

Analysis on the Challenges and Prospects of Sino-Latin American Trade Cooperation in the Context of Sino-American Competition

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Abstract: Latin America and the Caribbean are the natural extension of the "21st century Maritime Silk Road". Since the 21st century, China-Latin America relations have entered a stage of rapid development. Latin America is also an indispensable partner in the era of great changes unseen in the world in a century. Sino-US relations are the most important bilateral relations in international relations, the comprehensive upgrading of Sino-US competition has become an international consensus, Latin America has been regarded as the "back garden" of the United States due to historical and geographical reasons, the United States has a very large voice and control in Latin America, Latin America and the United States have close cooperation in all aspects. The United States defends its absolute control in Latin America. Under the principle of mutual benefit, China and Latin America have made major breakthroughs in the economic and trade fields, which has laid a certain material foundation for China-Latin America cooperation. In the international context of intensifying competition between China and the United States, the United States is increasingly sensitive to the development of China-Latin America relations. In recent years, although Sino-Latin American relations have been developing steadily in a good trend, we cannot ignore the influence factors of the United States in it, and we cannot relax our vigilance against the United States government. China should adopt an objective and rational approach to respond positively and rationally to the constraints imposed by the United States on China-Latin America cooperation, so as to promote a virtuous circle among the three sides.

Keywords: The Belt and Road, competition between China and the United States, relations between China and Latin America, trade cooperation between China and Latin America

1. Introduction

The competition between China and the US in economic, political, and cultural fields has been intensifying, and Sino-Latin American trade cooperation has been facing more and more challenges. Latin America, as an important market in China's global trade, has seen its geopolitical and economic significance continuously rise. However, while facing numerous challenges, Sino-Latin American trade cooperation also holds great prospects and opportunities. This study will analyze the challenges and prospects of Sino-Latin American trade cooperation from the background of China-US competition, in the hope of providing some references and suggestions for China and Latin America's trade cooperation.

2. The international background of Sino-US competition

The competition between China and the United States has always been a hot topic in the international community, and the relationship between China and the United States is the most important bilateral relationship in the international community. China has a broad and profound history, while the United States is a young country. There are huge differences between the two countries in terms of political system and ideology. After the Second World War, the United States became the world's largest power with its superior economic and military strength, and there is a huge difference in the strength of China and the United States. However, in the past few decades, China's economy has made dazzling achievements, becoming the second largest economy in the world. Its comprehensive strength has developed rapidly, its voice in the international community has increased, and it has actively participated in international affairs. It has put forward a series of new ideas and measures adhering to global win-win cooperation, such as the Belt and Road Initiative, and welcomes countries along the routes to board the express train of China's economic development. On the other hand, the

United States has been pursuing hegemony in the world, and the relative strength of China and the United States is constantly changing. The rapid rise of China has aroused the vigilance of the United States, and the United States has tried to form cliques to rebuild a new international order that excludes China. The United States has contained and suppressed China in many fields. Brought about the global financial crisis, the world is in an era of great changes not seen in a century, and the United States is increasingly sensitive to China's development.

