim of the US plans is to reconquer its backyard: *"Daleep Singh, President Joe Biden's deputy national security advisor, begins a tour of Colombia, Ecuador and Panama on Monday to begin to shape a major infrastructure plan (...) The aim of his tour is to listen to ideas for designing an infrastructure project that Biden wants to launch as an alternative to the Chinese "One Belt, One Road" project (...) "It is not about exerting pressure, but about offering a better product" than China, the official stressed."* (EFE, 27-09-2021).

The U.S. is sending its top officials to act as commercial agents in its own backyard, without forgetting to exert pressure: *"In Panama, the main exponent of this escalation, the US government has publicly affirmed to its president that its relations with them depended on the Asian influence not growing. (...) under the Trump administration, the foreign department was even harsher by openly stating <u>that "Latin America does not need a new imperial power."</u>"* (Eleconomista.es, 18-10-2021).

However, despite the threats, the US cannot prevent the rapprochement of Central American and Caribbean countries to China and as Chinese capital enters, these governments break with Taiwan and accept one China: Costa Rica (2007); Panama (2017); Dominican Republic (2018); El Salvador (2018), and the last one, Nicaragua (2021).

Taiwan has only four Latin American allies left: Guatemala, Honduras, Haiti, Paraguay. And of these, both Paraguay and Honduras are moving towards establishing diplomatic relations with China rather than away from them.

Moreover, U.S. plans are going to have to unseat not only Chinese capitalism, but also other competing powers: *"The president of El Salvador, Nayib Bukele, has started 2022, with an official visit to Turkey (...) in order to diversify the Central American country's dependence on its traditional ally, the United States (...) "We have advanced talks and investment projects of Turkish companies in the ports of El Salvador" announced the president (....) investment and commercial exchange in the tourism and energy sector (with the construction of a geothermal plant), and the possibility of selling armed drones or even, Bukele ventured, the "launching of the first Salvadoran satellite, with Turkish technology" (...) Turkey maintains free trade agreements with Chile and Venezuela and is in negotiations with Ecuador, Colombia, Mexico and Peru, as well as with Mercosur and the Pacific Alliance. "* (El País, 23-01-2022). And in the southern cone, the president of Argentina met with Russia in Moscow this February to open the doors of the continent: *"In his talk alone with Putin, he offered himself as a "gateway" to Latin America and accused the United States of having a negative influence on the International Monetary Fund".* (El País, 04-02-2022). Brazil also met with Russia in February 2022.

Infrastructures

According to a study by RED ALC-China (*China Infrastructure Monitor for Latin America and the Caribbean 2021*) on infrastructure projects carried out by China in Latin America and the Caribbean during 2005-2020, (no projects had been registered before 2005): ***"The 138 Chinese infrastructure projects were for an amount of 94,090 million dollars and generated 600,663 jobs for the period".*** These data do not include project announcements, unfinished projects, or foreign direct investment. For example, the announcement of a 4 billion project in Colombia or the recent agreements with Argentina to build a nuclear power plant and dams in Patagonia are not included, but they show the increasing weight of Chinese capitalism in infrastructure.

Of the 138 projects 6 were carried out in the 2005-2009 period for a value of $1.216M; 40 were carried out in the 2010-2014 period for a value of $30.616M; 92 in the 2015-2020 period for $62.257M. In other words, **projects have been increasing.** By sectors, in the entire 2005-2020 period, 53 energy projects worth $44,394M have been carried out; 48 transport projects that started mostly from 2015 worth $40,698M, followed by 10 port projects worth $2,481M, 8 telecommunications projects worth $1,155M and another 19 projects in various sectors totaling $5,361M.

Of the Latin American countries in which Chinese capitalism has carried out the most projects, Argentina ranks first with 25 projects worth $25,226 million dollars for which 73,937 workers were exploited, followed by Brazil with 17 worth $12,773 million dollars and 157,112 workers, and after it Ecuador ranks third with 19 projects worth $8,020 million dollars and 81,236 workers. As we have said the total figures including foreign direct investment and unfinished projects are higher: *"Since 2005 Argentina has received infrastructure investment projects from the Chinese government for more than **30,600 million dollars** (...).* (TELAM, 04-09-2020). And future agreements do not fall short: *"Argentina and China are working on a medium-term Chinese investment plan in energy, transportation and infrastructure projects that would reach up to 30 billion dollars."* (BAE Negocios, 14-02-2021).

