

Roundup: China's investment helps boost economic ties with Brazil

RIO DE JANEIRO, Dec. 7 (Xinhua) -- With more and more Chinese companies coming to invest in Brazil since 2010, China-Brazil economic and trade cooperation has registered the fastest-growing bilateral relationship between major economies.

China, which became Brazil's largest trading partner in 2009 and its largest source of foreign direct investment (FDI) in 2010, accounted for 17 billion U.S. dollars out of Brazil's 2010 FDI total of 48.4 billion dollars, according to the Brazilian Society of Transnational Corporations and EconomicGlobalization.

But the figure was only 215 million dollars from 2001 to 2009, according to Brazil's central bank.

Large state-owned Chinese enterprises play a leading role in the investment, while China's private companies are also establishing sales networks in the South American country.

The momentum of China's investment in Brazil has continued in 2011. According to the Brazil-China Entrepreneurial Council's latest figures, Chinese companies announced 16 investment projects in Brazil in the first 10 months of this year, with a total volume of 7.14 billion dollars.

However, due to differences in culture, working styles and law, Chinese companies still face difficulties in investing inBrazil.

Sun Yanfeng, a Brazil expert at the Institute of Latin American Studies of China Institute of Contemporary International Relations, told Xinhua that Chinese companies have to conduct comprehensive research before entering the Brazilian market.

Chen Duqing, a former Chinese ambassador to Brazil, said Chinese companies should build their factories in Brazil so as to increase local employment and the value added of their products.

More importantly, he said, such efforts also would help those companies shape good images in Brazil.

Brazil is dependent on foreign investment to fend off global financial woes, safeguard its economy and improve its people's livelihood, and China just provides a significant resource of such investment.

Marco Polo, vice president of the Trade Association of Rio de Janeiro, told Xinhua that because the two countries' economies are complementary, Brazil welcomes Chineseinvestment. That, he said, contributes to a common growth of the two countries' economies.

Chinese investment in Brazil, Polo said, will improve the local economy and employment and boost technology and information exchanges between the two countries' companies.

Tang Younian, a member of the Brazil-China Chamber of Industry and Commerce, told Xinhua that the performance of China's capital should not be judged in the short term, because the related projects need to be evaluated over the long run.