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VICTOR THIVES

**From Brasilia to Beijing:
The Bureaucratic Politics of Brazil's China Policy**

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FROM BRASILIA TO BEIJING:
The Bureaucratic Politics of Brazil's China Policy

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*To Stela and Silvio,
my dearest parents.*

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ABSTRACT

This dissertation explores the bureaucratic dynamics shaping Sino-Brazilian relations – with a focused theoretical lens on Brazil's China policy –, a relationship that has become crucial in both Brazil's and China's international strategy. Using the Bureaucratic Politics Model within Foreign Policy Analysis, and based chiefly on primary sources – including recently declassified diplomatic documents, bilateral agreements, official plans, and over thirty interviews with high-ranking decision-makers – the dissertation adds first-hand insights into policy intentions, bureaucratic conflicts, and the influence of public and private sectors on Sino-Brazilian relations. The study investigates how key Brazilian and Chinese bureaucracies operate, collaborate, and conflict, focusing on the diverse political, economic, and strategic factors driving Brazil-China relations. Structured across four key thematic chapters – History, Politics, Economy, and Cooperation – this research traces Brazil-China relations from their establishment in 1974 to the present, with particular emphasis on developments in the last two decades. By examining the action channels in Brazil's China policy, the study highlights the roles of various governmental bodies in Brazil and secondarily in China, such as the Presidential Offices, Ministries, Embassies, Parliaments, Development Banks, Export Agencies, and others involved in areas ranging from defense and high-tech cooperation to human rights and the environment. It sheds light on how ideological divergences, economic interdependencies, and political considerations shape interactions between Brazil and China, detailing the impact of inter-bureaucratic competition, presidential influence, and parliamentary vetoes on policy outcomes. The study's findings reveal how distinct bureaucratic interests, organizational mandates, and historical legacies converge, resulting in both collaboration and discord within Sino-Brazilian relations. Ultimately, this dissertation contributes to the understanding of how foreign policy decisions are influenced by complex domestic structures, with broader implications for the study of international relations in emerging economies.

**De Brasília a Pequim:
As Burocracias na Política Externa Brasileira para a China**

RESUMO

Esta tese explora as dinâmicas burocráticas que moldam as relações sino-brasileiras – com um enfoque teórico na política externa brasileira para a China –, uma relação que se tornou essencial tanto para a inserção internacional do Brasil quanto para a da China. Utilizando o Modelo de Política Burocrática de Análise de Política Externa e baseando-se principalmente em fontes primárias – incluindo documentos diplomáticos recentemente desclassificados, acordos bilaterais, planos oficiais e mais de trinta entrevistas com altos tomadores de decisão –, a dissertação oferece reflexões sobre intenções políticas, conflitos burocráticos e a influência dos setores público e privado nas relações sino-brasileiras. O estudo investiga como as principais burocracias brasileiras e chinesas operam, colaboram e entram em conflito, com foco nos diversos fatores políticos, econômicos e estratégicos que impulsionam as relações Brasil-China. Estruturada em quatro capítulos temáticos – História, Política, Economia e Cooperação –, esta pesquisa examina as relações Brasil-China desde seu estabelecimento em 1974 até o presente, com ênfase particular nas últimas duas décadas. Ao examinar os canais de ação na política brasileira para a China, o estudo destaca os papéis de diversos órgãos governamentais no Brasil e, secundariamente, na China, como as Presidências, Ministérios, Embaixadas, Parlamentos, Bancos de Desenvolvimento, Agências de Exportação, entre outras burocracias envolvidas em áreas que vão da defesa e cooperação de alta tecnologia a direitos humanos e meio ambiente. A pesquisa ilumina como divergências ideológicas, interdependências econômicas e considerações políticas moldam as interações entre Brasil e China, detalhando o impacto da competição interburocrática, da influência presidencial e dos vetos parlamentares nos resultados políticos. As conclusões do estudo revelam como interesses burocráticos, mandatos organizacionais e legados históricos convergem, resultando tanto em colaboração quanto em atritos na relação sino-brasileiras. Esta dissertação contribui para a compreensão de como decisões de política externa são influenciadas por estruturas domésticas complexas, com implicações mais amplas para o estudo das relações internacionais em economias emergentes.

TABLE OF CONTENTS

List of Abbreviations.....	9
List of Figures.....	12
List of Tables.....	13
Introduction.....	14
1. History.....	40
1.1. Prologue: from 1974 to 2004.....	42
1.2. Current Affairs: from 2004 to 2024.....	50
1.3. Pulling and Hauling: Main actors in Brazil's China policy.....	56
1.4. Conclusions.....	64
2. Politics.....	68
2.1. In the President's Ears: Pundits and Gambits.....	71
2.2. A Tale of Two Diplomacies: Itamaraty, Waijiaobu, and their Critics.....	87
2.3. Naysayer: Parliament as a Veto Player.....	118
2.4. Much Ado About Nothing: Brazil's non-implementation of China's market economy status.....	136
2.5. Conclusions.....	161
3. Economy.....	167
3.1. At the Apex: Trade and Investment Policy.....	171
3.2. Easier Signed Than Done: Financial Relations, BNDES, and the Brazil-China Fund.....	203
3.3. Roots of Power, Fields of Influence: Sino-Brazilian Agricultural Diplomacy.....	218
3.4. From Red Tape to Red Carpet: The Valemax Vessels Crisis and Mineral Trade.....	239
3.5. Conclusions.....	256
4. Cooperation.....	264
4.1. Fair-Weather Friends: Climate Change and the Environment.....	266
4.2. On the Defensive: Military Cooperation.....	272
4.3. Don't Ask, Don't Tell: The Human Rights Taboo.....	280
4.4. To Veto, or Not to Veto: 5G, Vaccines, and High-Tech Cooperation....	296
4.5. Conclusions.....	342
Conclusion.....	347
References.....	362
List of Brazilian Interviewees.....	374
Annex I – Ministerial visits to China (2002-2022).....	376
Annex II – Brazil-China Bilateral Agreements.....	379
Annex III – Brazilian delegation to the 6th COSBAN Plenary Session (2022).....	389
Annex IV – COSBAN reformed structure as of May 2022.....	391

List of Abbreviations¹

ABIN	Brazil's Intelligence Agency
ANATEL	Brazil's National Telecommunications Agency
ANVISA	Brazil's National Health Surveillance Agency
API	Active Pharmaceutical Ingredient
BNDES	Brazil's National Bank for Economic and Social Development
BRI	China's Belt and Road Initiative
CAMEX	Brazil's Chamber of Foreign Trade
CBERS	China-Brazil Earth Resources Satellite
CCP	China's Communist Party
CDB	China Development Bank
CEBC	Brazil-China Business Council
CFAC	China's Central Foreign Affairs Commission
CGU	Brazil's Office of the Comptroller General
CIF	Cost, Insurance, and Freight
CLAIFUND	China-LAC Industrial Cooperation Investment Fund
CMES	China Merchants Energy Shipping
CNA	Brazil's National Confederation of Agriculture and Livestock
CNI	Brazil's National Confederation of Industry
COSBAN	Brazil-China High-Level Coordination and Cooperation Committee
COSCO	China Ocean Shipping Company
CPI	Parliamentary Inquiry Commission
CRA	BRICS' Contingent Reserve Arrangement
CSN	Brazil's National Security Council (Military Regime)
DAS	Brazil's Senior Management and Advisory Positions
DCM	Itamaraty's China and Mongolia Division
DLACA	Waijiaobu's Department of Latin American and Caribbean Affairs
DMR	Itamaraty's Regional Political Mechanisms Division
ESG	Brazil's Superior War College
FIESP	Federation of Industries of the State of São Paulo
FOB	Free on Board

¹ Acronyms were kept in their original form, without translation.

FPA	Foreign Policy Analysis
FUNAG	Itamaraty's Alexandre de Gusmão Foundation
GACC	General Administration of Customs of China
GSI	Brazil's Institutional Security Bureau
HCR	United Nations Human Rights Council
HEAI	Harbin Embraer Aircraft Industry (Embraer-Avic's Joint Venture)
IMF	International Monetary Fund
JAP	Sino-Brazilian Joint Actions Plans
JUSBE	Japan-United States-Brazil Exchange
LSG	China's Leading Small Groups
MAPA	Brazil's Ministry of Agriculture and Livestock
MCOM	Brazil's Ministry of Communications
MCTI	Brazil's Ministry of Science, Technology, and Innovation
MD	Brazil's Ministry of Defense
MDIC	Brazil's Ministry of Development, Industry, Trade, and Services
ME	Brazil's Ministry of the Economy
MES	Market-economy status
MFA	China's Ministry of Foreign Affairs (Waijiaobu)
MF	Brazil's Ministry of Finance
MMA	Brazil's Ministry of the Environment and Climate Change
MOFCOM	China's Ministry of Commerce
MOT	China's Ministry of Transport
MOU	Memorandum of Understanding
MPO	Brazil's Ministry of Planning and Budget
MRE	Brazil's Ministry of Foreign Affairs (Itamaraty)
NDB	New Development Bank
NDRC	China's National Development and Reform Commission
NPC	China's National People's Congress
NSA	US National Security Agency
PBC	People's Bank of China
PF	Brazil's Federal Police
PGR	Brazil's Attorney General's Office

PLA	People's Liberation Army
PPI	Brazil's Investment Partnership Program
PSC	China's Politburo Standing Committee
SAFE	China's State Administration of Foreign Exchange
SDSC	Shandong Shipping Corporation
SEBRAE	Brazil's Support Service for Micro and Small Enterprises
SECOM	Itamaraty's Trade Promotion Sections
SENAR	Brazil's National Service for Rural Learning
SERE	External Relations Secretariat (Itamaraty's headquarters)
SME	Small and medium-sized enterprises
SOE	State-owned enterprise
TCU	Brazil's Federal Court of Accounts
TYP	Sino-Brazilian Ten-Year Plan
UIA	Industrial Union of Argentina
UNSC	United Nations Security Council
UN	United Nations
USTR	United States Trade Representative
VLOCs	Very large ore carriers
WHO	World Health Organization
WTO	World Trade Organization

List of Figures

- Figure 1 COSBAN's organizational chart
- Figure 2 Action channels in Brazil's China policy (tentative)
- Figure 3 Autonomy and capacity of selected Brazilian bureaucracies
- Figure 4 Brazilian bureaucracies in Brazil-China relations
- Figure 5 Action channel for Brazil's decision on China's MES
- Figure 6 Brazil's foreign trade with selected partners (US\$, billions, FOB)
- Figure 7 Brazil's trade balance with China (US\$, millions, FOB)
- Figure 8 Brazil's foreign reserves (US\$, billion)
- Figure 9 Action channels in Brazil's Valemax crisis decision
- Figure 10 Action channels in Brazil's 5G negotiation
- Figure 11 Action channels in Brazil's China policy (final version)

List of Tables

Table 1	Brazilian bureaucracies in Brazil-China Strategic Plan (2022-2031)
Table 2	Brazilian bureaucracies in Brazil-China relations
Table 3	Personnel of Brazilian embassies in selected countries
Table 4	Personnel of the Chinese Embassy in Brasilia (2024)
Table 5	Treatment of China's MES in investigations after Dec. 2016
Table 6	Brazilian exports to China per economic sector (1985-1991)

Introduction

There has been a remarkable diplomatic and especially economic growth of the Chinese presence in Brazil as of the 2000s. Chinese presence in Latin America has increased first through trade, in the context of the 2000s commodity boom, and eventually through investment. This was the case because China lacks the resources it needs to develop, feed 1.4 billion people, and fuel the world's second largest economy (Wise and Chonn Ching 2018). Hence, Beijing has had to internationalize its development strategy to regions that could provide the primary resources it needed, as well as markets for its industrialized products, such as Africa, Southeast Asia, and Latin America. This is where Brazil has come into play. Its rich resource endowment attracted Chinese demand for commodities, especially soy, iron ore, and oil, which turned it into "China's jewel in the crown" (Wise 2020, p. 160). President Lula da Silva (2003-2010) and President Hu Jintao (2003-2012) both took office in 2003 and adopted foreign policies focusing on South-South cooperation, maturing Sino-Brazilian relations into a complex partnership (Becard 2011, p. 37-41). Regarding political resources involved, negotiations among leaders, commissions of consultation, and the participation of societies, the relationship Brasilia and Beijing have forged is only comparable to the historical relations it has had with Washington (Cervo and Lessa 2014, p. 143). Nevertheless, the low level of mutual knowledge, especially from Brazilians in relation to the Chinese, still is an obstacle to the expansion of Sino-Brazilian relations). This, in turn, has practical implications, impeding the development of the partnership into one that is not chiefly based on the exchange of commodities for goods and services with high added value.

Brazil and China established diplomatic relations in 1974 amid the normalization of China's international relations² and important political-economic

² In 1971, the United Nations General Assembly passed Resolution 2758, recognizing the People's Republic of China (PRC) as "the only legitimate representative of China to the United Nations." This resolution effectively replaced the Republic of China (ROC) based in Taiwan with the PRC on the UN Security Council and other UN bodies. Then, in 1972, US President Richard Nixon visited China, marking a historic thaw in relations between the two countries. This visit led to the Shanghai Communique, which acknowledged the One-China policy and laid the groundwork for the establishment of diplomatic relations between the United States and the People's Republic of China on January 1st, 1979. Further normalization efforts continued over

shifts in Brazil's under the Military Regime, as it will be discussed. The burgeoning Sino-Brazilian economic relations were backed by an enhanced political dialogue epitomized by the space cooperation under the CBERS program as of 1988. In 1993, the parties upgraded their relationship to the status of a "strategic partnership", making Brazil and China one another's very first strategic partners. In 2004, two fundamental institutions were established: the Brazil-China Business Council (CEBC) and the Brazil-China High-Level Coordination and Cooperation Committee (COSBAN). The CEBC is a bilateral non-profit organization aiming to improve trade and investment between the parties, formed by two independent sections, one in Rio de Janeiro and another in Beijing. The CEBC goals are to improve the bilateral business environment, generate specific knowledge on Brazil-China economic relations, and bring Brazilian and Chinese businesses closer³. In COSBAN, the parties discuss goals and devise the strategic partnership's foundational plans, such as the Joint Actions Plans (JAP) and the Ten-Year Plans (TYP). It has twelve subcommittees and eight working groups on some of the relationship's most pressing issues⁴, as shown in Figure 1, and has held seven plenary sessions until 2024.

The Sino-Brazilian strategic partnership has experienced important developments in the past two decades, both on practical and discursive levels. In 2007, the parties formalized talks between Foreign Ministries, with the so-called Strategic Dialogue, which was renamed Global Strategic Dialogue between Foreign Ministers in 2012, after the parties raised their strategic partnership to a "Global Strategic Partnership" in that same year, albeit without clearly defining what the new diplomatic label meant. One of the aims of these initiatives is to facilitate the direct dialogue between diplomatic authorities in a

the years, including the establishment of diplomatic relations between China and many other countries worldwide

³ CEBC. "Quem somos – CEBC – Conselho Empresarial Brasil China", 2022.

<https://www.cebc.org.br/quem-somos/>.

