

Flourishing Chinese enterprises witness enhanced Brazil ties

BEIJING, May 18 (Xinhua) -- Chinese Premier Li Keqiang's upcoming trip to Brazil is expected to uplift economic and trade ties between the two nations, which have been on a stable growth track since the diplomatic ties were forged in 1974.

Li's visit comes less than a year after Chinese President Xi Jinping's visit to the South American nation, during which more than 50 bilateral accords were signed.

Brazil is China's largest trading partner in Latin America, while China has been Brazil's largest trading partner for six years in a row, with the total trade volume reaching 86.67 billion U.S. dollars in 2014.

Brazil is also China's top investment destination and second-largest destination for project contracting market in the region, with Chinese investment in Brazil totaling 18.94 billion U.S. dollars by the end of last year.

China has diversified its investment in the country. The Chinese enterprises that have entered the Brazilian market at an early stage have already yielded achievements.

China's top air conditioner producer Gree was among the first Chinese enterprises to set up factories in Brazil's Manaus Free Trade Zone, an important industrial base in Manaus, capital city of Amazonas state. After 15 years of development, Gree has edged itself into the top three air conditioner producers in Brazil, with an annual capacity of over 300,000 sets and annual sales of 200 million dollars for its own brand alone.

Huawei entered Brazil in 1996 and launched a subsidiary in 1999 in Sao Paulo. It has managed during the past two decades to become the biggest network equipment provider in Brazil, with total sales at 1.5 billion U.S. dollars in 2014.

Huawei has become widely known in Brazil with the penetration of its products ranging from smartphones, routers, to set-top boxes.

Chinese construction machinery enterprises, including Sany Heavy Industry, Xuzhou Construction Machinery Group and Liugong Group, are also expanding rapidly in Brazil.

Cranes of Chinese brand have a market share of 85 percent in Brazil, among which Sany cranes account for 37 percent.

Chinese carmakers are also having more presence in the Brazilian market. Statistics show that among the 51 car brands in the Brazilian market, 12 are from China, including Chery, JAC, Geely, Lifan and Harbin Aviation.

Besides, electric vehicles made by Chinese automaker BYD enjoy much popularity. BYD is planning to invest 100 million dollars to build a plant that could produce 500 to 2,000 electric buses a year. The automaker also has plans to add battery production lines if everything goes well.

In the energy industry, China National Offshore Oil Corporation and China National Petroleum Corporation have been successful in their bids for mining in Brazil's deep-water reserves.

In August 2013, China's state-owned energy and chemical company Sinochem signed a definitive agreement with Brazil's state oil company Petrobras to buy 35 percent stake of deep-water block BC-10 from the latter.

In May 2013, the State Grid Corporation of China won a stake for seven power transmission projects in Brazil. In February 2014, China's State Grid also won rights to build power lines to the huge Belo Monte dam in Brazil's Amazon.

Chinese financial services have also been brought into Brazil.

In March 2013, China Development Bank opened a representative office in Rio de Janeiro, its first outlet in Latin America. The bank has issued over 20 billion dollars since 2009 and become the largest lender for Sino-Brazil economic cooperation.

In 1998, the Bank of China, one of the four state-owned commercial banks in China, opened a representative office in Sao Paulo. In March 2009, the bank started business in Brazil, becoming the first bank to be authorized to operate in Latin America.

In September 2013, the Industrial and Commercial Bank of China opened its bureau in Sao Paulo, which has issued loans of over 300 million dollars.

Last year, other financial enterprises such as China Construction Bank, Sinosure and China Unionpay have also entered the Brazilian market.

Up to now, the number of Chinese enterprises operating in Brazil has surpassed 100 and is still increasing. With the rapid development of their business, these enterprises have become increasingly important in China-Brazil relations.