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Adriana Peluffo

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Adriana Peluffo*

Resumen

Este artículo ofrece un breve resumen de la guerra comercial entre China y los EE.UU., señalando sus principales pero múltiples causas que conducen a la actual guerra comercial. A continuación, se comentan los probables efectos sobre los rivales. Finalmente, analizamos brevemente los probables efectos no sólo en China y los EE.UU., sino también en el mundo en general, y en los países latinoamericanos en particular.

Palabras clave: guerra comercial, China, EE.UU., America Latina y Caribe

Código JEL: F1, F51, F53

(*) Peluffo, Adriana, Instituto de Economía, Universidad de la República, Uruguay, correo electrónico: apeluffo@iecon.ccee.edu.uy

Abstract

This article gives a brief overview of the current trade war between China and the US, pointing out its main but multiple causes that lead to the current trade war. Then we take a look to the likely effects on the contenders. Finally, we analyze briefly the probable effects not only on the China and the US, but as well as on the world as a whole, and for Latin American countries in particular.

Keywords: trade war, China, US, LACs

JEL Classification: F1, F51, F53

Introduction

Nowadays, China and United States (US) are the two key players in the global economy. The US GDP in constant 2010 value was $ 19.4 trillion in 2017 and for China this figure was of $ 10.1 trillion. We present the evolution of GDP for China and US in Figure 1. The US has retained its position of being the world's largest economy since 1871. The US is considered as an economic power because the economy constitutes almost a quarter of the global economy, fostered by advanced infrastructure, technology and abundance of natural resources.

China has experienced exponential growth over the past few decades, leaving the centrally planned economy and opening up to the world. It evolved from a close economy to a manufacturing and exporting hub at a global scale. China is often called as the "world factory" due to its big manufacturing and export base. However, over the years, the role of services has gradually increased and that of manufacturing as a share of the GDP has fallen relatively. In 1980 China was the seventh largest economy, with a GDP of $305.35 billion while the size of the US then was $2.86 trillion in current dollars. After starting the market reforms it grew at an average rate of 10 % annually. Recently, the rate of growth has been reduced but it is still high. In Figure 2 we present the rates of growth of US and China. Thus, over the years the difference in size of the Chinese and the US economy has been shrinking rapidly.

It is difficult to predict the next twists of the China-US conflict, but many analysts point out that the actions taken will have long term effects, even if the tariff escalade ends soon.

Evennet and Fritz (2019) document what they named as the silent trade war, this is the steady increase in barriers to trade and restrictions on market access that have been percolating throughout the trade system over the past several years. The analysis of these researchers show that while the trade war in 2018-2019 has dramatically curtailed the market access of US exporters to China and Chinese exporters to the US, this practice of reducing market access is part of a much longer trend.

This war of unparalleled intensity between the two largest world economies has as the most likely outcome that the prospects for the future of the multilateral trading system looks grim, and most of the world will be negatively affected.

This work structures as follows, after this brief introduction we will analyze the current situation in section 1, then we turn to the causes of the trade war in section 2, in section 3 we comment briefly on the economic impact of the trade war, and finally we discuss how this war can affect Latin American countries.

1. The current situation of the trade war

China-US relations have expanded substantially over the past three decades with a total trade rising from $2 billion in 1979 to $579 billion in 2016 (see Table 3, Figure 3). Nowadays China is the US' second-largest merchandise trading partner, third largest export market, and biggest source of imports. As Li et al. (2018) state that China-US mutual trade and investment relations benefit both countries, the US provides China a big exporting market, and the US imports of lower-cost from China greatly benefit US consumers. Nevertheless, lately bilateral disputes between these two countries have been increasing.

While the US complains on the large numbers of trade surplus, ineffective intellectual property rights, and a weak implementation of World Trade Organization (WTO) obligations. At its time, China complains on the US export restrictions on high technology products, unfair treatments of China's market economy status, and unreasonable trade sanctions on China.

Lately the global economy has observed a series of dispute between China and the US. The trade disputes started in January 2018 when the US imposed safeguard tariffs on large residential washing machines, solar cell and modules.[1] This gave place to a trade war between these two big economies leading to further retaliations and threats of further increases in tariffs, and intensifying the tension between China and the US.