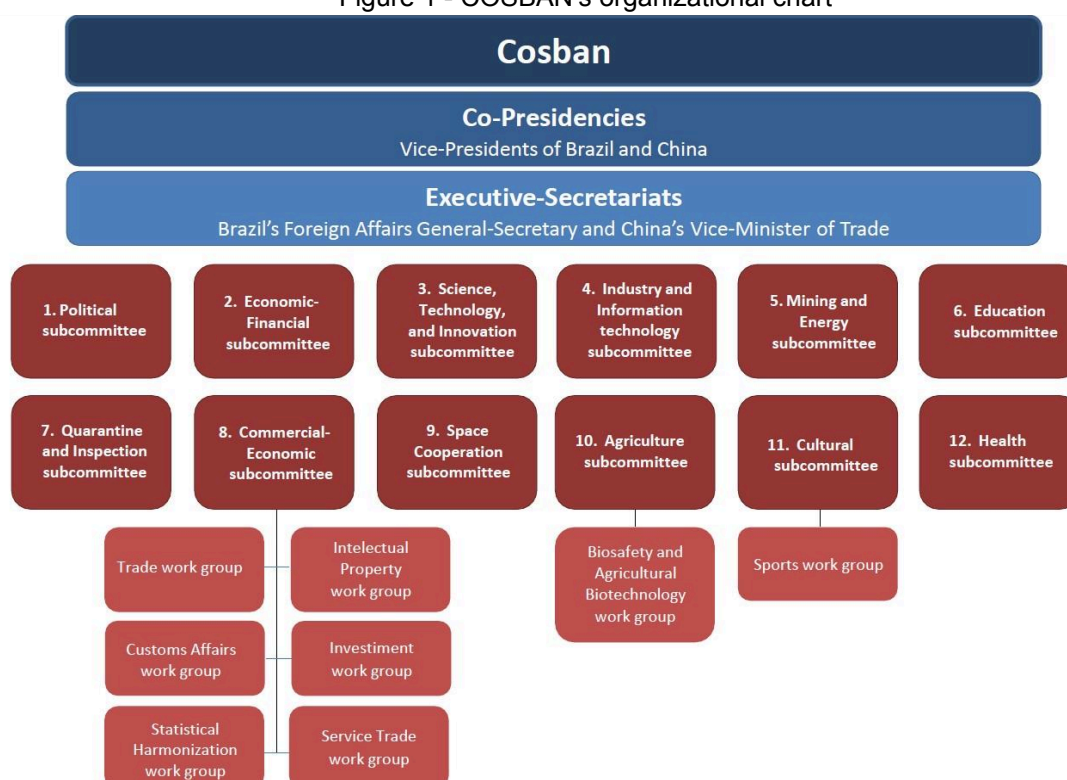
⁴ The subcommittees are: Economic and Commercial; Political; Inspection and Quarantine; Industry and Information Technology; Health; Economic and Financial; Space Cooperation; Energy and Mining; Education; Culture; Science, Technology and Innovation; Agriculture.

Available at:

<https://concordia.itamaraty.gov.br/detalhamento-acordo/12287?tipoPesquisa=2&TituloAcordo=COSBAN&TipoAcordo=BL&IdEnvolvido=58&TpData1=1&DataInicial1=31/01/2019&DataFinal1=31/01/2022>

plethora of issues⁵, and to that end, a “hotline” between Foreign Ministries has been established. Concomitantly, there has also been an effort to institutionalize the strategic partnership with the involvement of bureaucracies other than the Foreign Ministries. In 2010, the 2010-2014 JAP was signed to guide the bilateral relations in sectors considered as strategic, such as agriculture, mining and energy, and science and technology. The JAP was updated in 2015 with effect until 2021. In 2012, the parties signed the 2012-2021 TYP, which established long-term actions for cooperation in those same strategic sectors (Itamaraty 2022). In May 2022, the parties updated both the JAP and the TYP, which have been renamed “Executive Plan” and “Strategic Plan” respectively. Since 2004, the exchange of high-level bilateral visits has intensified (see Annex I).

⁵ The Global Strategic Dialogue sectoral dialogues are as follows: Disarmament and Non-Proliferation, Human Rights, International Law and Legal Cooperation, Diplomatic Planning, Consular and Migration Issues, African Issues, Asian Issues, North American Issues, Middle East, and Latin American and Caribbean Issues. Available at: <https://concordia.itamaraty.gov.br/detalhamento-acordo/12347?tipoPesquisa=2&TipoAcordo=BL&IdEnvolvido=58>

Figure 1 - COSBAN's organizational chart⁶

Source: Ceded by the Vice-President's office, translated by the author.

The political dialogue is also strong in multilateral fora. Originally formed by Brazil, Russia, India, and China in 2009, and joined by South Africa in 2010, BRICS has brought Beijing and Brasilia closer⁷. Despite the varying degrees of adherence from different Brazilian administrations, BRICS presidents and various State Ministers meet annually to align national positions seeking to influence world order. Not even President Bolsonaro (2019-2022), who adopted an anti-globalist foreign policy, shied away from BRICS commitments (Ramanzini and Vigevani 2024). Within BRICS, the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA) were created in 2014 as a way of making international finance governance more plural and less dependent on the International Monetary Fund (IMF) and the World Bank,

⁶ This has been the structure of COSBAN until May 2022, and the official reports prepared by the subcommittees, which are analyzed in this dissertation, are based on the organizational structure reflected in the organogram displayed in Figure 1. In COSBAN's 6th plenary session (May 2022), Brazil and China have decided to update the structure of COSBAN. The reformed organogram can be found in Annex IV.

⁷ On January 1st 2024, Saudi Arabia, Egypt, the United Arab Emirates, Iran and Ethiopia joined BRICS.

which traditionally require political reforms and economic restructuring that often face opposition from developing countries political elites (Duggan 2019, p. 132). The foundation of the NDB and the CRA is in accordance with Brazil's traditional diplomatic argument favoring the reform of international institutions so as to reflect the current distribution of power. Moreover, these institutions grant a collective agency that its members, with the exception of China, do not possess individually (Abdenur and Folly 2015). As for China, while economically it would not need these institutions to implement its foreign development strategy, given the size of its cooperation portfolio, it does extract political gains from it, boosting its multilateral diplomacy and its image as a peace-loving, pro-reform country (Abdenur 2014, p. 97). Furthermore, the political coordination between Beijing, Brasilia and other emerging economies within the G20 has led to the increase of voting shares in the IMF for both countries, although China has benefited more given the larger size of its economy (Pereira and de Castro Neves 2011, p. 8), and to reform the selection process of the institution's Executive Director (Blanchard 2019, p. 11). Through the BASIC climate coalition, Brasilia and Beijing seek to advance the interests of developing nations, within the G-77, in international environmental negotiations, pressing developed nations to bear a greater proportion of emissions reduction (Hochstetler 2012). The Environment Ministers of both countries normally meet twice a year because of BASIC, although the Sino-Brazilian strategic partnership lacks a clear environmental orientation (Thives, Søndergaard, and Inoue 2022a).

This brief contextualization of Sino-Brazilian relations helps us appreciate the significance of examining this bilateral relationship, which, as I will argue in the next section, stands among the most consequential relations between Global South nations today.

Relevance

China has emerged as one of Brazil's key international partners. However, both the Brazilian government and society still lack sufficient understanding of China, despite a growing awareness in recent years. This

knowledge deficit stems from factors such as geographical distance, language and cultural differences, limited migration flows, and a relatively recent diplomatic relationship⁸ – in 2024, while Brazil and China celebrated the 50th anniversary of their diplomatic relations, Brazil and the US marked 200 years of diplomatic ties. According to the database of the Institute for International Relations Research (IPRI)⁹, which gathers theses and dissertations defended in Brazil in International Relations and similar areas, from 2001 to 2018 (data after 2018 is not available), only 21 works covering some aspect of Sino-Brazilian relations were produced (20 master's theses and 1 doctoral dissertation). Of those, only seven were conducted within International Relations graduate programs, and there is no comprehensive study of Brazil's China policy after 2010, only works covering specific aspects of the partnership.

Considering bureaucratic politics, this knowledge gap already has consequences. Chinese authorities interested in developing some kind of project in Brazil concurrently engage with multiple Brazilian bureaucracies (e.g., Itamaraty, Planalto¹⁰, regulatory agencies, state governments), and there is normally no coordination among those Brazilian actors¹¹. This lack of dialogue among Brazilian bureaucracies gives China leverage over Brazil. Therefore, a coherent Brazilian strategy to deal with the rise of China must address this knowledge gap, which should include incentives to train Sinologists and public investment in independent research on China. There is a growing interest in Brazil's society and academia in Chinese studies, which is noticeable in the growing number of Brazilian platforms dedicated to China studies, such as Rede Brasileira de Estudos da China (Brazilian Network of China Studies), Observa China, and Shūmiàn. Moreover, Folha de São Paulo, Brazil's largest newspaper, started publishing a weekly newsletter about China in 2021. Should Brazil reach a deep understanding of China, it will be better positioned to seize opportunities in an international context in which China increasingly plays a

⁸ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §3.

⁹ IPRI. 2022. "Banco de Teses e Dissertações." Funag.Gov. 2022. <https://www.funag.gov.br/ipri/btd/>.

¹⁰ The Planalto Palace is the official workplace of Brazil's president and the vice-president, and is used as a metonym for the head of the executive.

¹¹ Interview with diplomat no. 1. Brasilia. April 2024.

central role. Hence, the relevance of choosing Sino-Brazilian relations as a research subject is justified by the relatively small number of specialists dedicated to the matter, which contrasts with the growing importance of this partner to Brazil. Furthermore, a comprehensive work aiming to investigate Brazil's China policy from a bureaucratic perspective has not been found.

Studying Brazil-China relations and Brazil's China policy stemming from a bureaucratic approach is of paramount importance to gain a refined understanding of who are the main players influencing Brazil's China policy, how their stands are determined, and how these stands are associated to result in policies and actions. The understanding of this process can, in turn, facilitate more detailed policy analyses. Furthermore, since foreign policy is treated as a public policy in Brazil¹², this type of study can eventually spur policymakers and society to push for improved policies. Not only has China's rapid ascent drastically impacted Brazil's international insertion and its other bilateral relationships, but it has also changed the very essence of international relations at the beginning of the 21st century. Furthermore, Brazil's national development strategies will have to increasingly consider the China factor over the next few decades, which has proven to be a structural element that molds contemporary times. For now, Brazil has, at least in part, missed the China factor (Cepik, Chagas-Bastos, and Ioris 2021). Hence, thoroughly comprehending contemporary Brazil-China relations, stemming from the Brazilian perspective, and employing the analytical tools offered by the Foreign Policy Analysis is fundamental not only to the Brazilian scholarly community, but to Brazil's national development more broadly.

Questions and hypotheses

Based on the gaps identified in the literature and the bureaucratic complexities posed by the growing entanglement between Brazil and China, I have formulated one main research question, which will permeate the entire dissertation, to be answered in the dissertation's final conclusion. I have also elaborated four secondary questions corresponding to each of my four

¹² Itamaraty. 2021. "Public Diplomacy." August 3/8/2021.
http://ere Minas.itamaraty.gov.br/pt-br/diplomacia_publica.xml.

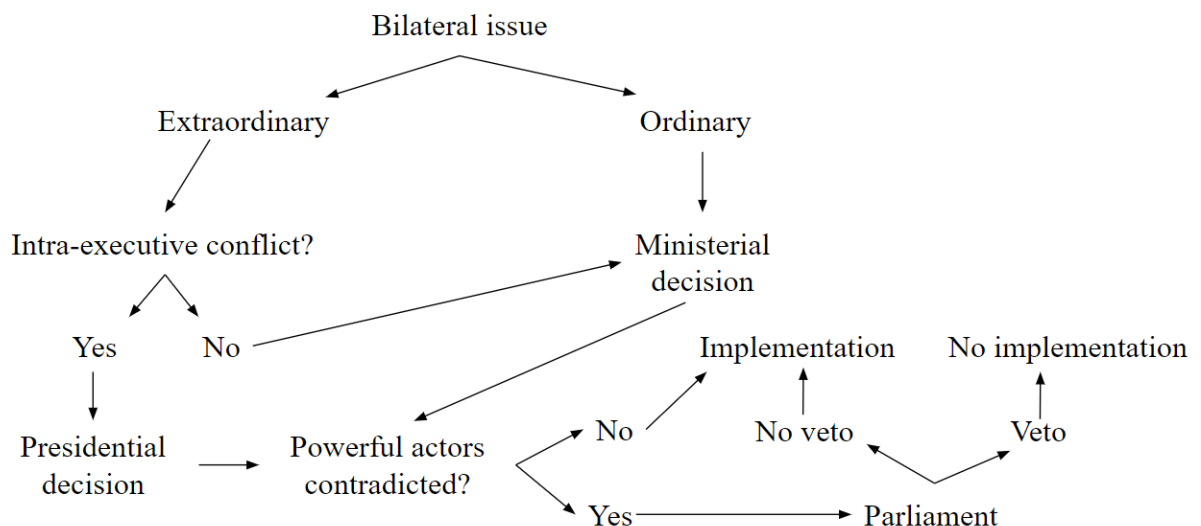
chapters, which will be addressed in the chapters' partial conclusions. To answer my main question, I have developed the analytical model, as presented in my primary hypothesis below. This model will be applied to case studies throughout the dissertation.

Main question and hypothesis

Main question: What are the action channels of Brazil's China policy?

Main hypothesis: As illustrated in Figure 2, the action channels of Brazil's China policy vary depending on whether an issue is ordinary (diplomatic routine) or extraordinary (crises or high-stakes). Ordinary or extraordinary issues without intra-executive conflict are resolved at the ministerial level. However, if there is intra-executive conflict on extraordinary issues, the president steps in to arbitrate. Decisions – whether made at the ministerial or presidential level – are implemented only if they do not contradict the interests of powerful groups. When such groups are opposed, they exert pressure on Parliament to block implementation, either formally or informally.

Figure 2 -Action channels in Brazil's China policy (tentative)



Source: elaborated by the author.

Secondary questions and hypotheses

Chapter 1, History:

Question: Which bureaucracies can most influence Brazil's China policy?

Hypothesis: Given the developmentalist nature of Brazilian foreign policy, the main bureaucracies involved in Brazil's China policy are those with direct economic ties to China, such as the Foreign Ministry, Economy Ministry, Agriculture Ministry, and Energy Ministry, while other significant sectors with no immediate economic gains, such as the Environment Ministry, Human Rights Ministry, and Defense Ministry, have been largely excluded from the partnership. Additionally, some players, like Parliament, only engage with China sporadically when they perceive their economic or political interests to be at stake

Chapter 2, Politics

Question: How are inter-bureaucratic conflicts among Brazil's China policy stakeholders resolved?

Hypothesis: Given Brazil's strong presidentialist tradition and the general low engagement of Brazilian society with foreign policy issues, when inter-bureaucratic conflicts arise among actors involved in Brazil's China policy, the president's stance tends to initially prevail. However, if the issue at hand contradicts the interests of groups powerful enough to involve Parliament in the dispute, the president will be compelled to adjust Brazil's China policy to align with the position predominantly supported in Parliament.

Chapter 3, Economy:

Question: How do private actors influence Brazil's China policy?

Hypothesis: Only large non-state actors can directly influence it by exerting pressure on executive branch bureaucracies. Small and medium-sized enterprises typically have their interests overlooked, and their perspectives are considered only if they manage to secure support from larger organizations, such as the National Confederation of Industry (CNI) or the National Confederation of Agriculture (CNA).

Chapter 4, Cooperation:

Question: Why is Sino-Brazilian cooperation in strategic sectors so challenging, despite the fluidity of their political-economic dialogue?

Hypothesis: Given the geographical distance and historically limited people-to-people exchange between Brazil and China, Brazilians generally have a limited understanding of China and are thus hesitant to cooperate on sensitive issues. In sensitive areas, Brazilians are more comfortable collaborating with traditional partners, such as the US and European countries. Additionally, fundamental differences between the two political regimes play a role: while imperfect, Brazil aspires to be a liberal democracy, whereas China operates as an authoritarian one-party communist state. These differences hinder cooperation on sensitive matters, such as defense, human rights, and technology.

Conceptual framework

I believe the most suitable conceptual framework is the bureaucratic politics model within Foreign Policy Analysis (FPA). Within it, state objectives, decision-making, and actions – including the ones announced but not implemented – must be analyzed (Salomón and Pinheiro 2013), inasmuch as FPA considers that international relations are grounded in human decision makers acting alone or in groups (Hudson 2005). FPA encompasses multiple levels of analysis, such as the dynamics within small and large groups, psychology of decision makers, cultural aspects, domestic pressure groups, national characteristics and systemic forces, as well as organizational and bureaucratic politics (Hudson and Day 2019). Since states act through organizations, studying them is of paramount importance to FPA, stemming from the premise that governments cannot be understood as unitary, rational actors. Therefore, this work will primarily focus on organizational and, in particular, bureaucratic politics, while also incorporating elements from FPA's other categories of analysis as needed.