3. Changes in US-Latin America and China-Latin America trade in recent years

The United States is the largest trading partner of Latin American countries, so the development of China-Latin America relations is not only decided by China and Latin America, but also influenced by the trilateral relations between China and Latin America. After the end of the Cold War, the United States has dominated the world, and Latin America is the "backyard" that the United States considers the most stable foundation. With the gradual stability of the Latin American regimes, the United States has looked to the world and gradually relaxed its control over Latin America. Since the 1990s, Sino-Latin American relations have developed rapidly, and the cooperation in various fields has gradually been close. The United States has noticed the rapid development of Sino-Latin American relations, but some experts in the United States believe that the leadership of the United States in Latin America has a natural advantage, and China, a latecomer, is difficult to shake the control position of the United States in Latin America, and as long as the cooperation between China and Latin America is only concentrated in the economic field^[1], It will also bring certain development to American enterprises. The United States accepted China's entry into the Latin American market. In January 2009, China became the 48th member of IDB, the largest international financing institution in Latin America, and the interaction between China and America in Latin America was carried out. The cooperation between China and Latin America has received great attention. With the joint efforts of China and Latin America, their economic and trade relations have been deepening. In addition, China, Brazil, Mexico and other countries are facing a series of problems such as economic transformation, and the desire for mutual cooperation and development is more urgent^[2]. Since the 21st century, global trade cooperation has gradually developed in the direction of diversification and longitudinal deepening, although the United States is still Latin America's largest trading partner, Latin America's trade dependence on the United States has gradually declined, on the contrary, since the 21st century, China's trade cooperation with Latin America has shown explosive growth, China in communications, electricity, raw materials and other fields have built large-scale cooperation with Latin America, According to the data of the General Administration of Customs of China, the trade volume between China and Latin America will reach 480 billion US dollars by 2022 for the second consecutive year, an increase of 7% over 2021. Yanfeng Sun, deputy director of the Latin American Institute of Contemporary International Relations, pointed out: "In 2022, against the backdrop of disruptions in the global industrial and supply chain cycle caused by the COVID-19 pandemic and the Russia-Ukraine conflict, as well as increased turbulence in major global markets, the total trade volume between China and Latin America rose, reflecting the mutual development opportunities of China and Latin America in the economic and trade field." Second, China's trade links with several major Latin American countries exceed those of the United States. By 2022, China had become the largest trading partner of Brazil, Argentina, Chile, Peru and Uruguay. Excluding Mexico, the trade volume between China and Latin America in 2021 was \$2,470, far exceeding that of the United States and Latin America at \$1,740. In terms of free trade agreements, China has actively promoted the signing of free trade agreements with Latin America since the beginning of this year. Taking Chile, the first Latin American country to sign a bilateral free trade agreement with China, as an example, the bilateral trade volume between China and Latin America reached \$67 billion in 2022, up 1.8 percent year on year. China is Ecuador's second largest trading partner, with bilateral trade reaching \$13 billion in 2022, up 20 percent year on year. By the first half of 2023, 22 countries had signed agreements on Belt and Road cooperation^[3]. The rapid development of China-Latin America trade cooperation has brought about relative changes in the economic and trade relations between China and Latin America and the United States in Latin America, causing the United States to worry about its economic dominance in Latin America. It even believes that the gradual deepening of economic cooperation between China and Latin America is to lay a material foundation for the construction of future ideological relations. The United States has begun to attach new importance to China-Latin America relations. Worried that China will challenge the absolute leadership of the United States in Latin America, and even slander China in the international community. With the intensification of strategic competition between China and the United States, the game between China and the United States has extended to the Asia-Pacific, Latin America and other third-party regions. Latin America is regarded as the "backyard" of the United States, and the United States has once again

penetrated into Latin America on the grounds of protecting the security of Latin America. It is an obstacle to direct interference and indirect competition in the cooperation between China and Latin America.

4. In the context of Sino-American competition, Sino-Latin American trade cooperation faces challenges

The United States, with industrial chain and high technology as the lead, has blocked Sino-Latin American cooperation in all aspects. In recent years, the United States has promoted "Near-Shore Outsourcing" and "Friend-Shore Outsourcing" of manufacturing supply chain in the field of industrial chain, in order to reorganize and consolidate economic exchanges and cooperation in the Western Hemisphere and reduce its dependence on China's manufacturing industry. According to the Economist Intelligence Unit (EIU) in 2022, US nearshore investment seems to be playing a role, especially in Mexico. The industrial policy mix of US policymakers against globalization and away from the free market has added to the destabilizing factors in China-Latin America cooperation. Forcing the global industrial chain to "decouple" from China; In the high-tech field, the United States politicized China-Latin America scientific and technological cooperation such as 5G technology. US government officials and its ambassador to Latin America propagated the "science and technology threat theory" and directly asked many Latin American countries to stop cooperation with Huawei. Politically, they stirred up the coup and participated in the impeachment of pro-China leftist governments in Latin America. While Castillo was in office, Peru became one of the countries receiving the most investment from China in Latin America. In diplomacy, the United States frequently obstructed China, affecting the normal exchanges between China and Latin America. At the end of 2017, the Trump administration issued a National Security Report that officially defined China as a "strategic competitor". The Trump administration provoked trade frictions between China and the United States through tariff barriers, trade decoupling, technological restrictions and other means. The Biden administration continued the US policy of trade friction against China and even increased trade sanctions against China. In February 2021, the Biden administration positioned China as "the most serious competitor". On October 21, 2022, the 2022 International Security Strategy Report released by the White House positioned China as "the only competitor in the world". The Biden administration upgraded Sino-US trade relations to deeper and more areas of friction. In an attempt to re-tailor the new rules of international trade that exclude China.