Of the **telecommunications** projects, it is worth highlighting the **5G** network installation projects for which the Chinese bourgeoisie will invest in training workers, as in Brazil: *"(...) the 5G ecosystem is already responsible for the challenges in the market. One of them is the lack of skilled labor, (...) Huawei invests in education and training of the local workforce. In 2021, we will donate 12 fiber optic (FTTH/FTTX) laboratories in the five regions of the country."* (Digitalpolicylaw.com, 21- 07- 2021). In Peru, 5G networks are also being installed: *"China has chosen to accelerate the construction of new infrastructure (...) such as 5G networks, ultra-high voltage power transmission lines, intercity railway systems, data centers, artificial intelligence, industrial internet, among others. <u>This means the construction of hundreds of thousands to millions of 5G network stations,</u> which implies a greater demand for metals, such as copper."* (ProActivo, 15-09-2020). **The US cannot offer this as it does not have the technology and its interest is in blocking the expansion of 5G.**

Among the infrastructure projects carried out, it is important to look at **ports**. These are the largest ports operated by Chinese companies in Latin America and the Caribbean:

All of these ports are the gateway for Chinese goods throughout the Americas, including North America. Several of these ports have been acquired by China as recently as 2 or 3 years ago. The US reconquest plans are a reaction to this maritime influence that China has acquired: *"China already controls the management of ports in almost the entire Caribbean, <u>with the notorious exception of the Dominican Republic, which has decided not to hand over to the Chinese any strategic infrastructure so as not to jeopardize its good relationship with the United States,</u> on which it depends so much economically. China has the busiest port in the West Indies (Kingston, **Jamaica**) and the main port of the closest U.S. ally to its shores (Freeport, **Bahamas**, only 150 kilometers from Florida). (...) In April 2020, the company China Merchants Port Holdings became the majority shareholder in <u>a thirty-year concession of the Jamaican port of Kingston, which is the busiest of the Caribbean islands and the closest to the Panama Canal</u> (…) Jamaica is the main beneficiary of Chinese public loans to the Antilles, with 2.1 billion dollars since 2005, destined for the construction of highways, bridges, buildings and other infrastructure. It has also received a $3 billion investment for bauxite mining and sugar production. (...) Beijing has also shown interest in developing a port in the Dominican Republic, but has not achieved its goal. (...) <u>However, in 2018 the country stopped recognizing Taiwan (in the wake of the change made by several Central American countries) and in 2019 requested a 600 million credit for the improvement of its electricity grid.</u>*

*China has built or manages docks also in **Bahamas, Cuba, Trinidad and Tobago, and Antigua and Barbuda.** (...) In Cuba, the China Communications Construction Company (CCCC) was in charge of the construction of a new terminal at the port of Santiago, inaugurated in 2019. (...) Part of that expansion of Chinese influence in the region has been the opening of nine Confucius centers (for a population of only 41 million inhabitants) and "gifts" of cricket stadiums for nations colonized by England, as in Grenada and Trinidad and Tobago."* (ABC, 24-08-2021).

US attempts to curb the Chinese presence can be seen in the change of puppet at the head of the Panamanian government: *"China's investments in the Panamanian infrastructure sector have decreased drastically under the government of Laurentino Cortizo, just when the United States is trying to counteract the influence of the Asian giant in Latin America. The Panamanian state stopped financing the fourth bridge over the Panama Canal (...) The suspended US$1.5 billion project exemplifies attempts to limit China's influence (...) The bridge was awarded by the Varela administration to the Panama Cuarto Puente consortium, composed of state-owned firms China Harbour Engineering Company and China Construction Communications Company (CCCC). (...) The Varela administration also awarded the Chinese Landbridge Group the construction and operations of the concession for the PCCP container port, in the province of Colon. However, the port authority AMP initiated the process to revoke the concession in June. (...) China is also interested in participating in the metro project. However, the contract was awarded in February 2020 to Consorcio HPH Joint Venture, formed by Hyundai Engineering & Construction and Posco."* (Bnamericas, 07-10-2021).