Bureaucracies are not technical and value-neutral organizations; they are essentially political¹³. Hence, "theories of bureaucratic politics seek to breach the orthodox divide between administration and politics and attempt to drag the former into a systematic accounting with the latter" (Frederickson et al. 2018, p. 41). Although many non-state actors may influence foreign policy decisions, these inputs must be filtered and processed through the state apparatus. FPA considers the characteristics of the bureaucracies implied in the decision-making and implementation process fundamental to study foreign policy, since they shape the nature and results of that policy. Therefore, it is crucial to analyze the "authoritative decision unit", which are "individual or a set of individuals with the ability to commit the resources of the society and, when faced with a problem, the authority to make a decision that cannot be readily reversed" (Hermann 2001, p. 48). In this study, the "authoritative decision units" are primarily the ministers, the president, and Parliament, but may also include other entities, such as state agencies like Apex-Brazil or banks like BNDES.

Organizations function as a government's senses, as the government primarily perceives and acts through them. However, if the state is not a unitary rational actor, its bureaucracies are not either. Given the size of bureaucracies, there is a constant endeavor to preserve the organization's memory through coordination and communication, as particular individuals enter and leave it (Hudson and Day 2019, p. 84). In studying organizational behavior, it is common to anthropomorphize organizations, suggesting that they act as unitary actors. However, this portrayal is misleading, as organizations do not function as single entities (Ibid, p. 85). For example, as I will argue in Chapter 2,

¹³ This work uses the terms "bureaucracies" and "organizations" interchangeably. Although Allison (1971) originally proposed a clear distinction between the Organizational Process Model (Model II) and the Bureaucratic Politics (Model III), "the ambiguity over the dividing line between these models is highlighted in critiques of the book" (Jones 2010, p. 14). McKeown (2001, p. 1187), for his part, concludes that "the distinction between the two [models] now seems much more artificial than it did when Allison first offered his theoretical account". Moreover, the "bureaucratic politics paradigm", put forth by Allison and Halperin (1972) just one year after the publication of Allison's *Essence of Decision*, incorporates elements of the Organizational Process Model, thus discouraging the use of Model II as a separate analytical tool. In a similar vein, Halperin (1974) developed concepts such as organizational essence, roles and missions, autonomy, morale, etc., concerning foreign policy institutions, but he did so in the context of an examination of bureaucratic *politics* (Jones 2010, p. 15). Following this trend, this work is chiefly founded on the bureaucratic politics model, but when studying the functioning of bureaucracies, it also incorporates analytical tools originally associated with the Organizational Process Model.

regarding Brazil's recognition of China as a market economy, there was a divide between the position taken by the Brazilian embassy in Beijing and that of the Minister of Foreign Affairs office – even though both are part of Itamaraty's bureaucracy.

In order to grasp an organization's sense of identity, some of its intrinsic characteristics must be considered, such as the organization's essence, turf, budget and personnel, influence, morale, and autonomy (Allison and Halperin 1972). An organization's essence relates to its self-identity and to what is the core of its activity (i.e., flying for the Air Force). The organization's essence will thus lead to an organizational culture, with values and norms of behavior, thinking, and dressing, for instance. In the case of Brazil, Instituto Rio Branco, Brazil's diplomatic academy, is known for its socialization process of new diplomats, who develop a “diplomatic ethos” (de Souza 2018), with a high sense of corporatism and close links to one another¹⁴. The development of this organizational identity can also result in situations where organizations become more powerful than the elected executive branch. These entities are permanent, outlasting any single administration; they control substantial budgets and personnel; they hold responsibility for policy implementation; and they operate without direct electoral accountability (Hudson and Day 2019, p. 86).

The organization's essence will mold its “turf”, which is the government's area it claims to have primary expertise, authority, and influence over. Because turf represents both budget and influence within the national bureaucracy, organizations tend to fiercely protect their own domains and frequently seek to expand them. More turf translates into greater influence, increased personnel, a larger budget, enhanced autonomy, and improved access to information (Ibid). In the Brazilian bureaucracy, for instance, a long-standing competition for turf occurs between Itamaraty and the Ministry of Trade over the control of Apex-Brazil, Brazil's trade promotion and investment-seeking agency¹⁵. Apex has administrative autonomy and therefore is not under strict government rules.

¹⁴ Interview with diplomat no. 3. Online. February 2022.

¹⁵ Aloysio Nunes Ferreira. 2018. “A Apex no Itamaraty (Folha de S. Paulo).” Ministério das Relações Exteriores. November 7, 2018.

<https://www.gov.br/mre/pt-br/centrais-de-conteudo/publicacoes/discursos-artigos-e-entrevistas/ministro-das-relacoes-exteriores/artigos-mre/a-apex-no-itamaraty-folha-de-s-paulo-07-11-2018>.

For instance, it can hire political appointees without a public tender process (*concurso público*), a procedure that is normally not permitted in the Brazilian government¹⁶. Apex is thus considered a "jewel" in Brazil's bureaucratic pulling and hauling game. Further evidence of turf competition within Brazil's foreign policy apparatus is reflected in the belief that, as José Graziano, a Brazilian and former director-general of FAO, has noted, "Itamaraty believes that those positions [the leadership of multilateral bodies] are an exclusive prerogative of Brazilian career diplomats, not of politicians" (Schenoni et al. 2022, p. 10). Budget and personnel, that is, the amount of funds and the number of people allocated in an organization, are a primary indicator of its power, especially in cases of inter-bureaucratic conflict. Itamaraty's budget increased during the Lula administration from 0.09% of the total budget in 2004 to 0.15% in 2011, but has shrunk again since, reaching 0.09% in 2015 (Schenoni et al. 2022). Another evidence of Itamaraty's increased prestige during the Lula administration (2003-2010) is that the number of diplomats hired each year increased from a historical average of thirty to over one hundred from 2006 to 2010, and there also was an increase in their payment¹⁷

In the wake of Brazil's re-democratization as of 1985, Brazilian foreign policy became more plural, for Itamaraty has lost its quasi-monopoly over it (de Lima 2000). This means that besides the international game played abroad to achieve the "national interest", there is another game being played at home, founded on personal and organizational interests and ambitions, which can often sway foreign policy as much as the former (Putnam 1988). To explain why a particular formal governmental decision was made, "it is necessary to identify the games and players, to display coalitions, bargains, and compromises [...]" (Allison and Zelikow 1999, p. 257), which I will seek to do throughout this dissertation.

¹⁶ O Estado de S. Paulo. 2019. "Planalto avalia tirar Apex do Itamaraty." *Época Negócios*. April 16, 2019.

<https://epocanegocios.globo.com/Brasil/noticia/2019/04/epoca-negocios-planalto-avalia-tirar-apex-do-itamaraty.html>.

¹⁷ Igor Truz. 2015. "Gestões de FHC e Lula Reduziram Elitização No Concurso Do Itamaraty - AUN USP." August 31, 2015. <http://www.usp.br/aunantigo/exibir?id=7084&ed=1235&f=3>.

Previous works (Becard 2008; Biato Junior 2010; Santoro 2022) have thoroughly examined Sino-Brazilian relations as well as Brazil's China policy using analytical tools that can be predominantly associated with the Rational Actor Model, which Allison (1969) famously called "Model I". Nevertheless, I have not yet found a thorough study of Brazil-China relations, let alone of Brazil's China policy, that applied the conceptual tools offered by the Bureaucratic Politics Model, dubbed "Model III", by Allison, its original proponent. According to the Bureaucratic Politics Model, leaders who sit on top of organizations "are not a monolithic group" (Allison 1969, p. 707); rather each is a player in a bureaucratic politics game, which involves bargaining through action channels with players positioned within a hierarchically organized government. Thus, "government behavior can be understood according to [...] [the] outcomes of bargaining games" (Ibid). In opposition to the Rational Actor Model, the Bureaucratic Politics Model does not see a unitary actor, but several players zeroing in on diverse intra-national problems framed in terms of their own national, organizational, and personal goals. Government decisions are made by the pulling and hauling that constitutes politics, and not by rational choice. Power is shared, since the broad range of foreign policy problems require the decentralization of decision-making. The nature of foreign policy problems leads to fundamental disagreement among reasonable individuals concerning action courses, and analyses frequently offer antagonistic advice; hence "responsible men [sic] are obliged to fight for what they are convinced is right" (Ibid). Consequently, the decisions and actions of a government are the result of an intra-national political outcome, in that such outcome stems from compromise, coalition, competition, and confusion among officials who focus on different aspects of the same problem. Foreign policy is the product of various subtle and overlapping games structured by regular action channels, played by busy government actors, whose attention is called due to deadlines (Ibid, p. 709). Against this backdrop, questions such as "What is the issue?" and "What must be done?" are answered based on the parochial priorities and perceptions of each bureaucracy.

Games are usually started in response to a deadline or an event. An individual's policy goals and interests are thus swayed by national security, organizational, domestic, as well as personal concerns. Organizations, as mentioned, compete for "turf". While a player may develop a thorough strategy, usually players plan little and try to sway other players' stands by arguments. Action channels (i.e., regularized ways of producing action concerning types of issues) structure the game by selecting the players, their advantages and disadvantages, and their point of entrance into each game. As a consequence, governmental action does not presuppose intention, in that government behavior is the result of inputs of separate individuals with different intentions, which culminates in an outcome different from what anyone would have individually chosen. A problem can thus be resolved through a policy, a decision, or even the avoidance of a decision. In sum, "Model III's explanatory power is achieved by revealing the pulling and hauling of various players, with different perceptions and priorities, focusing on separate problems, which yielded the outcomes that constitute the action in question" (Ibid, p. 711).

Bersch, Praça, and Taylor (2017), for their part, have developed a sophisticated, mixed-methods framework for the analysis of bureaucratic capacity and political autonomy within national bureaucracies. They argue for more objective, granular, agency-focused measures of capacity and autonomy. They seek to advance this debate by building on the extensive literature (Martins 1985; Willis 1986; Schneider 1992; Geddes 1994; Evans 2012) that identifies "pockets" or "islands of excellence" within the Brazilian state as the explanation for how the country has managed to achieve economic growth and industrial development in the 20th century. They shed light on the reasons why some of Brazil's federal agencies fall victim to unfettered patronage, while others are known for their technical competence and professionalism (Whitehead 2006, p. 96). In search of introducing an objective way of measure that allows for the comparison of bureaucracies within the state, they adopt a narrow definition of "autonomous state capacity", based on the Weberian legal-rational state: "a professional bureaucracy able to implement policy without undue external influence". The authors point out that, notwithstanding

the overall negative academic perception of Brazilian bureaucracies, Brazil's federal-level state bureaucracy does "quite well in regional rankings, outscoring all other Latin American nations in a variety of studies" (Bersch, Praça, and Taylor 2017, p. 163). The Brazilian case is known for its "dual track", that is, the coexistence of a large number of low-capacity agencies with a few bureaucracies characterized by high capacity and autonomy from clientelistic practices, the so-called "archipelago of excellence". Nonetheless, their findings suggest that there is no "dichotomy between a few islands of excellence and a broader morass of terrible agencies", and that the "differences are more of degree than of kind" (p. 179).

In their analysis, the authors break Weber's "autonomous state capacity" into two subcomponents, namely bureaucratic capacity and political autonomy. To measure bureaucratic capacity, they chose four indicators: career strength, i.e., proportion of civil servants in either core¹⁸ or expert careers¹⁹; career specialization criterion 1, i.e., average longevity in civil service; career specialization criterion 2, i.e., civil servants requisitioned from other agencies; and career specialization criterion 3, i.e., average salary for civil servants within the agency. As for political autonomy, there are three indicators: the proportion of low-level Senior Management and Advisory Positions (DAS)²⁰ appointments filled by party members; the proportion of high-level DAS appointments filled by party members; and the proportion of regular civil servants that are party members. Their study objectively confirms the existence of "islands of excellence" in the Brazilian federal service, characterized by technical excellence and political insulation, such as the Ministries of the Economy and of Foreign Affairs. Based on their findings, I created the graph presented in Figure

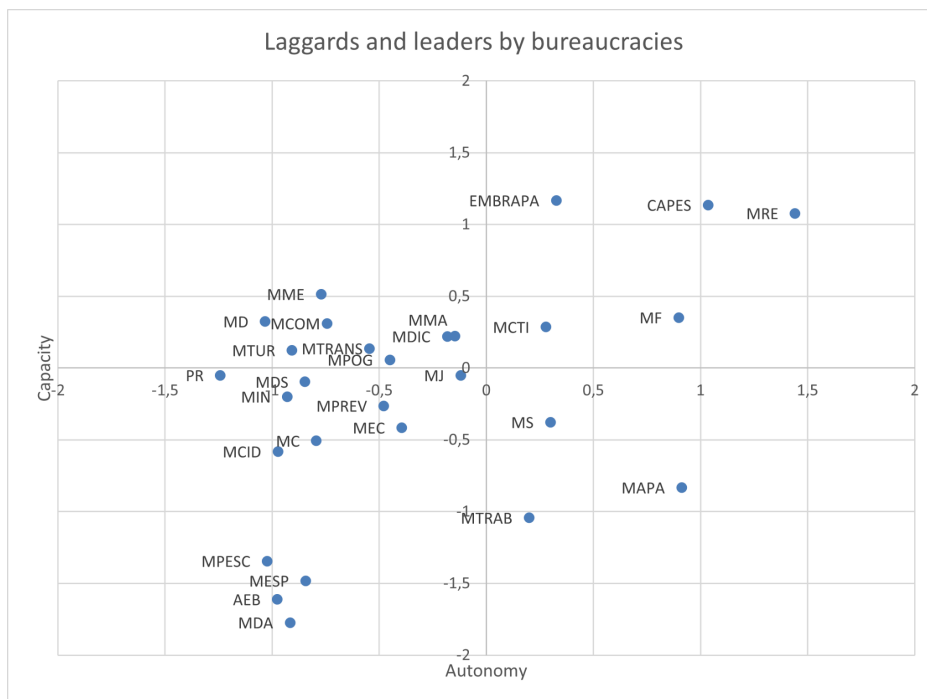
¹⁸ "Core career' measures the number of employees who belong to a career that is specific to the agency's mandate, such as federal attorney in the attorney general's office or tax analyst in the Federal Revenue Service" (Bersch, Praça, and Taylor 2017, p. 170).

¹⁹ "Expert career' measures the number of employees who belong to a career that is not specific to the agency's mandate, though they are trained as experts in policy administration, such as Public Policy and Government Management Specialists, Finance and Control Analysts, or Planning and Budget Analysts. These career paths are transversal, meaning that their members can be transferred across agencies throughout their careers, but they are an elite group." (Bersch, Praça, and Taylor 2017, p. 170)

²⁰ DAS are political appointments ("DAS offices") in Brazil's federal public service.

3, which features the Brazilian bureaucracies relevant to Brazil's China policy, as will be examined in Chapter 1

Figure 3 - Autonomy and Capacity of Selected Brazilian Bureaucracies²¹



Source: Elaborated by the author, with data from Bersch, Praça, and Taylor (2017, p. 176)

Methodology: Data sources

This research is chiefly founded on primary sources, namely archival research and interviews²². The digital archives of official actors formulating

²¹ Abbreviations: Brazilian Space Agency (AEB); Brazilian Enterprise of Agricultural Research (Embrapa); Coordination for the Improvement of Higher Education Personnel (Capes); Ministry of Agriculture (MAPA); Ministry of Science, Technology and Innovation (MCTI); Ministry of Development, Industry and Trade (MDIC); Ministry of Culture (MC); Ministry of Defense (MD); Ministry of Education (MEC); Ministry of the Economy (MF); Ministry of National Integration (MIN); Ministry of Justice (MJ); Ministry of Social Security (MPREV); Ministry of Health (MS); Ministry of Cities (MCID); Ministry of Communications (MCOM); Ministry of Foreign Affairs (MRE); Ministry of Mining and Energy (MME); Ministry of Fisheries (MPESC); Ministry of Social Development (MDS) Ministry of Agrarian Development; Ministry of Sports (MESP); Ministry of the Environment (MMA); Ministry of Planning, Budget and Management (MPOG); Ministry of Labor (MTRAB); Ministry of Tourism (MTUR); Ministry of Transportation (MTRANS); President's Office (PR).

