

Brazil to take advantage of China's increasing overseas investment: expert

RIO DE JANEIRO, Feb. 5 (Xinhua) -- China is expanding investment abroad and Brazil should take the chance to embrace the new investor, said Marcos Troyjo, director of the BRICSLab at the Columbia University's School of International and Public Affairs, in a recent interview with Xinhua.

Brazil and China are in different and opposite moments in their development, Troyjo said. China is undergoing what he calls a "great extroversion", a process through which its economic, political and military importance in the world increases. The country is also increasing investments in research, development and innovation.

According to Troyjo, Brazil, on the contrary, is going through an introversion. For various reasons, its relevance with the world, economically and politically, is diminishing.

China is Brazil's largest trading partner, accounting for 18 percent of Brazil's foreign trade. The bilateral trade, despite a slight decrease, amounted to 78 billion U.S. dollars last year, according to figures released by Brazilian authorities.

However, as in all Latin American countries, there is a disproportion between China's weight as a trade partner and as a foreign direct investor, Troyjo said.

According to Troyjo, China is increasing its presence as a financier and foreign investor, and it is up to Brazil to take advantage of this new opportunity -- the country can attract investment in infrastructure sector, for example, to promote a much needed growth in this field.

However, Troyjo believes that the Brazilian government's national content policy, which establishes a minimum share of locally-produced products in many fields, may get in the way of those investments.

"If Brazil continues with its policy to privilege locally-produced products, which is an industrial policy tool but ends up harming competitiveness, I think that the current wave of Chinese investments will be short-lived," he said.

According to Troyjo, Brazil does not have a strategic plan to deal with bilateral relations and trade in the long term, which ends up leaving the country subject to circumstances.

"We will continue to go with the circumstances, unless we do something. And I do not think we are doing it," Troyjo said.