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# New directions in the deepening Chinese-Argentine engagement

*By Evan Ellis / February 11, 2021*



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The December 2019 inauguration of President Alberto Fernández and Vice President Cristina Fernández de Kirchner in Argentina returned to power a Peronist government that has not only moved the nation in an increasingly left-populist direction, but has also opened the door for a substantial deepening of the country's already significant relationship with the People's Republic of China (PRC).

As has been China's practice with Venezuela, Ecuador, and Bolivia, the PRC is not explicitly constructing an anti-American alliance in Argentina. Rather, it is the PRC's significant engagement across a broad array of commercial, political, and security domains that threatens to facilitate a self-destructive trajectory on the part of Argentina's Peronist leadership. Chinese resources and other support decrease the degree to which the Argentine government must worry about the responses of Western investors, banks, multilateral institutions, and governments, as it consolidates power in increasingly undemocratic ways, and undermines the U.S. agenda in the region—to China's commercial and strategic benefit.

The Chinese-Argentine relationship inherited by President Fernández and Vice President Kirchner is one of the most deeply rooted in the region. During the prior governments of former presidents Néstor Kirchner and Cristina Fernández de Kirchner, PRC-based companies established themselves with local partners across a broad array of economic sectors: from petroleum, mining, and agriculture to transportation and logistics, telecommunications, banking and finance, and even the aerospace and defense industries.

The re-opening to the PRC, set in motion by the return to power of Cristina Fernández de Kirchner as vice president (and increasingly wielding power

behind President Alberto Fernández), reverses the trend of increased transparency and oversight imposed on the (nonetheless expanding) Argentine-Chinese relationship under the government of Mauricio Macri.

For the PRC, the chance to return to a less restrained form of engagement with its old friends—Vice President Cristina Fernández de Kirchner and the Peronists—represents an enormous strategic opportunity. For China, Argentina offers a combination of benefits and access that no other populist (or non-populist, for that matter) regime in the hemisphere can match. On one hand, the nation possesses substantial natural resources, including strategic minerals such as lithium (plus traditional ones such as iron and copper). Similarly, the pampas are an important supplier of soy, pork, and other agricultural inputs important to feeding China's 1.4 billion people. Reciprocally, Argentina offers a substantial middle-class market to purchase high value-added Chinese goods and services, and access to even larger markets through its membership in the regional trade organization MERCOSUR. Argentina's diversified economy includes sophisticated manufacturing, services, and technology sectors, with which PRC-based firms can partner to absorb technologies and refine their product and service offerings.

Argentina's geographic position is close enough to the United States to be strategically relevant to it, yet far enough away for PRC commercial and other activities there to appear only moderately threatening. Argentina's

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position enables it, and its partners operating from and through it, to influence the political and economic dynamics of the South American continent, as well as to project commercial and other influence across the South Atlantic. Argentina's geographic location in the Western Hemisphere also offers the PRC a needed site on the opposite side of the earth to support China's space program, supporting continuous communication with and tracking of spacecraft from a rotating earth for lunar and other missions.

Such attractiveness arguably contributed to China's selection of Argentina as a "Strategic Partner" in 2004, the elevation of the relationship to a Comprehensive Strategic partnership during President Xi Jinping's visit in 2014, and its broadening of cooperation in 2018, marked by 35 new agreements across a range of areas.

Given Argentina's multidimensional potential to advance Chinese interests, the prospect of access to the country through a friendly populist government—rendered malleable through a combination of political alignment, economic dependence, and a web of business relationships personally involving its leaders—is, arguably, as attractive to the PRC as it should be threatening to the United States.

The current Argentine government has clearly prioritized the relationship with China. Although a state visit to China planned for November 2020 was postponed due to the pandemic, President Alberto Fernández spoke with his counterpart Xi Jinping in January, and the trip to China is expected to occur in May 2021 (likely prior to a similar visit to the United States).

The PRC is one of only three foreign governments (along with Russia and Cuba) with respect to which Vice President Fernández de Kirchner has maneuvered to install a personally-loyal ambassador to manage the

relationship. In the case of China, she selected Sabino Vaca Narvaja, son of one of the founders of the leftist Montoneros guerilla movement of the 1970s, and the uncle of her grandchild. The Argentine government also assigned an officer with the rank of general to serve as its defense attaché in the PRC, a level of seniority previously reserved exclusively for its defense attaché to Washington, D.C.