Mergers and acquisitions of companies

We have taken the data from the Report of the Economic Commission for Latin America and the Caribbean, ECLAC, a bourgeois organization attached to the United Nations (called by

Lenin as the bandits' cave), on mergers and acquisitions of companies in Latin America by Chinese capitalism.

In the period 2005-2019, **China ranked second after the US in number of mergers and acquisitions of companies in terms of the amount of money invested,** which was $83 billion and *"had more weight than other historical investors in the region, such as Spain, Canada, the United Kingdom or France."* (Foreign Direct Investment in Latin America and the Caribbean, 2021, ECLAC). From representing 1.7% of mergers and acquisitions in the 2005-2009 period, it went to 16.3% from 2015-2019 and to 23% in 2020.

Of these mergers and acquisitions **26 exceeded US$1 billion** representing 82% of the total. And of the total $83 billion, only two Chinese companies gobbled up almost $30 billion, one third. A nice example of the concentration of capital.

Of these mergers and acquisitions from 2005-2020, Brazil took the lion's share, 58%, followed by Peru with 18%, Chile with 11% and Argentina with 4%.

Chinese capitalism focused at first on acquiring hydrocarbon, mining, agricultural and fishing companies as it was still developing its capitalism in the interior. Once this cycle was completed, the productive power of Chinese capitalism had to open its doors and began to build infrastructures throughout the planet to launch its goods abroad.

According to the data of this bourgeois organization, Chinese capitals have been appropriating companies or part of companies of Anglo-American or European capital (valued at more than 500 million dollars) for a total of **$40,088M during the period 2005-2020.** Mergers and acquisitions of companies valued at more than $500 million totaled $57.08 billion, which means that <u>70% of these acquisitions by Chinese capitalism were aimed at buying up all or part of Anglo-American and European capital companies.</u> The study to which we refer does not give data on companies acquired of less than $500 million (which represent $25.92 billion of the total) but it is to be assumed that of these almost $26 billion there were also Anglo-American and European capitals.

These are the millions that Chinese capital has gobbled up in strategic sectors (energy, transport, mining): $11,619 million from US companies; $7,746 million from Canadian companies; $1,500 million from the UK; $19,223 million from the EU.

Among the companies acquired by Chinese capitalism is the largest electric company in Peru and the third largest in Chile: *"The first was bought by China Yangtze for 3,600 million, while the second by State Grid of China for 3,000 million"* (El Economista, 18-10-21). And in Argentina, some of the most important companies in oil and lithium extraction have remained: *"Chinese companies own projects in Vaca Muerta* [Thanks to Vaca Muerta, Argentina is the second country with the most shale gas resources and the fourth in unconventional oil]*, gas pipelines, mining (gold, lithium), hydroelectric, wind, solar and nuclear generation (....) the Chinese company Shandong Gold, owner of 50% of the operation in the Veladero mine together with the Canadian Barrick Gold, committed us$145.5 million to extend the useful life of the deposit until 2030, which will allow recovering 1.2 million ounces of gold. In 2017 the Chinese acquired half of Veladero for us$960 million. (...)* ***Ganfeng Lithium paid u$s160 million to Vancouver-based Lithium Americas for 50% of the Cauchari-Olaroz lithium project, currently under construction.*** " (Ámbito, 07-09-2020).

These are the total amounts of acquisitions and mergers of companies over $500M by country: Brazil ranks first with 42,793, followed by Peru with 14,585, Chile with 8,516 and Argentina with 3,410.

Situation of the working class in Latin America

Chinese imperialism is unseating the US and the EU, but this change and all this technological and economic development does not mean that the Latin American working class will experience improvements in their material life, **all this will take place on the basis of the exploitation of the working class.** The Latin American proletariat had and has the same revolutionary tasks as the rest of the world proletariat: the violent overthrow of the bourgeoisie itself (whether local or foreign) and its State, the establishment of the proletarian dictatorship as a transitional state to establish the society of species: without private property, without mercantile exchange, without currency, without wage labor, without social classes, without State. This revolution can only be international because international is the proletariat, so it is of vital importance the rejection of any solidarity with the 'own' national bourgeoisie or petty bourgeoisie, and any refusal to support the 'own' bourgeoisie in its alliances with one or another imperialist side. **The enemy is in the 'own' country, it is the 'own' bourgeoisie (Lenin).**

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