Donald Trump took office in 2016. Immediately after trade policies were considered with a tough position at the White House. In 2017 Trump initiated a 'Section 232 investigation', arguing national security, on the import of steel and aluminum. Since

[1] Announcement available at https://ustr.gov/about-us/policiy-offices/press-office/press-releases/2018/january/president-trump-approves-relief-us.

China is a big producer of steel and aluminum, the investigation and the tariff imposed later on were probably targeting China.

Since the start of 2018, US repeatedly imposed antidumping duties or tariffs on imports from China.

In March 2018 Donald Trump launched a 'Section 301' investigation on China's intellectual property practices and threatens to charge extra tariffs on Chinese imports.

China retaliated the next day, threatening to impose additional tariffs on American imports.

On 4 April 2018, the US issued a list of 1,333 Chinese goods valued at US$ 50 billion that would be subject to an additional 25 % tariff. China answered immediately with a reciprocal tariff on a list of US goods of equal value.

In May a Chinese delegation went to the US and held several rounds of negotiations with trade officials of the US side. These meetings ended with a joint declaration showing a cooperative attitude from both sides and a temporary easing of trade tensions.

However in June, the Office of the United States Trade Representative (USTR) announced a US$50 billion tariff list, covering around 1,000 Chinese goods. This triggered a response by China's Customs Tariff Commission of the State Council immediately announcing tariffs on 659 locally-manufactured US goods valued at US$ 50 billion. The Ministry of Commerce of China declared that previous negotiation attempts with the US had failed. At this moment we can mark the start of the China-US trade war.

In August 2018 the US has already followed through with its threats of 25 % additional tariff on US$ 50 billion worth of Chinese commodities. Some days later, China also retaliated against US measures by levying and additional 25 % tariff on US goods, also valued at US$ 50 billion.

Afterward there were some round of ministerial negotiations and Xi Jinping, the General Secretary of the Communist Party of China, met with Donald Trump at the 2018 G20 Summit in Buenos Aires. Both parties agreed on suspending new trade tariff for 90 days to allow talks, initiating a sort of truce. Nevertheless to these days no credible and substantive agreements have been reached between these two countries.

Even more, some journalists and commentators also suggest that the China-US trade war might eventually evolve into a new Cold War, which will affect the stability of the political and economic environment globally.

The trade war casts shadows on China growth, since China has reached a huge economic growth in the last decades.

2. Causes of the trade war between China and US

Trade war are no new. Apart from China, the US has also engaged in trade wars with Japan and the European Union (EU) over a wide range of goods such as textiles, vehicles, televisions, currencies and steel. Generally, most trade disputes were peacefully resolved by bilateral negotiations.

Usually, the economic impact of a trade war is that for the exporting country there is a decrease in export sales, which in turns put pressures on total output and employment.

The influence on importers is twofold, while some industries benefit from the protection of trade wars, other industries and households have to bear costs due to increases in prices. The aggregate effect is usually negative.

Most trade wars in the past were resolved in negotiations, which suggested that mostly threats of increasing tariffs were used to force the other country to negotiate.

Thus, we should understand the underlying motivations of the trade war in order to evaluate its possible effects.

Usually, the true reasons of a trade war are not only economic (Chong and Li, 2019) but also there are political reasons such as the fight over economic power between countries. Among the economic reasons for US are its own dominance of the world, the trade deficits due to trade with China and the loss of jobs that were concentrated in some sectors and locations in the US.

Pierce and Schott (2016) examine the impact of US trade liberalization with China on US industries and regions that experienced different levels of exposure to policy changes. Their findings suggest that the distributional consequences of US trade liberalization towards China- in which negative effects like job losses were concentrated in certain industries and counties – have contributed to trade tensions between the two countries.

The sharp drop in US manufacturing employment after 2000 differs markedly form the more gradual decline in manufacturing employment that occurred during the prior two more gradual decline in manufacturing employment that occurred the two previous decades. From 2000 to 2003 it fell by 2.9 million (17 %). Moreover, their research indicates that the implementation of US trade liberalization may have made its effects more disruptive by concentrating adjustment to the rise of Chine in a shorter period of time. Thus, the speed of the post-2000 decline in employment may have exacerbated distributional losses associated with tariffs reductions by US to China.