Although overshadowed by the COVID-19 pandemic, the “win-win” relationship between the PRC, the Peronist government, and its business associates has deepened rapidly over the past year. In September 2020, Argentina’s Peronist-controlled Congress approved the country’s participation in China’s Asia Infrastructure Investment Bank (AIIB). Argentina is expected to formally join China’s Belt and Road Initiative during the May 2021 state visit to China, the twentieth nation in the Americas to do so (but the first of the large countries in the region—a list that also includes Brazil, Mexico, and Colombia).

Chinese help to Argentina on matters of the pandemic has also been significant, with the Argentine government beginning negotiations in February 2021 to purchase up to 30 million doses of the Chinese Sinopharm vaccine, following delays in the arrival of vaccines previously contracted from Russia.

Sino-Argentine cooperation also extends to the sub-national level, including important agreements with China signed by the governors of the provinces of Jujuy and San Juan, among others.

The remainder of this article details the depth and breadth of the Sino-Argentine relationship.

## Trade

Sino-Argentine trade has grown enormously in the past two decades. The USD \$16.1 billion in bilateral trade in 2019 represents an 11-fold expansion since China was admitted into the WTO in 2001. The trade relationship has been in the PRC's favor since 2007, with Argentina principally exporting soy, minerals and other commodities to the PRC, while purchasing a broad range of higher value-added Chinese goods and services.

## Mining

Chinese companies have enjoyed only limited participation in Argentina's mining sector for almost two decades, but in recent years their presence has increased significantly, particularly in the mining of the strategic metal lithium, critical for the manufacture of batteries for electric vehicles, consumer electronics, and a range of other items.

China Metallurgical Corporation (CMC) has two major mines in Argentina where it is currently seeking to restart operations: the Campana Mahuida copper mine (whose operations have been suspended since 2009 due to problems with the local community), and the Sierra Grande iron mine, which stopped production in 2016 due to low mineral prices.

In February 2020, the Chinese firm Hanaq acquired Ochre Mining, the Argentine affiliate of ECR Minerals, which operates a gold mine in La Rioja.

In 2017, the Chinese firm Shandong Gold purchased a 50 percent interest in Veladero, Argentina's most important gold and silver mine, for USD \$960 million. Shandong is considering investing an additional USD \$145 million to extend the life of the mine through 2030.

With respect to lithium, in 2019 the Chinese firm Ganfeng paid USD \$160 million to acquire a 50 percent interest in the important Cauchari-Olaroz



mine in Jujuy, and has agreed to make additional investments of USD \$400 million there. Ganfeng is also prospecting for lithium as part of the Mariana project in Salta. The previously mentioned Chinese firm Hanaq operates four lithium projects in Chubut, where it is also conducting exploration for uranium. The PRC-based firm Jinchuan is conducting exploration for lithium in Catamarca, Jujuy, and Salta.

Such Chinese lithium operations are particularly important given impediments to Chinese lithium mining in the other two countries that form the hemisphere's "lithium triangle." Water limitations restrict mining at the SQM mine in Chile's Atacama desert, while the left-populist Bolivian government's bureaucratic requirements, and attempts to promote the local "industrialization" of lithium, have restricted the advance of projects, including those of in the Coipasa salt flats of Uyuni.

## **Petroleum**

With regards to petroleum, Argentina was one of the first Latin American countries in which China significantly expanded its presence through mergers and acquisitions following the 2008 global financial crisis. Noteworthy deals included the China National Offshore Oil Corporation's (CNOOC) acquisition of Bidas in March 2010 for USD \$3.1 billion, and Sinopec's acquisition of Occidental Petroleum for USD \$2.45 billion, announced in December of that same year. The Chinese company Sinopec currently operates in the provinces of Santa Cruz, Chubut, and Mendoza.

In addition, through Bidas and its subsidiary Pan American Energy (a joint venture between Bidas and British Petroleum), CNOOC has participated in fracking operations in Vaca Muerte, gaining experience with the technology through its role in the consortium. One of the projects that may be covered during the May 2021 presidential visit is the Zárate

energy complex (Polo Energético Zárate) to support the extraction of gas from Vaca Muerte.