The China-US relationship is the most important bilateral relationship in the current international relations. At present, China and the US have entered a stage of comprehensive competition. During the Trump administration, the two parties have basically reached a consensus that the cooperation between China and Latin America has touched the security bottom line controlled by the US in Latin America. The US government has taken multiple measures to obstruct the economic cooperation between China and Latin America, and has taken direct intervention measures in Latin America. After Biden took the stage, the trade friction between China and the United States did not stop, but showed a new trend of competition between China and the United States. The United States increased its interference in Sino-Latin American trade cooperation, escalated its suppression of China's new technologies in various fields, formed gangs in the international community to contain China's development, and the tendency of institutionalization and regulation became more and more obvious. The developed countries led by the United States have become increasingly protectionist, international trade barriers are prevalent, and the trend of regionalization of international politics is becoming more and more obvious. From Trump to Biden, they have adopted a series of sanctions and measures to curb China's development, forming an obvious international situation of competition between China and the United States.

5. To objectively respond to the unbalanced development of the trilateral relations between China, the United States and Latin America

Since the beginning of the 21st century, many Latin American countries have been ruled by left-wing governments that often conflict with the US government. Some Latin American countries have tried to establish ideological relations with China. In order to avoid the US misunderstanding that China enters Latin America for its geopolitical ambitions and causes conflicts between major powers, China only develops economic and trade cooperation with Latin American countries. As the two largest economies in the world, China and the United States are interdependent, and their cooperation is driven by their interests. Professor Leping Huang once pointed out that the United States tries to integrate

China into the international system led by the United States, and regards China as a "flawed partner". At the beginning of the 21st century, the stability of Sino-American relations has promoted the rapid development of Sino-Latin American trade to a certain extent. The United States is undoubtedly still the largest trading partner in Latin America. The United States may also adopt policies to pressure Latin America to take sides, and the Sino-Latin American trade cooperation will inevitably be affected by the Sino-American relations in the short term. However, in recent years, due to the imbalance of interests, the competition between China and the United States has been comprehensively escalated, and the mutual struggle between the two world powers will inevitably bring about mutual damage and changes in the world economic order. Therefore, the trilateral relationship between China, the United States and Latin America should be dealt with rationally.

It can be seen that the main problems in the trilateral relations between China, the United States and Latin America are not security conflicts, but economic interdependence and competition, as well as conflicts caused by uneven interests. However, against the background of sluggish world economy and strained Sino-US relations, China still actively develops trade cooperation with Latin America and promotes the construction of a China-Latin America community with a shared future. The total trade volume between China and Latin America in 2022 (US \$480 billion) is already 32 times that of 2001 (US \$14.9 billion), the year when China entered the WTO. Since the beginning of the 21st century, the dependence on trade between China and Latin America has been increasing. Some economists predict that by 2023, the trade volume between China and Latin America will exceed 700 billion. China has replaced the United States as the largest trading partner in South America and the second largest cooperative partner in Latin America after the United States. Against the backdrop of intensifying competition between China and the United States, China should strengthen cooperation with other countries in the world, expand its cooperative partnership network and gain broader international support. Therefore, China should actively promote the building of a China-Latin America community with a shared future. To gain the initiative in this enduring trade competition between China and the U.S. Build on existing foundations to strengthen the development of CELAC.