²² According to Jones (2010, p. 14), "interviews, the memoirs of key decision makers, and news accounts help facilitate selective use of the bureaucratic politics model".

Brazil's China policy, (e.g., the Ministries of Foreign Affairs, of Agriculture, of the Economy; the President and the Vice-President's Offices; the Brazilian Embassy in Beijing, etc.) are the main primary sources. This data is available online, by request, on the "Fala.BR" platform²³, which is the Brazilian government's official channel for information access, in accordance with Brazil's Information Access Act (Law no. 12.527/2011). Any public document that is currently not classified, according to the aforementioned law, can be requested on the "Fala.BR" platform.

Considering Brazil's Information Access Act, it has been possible to access: all unclassified documents; confidential ones, until 2019; and secret ones, until 2009. Nevertheless, securing access to documents from Itamaraty, particularly those classified as reserved and secret, was not easy, even when their confidentiality status had expired and they should be disclosed under the Information Access Act. Most information requests took several months to process, with some escalating to the final levels of appeal at the Office of the Comptroller General (CGU). Within Brazil's Esplanade of Ministries, Itamaraty is notably conservative regarding information access (Abramovay and Lotta 2022, pp. 55-71).

The research strategy has been to "start at the top and proceed from there" (Trachtenberg, 2014, p. 142), which means the analysis started with broader documents and only after specific ones were examined. "Ambassador tenure reports" were analyzed first. These are comprehensive documents written by Brazilian ambassadors in Beijing upon leaving office, summarizing the bilateral relationship during their tenure at the embassy. Diplomatic cables were subsequently scrutinized. These are typically brief communications exchanged between the Brazilian embassy in Beijing and Itamaraty's headquarters in Brasilia (referred to as the "State Secretariat"), addressing specific aspects of the bilateral relationship. Finally, targeted documents – such as memoranda of understanding or bilateral protocols – were examined to supplement and triangulate the information.

²³ Available at <https://falabr.cgu.gov.br/>

For official diplomatic documentation that is public and thus not classified, such as treaties, bilateral plans, and memoranda of understanding, Concórdia²⁴ has been used, which is Itamaraty's official platform for diplomatic acts. These documents are valuable not only due to their content per se, but also because they indicate the main actors involved in the strategic partnership, which is fundamental to a bureaucratic study. COSBAN's plenary minutes, as well as the minutes of COSBAN's subcommittees, which are also available at the Concórdia platform, have also been crucial sources of information, not least because the twelve subcommittees meetings' minutes give precise information about specific dimensions of the partnership, such as health, trade, and science, technology and innovation. Relevant press releases from the Ministries of Foreign Affairs of China²⁵ and Brazil²⁶, as well as those of other relevant ministries, were also examined. For multilateral documents adopted by Brazil and China within BRICS, the BRICS Information Center from the University of Toronto²⁷ was consulted, whereas the aforementioned websites of China and Brazil's Ministries of Foreign Affairs were searched for BASIC declarations. Still regarding diplomatic documentation, the Wikileaks platform²⁸ has also been searched as a subsidiary source, aiming at understanding how the US sees Brazil-China relations. Moreover, some of the interviewees have kindly granted access to their personal archives.

Other historical records were also researched. The Center of Research and Documentation of Brazil's Contemporary History (CPDOC/FGV)²⁹ digital platform contains personal archives of some Brazilian authorities directly involved in Brazil-China relations. Other personal archives, such as Luiz Augusto de Castro Neves', who served as ambassador in Beijing from 2004-2008, are not yet available online. Thus, an in-person visit to CPDOC's archives in Rio de Janeiro has been made in September 2022. Specifically regarding the Cardoso administration, the digital archives of Fernando Henrique

²⁴ Available at <https://concordia.itamaraty.gov.br/>

²⁵ Available at https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/

²⁶ Available at <https://www.gov.br/mre/en/contact-us/press-area/press-releases>

²⁷ Available at <http://www.brics.utoronto.ca/docs/>

²⁸ Available at <https://wikileaks.org/>

²⁹ Available at <http://www.fgv.br/cpdoc/acervo/arquivo>

Cardoso Foundation³⁰ have been used. The Senate's digital archives³¹ have also been a crucial source, not least because some very relevant documents are prepared on the occasion of the Senate's hearings of designated Brazilian ambassadors to China, namely: China's "Basic Pack" (*maço básico*), which summarizes the bilateral relationship; the Brazilian Embassy in Beijing's strategic planning; the tenure report of the ambassador who is leaving China; and the recording of the designated ambassador's hearing before the Senate. Other relevant sources have been Brazilian and Chinese news outlets, such as Folha de São Paulo, o Estado de São Paulo, Valor Econômico, O Globo, China Daily, CCTV, Xinhua, and South China Morning Post.

For trade data, ComexStat³² has been the main source, which is the official database of Brazil's Ministry of the Trade, providing detailed information on Brazil-China commercial relations. Specifically regarding agribusiness, Agrostat³³, which gathers official data from Brazil's Ministry of Agriculture, has been used. For data on the environmental footprint of the bilateral trade, the Trase platform³⁴ has been the main source, since it tracks commodity supply chains, shedding light on the embedded deforestation of Brazil's exports to China, such as soy and beef. For financial data, the main sources were the China Global Investment Tracker³⁵, the Inter-American Dialogue's China-Latin America Finance Database and Commercial Loans Tracker³⁶, as well as the reports from the Brazil-China Business Council³⁷. Brazil's Central Bank direct investment reports³⁸ have been used only as an auxiliary source, since they sharply underestimate the amount of Chinese investment in Brazil, which frequently arrives through third countries (CEBC 2016, p. 15).

Regarding secondary sources, more recent literature has been preferred in order to understand which "historical facts" have survived the test of time (Thies 2002), but without neglecting seminal works that still are a reference.

³⁰ Available at <http://acervo.ifhc.org.br/>

³¹ Available at <https://www25.senado.leg.br/web/atividade/materias/-/materia/150639>

³² Available at <http://comexstat.mdic.gov.br/>

³³ Available at <https://sistemasweb.agricultura.gov.br/>

³⁴ Available at <https://www.trase.earth/>

³⁵ Available at <https://www.aei.org/china-global-investment-tracker/>

³⁶ Available at https://www.thedialogue.org/map_list/

³⁷ Available at <https://www.cebc.org.br/investimentos-chineses-no-brasil/>

³⁸ Available at <https://www.bcb.gov.br/publicacoes/relatorioid>

Different accounts of the same event (e.g., secondary sources, when available, are contrasted with documents from archives and interviews) were sought to mitigate biased interpretations and “presentisms”. In search of narrowing the gap created by the documents that will not be available for consultation, interviews with people who have been directly involved in managing Sino-Brazilian relations were conducted. Semi-structured interviews were preferred, because they tend to reveal pieces of information that are not publicly available. Access to expert interviewees was not always easy due to the positions they hold or have held, which is something common when interviewing the “elite” (Littig 2009, pp. 101-104). Due to the sensible character of some of the information, some interviewees have asked for confidentiality. Interviews have thus been anonymized (Thomson et al. 2005), and “member checks” (Kaiser 2012, p. 463) were made when necessary. Over thirty interviews were conducted with Brazilian and Chinese authorities. At the end of the dissertation, there is a list with my Brazilian interviewees. Most of the Chinese interlocutors asked not to be cited, so I have not named them anywhere.

Methods of analysis

As for methods of analysis, this dissertation has chiefly followed a qualitative historical analysis, which is a methodological approach employing qualitative rather than quantitative measurement, as well as the use of primary historical documents (Thies 2002, p. 352). Qualitative methods tend to be used when the concepts to be studied are better labeled by words than numbers, and are usually performed on a small number of cases. Narrative analysis has been carried out to connect cases’ observations. Quantitative analysis has been conducted occasionally regarding economic data, such as trade and investment, for illustrative or evidentiary purposes. But the relevance of the causal explanation predominantly stems from the presentation of arguments (Ibid, p. 353). Concerning the analysis of primary documents, such as the communication between Brazilian bureaucracies or Brazil-China official plans, the method employed has been qualitative content analysis, since the emphasis on latent meaning makes it more suited for dealing with “how” questions.

Moreover, such analyses have been carried out manually, given that “scholars generally have the interpretative edge over computers” (Pashakhanlou 2017, p. 3). The strength of manual qualitative content analysis stems from its ability to deal with interpretation, contextualization, and nuances in communication.

“What we can learn should always figure more prominently in our set of priorities than the purity of the methods by which we learn it” (Gaddis 2004, p. 109). Based on that premise, and on the presumption that a bilateral relationship, within which dozens of bureaucracies are implicated, exhibits subjective and contingent characteristics, a rigid methodology has been dismissed. Consequently, variables are not sorted into separate categories (e.g., dependent, independent, intervenient). When tracing variables’ interconnections, they are rather considered as interdependent (Ibid, p. 53). This does not mean that the use of theory is rejected, since “[t]heory is above all an instrument of analysis and, depending on what that analysis reveals, can also serve as the basis for interpretation” (Trachtenberg, 2014, p. 30). Theory is ultimately generalization, and without some degree of generalization drawing conclusions regarding the Sino-Brazilian relationship would not be feasible. Generalizations are, however, embedded in the overall narrative. Since explanation is the main concern, generalizations are subordinate to it, in a practice of “particular generalization” (Gaddis 2004, p. 62). This is to say that generalizations will not claim to be universal laws applying in all circumstances, but rather applicable to a specific context. While this work’s findings do not claim to be universal, they shed light on some tendencies or patterns, such as how the foreign policy apparatus of middle powers is responding to the rise of China, or how China is managing to penetrate all corners of developing countries’ bureaucracies, oftentimes bypassing central governments.

Furthermore, two relevant analytical distinctions are drawn: on the one hand, the divergence between governments’ professed intentions and their actual motivations – not least because, according to the Bureaucratic Politics Model, governmental decisions and actions are the result of compromise and competition among actors. On the other, the contrast of the government's formal functioning structure, expressed in laws and regulations, and its actual

operational reality (Farias 2007, p. 25-26), considering that the “reality of power within any administrative structure depends far more on informal lines of influence and power than on formal patterns of authority” (Lee 1991, p. 78).

Regardless of its global aspiration, FPA has been predominantly considered as North American. FPA’s realization as a theoretical enterprise, however, can only be achieved if it is capable of moving beyond its North American origins (Brummer and Hudson 2015, p. 3-10). Specifically, the Bureaucratic Politics Model was originally developed by Allison (1969) while studying the functioning of the US political system in the context of the Cuban missile crisis. Accordingly, one of the main critiques of the Bureaucratic Political Model is that it is “too closely tied to the American political system, raising questions about the extent of its cross-national applicability” (Jones 2010, p. 8). Conversely, it has been argued that the Bureaucratic Politics Model is particularly pertinent to the study of developing states (Vertzberger 1984; Jeon and Yoon 2006; Duggan 2019, pp. 35-37), given that the political sphere in those countries tends to be closely linked to social and personal relations, with the prevalence of cliques, and the absence of consensus on which are the legitimate ends and means of political action. As a consequence, “developing nations [...] whose bureaucratic systems are often heavily linked to the interests of a particular sector of society, are more applicable to the BPM [Bureaucratic Politics Model] than Western states” (Duggan 2019, p. 36). This is arguably the case of Brazilian bureaucracies, such as the Ministry of Agriculture and the Ministry of Development, Trade and Industry, whose positions are closely associated with the interests of Brazil’s landowners and industrialists, respectively. For instance, Brazil’s Ministers of Agriculture oftentimes are important landowners, which for instance has been the case of ministers Katia Abreu (2015-2016)³⁹, Blairo Maggi (2016-2019)⁴⁰, and Carlos Fávaro (2023-)⁴¹.

³⁹ Redação Época. 2016. “Kátia Abreu.” *Época*, August 25, 2016.

<https://epoca.globo.com/tudo-sobre/noticia/2016/08/katia-abreu.html>.

⁴⁰ Craide, Sabrina. 2016. “Ministro Da Agricultura, Maggi é Um Dos Maiores Produtores de Soja Do País.” *Agência Brasil*, December 5, 2016.

<https://agenciabrasil.ebc.com.br/politica/noticia/2016-05/ministro-da-agricultura-maggi-e-um-dos-maiores-produtores-de-soja-do-pais>.

⁴¹ Ministério da Agricultura e Pecuária. 2024. “Carlos Henrique Baqueta Fávaro.” 2024.

<https://www.gov.br/agricultura/pt-br/composicao/ministro-e-staff/carlos-henrique-baqueta-favaro>.

Plan of the dissertation

This dissertation explores the complexities and dynamics of Sino-Brazilian relations from a bureaucratic politics perspective, examining how various Brazilian bureaucracies interact, compete, and influence foreign policy decisions concerning China. As mentioned, the research employs the Bureaucratic Politics Model within the Foreign Policy Analysis framework, providing a lens through which to understand the domestic forces shaping Brazil's approach to China, a critical partner in economic and political spheres.

Chapter 1 examines the historical evolution of Sino-Brazilian relations, covering key events and transformations since the establishment of diplomatic ties in 1974. The chapter begins with an overview of the geopolitical context during the military regime in Brazil and the Cultural Revolution in China, setting the foundation for initial diplomatic interactions. The narrative moves through the 1980s, exploring the incremental steps that culminated in the establishment of the Brazil-China Earth Resources Satellite (CBERS) program, which symbolized South-South cooperation. The 1990s marked a shift as both countries pursued market policies, leading to increased bilateral trade and the establishment of a strategic partnership. This chapter also traces the influence of Brazilian bureaucracies over time, examining how they grew from a few actors, like Itamaraty and Planalto, to a complex web of bureaucracies with varying degrees of power and influence. The chapter ends by mapping these actors, assessing which bureaucracies exert the most influence over Brazil's China policy, and describing how these relationships have evolved.

Moving to Chapter 2, the focus shifts to political dynamics, particularly how conflicts among Brazilian bureaucracies are resolved. It explores the processes by which bureaucratic conflicts over China policy are managed, with an emphasis on the presidential role in arbitrating between conflicting interests. This chapter demonstrates the importance of presidential influence, especially given Brazil's tradition of strong executive power. It also explores the occasional role of Parliament as a veto player, especially when legislative interests clash with those of the executive branch. This chapter dives into the interactions

between Itamaraty and China's Ministry of Foreign Affairs, or Waijiaobu, revealing how diplomatic exchanges are influenced by ideologies and political currents. It also explores the role of advisors who shape the President's stance on China, and how these figures embody the tension between pro-China and anti-China sentiment within Brazil. The chapter ends by examining the debate surrounding China's market-economy status, which remains a point of contention in Sino-Brazilian relations, illustrating how bureaucratic conflicts manifest in policy outcomes.

In Chapter 3, the dissertation addresses economic interactions between Brazil and China, exploring how private and public sector actors influence foreign policy. The chapter provides a detailed analysis of trade and investment flows, demonstrating the complex interdependencies that define the economic relationship between the two countries. Large-scale Brazilian businesses and industry groups are central to this narrative, as their interests often shape policy decisions made by Brazilian bureaucracies. This chapter examines the role of Brazil's National Development Bank (BNDES) and Apex, the country's trade promotion agency, in facilitating – or, at times, complicating – economic ties with China, as well as the bureaucratic challenges that arise in these processes. An in-depth case study of the Valemax vessels provides insights into the bureaucratic hurdles faced by Brazilian firms attempting to navigate Chinese regulations. By contrasting the perspectives and actions of Brazilian and Chinese stakeholders, this chapter elucidates the bureaucratic complexities underpinning Brazil-China economic diplomacy.