## Agriculture

With respect to agriculture, Chinese companies have moved on from ill-fated attempts to acquire land and set up agro-logistics companies (such as the unsuccessful projects attempted by Chongqing Grain in Córdoba and Beidahuang Nongken in Río Negro), graduating on to acquiring established companies in the sector that possess desirable agricultural technologies. Examples of such ventures include the multibillion-dollar purchases by COFCO of H.K. Noble (completed in 2015), and Nidera (completed in 2017), both of which had substantial operations in Argentina.

The Chinese company Sinochem also has a presence in the country, through the Switzerland-based fertilizer and seed company Syngenta. Reciprocally, the seed technology company Donmario, an important small-scale player in Argentina, has increasingly important business stakes in China.

As the PRC has become the principal purchaser of Argentina's soy, it has utilized that leverage in other areas; examples of which include COFCO's suspension of soy oil purchases in 2010 to signal its displeasure over historic Argentine protectionist measures.

Despite the emphasis on soy, however, the outbreak of swine flu ravaging China's domestic pig herds has led to increased Chinese demand for Argentine pork, signaled by a possible USD \$3.5 billion investment to construct 25 industrial pig farms in northern Argentina; while such farms would potentially double the nation's pork production, they have nevertheless generated significant local protest. The project appeared on track until President Fernández himself created confusion by appearing with Argentine vegan activists opposed to the project, resulting in a photo



of the president embracing a box with an anti-project slogan being sent out through official government channels. The Chinese reportedly took particular offense at the broader anti-China rhetoric employed by the group with which the president had associated himself, and put the entire deal on standby. As of mid-February 2021, individual provinces were negotiating separate deals with the PRC to increase pork production to meet Chinese demand.

## **Construction / Logistics**

PRC-based construction and transportation infrastructure companies have made advances in a range of projects in Argentina. In recent years, Argentina has embarked on an estimated 11 projects, funded by loans from Chinese policy banks and directed by Chinese firms. The most significant has been a USD \$4.7 billion agreement signed in December 2020 to improve the San Martín and Belgrano Norte lines of the Belgrano Cargas rail system, which was constructed to link the interior of Argentina to its neighbors, but had fallen into a state of disrepair. In 2010, during a state visit to the PRC, then-President Cristina Fernández de Kirchner signed a multibillion-dollar commitment with China to upgrade that infrastructure. A 580km stretch of rail lines was renovated with help from Chinese companies during the Macri administration; and in 2019, prior to the latest agreement mentioned above, the government signed a contract for an additional USD \$1 billion with the China Railway Construction Corporation to upgrade lines from Rosario to Mendoza.

Other major railroad business with China includes the purchase of train engines and cars for Line B of the Buenos Aires metro system (Subte), agreed to in 2010, and proposed new work on the San Martín and Roca light rail lines in greater Buenos Aires.

Chinese companies are also interested in building a USD \$800 million rail link from the [Vaca Muerte shale fields in Neuquén to the port of Bahía Blanca](#) in support of the petroleum industry, although the official bid has not yet been put forward.

Chinese firms have also [expressed interest](#) in a long-discussed USD \$1.5 billion highway tunnel connecting Argentina and Chile through the Andes.

Beyond transportation, China National Technical Import-Export Corporation (CNTIC) is building a USD [\\$200 million, 50km gas pipeline in Entre Ríos](#), along with a 132km high-tension electric line and an accompanying fiber-optic cable. PRC-based companies previously sought to supply low-priced steel tubing for a major gas pipeline being built by Odebrecht in Córdoba, although the initiative was shelved following significant pushback by the competing Argentine steel supplier Techint (Dinavis) over [allegations of Chinese dumping](#).

For almost two decades, the Hong Kong-based port company Hutchison Whampoa—which has come increasingly [under mainland Chinese control](#)—has operated a [port concession in Buenos Aires](#).

Perhaps the most strategically significant Argentine project involving China is a contract to dredge and [operate a river tollway](#) on the Paraguay-Paraná river corridor, critical for the agricultural exports of five South American nations (Argentina, Uruguay, Paraguay, Brazil, and Bolivia). Argentina appears likely to give the project to [Shanghai Dredging](#), over competitors such as the Belgian and Luxembourgish Jan de Nul, causing consternation among Argentina's neighbors. The matter emerged as an important [topic of discussion](#) at a meeting this month between the presidents of neighboring Brazil and Uruguay.