Furthermore, in this case, when a large number of workers needs to be reallocated is much more disruptive than when a small number of workers are affected. In the case of a large number of workers displaced by shocks in trade policy, reallocation may take longer, displaced workers' earning may fall abruptly, and distributional losses may be more severe.

The causes of the current China-US trade war are economic and political.

We can identify three main causes. One it is the widening trade gap between the two countries. Table 3 and Figure 3 show an overview of the US trade deficit from 2001 to 2018.

The US trade deficit with China has been growing, and by 2017 the trade deficit with China had become a major source of net imports of the US, account for about 46 % of the total deficit. Trade imbalance has long been the root of US national debt crises as well as public discontent in the US, motivating the US government to wage a trade war against China.

Since China-US trade gap is a long-standing issue, not to mention the questionable effectiveness of a trade war in alleviating US trade deficit, the China-US trade imbalance alone does not provide a convincing case for the outburst of trade conflicts between the US and China in 2018.

As Chang and Li (2019) show, net exports have been the main factor to explain China's GDP growth. A close examination reveals that a significant share of exports comes from trade with the US. Since China joined the World Trade Organization (WTO) in 2001 it has had increasingly growth its exports to the US. Nevertheless, due to China rapid expansion of exports markets the contribution of US trade decrease in recent years, but it is still quite important (net exports to the US alone represent more than 49 % of total trade surplus in 2016).

The trade war also put pressures on economic agents leading to capital flowing to China, which in turn leads to reductions in China's asset prices.

Another reason of the ongoing trade war may lie in the American political system.
In the US there are midterm elections where voter elect members of the Congress. These elections take place in the middle of the four year presidential term of office and they serve as a thermometer of voters' opinion about the president. In this regard there is the so called 'midterm election curse' since over history the party out of power has almost always been able to gain voters in midterm elections.

Midterm elections held on 6 November 2018 gave the incumbent president Donald Trump incentives to adopt radical policies to appeal to his supporter base. Since one of Trump's main promises during his election campaign was to solve the trade deficit problem, the China-US trade war appears to be a timely and logical move from his political party in the midterm elections.

Bown (2019) states that the failure of the dispute settlement under the World Trade Organization may be in the roots of the China-US dispute, and deserves some blame. In this regard US took some actions such the imposition of new tariffs not subject to international review by triggering the WTO's national security exception, it retaliate against other WTO member without going through the formal dispute resolution process, and refused to appeal to the standing WTO's Appellate Body (AB) if they disagree with a preliminary ruling. These US policy actions taken in 2001-2018 have economic and institutional long run costs.

Nevertheless, China's subsidies and exports generated serious concerns, such as its global domination on anti-competitive grounds due to its history of abusing international market power once acquired. Aside all these US policymaker were sensitive to the trade and technology induced shock on domestic communities and labor markets (Autor et al., 2016).

Finally, other reason behind the trade war aside the economic and political reasons outlined above, is the battle for global economic dominance. As me mention before, China has experience a rapid growth becoming a major economic power. Nowadays China is the second producer worldwide, and China's GDP is greater than the US in purchasing power parity terms. The importance of the Chinese currency –the Renmimbi or Chinese yuan- has been increasing in importance in world trade and transactions, challenging the dominant position of the dollar. Moreover, the strategic plans such as the Belt and Road Initiative, Asian Infrastructure Investment Bank to 'Made in China 2025', may also have reinforced the image of China a threat to US dominance. Thus, the

China-US trade war has also the contest for economic dominance between the two nations as a reason.

3. Economic effects of a trade war

There are some studies that estimate the impact of the trade war between US and China. In these works there are different economic scenarios estimating the impact of various tariff shocks.

Among these studies the International Monetary Fund (IMF) in 2018 find that a trade war between these countries will lead to a reduction of US GDP by 0.9 % and 0.6 % for China, leading to a 0.4 % fall in long-term world GDP. Thus not only China and the US are affected but the global economy as a whole.

