

Chinese investments in Brazil now focused on infrastructure, energy: paper

RIO DE JANEIRO, Apr. 14 (Xinhua) -- Chinese investments in Brazil are now focused on infrastructure and energy sectors, Brazilian daily O Globo reported Tuesday.

Chinese investments in Brazil have shifted from industry to those two sectors, which have powered China's development in the past years, the paper said.

Chinese investors are deeply interested in railways and "all the large railways groups in China want to operate in Brazil," the paper quoted Guilherme Billi, head of the trade promotion sector at the Brazilian embassy in Beijing, as saying.

Chinese investments in Brazilian railways are regarded as a win-win scenario because Chinese companies will benefit from the investments and will, at the same time, boost Brazil's logistics, facilitating the transportation of Brazilian goods to China. Transportation logistics is considered one of Brazil's main problems when it comes to exports.

Chinese investments in Brazil increased with the two countries' approximation in recent years. China and Brazil are both members of several blocs, such as BRICS. China has been Brazil's largest trade partner since 2009.

According to O Globo, Brazil is so interested in Chinese investments that its National Transport Confederation set up an office in Beijing last year.

Besides the interest in railways, Chinese presence in other parts of Brazilian transportation increased as well. Chinese company BYD is set to enter the electric bus market, and in Rio, both the subway and the urban train fleets are being renovated with the purchase of Chinese products.

Chinese companies are also involved in the oil exploration in Brazil. The consortium which won the right to explore Brazil's largest pre-salt oil camp, Libra, has two Chinese companies -- CNOOC and CNPC, along with Total, Shell and Brazil's own state-controlled oil giant Petrobras.

Although Brazil is going through an economic crisis, Chinese investments are not expected to dwindle, according to economist Luis Afonso Lima, head of the Brazilian Society for Transnational Companies and Globalization Studies (Sobeet), who told O Globo that Chinese investments in Brazil tend to increase in the medium and long terms.

"China is a relatively new investor in Brazil and the investments tend to increase," he said.