## Electricity infrastructure

Argentina has been the site of multiple Chinese clean energy projects, although many have come with a large number of accompanying problems. A USD \$4.73 billion project to build two hydroelectric facilities on the Santa Cruz River (Condor Cliff and Barrancosa), led by a consortium including China's Gezhouba group, was halted on environmental grounds in 2016 by an Argentine Supreme Court decision, and later re-structured. With the return of Fernández and Kirchner to power, the project has been reinitiated, despite the lack of resolution of the environmental issue. It will reportedly still include the participation of China's Argentine partner, Electroingeniería, the head of which had previously been implicated in the high-profile "notebooks" bribery scandal. The project is now reportedly proceeding slowly, and is currently approximately 15 percent complete.

The survival of the Santa Cruz River hydroelectric project also demonstrates the growing sophistication of Chinese companies and their understanding of political risk involving Argentine governments. When the project was initiated under the presidency of Cristina Fernández de Kirchner, the Chinese included a "cross-default clause," which made it difficult for the subsequent Macri government to terminate the project without jeopardizing PRC funding for the (previously mentioned, and even more important) modernization of the Belgrano-Cargas rail system.

Beyond the Santa Cruz river, new agreements which could be affirmed during the May 2021 presidential visit include Chinese support for the ongoing or future construction of the El Tambolar, Potrero del Clavillo, and Los Blancos hydroelectric facilities, as well as the long-delayed \$2 billion Chihuido project.

In the province of Jujuy, in the north of the country, Power China has built the 300 megawatt Cauchari solar park—the biggest such facility in South America— in addition to other solar parks in Salta and Córdoba. Power

China is also involved in China Goldwind's construction of the "Loma Blanca" wind farms in Chubut, and the Cerro Arauco project in La Rioja.

China's biggest power project in Argentina is China National Nuclear Corporation's construction of the fourth nuclear reactor at the Atucha nuclear complex. During her presidency, Cristina Fernández de Kirchner struck a deal with China for two reactors to be financed principally by the PRC. One would use the same Siemens / Canadian (CANDU) design utilized by the other three reactors at the facility. A second reactor, reflecting China's wishes, would use the PRC's new Hualong-1 design (previously used only in the PRC and Pakistan). In 2015, the Macri government reviewed and downsized the agreement to purchase a single one gigawatt Hualong-1 reactor, with the PRC providing USD \$8 billion of the financing for the USD \$12 billion project. Because of Argentina's fiscal crisis, however, the Macri government was unable to provide its portion of the funding. The continuing lack of progress on the flagship project a year into the new Fernández government has reportedly become a source of irritation in the Sino-Argentine relationship, and will likely be a key agenda item during President Fernández's May 2021 state visit to the PRC.

In contrast to Brazil, Chile, and Peru, Chinese companies have not yet established a presence in the electricity transmission sector in Argentina, owing to the dominance of the state company CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico), which has, to this point, effectively protected the Argentine market from Chinese intrusion by partnering exclusively with allied private companies.

## Technology

In the telecommunications sector, the Chinese firm Huawei has operated in Argentina since 2001. Today, Huawei has over 500 employees in the country, and is the major supplier of infrastructure to Argentina's three

major telecom providers: Claro, Personal, and Movistar. However, it has less of a presence in the mobile phone market and does not generally provide direct customer service. Huawei has been in talks with the current Peronist government regarding 5G, and is positioned to become the supplier of choice when the government builds a 5G network, likely in 2022.

A number of Chinese companies assemble televisions and other consumer electronics in the remote southern department of Tierra del Fuego, although the nature of manufacturing operations in that province remains minimal, and is concentrated primarily around the enormous tax incentives that the government provides to companies that operate in the region.

Finally, Argentina is a focus of Chinese attempts to export its “smart cities” and surveillance system technologies to Latin America. In 2019, ZTE signed an agreement with the province of Jujuy, the location of important Chinese mining and power generation operations, to install a system of cameras with facial recognition and other sensors. The city of Vicente López, in the province of Buenos Aires, has also installed a Chinese camera system. During the pandemic, Huawei loaned thermal imaging cameras to Argentina’s major international airport and bus terminals to measure traveler temperatures as part of the fight against COVID-19. Huawei has similarly positioned itself to have the opportunity to build “smart city” infrastructure in Argentina.

## **Space cooperation**

The Chinese-operated radar telescope in Bajada del Agrio, Neuquén, has become the PRC’s presence in the country. The facility, subject to a series of non-public memoranda of understanding signed between the PRC and

the prior government of Cristina Fernandez, is largely operated by Chinese military personnel.