Guo et al. (2018) estimates different scenarios in which the US raise tariffs by 45 % against China or the rest of the world, using the methodology implemented by Eaton and Kortum (2002). Gou et al. consider also situations with and without retaliation.

Li, He and Lin (2018) elaborates a model within the framework of Nash bargaining and show the possible impacts in different scenarios. These authors estimate a global general equilibrium (GE) and explore the impact of both tariff and non-tariff trade war effects. They analyze welfare, gross domestic product (GDP), manufacturing employment and trade using as benchmark 2013 and 29 countries. The simulation shows that China will be significantly hurt by the China-US trade war. While the US can gain under unilateral sanction measures to China, but will lose if China retaliates. Under mutual trade war, China will lose if lose more than the US. Introducing non-tariff trade barriers trade wars will intensity the negative effects, and comparatively negative effects to China are larger than to the US. Furthermore, the China-US trade war will hurt most countries and the world especially in GDP and manufacturing employment, but benefit their welfare and trade.

Other works include Larzard (2017), Morrison (2017), Hughes and Meckling (2017) and Schell and Chairs (2017) and Dong and Whalley (2012).

Lazard (2017) explores the China-US relations in the Trump era from the emerging market perspective. Morrison (2017) discuss the US-China Solar dispute. Huges and Meckling (2017) discusses the US-China Solar dispute. Schell and Chairs (2017) analyze the US policy toward China.

Dong and Whalley (2012) use general equilibrium models to analyze the potential consequences of China-US bilateral retaliation on trade flows and welfare.

In contrast Chong et al. (2019) evaluate directly the impact of the trade war. They first estimate the impact on the trade volume between China and the US. In the trade war the US sets higher tariffs on China's exports, which in turn induces China to retaliate and set also higher tariffs on US imports. They assume that the worst case scenario is one where the bilateral trade between China and the US goes down by 27 %, China's GDP, employment and reserve assets will face different degrees of negative shocks. The biggest impact is on employment with a reduction of 1.1 % of job positions. Regarding to GDP a loss of 1 % is expected, but due to capital regulation policies and abundant reserves, the influence on China's reserve assets is relatively low. As the authors point out the trade war will have some impact on China, but it is far from catastrophic

Chang and Li (2019) study the ongoing trade war between China and the US from a historical perspective and compare to other trade wars. Moreover, the worst of the trade war scenario for China base on the experience of previous trade wars (namely the trade war between Japan and the US) is analyzed. These authors find that in the worst-case scenario China will lose 1.1 % of job positions and about 1 % of total output. Due to capital control policies and massive reserves in China, shocks to foreign reserve assets should be manageable.

Ossa (2015) has estimated the costs of a trade war under various scenarios. He states that the gains from trade account for one-quarter of worldwide real income, in the sense that worldwide real income would be one-quarter lower if there were no international trade. This figure is estimated from a standard quantitative trade model with input-

output linkages calibrated to 50 regions and 252 industries encompassing the entire world economy. Nevertheless, this aggregate figure does not show the high cross-country heterogeneity, driven by larger gains from trade for smaller economies.

Finally, the growing importance of global value chains (GVC) makes that the costs of higher tariffs under a trade war will be greater in a trading system with GVC trade than in a world without GVC, and the distribution of costs across different stakeholders will also be different. Namely, GVC linkages mean that the burden of tariffs falls differently among consumes, workers and firms involved throughout the value chain.

Even more, some journalists and commentators also suggest that the China-US trade war might eventually evolve into a new Cold War, which will affect the stability of the political and economic environment globally. The trade war casts shadows on China growth, since China has reached a huge economic growth in the last decades. Thus, the future of trade and globalization looks gloomy.

4. Relations of China and LACs

There are some works that attempts to understand the growing relationship between China and Latin American and Caribbean countries. Wise and Chonn (2017) argue that from China point of view China has to internationalize its development strategy in order to compensate for its natural resource deficit, feed the world's largest population, and to promote growth in order to become the largest economy in the world.