Chapter 4 expands on the theme of cooperation in strategic sectors, such as climate change, defense, human rights, and technology. It explores how ideological differences, historical legacies, and organizational interests shape collaborative efforts in these areas. The chapter begins with an analysis of bilateral and multilateral climate cooperation, particularly the dynamics within the BRICS and BASIC coalitions, which have provided platforms for environmental diplomacy. It also discusses the challenges of military cooperation, highlighting the political and bureaucratic reservations in Brazil regarding defense collaboration with China. Another focal point is human rights,

where the stark ideological differences between Brazil's democratic aspirations and China's one-party rule complicate dialogue. The chapter concludes with an examination of technology and high-tech cooperation, particularly around sensitive issues like 5G and vaccine diplomacy. This section provides an analysis of the debates within Brazil over whether to allow Huawei to participate in Brazil's 5G network, revealing the bureaucratic and political forces at play.

The conclusion synthesizes the findings from each chapter, addressing the central research question concerning the channels of Brazil's China policy. It reflects on the importance of understanding the bureaucratic landscape within which foreign policy is made, highlighting how these insights contribute to the broader study of Foreign Policy Analysis. The conclusion also offers recommendations for Brazil's future China policy, emphasizing the need for a more coherent coordination strategy that considers the influence of various bureaucracies. Finally, it suggests directions for future research, particularly the potential for comparative studies on bureaucratic influences in other emerging powers' foreign policies toward China. Through its comprehensive analysis, the dissertation contributes to a deeper understanding of the complexities that define Sino-Brazilian relations in the 21st century, underscoring the importance of bureaucratic politics in shaping foreign policy.

1. History

Which bureaucracies can most influence Brazil's China policy? This is this chapter's central question. Understanding which Brazilian bureaucracies have the strongest connections with China is crucial for outlining the profile of Brazil's China policy and comprehending how China has extended its influence across various Brazilian bureaucratic sectors. To address this, however, I will begin with an overview of the three first three decades of contemporary Brazil-China relations (1974-2004) to provide context for the evolving background that has facilitated the strengthening of these bureaucratic ties. Therefore, section one starts with a historical perspective covering the first three decades of the diplomatic relationship. Diplomatic relations were established during the Ernesto Geisel administration (1974-1979) when Brazil was still under a Military Regime (1964-1985) and China was ruled by Mao Zedong (1949-1976). The section then introduces the commencement of bilateral space cooperation in the 1980s – marking the partnership's first flagship project – alongside the establishment of the strategic partnership in the 1990s, a period characterized by the rise of market practices as both Brazil and China began opening their economies to the world.

Section two further contextualizes Brazil-China relations by delving into the bilateral political-economic relationship in the past two decades, from 2004 to 2024. It sheds light on the reasons why Brazil-China relations have deepened so rapidly in the past two decades to the point they have become inescapable to both parties. The section also examines bilateral and multilateral initiatives brought about by Brazil and China, such as the high-level bilateral committee, the various bilateral plans, as well as the multilateral cooperation within BRICS (Brazil, Russia, India, China, and South Africa), BASIC (Brazil, South Africa, India, and China) and other fora. Additionally, section two examines China's influence on the Brazilian economy, exploring the gradual rise of anti-Chinese sentiment in Brazil from the 2010s onward and how these sentiments have been politically leveraged and transformed into overt Sinophobia during Brazil's 2018 presidential campaign.

Building on the historical and contemporary evidence presented earlier, section three revisits the chapter's central question. To address this, the section examines various documents – including bilateral plans, delegation compositions, international agreements, and cooperation mechanisms – to identify which Brazilian state bureaucracies exert the most influence over the nation's policy toward China.

1.1. Prologue: from 1974 to 2004

Brazil and China established diplomatic relations on August 15th, 1974. Brazil's rapprochement with communist China was decided in President Ernesto Geisel administration (1974-1979), during Brazil's Military Regime (1964-1985), which had anticommunism as one of its foundations. The decision was part of the so-called Responsible and Ecumenical Pragmatism, a foreign policy guideline that provided ideological flexibility for Brazil's international relations. The Geisel administration began right after the 1973 oil crisis, amid a difficult economic context, thus its foreign policy focused on serving Brazil's economic interests (Ricupero 2017, p. 477). Ambassador Antônio Francisco Azeredo da Silveira, Geisel's foreign minister, stressed that, regarding the recognition of PRC, the "the economic aspect had to be emphasized [to those opposing the rapprochement] merely to make the recognition more acceptable. The issue, however, was purely political; the economic dimension would develop in due course." (Spektor 2010). Despite the contrasts between their political systems, Brazil and China shared key principles guiding their foreign policies: a commitment to international autonomy, a strong emphasis on national sovereignty and territorial integrity, and a determination to resist foreign interference in domestic matters (H. A. de Oliveira 2004). Furthermore, Brazil and China alike opposed the US human rights diplomacy, especially strong during the Carter administration (1977-1981); defended South-South cooperation as an alternative for the commercial and technological protectionism from the North; and shared similar views on issues such as the environment and the law of the sea (Pinheiro 1993). Additionally, Beijing enhanced its international influence by rejoining the UNSC in 1971 – a move that occurred despite Brazil voting against it in the UN.

As for China, following the rigid and isolationist phase of the Cultural Revolution (1966-1971), it began to normalize its foreign relations in the 1970s, marked by its rapprochement with Washington and reentry into the United Nations (Shambaugh 2013, p. 39). China diminished its support to revolutionary movements in Latin America and started implementing a foreign policy in consonance with the principle of non-interference in domestic affairs. Brasilia's

decision to establish relations with Beijing came three years after Kissinger's visit, by which time Beijing had already begun to normalize its international relations. The Brazilian initiative was more of an *aggiornamento* of an outdated, ideological foreign policy guideline than a groundbreaking decision, not least because other nations, including Latin American ones, had already established diplomatic relations with Beijing (Ricupero 2017, p. 480). As noted, Brazil was under a military dictatorship characterized by strong anti-communist sentiments, and Geisel and Silveira – who adopted a more pragmatic, less ideologically driven foreign policy approach – had to contend with resistance from segments of the military leadership within the National Security Council (CSN). This faction feared that establishing relations with Beijing could potentially foster the spread of communism within Brazil (Pinheiro 1993). Against this backdrop, Sino-Brazilian relations initially progressed at a slow pace, hindered by internal challenges faced by both countries, limited resources to strengthen South-South cooperation, and the considerable geographical and cultural distance between them (Becard 2011, pp. 32-33).

In the 1970s, the decision-making process of Brazil's nascent China policy was much simpler than what it would eventually become. As Azeredo da Silveira himself maintained, the decision to establish diplomatic relations with China was chiefly political, as the economic exchange at that time was insignificant. The bureaucracies composing the economic apparatus, such as the Ministry of Finance, the Ministry of Planning, and the Ministry of Trade, were not central actors in the decision-making process. Other technical bureaucracies, such as the Ministry of Agriculture, the Ministry of Mining and Energy, and the Ministry of Communications, had even less direct interest in the establishment of diplomatic relations with China, then a poor and isolated country. Even so, an inter-ministerial working group was established – comprising ministries such as Industry, Trade, and Communications – with the goal of fostering a favorable environment for the decision. The report of the workgroup emphasized future economic gains that could stem from the relationship with China (Pinheiro 1993, p. 258), following Geisel and Silveira's

strategy of selling the decision as having economic roots to make it more palatable to the generals in the CSN.

Despite the economic rhetoric, the decision to establish diplomatic relations with Communist China was primarily driven by three key political actors within the foreign policy apparatus of Brazil's Military Regime: the President's Office (Planalto Palace), Itamaraty, and the CSN. While the President's Office and the Ministry of Foreign Affairs are fundamental elements in any foreign policy structure, the prominence of the CSN as a foreign policy player was a distinctive feature of the Military Regime (1964-1985), warranting a closer examination of its role. The CSN was first introduced by art. 162 of Brazil's 1937 Constitution, under President Getúlio Vargas' authoritarian *Estado Novo* ("New State") (1937-1945), aiming to "study all matters related to national security"⁴². With the 1964 military coup in Brazil, the national security policy was substantially altered, and Decree no 54,303 (Sep. 24, 1964) broadened the responsibilities of CSN's General Secretariat, which became also in charge of gathering intelligence. Brazil's authoritarian Constitution of 1967 confirmed CSN's expanded responsibilities, and a number of subsequent Decrees⁴³ have consolidated the powers of the Council, turning it into the "highest-level body directly advising the President of the Republic, in the formulation and execution of the national security policy" (Decree-Law no 900, Sep 29, 1969). Some of Brazil's most powerful decision-makers had a seat at the CSN, including state ministers and the generals in charge of key bureaucracies, such as the National Information Service (SNI), which was the Regime's intelligence agency. Shaped by the US National War College, Brazil's Superior War College (ESG) was established in 1948, in the midst of the emerging Cold War bipolarity. ESG developed Brazil's National Security Doctrine, which was staunchly anti-communist and significantly influenced the worldview of military circles, carrying both domestic and international implications. This doctrine underpinned the regime's efforts to combat communist guerrillas and leftist movements domestically. Shortly after the military coup, Brazil severed relations with Cuba,

⁴² Brazil. n.d. *Brazilian Constitution of 1937*. Accessed July 24, 2022. http://www.planalto.gov.br/ccivil_03/constituicao/constituicao37.htm.

⁴³ Decree-Law no 200 (Feb. 25, 1967); Decree-Law no 348 (Jan. 4, 1968); Decree-Law no 900, (Sep. 29, 1969); Decree-Law no 1135 (Dec 3, 1970); Decree no 69,314 (Oct. 5, 1971).

and the CSN became particularly focused on the country's "Eastern border" (Camilo 2019, pp. 40-42), that is, western Africa, where guerrillas groups with Marxist inclinations, such as the People's Movement for the Liberation of Angola (MPLA), fought for independence.

President Geisel's decision to recognize the PRC was one of the first relevant international actions of his government. It was discussed privately with Azeredo da Silveira at the end of 1973, months before the beginning of the administration, in March 1974. When Ambassador Saraiva Guerreiro arrived in Brasilia to take office as Itamaraty's Secretary-General (i.e., Vice-Minister), he was informed by Azeredo da Silveira, his boss, that the establishment of diplomatic relations with China had already been decided on a "*net varietu* basis", that is, it was not open for discussion (Pinheiro 1993, p. 257). After a decade of military dictatorship, President Geisel announced his administration would implement a "slow, gradual, and safe opening". He was part of the "Castelista" group of Brazil's Armed Forces, which favored the regime's flexibilization, thus opposing the "Hard-Line" group (Chirio 2011). Decreasing CSN's influence was an important part of Geisel's opening process⁴⁴, and Geisel made that clear with the decision to establish diplomatic relations with the PRC, in which "consultation with CSN members was nothing more than a ritual element" (Pinheiro 1993, p. 256). Nonetheless, Geisel and Silveira were compelled to expend considerable political capital on "meticulous work" to persuade the hard-line generals within the CSN of the decision's merits, "even though the decision had already been made long before" (Ibid, p. 259).

In sum, the decision to establish diplomatic relations with the PRC involved two main actors: Geisel and Silveira, who led Planalto and Itamaraty. The bureaucrats of Planalto and Itamaraty, however, were largely sidelined – even Itamaraty's Secretary-General, Ambassador Saraiva Guerreiro, was excluded from the decision-making process. During the Military Regime, the Brazilian Parliament functioned essentially as a rubber stamp for the executive. Ministries in the economic sector, such as the Ministry of Finance and the

⁴⁴ Kornis, Mônica. n.d. "Verbetes Conselho de Segurança Nacional (CSN)." In *CPDOC - Centro de Pesquisa e Documentação de História Contemporânea do Brasil*. Accessed July 24, 2022. <http://www.fgv.br/cpdoc/acervo/dicionarios/verbete-tematico/conselho-de-seguranca-nacional-cs> n.

Ministry of Trade, showed little interest in China, as did technical bureaucracies, like the Ministries of Communications and Agriculture, given China's status as an isolated, poor nation. Aside from the President's Office and the Foreign Ministry, the only other entity with direct interest and formal power in the decision was the CSN, which, nonetheless, Geisel also bypassed.

With the reforms implemented by Deng Xiaoping as of 1978, Chinese foreign policy became less ideological, and economic development was made a priority (Duggan 2019, pp. 48-51). Mao Zedong (1949-1976) distrusted institutions, which led him to circumvent bureaucracies, and implement isolationist and security-based policies (Shambaugh 2021, ch. 7). Deng Xiaoping (1978-1989), a pragmatic reformer and an institutional politician, was the "quintessential organization man" who "worked in– and believed in working through– bureaucratic structures" (Ibid), and thus sought China's insertion into globalization (Lampton 2019, pp. 18-19). Whereas Jiang Zemin (1993-2003) and Hu Jintao (2003-2013) implemented conciliatory foreign policies that allowed the country's economic rise, Xi Jinping (2013-) has adopted more assertive postures. As time passed, the role of the supreme leader changed. From Mao to Hu, each leader was politically weaker than his predecessor, often having to seek consensus and manage an increasingly complex foreign policy agenda. This trend was reversed with Xi, who has concentrated more power than his predecessors (Zhao 2023; Swaine 2018). Nevertheless, Chinese foreign policy decision-making has become more complex, since it has many more stakeholders than a few decades ago (Duggan 2019, pp. 61-63). The 12th National Congress of the Communist Party of China in 1982 announced that Chinese foreign policy would seek the material means for economic reform, and relations with other countries would be guided by their potential to contribute to China's development (Shambaugh 2013, p. 40). Hence, throughout the 1980s, China and Brazil signed more than 20 bilateral agreements, providing an institutional framework for their partnership. Nonetheless, economic flows in the period were still under their potential due to transportation and infrastructure problems (Becard 2011, p. 33-34).

Presidents João Batista Figueiredo (1979-1985) and José Sarney (1985-1990) visits to China, in 1984 and 1988 respectively, have raised Sino-Brazilian relations to a new level (Ibid). During the late 1980s, the parties managed to convert their will of autonomy into concrete measures. In 1988, the Brazil-China Earth Resources Satellite (CBERS) project was launched, and it remains operational to this day⁴⁵. At its inception, the CBERS project marked a milestone in South-South scientific cooperation and served as the primary channel of engagement between China and Brazil for many years. In the 2000s, the CBERS project gradually lost its central role as other aspects of the partnership, such as trade and investment, gained prominence. Additionally, the Chinese space program advanced at a much faster pace than Brazil's, further diminishing CBERS's significance⁴⁶. Both China and Brazil ended the 1980s facing difficulties. Despite its return to democracy, Brazil faced significant economic instability, marked by high inflation and substantial external debt. Meanwhile, China's repressive response to the 1989 Tiananmen Square protests, combined with the collapse of socialism following the fall of the Soviet Union, left it increasingly isolated on the international stage as the 1990s began. Until 1993, Sino-Brazilian relations were characterized by a contradictory situation: although a strong political and diplomatic dialogue had been established, it had yet to translate fully into cooperation and trade (Becard 2011, p. 35).

The Itamar Franco administration (1993-1995) actively strengthened relations with Asian countries, particularly China, recognizing opportunities for market expansion and technological and scientific cooperation. By the 1990s, the positive political dialogue between Brazil and China had begun to translate into a flourishing trade relationship. The first reference to a "strategic partnership" emerged during Vice-Prime Minister Zhu Rongji's visit to Brazil in late May 1993. While traveling from Itaipu to São Paulo, Roberto Abdenur, who served as the Brazilian ambassador to China from 1989 to 1993, proposed that

⁴⁵ For a thorough analysis of the Cbers program, see Ribeiro (2019).

⁴⁶ Interview with Clodoaldo Hugueneu Filho, Brazilian Ambassador to China (2008-2013). 2014, p. 7. Clodoaldo Hugueneu Filho (depoimento, 2014). CPDOC. Kelly de Souza Ferreira; Oliver Stuenkel.