The station's location and known dish characteristics appear consistent with the PRC's need for facilities in the hemisphere capable of continuously tracking objects in space, in support of its lunar and planetary space program. While the telescope facility does not have an overtly military purpose, the head of the U.S. Southern Command has mentioned it as an item of concern, as it is conceivably capable of intercepting signals from American or other overflying satellites, or supporting other Chinese strategic missions.

The Chinese space radar telescope is not, however, the only instance of PRC collaboration with Argentina on issues related to space. Great Wall Industrial Corporation has helped to build and launch 13 satellites for the commercial Argentine company Satellogic. Additionally, the state satellite company ARSAT also maintains commercial service contract relations with PRC-based firms.

## **Banking**

Beyond technology, China also has an important, multidimensional banking presence in Argentina. On one hand, since 2005, Chinese policy banks have provided the country with an estimated USD \$17.1 billion in loans to support rail modernization and other projects involving Chinese companies. At the same time, they have also provided a USD \$18.5 billion currency swap credit facility to support Argentine financial liquidity and the country's ability to conduct transactions with PRC-based companies; to date, only approximately USD \$300 million of this funding has been used. In August 2020, the PRC signed an agreement with the new Fernández government to renew the facility for an additional three years, but did not agree to increase its size, as the Argentine side had desired.



At the retail banking level, Chinese banks entered Argentina to accept deposits and provide credit for local transactions in 2016, with the approval of the USD \$600 million acquisition by ICBC of Standard Bank, which had a significant branch banking presence in the country. Currently, ICBC and HSBC are the two major Chinese banks operating in Argentina, with their operations including the provision of RMB-denominated accounts to commercial customers. The Bank of China reportedly also sought to enter Argentina in 2019, but to date has not been able to do so.

With regards to e-commerce, China's presence is relatively limited. Alibaba signed an agreement in 2018 permitting it to send products to the country, although the high taxes Argentina places on the import of goods has limited the demand for its services. Similarly, the Chinese ridesharing company Didi Chuxing has explored doing business in the country, but such services are currently illegal—in part due to resistance by Argentina's taxi syndicate.

Currently, the delicate financial position of Argentina at the national, provincial, and local levels, and the difficult relationship between the leftist Peronist government and Western creditors such as the International Monetary Fund, has increased the need for financial support from the PRC and its banks.

## **Security cooperation**

During the presidency of Cristina Fernández de Kirchner—and since her return as vice president—Argentina has joined leftist counterparts in Venezuela, Bolivia, and Ecuador as leading partners for military engagement with the PRC in Latin American. The current era of cooperation was arguably formalized in May 2007, with the signing of a formal defense cooperation agreement between Argentina and China,

which provided for the exchange of personnel and military equipment, among other items.

During Cristina Fernández de Kirchner's administration, Argentina purchased WMZ-551 armored personnel carriers from the PRC for USD \$2.6 million to equip its portion of the binational peacekeeping brigade that it maintains with Chile; and in 2007, Argentina pursued the acquisition of Chinese X-11 helicopters. It abandoned that purchase, however, due to pressure from France, which maintained the helicopter was a stolen copy of a Eurocopter design.

At the end of Cristina Fernández de Kirchner's presidency, Argentina was negotiating the purchase of JF-17 fighters, five P-18 offshore patrol vessels, and VN-1 armored personnel carriers from the PRC. These purchases were ultimately abandoned when the center-right government of Mauricio Macri was elected in 2015.

The return of the Peronists has resurrected each of those initiatives, among others. In 2019, China indicated its interest in building a polar logistics ship for Argentina to support the resupply of Argentine stations on Antarctica from Ushuaia. In mid-January 2021, the Chinese ambassador re-presented the Chinese offer to supply Argentina with Norinco 8×8 armored vehicles. According to defense experts interviewed for this work, the JF-17 (the block 3 variant, with some local assembly required) is again under discussion. The return to the latter aircraft model is reportedly a compromise following serious Argentine-Chinese discussion regarding the acquisition of the more capable J-10CE. The J-10CE was ultimately ruled out by Argentina as too expensive, and would have been the most advanced Chinese military aircraft exported to the hemisphere. The only exceptions to the recommencement of arms-purchase negotiations have been PRC-manufactured patrol ships, due to

Argentina's purchase of four such ships from France under the Macri administration.