In 2001 China enter into the World Trade Organization. This country has a high demand for copper, crude oil, iron ore, soybeans and fishmeal. Since 2003 to 2013 the unit price of these goods increase nearly three times over a decade. LAC countries which are abundant in these natural resources, such as Argentina, Brazil, Chile and Peru, sell directly to China. On the other hand, countries like Mexico, which sells most of its commodity exports to the US and other markets, also benefitted indirectly form the China-driven commodity price boom.

As we show above, China's annual growth rate was 9-10 % during nearly 30 years, and since 2013 it slow down to 6-7 %. Regarding to trade between China and LAC it increased by 20 times between 2000 and 2016. In 2016 China accounted for 9 % of LAC's exports and 16 % of its imports.

Furthermore, during this period China's outflows of FDI in LAC were of $113.6 billion (Dussel Peters and Velazquez, 2017). In Table 4 we present the flows of FDI between China and selected LAC countries.

With regard to the political economic dynamic that have been unfolding since the rise of China-LAC trade and investment ties in the 2000s, the two most common neo-dependency school diagnoses have been 'unequal exchange' and the 'resource curse', according to Wise et al. (2018). Unequal exchanges refers to the dependence of LACs countries on primary exports –which are also more exposed to cyclical changes in prices – and the imports of manufactured goods with prices rising steadily. On the other hand the 'resource curse' relates to a country's dependence on a commodity exports at the expense of the industrial sector (Pastor and Wise, 2015).

In 1979 Chinese policy-makers declared their reform and opening project, and a 'go out' strategy in 1999. Since China has serious natural resource constrains it has to incorporate natural resource rich countries in Africa, South-East Asia, and Latin America in its internationalization strategy. China has several joint ventures with some LAC countries and it is contributing to the development of some of them. Nowadays, China is a capital abundant country pursuing an export-led development model. Like some time ago Japan and South Korea, China led this strategy based on cheap labor, low domestic consumption, an undervalued currency, and huge economies of scale. Nevertheless, cheap labor and undervalued exchange rates are in the past.

In Figure 4 we present total trade between China and 6 LAC countries for the period 1993-2018.

With regard to Latin America, China's reforms could have an important spillover effect. Wise et al (2017) reports that the Chinese Premier Li Keqiang has made several recent trips to the region to solicit proposals for joint ventures between Chinese companies and local Latin American firms in high-tech and manufacturing projects (such as telecommunications, logistics, rail and shipbuilding).

These visits have also raised the possibility of increasing Chinese industrial production in Latin America. Chinese investors are actively promoting the Twin Ocean Railway that would link Brazil, Peru, and possibly Bolivia as a new dynamic trade and transport corridor. Although these capital inflows to Latin America are important, this is to build capacity in the region to guarantee a flow of material imports to fortify the Chinese economy.

Latin America's growth in the first years of the millennium were based on the Washington Consensus (WC), which was a market based approach toward privatization, liberalization, and deregulation (Williamson, 2003). Though most countries followed the reforms dictated by the Washington Consensus, these reforms did not led to high growth rates for all LACs.

For some LACs countries (Argentina, Mexico, Chile, Peru, Costa Rica, Brazil), there were huge inflows of foreign exchange in the 2000s, allowing to reduce poverty, increase credit, productive investment and fiscal reform as we show above.
Chile, Costa Rica, and Peru are three small open economies. Entering in a FTA with China opened up new options for these countries while also defying these narrow neoliberal parameters.

With regard to Argentina and Brazil, countries with rich factor endowments and strong trade complementarity with China, they fell into a deep recession when the boom fainted in 2013 and neither has yet recovered. Wise et al (2017) argue that both countries suffered institutional erosion and reform reverting during the China boom.

Finally, Mexico accessed NAFTA in 1994 dropping industrial policy and state intervention. This FDI-driven strategy has pushed Mexico into a low-growth trap and has left the country over-exposed to China's competitive state-led strategy.

As shown in Table 4, the smaller LAC countries (Chile, Costa Rica and Peru) analyzed experienced higher growth rates and capital formation than their bigger and more industrialized neighbors (Argentina and Brazil) since the start of the millennium.