<https://www18.fgv.br/cpdoc/acervo/historia-oral/entrevista-tematica/clodoaldo-hugueneu-filho>.

framing the relationship as a “strategic partnership” could inspire both governments. Zhu embraced the idea and presented it to President Itamar Franco, who endorsed it during a subsequent meeting in Brasilia. The concept was then reinforced through successive visits, most notably during Chinese President Jiang Zemin's official visit to Brazil in November 1993. However, no formal document was issued to officially launch the strategic partnership⁴⁷. According to Ambassador Adenur, “the initial use of this term by a high-ranking authority from one of the two countries was the result of my provocation to Zhu Rongji, rather than a deeper political contemplation from either the Chinese or the Brazilian side”⁴⁸. Nonetheless, the Sino-Brazilian strategic partnership held particular significance, as it was the very first of numerous strategic partnerships that both Brazil and China would go on to establish in the decades that followed. During Fernando Henrique Cardoso's government (1995-2002), Asia, especially China, was seen as crucial⁴⁹. In 1995, Cardoso visited China aiming for the deepening of technological and scientific cooperation, trade flows, and investment⁵⁰. Although the financial crises in Asia (1997) and Brazil (1999) temporarily curtailed bilateral trade and investment, they ultimately drew Brazil and Asia closer, as both sides adopted similar stances in response to these international challenges (Oliveira 2004, p. 15).

In the 1970s, Planalto and Itamaraty were the primary actors in shaping Brazil's China policy. However, this dynamic began to shift gradually as the

⁴⁷ Response to request for access to information. Protocol number 09002.000641/2021-51. Registration date 03/24/2021: "After research in the digital archive of the units of the Department of China and a request to the Communication and Archive Division that did not identify the requested document in the Itamaraty archives, the extension of the deadline for responding to the request was used to investigate the existence of the document that would have established the Brazil-China strategic partnership. [...] The lack of a formal document launching the strategic partnership was confirmed."

⁴⁸ Interview with Roberto Abdenur, Brazilian Ambassador to China at the time of the establishment of the strategic partnership, in Biato Junior, Oswaldo. 2010. "A Parceria Estratégica Sino-Brasileira: Origens, Evolução e Perspectivas (1993-2006)", pp. 271-2, Brasilia: Funag.

⁴⁹ Fernando Henrique Cardoso. 1995. "Discurso de Posse". Brasilia, Brazil. <http://www.biblioteca.presidencia.gov.br/publicacoes-oficiais/catalogo/fhc/discurso-de-posse-1995>. (pp. 18-19)

⁵⁰ Fernando Henrique Cardoso. 1995. "Discurso Por Ocasão Da Visita Oficial à República Popular Da China.". Beijing, China. <http://www.biblioteca.presidencia.gov.br/presidencia/ex-presidentes/fernando-henrique-cardoso/discursos/1o-mandato/1995-1/113%20-%20Discurso%20por%20ocasio%20da%20visita%20oficial%20a%20Republica%20Popular%20da%20China%20-%20China%20-%20Pequim%20-%20013-12-1995.pdf/view>.

partnership became more institutionalized over the following decades. Brazil's Ministry of Science and Technology, established during the José Sarney administration (1985-1989) by Decree no. 91,146 (March 15, 1985), emerged as the central agency overseeing science and technology within the federal system. With the launch of the CBERS project in 1988, space cooperation became a cornerstone of Sino-Brazilian relations, thereby elevating the Ministry of Science and Technology's role. By the 1990s, as China rose as a significant economic player, emerging bilateral interests – and challenges – began to take shape, foreshadowing the dynamics of the 2000s. Brazilian private sector actors, recognizing China's potential, started to view it as a crucial market. For instance, Brazilian construction companies sought involvement in China's major infrastructure projects, notably the Three Gorges Dam, influenced by China's admiration for Brazil's Itaipu Dam. Yet, Brazil's construction firms misjudged Brasilia's influence and underestimated Chinese nationalism. While China prioritized modern energy infrastructure, it kept foreign involvement minimal, viewing these projects as tied to national security and fostering domestic champions like State Grid. Brazilian companies were limited to consulting roles with modest returns, and within a few years, they closed their China offices and returned to South America (Santoro 2022, pp. 37-38). China already had a strong interest in Brazil's mineral and agricultural exports, thus directly involving the Ministry of Mining and Energy and the Ministry of Agriculture. Bilateral trade was also surging, with Brazilian exports to China doubling during the Cardoso administration. This growth drew increased attention from economic ministries, such as Finance and Trade, toward China. Simultaneously, concerns arose within Brazil's trade defense authorities over Chinese imports, particularly regarding dumping and unfair practices in the textile sector (Ibid, p. 39).

In sum, as China's economy grew and Sino-Brazilian relations broadened, new actors began shaping Brazil's China policy. While Itamaraty and Planalto were the primary players in the 1970s, by the 1990s, this landscape had evolved to include other key bureaucracies with vested interests in China, such as the Ministries of Science and Technology, Finance, Trade, and Agriculture.

1.2. Current Affairs: from 2004 to 2024

The presidencies of Hu Jintao in China and Luiz Inácio Lula da Silva in Brazil, from the early 2000s to 2010, marked an important period in bilateral relations. During this decade, shared strategic goals and complementary economic needs contributed to a closer partnership, as mentioned in the Introduction. Under Hu and Lula, the relationship expanded beyond trade to encompass broader strategic dimensions. Economically, China's industrial growth and demand for raw materials aligned with Brazil's resource exports, particularly in soybeans, iron ore, and oil, while Brazil increasingly imported Chinese manufactured goods. By 2009, China had become Brazil's largest trading partner, overtaking the United States, as will be explored in detail in Chapter 2. Politically, both nations sought to increase developing countries' representation on the global stage and worked together in multilateral forums. In the post-Cold War era, Brazil and China have shown increasing interest and ability to influence UN norms, despite their initially divergent approaches within the United Nations system. Brazil and China often aligned their voting patterns at the UN General Assembly, reflecting a convergence in multilateral affairs (Ramanzini and Ribeiro 2013). However, their influence in shaping normative debates primarily originated from their South-South cooperation programs outside the UN framework (Erthal Abdenur 2014). Indeed, their roles in groups such as BRICS and the G20 aimed to expand their influence and advocate for a more multipolar world order, diverging from the traditionally Western-dominated system.

The bilateral relationship was further institutionalized through numerous high-level exchanges and agreements that established a foundation for sustained cooperation. The state visits exchanged between Lula and Hu in 2004 were marked by the signing of a wide array of bilateral agreements, covering areas such as space exploration, education, and agriculture. As previously mentioned, a key milestone was the creation of the Brazil-China High-Level Coordination and Cooperation Committee (COSBAN) in 2004, which provided a structured mechanism for this comprehensive partnership, seeking

strategic alignment between both nations. The Hu Jintao-Lula era was transformative for Brazil-China relations, marked by the alignment of economic and political goals that elevated the bilateral partnership to unprecedented levels. However, as will be examined later, certain challenges persisted: China did not support the Lula administration's primary international objective of securing a permanent seat on the UNSC; likewise, Brazil never formally recognized China as a market economy – China's main objective in the global economic arena after joining the WTO in 2001 – despite having announced its intention to do so.

During the Rousseff administration (2011-2016), criticism of Brazil-China relations intensified (Shambaugh 2013, p. 92), particularly concerning the risk of Brazil's deindustrialization. This concern fostered anti-Chinese sentiment among Brazilian political elites across both the right and the left. A section of the Workers' Party, for instance, was bothered by the fact that China was rapidly seizing market shares in Brazil's strategic sectors (Becard and Lessa 2021). This, in turn, hindered Chinese investments, notably in the energy sector, as was the case with State Grid's intentions to buy shares of Brazilian energy companies (Becard, Lessa, and Silveira 2020). Brazil's agricultural sector has also experienced an increase in anti-Chinese feelings, despite China being its main export market. Large Chinese investments in Brazilian farmland negotiated between 2009 and 2011 caused a backlash against the "foreignization" of Brazilian lands (G. de L. Oliveira 2018). These investments were met with criticism as they exacerbated social inequalities, marginalized traditional communities, and contributed to environmental degradation, often sidestepping existing legislation and government regulations (G. de L. Oliveira 2019). Furthermore, the rise in agricultural exports to China, particularly soybeans, has led to significant environmental and social impacts in Brazil. These include deforestation, water pollution from pesticide use, rural exodus – especially from peri-urban family farms – and the expansion of an industrialized food system with associated public health concerns (Ibid). Yet, as President Rousseff's government started to face political and economic difficulties, notably as of 2013, the resistance towards Chinese capital diminished. Amid the

Brazilian crisis that would eventually result in Rousseff's impeachment, Chinese state-owned companies had the chance to acquire relevant positions within the Brazilian energy sector. In the final years of Rousseff's administration, the partnership with China was played as a political asset (Becard, Lessa, and Silveira 2020). That was the case of China's Prime Minister Li Keqiang visit to Brasilia in 2015, when 35 agreements were signed, totaling over US\$50 billion in cooperation projects⁵¹.

As of Brazil's 2018 presidential campaign, Brazil-China relations have gained centrality in the country's public debate. Although there previously were signs of resistance to Chinese presence in strategic sectors of the Brazilian economy, Sinophobia has become instrumental in the run-up to Brazil's 2018 elections, a political strategy especially deployed by then-candidate Jair Bolsonaro. As a pre-candidate, Bolsonaro traveled to Asia, in which opportunity he visited South Korea, Japan and Taiwan. In response to the visit to Taiwan, the Chinese embassy in Brasilia released a public note in which it expressed its "deep concern and indignation at the visit, which not only affront[ed] China's sovereignty and territorial integrity, but possibly also cause[d] turmoil in the Brazil-China Global Strategic Partnership [...]"⁵². Since then, attacking China has become a political strategy for electoral purposes, as the rise of China has made it a convenient scapegoat for populist politicians⁵³. Indeed, with President Bolsonaro's rise to power in 2019, Brazil-China relations became unstable. Brazil's nationalist right, of which Bolsonaro is a key representative, has three primary lines of criticism regarding the relationship with China: economic policy, marked by concerns over protecting Brazilian industry and trade; national security, with fears about Chinese control of strategic infrastructure and natural resources; and cultural identity, which promotes Brazil's ideological alignment

⁵¹ Dias, Marina, and Flávia Foreque. 2015. "Brasil e China Confirmam Acordos de Mais de US\$ 53 Bi e Ajuda à Petrobras." *Folha de São Paulo*, 2015. <https://www1.folha.uol.com.br/mercado/2015/05/1630920-brasil-e-china-assinam-acordos-de-mais-de-us-53-bilhoes.shtml>.

⁵² Cobra, Amanda. "República Popular da China critica Bolsonaro por sua visita a Taiwan." *Poder360*, March 9, 2018. <https://www.poder360.com.br/brasil/republica-popular-da-china-critica-bolsonaro-por-sua-visita-a-taiwan/>.

⁵³ Stuenkel, Oliver. "China's Diplomats Are Going on the Offensive in Brazil." *Foreign Policy* (blog). Accessed May 21, 2022. <https://foreignpolicy.com/2020/05/15/chinas-diplomats-are-going-on-the-offensive-in-brazil/>.

with the West to defend Christianity (Santoro 2022, pp. 132-141). Ambassador Ernesto Araújo (2019-2021), Bolsonaro's first Foreign Minister, was the epitome of the administration's anti-China posture. Like President Bolsonaro himself, Araújo openly criticized and had a difficult relationship with China's ambassador in Brasilia, Yang Wanming⁵⁴. In a speech at Rio Branco Institute, Brazil's diplomatic academy, in 2019, Araújo maintained that Brazil was not willing to "sell its soul" to export soy to China and associated Brazil's economic stagnation in recent years with the country's closer economic ties to Beijing⁵⁵. However, while Sino-Brazilian political relations rapidly deteriorated, bilateral trade peaked year after year during the Bolsonaro administration. This incongruity, coupled with Araujo's unwillingness to negotiate with China amid the Covid-19 pandemic to obtain medical supplies, such as vaccines and ventilators, led to growing pressure from society and organized groups with economic ties to China, especially agribusiness, which was eventually echoed in Parliament, prompting his dismissal⁵⁶, as will be examined in Chapter 4. This is evidence of the importance of the Chinese market to the Brazilian economy, to the point that Bolsonaro had to moderate his ideologically motivated aversion to China (Thives, Søndergaard, and Inoue 2022a). Even though Bolsonaro and his entourage still denounced China, Ambassador Carlos França, Araujo's successor as Brazil's Foreign Minister (2021-2022), adopted a more discreet and conciliatory posture⁵⁷.

Bilateral policies implemented under the "win-win principle" have predominantly favored Chinese interests (Becard and Søndergaard 2019).

⁵⁴ Julio Wiziack and Ricardo Della Coletta. "China Ignora Pedidos de Bolsonaro Por Troca de Embaixador No Brasil - 14/02/2021 - Mundo - Folha." *Folha de S. Paulo*, February 14, 2021. <https://www1.folha.uol.com.br/mundo/2021/02/china-ignora-pedidos-de-bolsonaro-por-troca-de-embaixador-no-brasil.shtml>.

⁵⁵ Folha de S. Paulo. "A Novos Diplomatas, Araújo Diz Que País 'não Venderá Alma' Para Exportar Minério de Ferro e Soja" March 11, 2019. <https://www1.folha.uol.com.br/mundo/2019/03/a-novos-diplomatas-araujo-diz-que-pais-nao-ven-dera-alma-para-exportar-minerio-de-ferro-e-soja.shtml>.

⁵⁶ Phillips, Tom. "Brazil's Foreign Minister, Who Bashed China and Praised Trump, Resigns." *The Guardian*, March 29, 2021, sec. World news. <https://www.theguardian.com/world/2021/mar/29/brazil-foreign-minister-ernesto-araujo-resigns>.

⁵⁷ Flavia Said. "Chanceler Carlos França diz que crescimento da China é bom para Brasil." *Metrópoles*, May 6, 2021. <https://www.metropoles.com/brasil/politica-brasil/chanceler-carlos-franca-diz-que-crescimento-d-a-china-e-bom-para-brasil>.

While the Brazilian government has succeeded in institutionalizing the strategic partnership through joint action plans, it has primarily supported the interests of a few large companies, such as Embraer, Vale, and Petrobras. This focus has come at the expense of industrial exports from small and medium-sized enterprises (SMEs), which have not received the political attention or financial resources needed to enhance their competitiveness (Ibid). As a result, Magalhães (2018) argues that current Brazil-China economic relations mirror the pattern of Brazil's past relationships with colonial powers: foreign investments are largely concentrated in natural resources and agriculture, with an emphasis on manufactured imports and basic exports, while investments in infrastructure and manufacturing rely heavily on the potential for bilateral political negotiations. In this respect, Brazil's international trade has come to resemble its structure from the early 20th century. Against this backdrop, Abdenur (2019) argues that Brazil must wisely navigate the "ripple effect" of China's Belt and Road Initiative (BRI), otherwise it risks being pushed toward a reinforced peripheral position, since the BRI has already started to rearrange the world's economic geography, pivoting to Greater Eurasia (Ibid).

While broadening economic ties have, to some extent, pushed Brasilia towards Beijing, there still are various contending stances between China and Brazil (Blanchard 2019). Brazil has positioned itself contrary to Chinese interests on several occasions, such as nuclear non-proliferation⁵⁸, the expansion of the CSNU (Pereira and de Castro Neves 2011), and more recently the Venezuela crisis (Abdenur 2019, p. 165). Whereas China originally accepted Brazil's bid for a permanent seat on the UN Security Council, it immediately opposed the plea when it was collectively launched in 2005 with India, Japan, and Germany, under G-4, since the former two are China's regional rivals (Pereira and de Castro Neves 2011, p. 9). China is a nuclear power, while Brazil has opposed the Non-Proliferation Treaty for decades for considering it discriminatory – although it finally signed it in 1998 –, and more recently has led negotiations for the Treaty on the Prohibition of Nuclear

⁵⁸ "Brazil and the Treaty on the Prohibition of Nuclear Weapons." n.d. ICAN. Accessed April 29, 2022. <https://www.icanw.org/brazil>.