6. Analysis of the prospects for cooperation between China and Latin America

Table 1: Some achievements have been made in China-Latin America cooperation in the past five years under the Belt and Road Initiative

Time	Results
2018	Special Statement on the Belt and Road Initiative adopted at the second Ministerial Meeting of the China- CELAC Forum; The establishment of diplomatic relations between China and the Dominican Republic; China established diplomatic ties with El Salvador; China, Argentina and Panama signed a Memorandum of Understanding on Cooperation in Electronic Commerce and a Memorandum of Understanding on Cooperation in Trade in Services.
2019	Led by the China Development Bank and attended by eight banks from Latin American and Caribbean countries, including the Bank of Investment and Foreign Trade of Argentina and the National Bank of Foreign Trade of Mexico, the China-Latin America Development Financial Cooperation Mechanism, the first multilateral financial mechanism between China and Latin America, was established in Beijing, preparing a financing platform for China-Latin America cooperation on major projects under the framework of the Belt and Road Initiative. China and Latin America have jointly formulated the Joint Action Plan for Cooperation in Priority Areas (2019-2021);
2020 (COVID-19 hits international trade)	Bucking the trend, Latin America's trade with China grew by 0.1%
2021	The China-Latin America Science and Technology Innovation Forum was held by video, and the meeting adopted the Joint Statement of the 2021 China-Latin America Science and Technology Innovation Forum; China-Latin America trade reached a new high of 450 billion yuan
2022	Sinovac Biotech Ltd. builds Latin America's first vaccine plant in Chile; The first China-Latin America Transport Cooperation Forum, co-hosted by the Ministry of Transport of China and the Ministry of Transport of Argentina, the rotating chair of CELAC, was held online; China officially became an observer state of the Latin American Academy of Social Sciences

From the above discussion, China and Latin America have an urgent desire to promote bilateral trade cooperation, the United States still has a huge influence in Latin America, but some parts of Latin America's dependence on the United States is gradually decreasing, and even some countries have

challenged the control of the United States. Since the "Belt and Road Initiative" was put forward, Sino-Latin America trade has developed rapidly. The construction of the China-Latin America community of common destiny also has a certain material basis

It can be seen from the table that the Belt and Road has brought great cooperation potential to China-Latin America trade. More and more Latin American countries have joined the Belt and Road cooperation. Cross-border e-commerce service platforms and innovative industries represented by "Internet Plus" have become new growth points for China-Latin America cooperation. As Latin America enters a stage of industrial transformation and upgrading, digital economy, green economy and low-carbon economy will become new highlights in China-Latin America economic and trade cooperation^[4]. Relatively speaking, there is no imbalance between the positive and negative attitude of one side in China-Latin America cooperation, and China-Latin America trade has been on the rise.

Secondly, the mutual import and export volume of both sides in Latin America accounts for a small proportion of the regional import and export volume. At the same time, China is faced with advantageous overcapacity, which urgently needs the transformation and upgrading of industrial institutions. For enterprises entering Latin America, China has policy guidance to promote investment between the two sides, so there is huge space for the development of import and export volume in Latin America. At the same time, the development of cross-border e-commerce also plays a positive role in promoting the investment cooperation between the two countries.

Finally, global value chains are being restructured, providing opportunities for China-Latin America cooperation, and participation in GVCS remains low for most countries in the region. At the time of the restructuring of the global value chain system, accelerated integration among sub-regional organizations in Latin America will help Latin American countries participate in the global value chain, deepen economic and trade integration between China and Latin America, and expand the space for Latin American countries to participate in the Asian value chain including China. Adhering to the principle of "sharing the good and the good", China strives to achieve further mutual benefit and win-win results with Latin America and the United States.

7. Conclusion

At present, the competitive relationship between China and the United States has become the consensus of the international community, in the short term, the cooperation between China and Latin America cannot be free from the influence of the United States, and even in the future international cooperation will encounter more challenges brought by the United States. Latin America is the region with the largest concentration of developing countries, which is of great significance to China's construction of a new type of international relations, under the background of the Belt and Road Initiative, China and Latin America already have a good foundation for cooperation and great potential for development. If China and Latin America can objectively and rationally face the unequal relations between China, the United States and Latin America, promote the progress of China-Latin America economic cooperation under the background of pressure from the United States, give a more solid material foundation for the deep-level cooperation between China and Latin America, and expand the economic interests to the collective interests, This will not only promote the building of the China-Latin America community of shared future, but also greatly promote the community of shared future for mankind.

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