We note that in the case of the three small economies undertook institutional reforms which include not only macroeconomic aspects and openness but also the modernization of fiscal currency and monetary reforms, indicators of institutional performance. All these three countries signed FTAs with the US and China. On the contrary in Argentina and Brazil institutions deteriorated, in a context of corruption and recession. Moreover, these two countries played the protectionist game, imposing licenses on Chinese imports. In short, the post-boom period has point out the need of making considerable reforms by most of LACs countries. For most of these LAC countries, technology upgrading, high-quality education, significant diversification of trade with China, betting on strong regional integration processes, and heavy investing in physical infrastructure are the structural keys to long-term dynamic growth (Ocampo, 2017).

Vianna (2016) analyze the relationship between GDP growth in seven LAC countries (Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela) on China's demand for their exports. The author find that a sharp drop in exports to China for many of the countries in the sample in 2015 raises questions about the region's vulnerability to China's growth slowdown.

Santiso et al. (2004) argue that in spite of some exceptions Latin America is a clear winner from Chinese global integration into the world economy. Using data for 34 economies of which 15 are Latin American countries for the period 1998-2003, these authors analyzing the trade structure of these countries, confirm that there is no relevant

trade competition between China and Latin America, namely because they export row materials and China is a net importer of these goods.

Thus, there has been a rise in the South led mainly by China. This has left an important impact on the world economy, but there are important differences among the countries of the South. Thus, the leading factor for the global South's emergence –and particularly the China-led commodity boom –brought tremendous economic and social gains to Latin America. Nevertheless, as that force fades, it is more pressing for Latin American countries to come better players in this new landscape.
Latin America and the Caribbean will need to improve its human and physical capital as well as its technological capacity and business environment.

5. Concluding remarks

Today it is difficult to predict how is going to evolve this conflict except for the high likelihood that the actions taken by the two countries today will have lasting effects. Furthermore, some studies show that permanent reductions in uncertainty over future trade policy enhance growth in trade and investment. Thus, increases in trade policy uncertainty (Brexit, unilateral increases in tariffs violating World Trade Organization rules) could also have long-term negative impacts on trade and investment. Crowley et al. (2018) find that tariff scare –i.e. increased uncertainty over global tariff rates on specific products- had a chilling effect on Chinese exporters that dissuaded them from expanding their export activity to new foreign markets. The reduction of trust between the US and China could lead to persistent economic losses even if a negotiated end to the trade war is achieved. Rebuilding trust takes time, and until confidence is restored, the uncertainty costs of this trade war will remain, and affect LACs countries and the rest of the world.