Weapons in 2017⁵⁹. Brasilia and Beijing were also on opposite sides in the Venezuela crisis during the Temer (2016-2018) and the Bolsonaro (2019-2022) administrations, which recognized Juan Guaido's government and withdrew its diplomatic staff from Venezuela⁶⁰; China has been one of Maduro's main supporters⁶¹. Brazil's disapproval of Chinese economic policies was especially clear in Brazil's non-implementation of its recognition of China's market economy status, as will be discussed in Chapter 2, as well as in the dismantling of the joint-venture between Embraer and AVIC II (Santoro 2022, p. 93), which inspired a Chinese state-owned sister company, AVIC I, to "develop a regional jet that was eerily similar to the Brazilian company's model"⁶². Furthermore, Brazil and China have competed for influence in Africa, especially during the Workers' Party administration, when Brazil had a more active African policy (Abdenur 2015). Brazilian presence in Africa was especially relevant in Lusophone countries, where the Workers' Party promoted Brazil's "national champions", including Petrobras in Angola's oil sector and Vale's Moatize coal project in Mozambique. Given that China had far more resources than Brazil, Brazilian officials and private companies saw China's checkbook diplomacy as a potential threat to their interests in the region⁶³. Brazilian authorities, including President Rousseff⁶⁴ and Guido Mantega⁶⁵, her minister of Finance, have also

⁵⁹ Paola de, Orte. 2017. "Brasil assina Tratado para Proibição de Armas Nucleares." Agência Brasil. September 20, 2017. <https://agenciabrasil.ebc.com.br/internacional/noticia/2017-09/brasil-assina-tratado-para-proibicao-de-armas-nucleares>.

⁶⁰ Aranha, Carla. 2020. "Brasil Retira Todos Os Diplomatas Da Venezuela e Tranca Embaixada | Exame." April 17, 2020.

<https://exame.com/brasil/brasil-retira-todos-os-diplomatas-da-venezuela-e-tranca-embaixada/>.

⁶¹ Guevara, Cristina. 2020. "China's Support for the Maduro Regime: Enduring or Fleeting?" Atlantic Council (blog). January 13, 2020.

<https://www.atlanticcouncil.org/blogs/new-atlanticist/chinas-support-for-the-maduro-regime-enduring-or-fleeting/>.

⁶² Bremmer, Iam. 2013. "The Underappreciated Tensions between China and Brazil." *Reuters*, May 28, 2013, sec. Economic News.

<https://www.reuters.com/article/column-bremmer-india-china-brazil-idINDEE94R0GT20130528>.

⁶³ Ibid.

⁶⁴ Terra. "'Não tem como controlar a política cambial chinesa', diz Dilma," November 4, 2011.

<https://www.terra.com.br/economia/nao-tem-como-controlar-a-politica-cambial-chinesa-diz-dilma,595f95246a40b310VgnCLD20000bbcceb0aRCRD.html>.

⁶⁵ Soares, Pedro. 2011. "Mantega Defende Reforma Global Monetária e Unificação Do Câmbio - Mundo." *Folha de São Paulo*. May 26, 2011.

<https://m.folha.uol.com.br/mundo/2011/05/921240-mantega-defende-reforma-global-monetaria-e-unificacao-do-cambio.shtml>.

publicly criticized China's currency policy, arguing that the country was engaging in currency manipulation to make its exports more competitive.

1.3. Pulling and Hauling: Main actors in Brazil's China policy

This section will examine this chapter's research question: which bureaucracies hold the most influence over Brazil's China policy? It introduces the primary actors involved, analyzing their organizational roles in relation to China through the lens of the bilateral plans within the Sino-Brazilian strategic partnership, the COSBAN structure and delegations, and the international agreements signed between the two countries.

In this study, Brazil's China policy is not understood as a governmental strategy devised by a unitary, rational actor, but rather the result of inter-bureaucratic dynamics and sectoral interests. An examination of the bilateral plans guiding the strategic partnership reveals the involvement of numerous state bureaucracies in the bilateral relationship. Table 1 presents these bureaucracies based on the examination of the Brazil-China Strategic Plan (2022-2031). Of the 17 federal ministries in Brazil's executive branch when the Strategic Plan was approved in 2022, 12 were referenced within it. Additionally, other entities, including Parliament and subnational actors (such as Brazilian states), are also mentioned. This indicates that approximately 7 out of 10 executive branch agencies were involved in Brazil-China relations to the extent that they were expected to cooperate with China as part of their organizational role. This level of involvement is notable, especially given that many of these agencies are primarily focused on domestic affairs.

Table 1 - Brazilian bureaucracies in Brazil-China Strategic Plan (2022-2031)⁶⁶

Bureaucracy ⁶⁷	Mention
President and Vice President's Office	"Since the establishment of diplomatic relations between Brazil and China in 1974, Sino-Brazilian relations have developed, under the guidance of the Heads of State of both countries, in a constant, harmonious and stable manner, generating significant results for your people. The Parties assess that high-level contacts and political dialogue between Brazil and China remain fluid and regular and highlight their importance for advancing the bilateral agenda. They will continue to encourage exchanges of official visits, exchanges and dialogue between the authorities of the two countries, increasing mutual political trust and constantly consolidating the political basis of Sino-Brazilian relations, with a view to deepening and strengthening the Global Strategic Partnership." §8
Ministry of Foreign Affairs	"The Parties agree to expand and enhance cooperation between the Ministry of Foreign Affairs of Brazil and the Ministry of Foreign Affairs of China. They recognize the role of the Global Strategic Dialogue (DEG) between Chancellors as a platform for the regular, direct and in-depth exchange of insights on bilateral relations and international and regional issues. Agree to convene the Global Strategic Dialogue, at chancellor level, annually or at a frequency defined by the Parties. They will continue to hold, within the framework of the DEG, meetings of sectoral dialogues on thematic areas and regional and multilateral issues." §9
Ministry of the Economy (Ministry of Finance and Ministry of Development, Industry and Trade)	"Economic and commercial cooperation, on an equal basis and in line with the national interests of Brazil and China, should generate mutual benefits for the Parties. By contemplating actions that incorporate sustainable development objectives, the cooperation will seek the prosperity and well-being of the societies of both countries." §14 "The Parties will stimulate, for their mutual benefit, economic and financial opportunities, seeking to increase trade flows, as well as investments, in accordance with their respective interests, priorities and legislation. [...] They will maintain dialogue on economic policy and cooperation in multilateral forums. They will seek to ensure permanent dialogue, at all levels, with a view to standardizing procedures, overcoming specific difficulties, resolving doubts and finding solutions to specific financial and commercial concerns. The Parties will adequately manage differences in the commercial area through dialogues and consultations, whenever possible." §15

⁶⁶ From the Bolsonaro (2019-2022) to the Lula (2023-2026) administration, there has been an important ministerial reform (Law No. 14,600, June 19, 2023) that significantly increased the number of ministries. However, this table reflects the administrative organization of 2022, the year in which the Strategic Plan (2022-2031) was approved.

⁶⁷ If there were organizational changes from the Bolsonaro administration to the Lula administration, the new relevant bureaucracies are indicated in parentheses.

<p>Ministry of Agriculture, Supply and Livestock</p>	<p>"The Parties will work to ensure the stability of agricultural trade, taking into account its importance both economically and in terms of food security. They will make efforts to promote the export of agricultural and animal products produced in a sustainable manner and respecting the best standards of health and safety. They undertake to formulate and implement, in a scientific and minimally trade-restrictive manner, sanitary and phytosanitary measures, technical norms and compliance requirements, in line with the rules and standards established by the international organizations of reference." §18</p> <p>"To ensure the fluidity of their commercial exchange, the Parties will encourage the adoption of customs procedures, trade facilitation measures and procedures for the marketing of products and services that are agile, transparent and efficient in their respective markets." §19</p>
<p>Ministry of Mines and Energy</p>	<p>"The Parties will endeavor to deepen cooperation in renewable energies (including biofuels), nuclear energy, oil and gas, hydrogen and mining, through the promotion of cooperation in the area of investments in production and supply chains, technical cooperation and scientific, technological and regulatory exchange in areas of mutual interest." §23</p>
<p>Ministry of Health</p>	<p>"The Parties consider the partnership between the two countries to be successful in dealing with the COVID-19 pandemic and agree on the importance of bilateral cooperation in the area of health. Agree to work to enhance and expand the scope of collaboration in this domain" §25</p>
<p>Ministry of Science, Technology and Innovations</p>	<p>"The Parties will promote industrial and productive cooperation initiatives aimed at increasing productivity and competitiveness in both countries. They welcome technological innovations aimed at a more efficient, safe and environmentally sustainable production, in accordance with the best international practices. They encourage the exchange of information, with a view to promoting bilateral regulatory cooperation." §17.</p> <p>"Recognizing the centrality of cooperation in science, technology and innovation to deepen opportunities between their economies, the Parties will work together to fully exploit their technological and industrial potential." §29</p> <p>"The Parties will explore opportunities for entrepreneurship among their technology parks, incubators and investment funds in technology and innovation, with an emphasis on creating "startups" and encouraging the sharing of information about their respective technology, development and innovation ecosystems." §31</p>
<p>Brazilian Space Agency</p>	<p>"The Parties will continue their pioneering cooperation in the space area. Consultations and negotiations will begin for the Space Cooperation Plan 2023-2032 between Brazil and China and will intensify discussions on cooperation projects in satellites and their applications within the scope of CBERS, taking into account, in a comprehensive way, the economic feasibility and trends technologies, with an emphasis on increasing the capacity of spatial technology to support the socio-economic development of the two countries. They will also favor dialogue and cooperation on issues related to the international governance of outer space." §32</p>

Ministry of Infrastructure	<p>"The Parties will work to promote investment facilitation, expand reciprocal investment flows, in order to pursue new economic opportunities, including through public-private infrastructure partnerships." §21</p> <p>"The Parties will encourage cooperation in the infrastructure and transport sector, through the promotion of investments, technical cooperation and technological and regulatory exchange, and will intensify the exchange of experiences and good practices, in order to enhance the infrastructure sector as an inducer of economic development." §22</p>
Ministry of Communications	<p>"The Parties will encourage cooperation in the infrastructure and transport sector, through the promotion of investments, technical cooperation and technological and regulatory exchanges, and will intensify the exchange of experiences and good practices, in order to enhance the infrastructure sector as an inducer of economic development." §22</p> <p>"The Parties agree that the structure of COSBAN will be as follows: [...] 6. Subcommittee on Industry, Information and Communication Technology - Digital Technology and Industrial Transformation Work Group" Annex 1</p>
Ministry of Education	<p>"The Parties will seek opportunities to deepen cooperation in education and sports, including through technical, scientific and professional exchanges." §26</p>
Ministry of Tourism/Special Secretariat of Culture (Ministry of Culture)	<p>"[The Parties] will stimulate cooperation and investment in the areas of tourism and culture, as well as cooperation and exchange in the area of cultural heritage, recognizing their importance for sustainable development and mutual knowledge among their peoples." §26</p>
Ministry of Defense	<p>"The Parties will continue to support dialogue and cooperation between their legislative bodies and political parties, as well as in the areas of defense and justice." §13</p>
Ministry of Justice	<p>"The Parties will continue to support dialogue and cooperation between their legislative bodies and political parties, as well as in the areas of defense and justice." §13</p>
Ministry of the Environment	<p>"Economic, social and environmental sustainability is a primary objective to be actively sought and promoted in a transversal way in all spheres of bilateral interaction, aiming at economic development, prosperity and well-being of the societies of both Parties. The parties reiterate their commitment to the implementation of the 2030 Agenda and the Sustainable Development Goals. Brazil welcomes the Global Development Initiative proposed by China as a way to accelerate the implementation of the 2030 Agenda for sustainable development. The two countries will work together to pursue a more robust, green and balanced global development, in a way that leaves no one behind." §3</p>
Parliament	<p>"The Parties will continue to support dialogue and cooperation between their legislative bodies and political parties, as well as in the areas of defense and justice." §13</p>

Subnational actors	"The Parties will support, when requested and within the limits of their legal competences, Brazilian states and Chinese provinces to develop, based on mutual benefits, cooperation and academic debates in the areas of trade promotion, investment and infrastructure, trade in services, electronic commerce, technological innovation, health and other economic-commercial activities, with a view to developing the potential of platforms and institutions to promote trade and investments, such as partnerships between subnational entities of the two countries" §27
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Source: elaborated and translated by the author, based on the Brazil-China Strategic Plan (2022-2031).

As Table 1 shows, the degree to which these Brazilian bureaucracies are expected to cooperate with their Chinese counterparts varies considerably. For instance, whereas the ways the Ministry of Science and Technology and the Ministry of Agriculture should cooperate with China are detailed in the plan, there are just brief mentions of the bilateral cooperation required from the Ministries of Defense and Education. This is evidence that not all actors have the same sway over Brazil's China policy. Hence, other indicators must also be considered to assess the influence of bureaucracies in Brazil's China policy, such as being part of Brazil's delegation to COSBAN's Plenary Sections, controlling COSBAN subcommittees or working groups, and concluding bilateral acts with the Chinese counterpart. Table 2 considers these indicators to assess which Brazilian bureaucracies have had the most contact with their Chinese counterparts, having more leverage over Brazil's China policy. Footnotes in each column clarify how points were allocated. The points are cumulative: for example, if a Ministry oversees three COSBAN subcommittees (worth 2 points each) and two working groups (worth 1 point each), the total in the "COSBAN structure" column will be 8 (i.e., $3 \times 2 = 6$; $2 \times 1 = 2$; $6 + 2 = 8$). To enhance result visualization, the data from Table 2 is also displayed in Figure 4.

Table 2 - Brazilian bureaucracies in Brazil-China relations

No	Bureaucracy	Strategic Plan ⁶⁸	COSBAN delegation ⁶⁹	COSBAN structure ⁷⁰	Bilateral acts ⁷¹	Visits to China ⁷²	Total
1	Ministry of the Economy	3	1	11	6	9	30
2	Ministry of Foreign affairs	3	4 ⁷³	5	11	8	27
3	Ministry of Agriculture, Livestock and Supply	3	2	8	2	11	26
4	Ministry of Science, Technology and Innovations	3	3	3	6	6	21
5	Ministry of Mines and Energy	3	3	2	3	7	18
6	President's Office	3	0	0	5	8	16
7	Vice President's Office	3	3	3	1	3	13
8	Ministry/Secretariat of Culture	1	3	2	4	1	11
9	Ministry of Communications	3	3	2	0	2	10
10	Ministry of Tourism / Embratur	1	3	2	1	2	9
11	Ministry of Justice and Public Security	1	2	0	5	0	8
12	Brazilian Space Agency	3	3	2	n/a	n/a ⁷⁴	8
13	Ministry of Health	1	2	1	2	1	7
14	Ministry of the Environment	3	0	0	2	1	6
15	Ministry of Education	1	2	1	1	0	5
16	Ministry of Infrastructure	3	1	0	0	1	5

⁶⁸ Brazil-China Strategic Plan (2022-2031). Points were given as follows: detailed mention = 3; brief mention = 1; no mention = 0.

⁶⁹ Delegation to the 6th COSBAN Plenary Session (May, 2022), which can be found in Annex III. Points were given as follows: 1st echelon (State Minister or equivalent) = 3; 2nd echelon (Secretary or equivalent) = 2; 3rd echelon (Under-Secretary or equivalent) = 1.

⁷⁰ COSBAN reformed structure as of 2022, which can be found in Annex IV. Points were given as follows: Co-Presidency/Executive-Secretariat = 3; Subcommittee = 2; Working-Group/Mechanism = 1.