Despite ongoing discussions between the two governments regarding the acquisition of military goods, the Argentine military reportedly has mixed feelings on the Chinese products. Such concerns are related to the fact that the goods in question are export items, not used by the Chinese themselves, and without a solid track record for performance or maintenance. The JF-17 has multiple points of concern, including its dependence on Russian engines, complicating the reliability of maintenance and replacement, and the small size of the interior of the Chinese vehicles, which makes them uncomfortable for Argentine personnel.

Beyond its sales to the Argentine military, the PRC has also donated USD \$17.5 million worth of goods to the Argentine federal police and gendarmerie, including four CSK 162 armored vehicles, 30 motorcycles, bomb detection equipment and protective vests, donated for use during the November 2018 G20 summit held in Buenos Aires.

Outside of material support, Argentine military and other defense personnel travel to the PRC on a regular basis for professional military education courses and institutional visits. Argentina's National Defense University has created a "strategic cooperation program" with China, which includes a course on Argentina-China cooperation that saw its 2020 registration double in size over its enrollment the previous year. The PRC has hosted students from the program on visits to China, and reciprocally, has sent its own personnel to attend courses at the institution in Argentina. The PRC has further sponsored visits by current and former Argentine defense personnel to China through the Argentine security-oriented think tank CARI (Consejo Argentino para las Relaciones Internacionales), such as a 2019 trip made by 15 to 20 Argentines to a seminar in Tibet.

Chinese naval vessels have made port calls in Argentina, including a three-day visit to the Port of Buenos Aires in October 2013 by the PLA Navy frigates *Lanzhou* and *Liuzhou* and the supply ship *Boyanghu*. There have not, however, been publicized incidents of such activities since then.

## Organized Crime

As legitimate ties between the PRC, Argentina, and their businessmen and officials have grown, criminal ties involving the two countries have also expanded, prompting both societal reactions in Argentina, and China-Argentine collaboration to fight such criminality. Chinese organized crime in Argentina continues to expand, despite stepped-up government efforts to combat it, including Argentine collaboration with Chinese police.

The expansion of Chinese businesses in the area has corresponded with an increase in activities by Chinese organized crime groups. In 2015, the Kirchner administration brought in an agent from the Chinese National Police (known by the covert name “Martin”) to collaborate with local Argentine authorities in. However, as had occurred elsewhere in Latin America, this effort only led to the fragmentation and transformation of the Chinese underworld in the area, and the continuation of the extortion and attacks. By 2019, Chinese organized crime syndicates were even non-Chinese businesspersons in the country.

## Illegal fishing by Chinese vessels in Argentina’s Exclusive Economic Zone

Illegal fishing in, and just outside of, Argentina’s Exclusive Economic Zone (EEZ) by vessels of the Chinese deep-water fleet has become an increasing problem for Argentina in the last decade, threatening to collapse its fisheries. Notable cases of illegal fishing include the 603 tons of illegal shrimp found in the hold of the *Hu Shun Yu 809* in 2015, discovered when the vessel broke down while illegally fishing in Argentine waters; although

the ship was boarded by the Argentine Coast Guard, the crew later mysteriously disappeared from their detained ship while in Argentine custody. In March 2016, the *Lu Yan Yuan Yu* accidentally sunk as it attempted to avoid capture while illegally fishing in Argentina's EEZ. In 2018, the *Jing Yuan 626* was seized after a 5-hour chase, during which five of its fellow fishing ships made dangerous maneuvers against Argentine Coast Guard vessels in order to help their counterpart escape.

## Conclusions

As seen in the examples highlighted in this work, Chinese-Argentine engagement is significant not only in terms of trade and activities by Chinese companies in Argentina. The substantial and growing political and security engagement between the two countries is also facilitating the worrisome direction in which Argentina's current Peronist government is moving, as it continues to advance China's commercial and strategic interests in the country and the hemisphere.

In the short term, there is likely little that the U.S. can do to forestall such trends, beyond credibly calling attention to Argentine actions of concern; reminding Argentina, and the greater Latin American region, of the potential consequences of the self-destructive course that its new government appears to be returning to; and continuing to facilitate quality, market-based alternatives to Chinese engagement wherever possible. In this fashion, the U.S. can respect Argentine sovereignty, while also helping the Argentine population understand and resist deals that may benefit China more than Argentina over the long run, and that ultimately threaten the independence and pride that is the hallmark of the Argentine nation.

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