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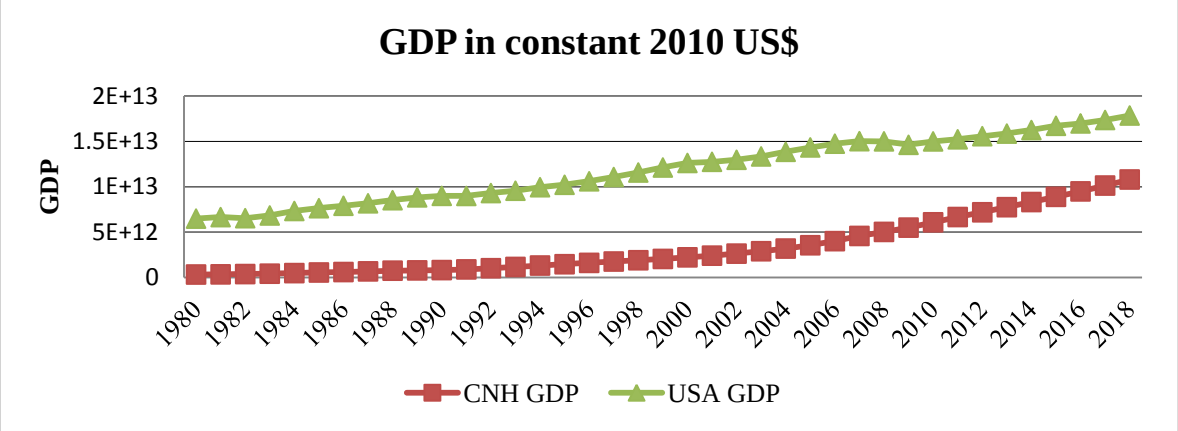
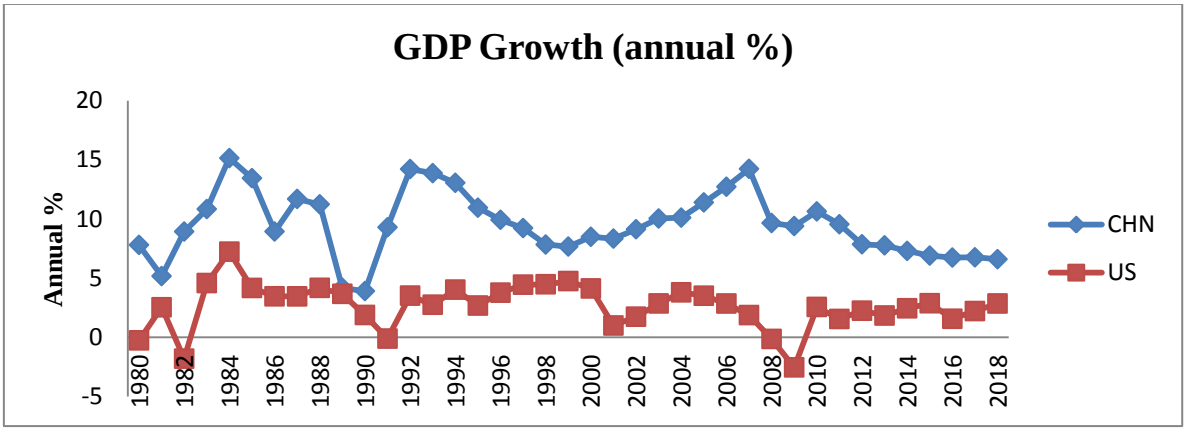
Figures and Tables

Figure 1: China and US GDP in constant 2010 US$



Source: World Bank, own elaboration

Figure 2: Rate of growth of China and US, annual %



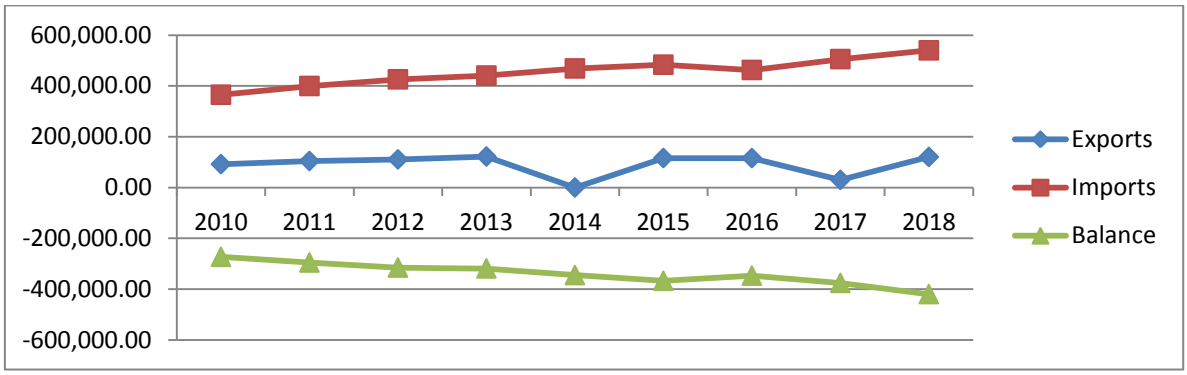
Source: World Trade Bank, own elaboration

Table 1: Trade of US with China, Exports of US to China and Imports of China to US in billions of dollars

Year	Exports	Imports	Balance
2010	91.911,10	364.952,60	-273.041,60
2011	104.121,50	399.371,20	-295.249,70
2012	110.516,60	425.619,10	-315.102,50
2013	121.746,20	440.430,00	-318.683,80
2014	123,657.2	468.474,90	-344.817,70
2015	115.873,40	483.201,70	-367.328,30
2016	115.594,80	462.420,00	-346.825,20
2017	29.797,60	505.220,20	-375.422,60
2018	120.148,10	539.675,60	-419.527,40

Source: Federal Reserve Economic Data, Economic Research Division, Federal Reserve Bank of St. Louis

Figure 3: Trade of US with China, Exports of US to China and Imports of China to US in billions of dollars



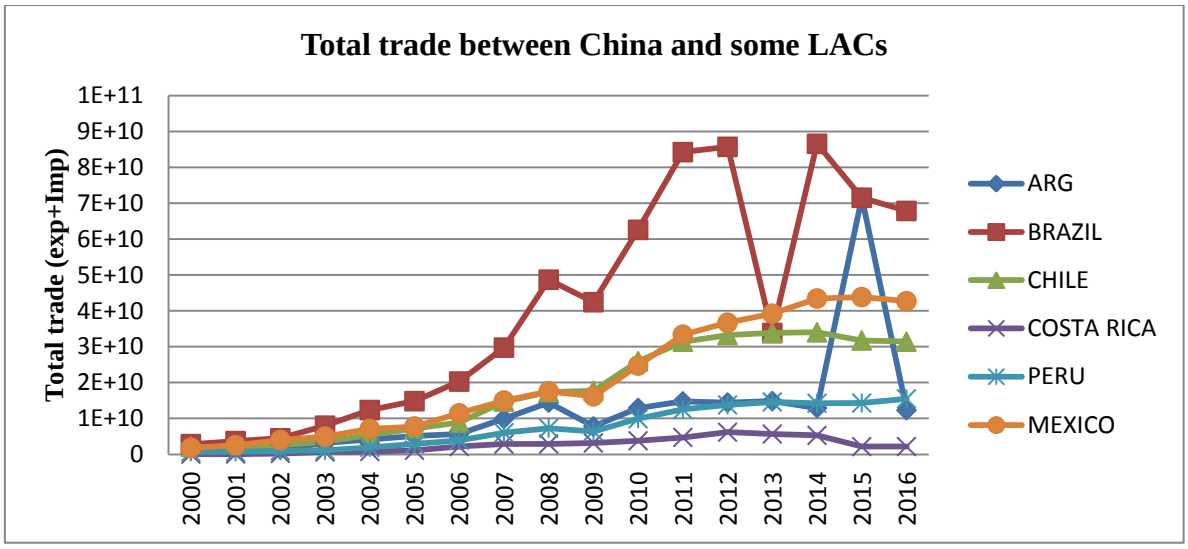
Source: Federal Reserve Economic Data, Economic Research Division, Federal Reserve Bank of St. Louis, own elaboration

Table 2: Chines Outward FDI by destination country, 2001-2016

Country	Transaction (number)	OFDI ($M)	Employment (number of workers)	Transactions (% of total to all LACs)	OFDI (% of total to all LACs)	Employment (% of total to all LACs)
Argentina	16	10.587	7.336	5,3	9,3	2,9
Brazil	112	54.849	131.391	37	48,3	51,6
Chile	16	3.306	5.013	5,3	2,9	2
Peru	24	12.372	20.971	7,9	10,9	8,2
Mexico	47	3.212	21.237	15,5	2,8	8,3

OFDI: outflows of foreign direct investments. Differs from FDI, which includes both inflows and outflows.
Source: Monitor of China's OFDI in Latin America, 2017.

Figure 4: Total trade (exports+imports) between China and the LAC-6 countries, 1993-2018



Source: World Trade Bank, own elaboration.

Table 3 Macro-economic performance for LACs, 2003-2016 averages

	GDP growth (annual %)		GDP per capita growth (anual %)		Gross fixed capital formation (% of GDP)	
	2003-2013	2014-2016	2003-2013	2014-2016	2003-2013	2014-2016
Argentina	5.4	-0.7	4.3	-1.7	17.8	16.8
Brazil	3.8	-2.3	2.7	-3-1	19.7	17.9
Chile	4.69	1.9	3.6	1.1	22.9	22.7
Costa Rica	4.4	4.2	3-0	3.1	20.7	19.3
Mexico	2.6	2.4	1.1	1.0	22.7	22.6
Peru	6.2	3.2	4.9	1.8	21.6	23.4

Source: World Development Indicators.