⁷¹ Bilateral acts signed between Brazilian and Chinese authorities as of 2000, according to the Concórdia platform. "International acts correspond, according to Brazilian practice, to treaties, agreements, memoranda of understanding, complementary adjustments, conventions or protocols that create norms and regulations." Itamaraty. "Concórdia" July 2022, translated by the author <https://concordia.itamaraty.gov.br/atos-internacionais>. See Annex II for details.

⁷² See Annex I for details.

⁷³ The Ministry of Foreign Affairs had three representatives in the delegation: the Secretary-General (2nd echelon), the Secretary for Asia, the Pacific and Russia (3rd echelon) and the Secretary of Foreign Trade and Economic Affairs (3rd echelon).

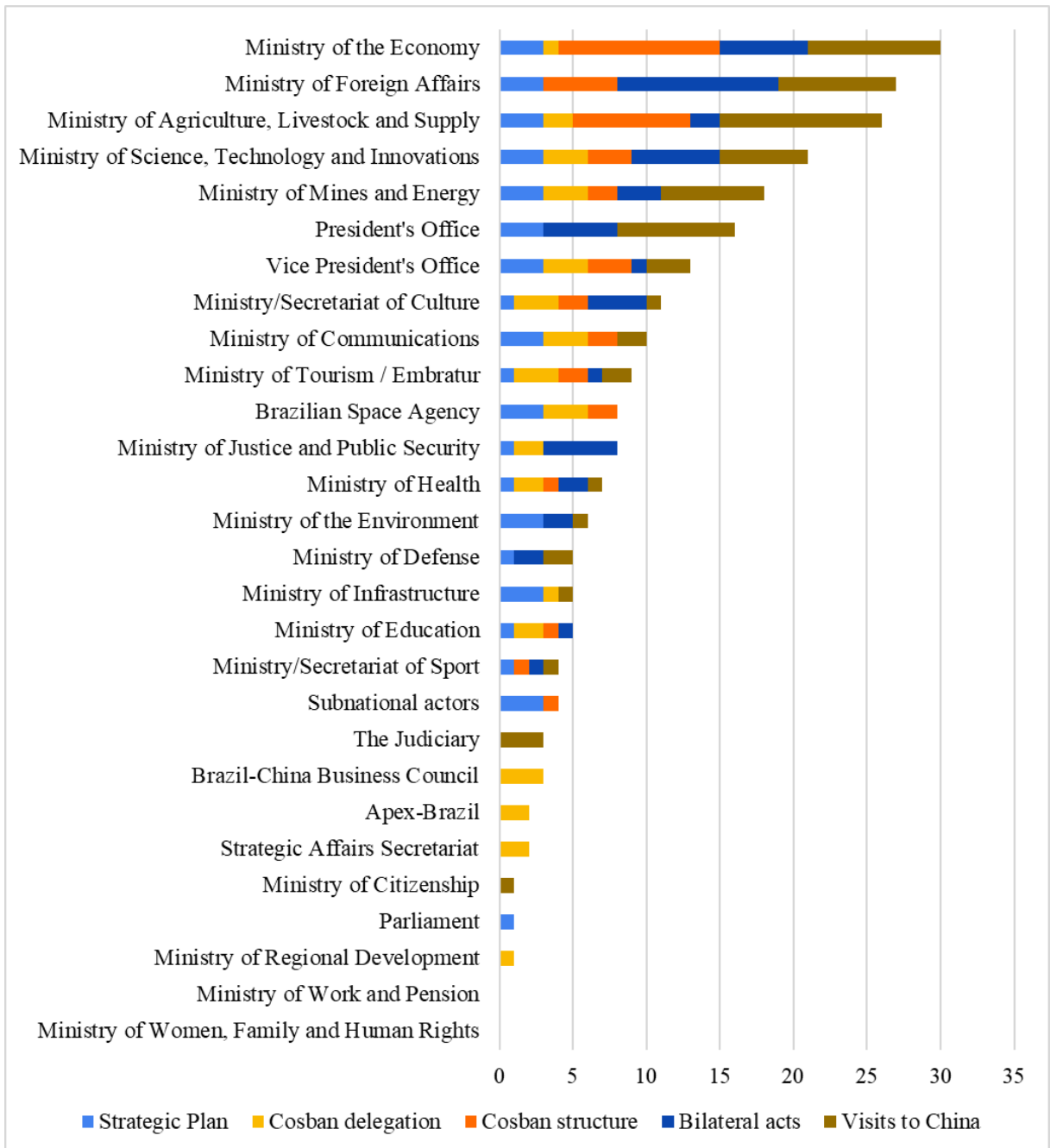
⁷⁴ Acts regarding space cooperation have been signed by the Ministry of Science, Technology and Innovation, of which the Brazilian Space Agency is part.

17	Ministry of Defense	1	0	0	2	2	5
18	Subnational actors	3	0	1	n/a ⁷⁵	n/a	4
19	Ministry/Secretariat of Sport	1	0	1	1	1	4
20	The Judiciary	0	0	0	0	3	3
21	Strategic Affairs Secretariat	0	2	0	0	n/a	2
22	Apex-Brazil	0	2	0	0	n/a	2
23	Ministry of Regional Development	0	1	0	0	0	1
24	Parliament	1	0	0	0	n/a	1
25	Ministry of Citizenship	0	0	0	0	1	1
26	Ministry of Human Rights	0	0	0	0	0	0
27	Ministry of Work and pension	0	0	0	0	0	0

Source: elaborated by the author.

Figure 4 - Brazilian bureaucracies in Brazil-China relations

⁷⁵ "The Brazilian constitutional tradition does not grant the Member States of the Federation the right to conclude treaties. Along these lines, the current Constitution says it is up to the Union to "maintain relations with foreign states and participate in international organizations" (art. 21, item I). For this reason, any agreement that a federal state or municipality wishes to conclude with a foreign State, or a unit thereof that has the power to conclude treaties, must be made by the Union, with the intermediation of the Ministry of Foreign Affairs, arising from its own legal competence." Itamaraty. "Concórdia" July 2022, translated by the author <https://concordia.itamaraty.gov.br/atos-internacionais>.



Source: elaborated by the author.

1.4. Conclusions

This chapter has been essential in identifying the key bureaucracies involved in Brazil's China policy. Its findings will serve as a roadmap for the remainder of the dissertation, which will examine the China policy of specific bureaucracies within the Brazilian state apparatus.

While cooperation with China covers most areas in which coordination with a foreign country is possible, the bureaucracies responsible for the political-economic dialogue, namely the Ministry of Foreign Affairs and the Ministry of the Economy, are the two main actors in today's Brazil's China policy. This has not always been the case. When relations were established in 1974, amid Brazil's Military Regime (1964-1985), the economic exchange was almost non-existent, and the reasons behind the rapprochement were chiefly political. At that time, the Planalto Palace and Itamaraty (i.e., the President and the Foreign Minister) were the primary players in Brazil's emerging China policy. Subchapter 2.1 will examine the China policy directed from the Presidential Palace, while Subchapter 2.2 will focus on the approach from the Foreign Ministry.

Nevertheless, Planalto and Itamaraty faced opposition from other significant political actors, particularly high-ranking military officers within Brazil's now-defunct National Security Council (CSN). Brazil's Armed Forces have long been influenced by the United States, particularly through Brazil's Superior War College (ESG), which was modeled after the US National War College. The anti-communist National Security Doctrine, taught at ESG for decades, has left enduring effects and remains deeply embedded in Brazilian military thinking. While the Armed Forces were unable to act as a veto player in establishing diplomatic relations with China, they have nonetheless managed to delay defense cooperation with a country whose military answers primarily to the Chinese Communist Party rather than the Chinese State. Thus, the Ministry of Defense has been a significant player in shaping Brazil's China policy. However, its interests in the relationship have traditionally been defensive rather than offensive, as will be further examined in Subchapter 4.2.

In the 1980s, the two presidential visits (1984 and 1988) contributed to institutionalizing the relationship. By the end of the decade, the establishment of space cooperation through CBERS in 1988 elevated the Ministry of Science and Technology's importance in Brazil's China policy. To this day, the ministry remains active in COSBAN, participating in Plenary meetings with high-level delegations, organizing regular ministerial visits, signing bilateral agreements, and serving as a key bureaucracy within the Strategic Plan, as shown in Table 2. Subchapter 4.4 will feature a case study on science and technology cooperation, with a specific focus on vaccines and 5G.

From the 1990s and particularly into the 2000s, the partnership adopted a distinctly economic focus. Initially propelled by trade and later by investment – both discussed in Subchapter 3.1 – the economic dimension began to overshadow other facets of the relationship. Over time, finance also emerged as a key factor, as detailed in Subchapter 3.2, which examines the roles of BNDES and the Brazil-China Fund. While other areas retained their absolute significance, they became relatively less prominent as economic indicators hit record highs year after year. Within this framework, bureaucracies dedicated to high-value sectors, such as the Ministry of Agriculture (explored in Subchapter 3.3) and the Ministry of Mines and Energy (explored in Subchapter 3.4), gained prominence and wielded greater influence over Brazil's China policy.

The intense economic exchange between Brazil and China has influenced political dialogue, initially on a bilateral level with the establishment of COSBAN in 2004, and later on a multilateral scale with the founding of BRICS in 2009. This strengthened political dialogue has, in turn, affected both Brazil's China policy and China's Brazil policy, effectively shielding sensitive areas – such as the environment and human rights – from mutual criticism. These issues will be addressed in Subchapters 4.1 and 4.3, respectively. While major importers like the EU and the US, especially under President Biden, strongly criticized the environmental policies of Brazil's Bolsonaro administration (2019-2022), China refrained from doing so. Similarly, successive Brazilian administrations have generally avoided raising human rights concerns with China, a sensitive topic for Beijing. Hence, environmental and human rights

issues became largely sidelined within the Sino-Brazilian strategic partnership and were not included within the COSBAN framework, much like defense cooperation. The re-election of President Lula (2023-2026) on a strong environmental platform has led to the creation of a COSBAN Subcommittee on the Environment and Climate Change, indicating a shift toward greater engagement in this area within the partnership. However, there is no significant indication of improvements in dialogue on human rights, which will likely remain a non-issue within the strategic partnership. Consequently, the Ministry of the Environment and the Ministry of Human Rights have had limited influence on Brazil's China policy, though this is expected to change for the Ministry of the Environment.

This chapter's central question is: Which bureaucracies can most influence Brazil's China policy? The results presented in Table 2 confirm that the main bureaucracies involved in Brazil's China policy are those with direct economic ties to China, such as the Foreign Ministry, Economy Ministry, Agriculture Ministry, and Energy Ministry. This means that Brazil's China policy has been largely pragmatic, focusing on areas that support Brazil's economic growth. This aligns with the foreign policy approach of a developing state facing no significant external threats, where foreign relations are viewed as a means to facilitate national progress. However, bureaucracies that are crucial for a more holistic understanding of development, such as the Ministry of the Environment and the Ministry of Human Rights, have played minimal roles in the strategic partnership. This is particularly notable for megadiverse and multiethnic nations like Brazil and China, where these ministries are integral to sustainable development. Other entities, like the Brazilian Parliament – discussed in Subchapter 2.3 – engage with China only sporadically, typically responding to pressure from interest groups that perceive potential threats to their economic interests⁷⁶.

Sino-Brazilian bilateral cooperation involves the upper echelons of both governments and has been solidified over the past two decades through a substantial number of international agreements – including treaties, memoranda

⁷⁶ Interview with Ambassador no. 8. Online. February 2022.

of understanding, and declarations – as well as through numerous political and technical visits. This collaboration extends to direct partnerships with technical organizations on issues like inspection and quarantine, space cooperation, and customs. China has established connections across much of the Brazilian government, often forging direct links with various bureaucracies and, at times, bypassing central institutions such as Itamaraty and Planalto, which are tasked with overseeing the strategic partnership⁷⁷.

As this chapter has shown, Brazil's China policy is less a cohesive national strategy and more a reflection of interwoven bureaucratic interests, with China's influence reaching into multiple layers of the Brazilian state. The findings from this chapter will serve as a roadmap for further exploration in the subsequent, more detailed chapters, which will examine specific sectoral interactions and their broader implications for Brazil-China relations.

⁷⁷ This was a consensus among interviewees.

2. Politics

In the 2000s, Cervo (2008, p. 278), Brazil's most cited International Relations scholar, classified Sino-Brazilian relations as an “ascending partnership”, because of their modest results at the time, which nevertheless had the potential to rapidly gain importance. The author then argued that both countries had similar levels of national development and that, eventually, Brazil-China relations could become as relevant as US-Brazil relations. He added that Brazil and China had convergent geopolitical views, for both countries' foreign policies were “diplomatic, pacifist, universal, cooperative and non-confrontational” (Ibid, p. 279), and also shared a preference for multipolarity, as opposed to American unipolar stances. Less than a decade later, Cervo and Lessa (2014) concluded that Brazil-China relations had already deepened to a point where they could be compared to Brazil-US relations. Since Cervo and Lessa wrote a decade has passed and a lot changed in the bilateral relationship not least because it faced unprecedented political challenges.

Hence, this chapter explores the political dynamics shaping Brazil's China policy. This chapter examines the primary political actors involved, focusing on how the Presidential Palace (Planalto), the Ministry of Foreign Affairs (Itamaraty), and Parliament influence Brazil's relationship with China. Subchapter 2.1, “In the President's Ears: Pundits and Bandits”, explores the role of the Presidency's International Advisory Office, which often acts as a conduit for direct presidential influence on Brazil's China policy. This office plays a strategic role in implementing the President's foreign policy agenda, sometimes bypassing traditional diplomatic channels. Itamaraty, with its historical reputation as one of Brazil's most capable bureaucracies, represents a different approach to foreign policy. In Subchapter 2.2, “A Tale of Two Diplomacies: Itamaraty, Waijiaobu, and their Critics”, I contrast Itamaraty's Weberian structured and professional diplomatic ethos with the more politically-driven approach of the Presidential Advisory Office. While Itamaraty has traditionally maintained a degree of autonomy and is staffed by career

diplomats, the Presidential Advisory Office is more flexible and directly aligned with the President's political objectives – for better or for worse. This chapter discusses the tension between these two entities, particularly when their foreign policy visions diverge. For example, during the Bolsonaro administration, the Advisory Office, led by figures closely affiliated with the President, prioritized ideological alignments with the United States, often at the expense of Brazil's partnership with China. The chapter also analyzes how leadership changes impact Brazil's foreign policy towards China. It discusses the specific roles and influence of key figures, from Celso Amorim's tenure as Foreign Minister during Lula's first presidency to the shift under Ernesto Araújo during Bolsonaro's term – and back. By examining the changes in foreign policy direction across different administrations, the chapter reveals the fluidity of Brazil's approach to China, which has ranged from strategic cooperation to cautious engagement influenced by global geopolitical shifts.

Subchapter 2.3, "Naysayer: Parliament as a Veto Player", is devoted to the analysis of parliamentary influence on Brazil's China policy. The National Congress, though often perceived as playing a secondary role in foreign affairs, has increasingly asserted itself, particularly in overseeing and approving international agreements, ambassadorial appointments, and the overall conduct of Brazil's international relations by the executive. As a legislative body with the potential to act as a veto player, Parliament introduces another layer of complexity to Brazil's China policy. Additionally, this section addresses the importance of party-to-party diplomacy between the Brazilian and Chinese governments, showing how political alignment and exchanges between parties can reinforce bilateral ties. It examines the Brazil-China Parliamentary Group and its activities, illustrating how these interactions contribute to a multifaceted relationship that extends beyond formal state-to-state diplomacy. Through these political interactions, Brazil and China have managed to establish a comprehensive political dialogue that encompasses economic, strategic, and cultural dimensions, albeit with varying levels of density and success over time. In sum, Section 2.3 highlights how Parliament's role has evolved, illustrating its influence over foreign policy in the context of Sino-Brazilian relations.

Subchapter 2.4, “Much Ado About Nothing: China’s Market-Economy Status,” explores a notable episode in Sino-Brazilian relations that underscores the political dynamics shaping Brazil's China policy. It sheds light on Chapter 2’s central question: “How are inter-bureaucratic conflicts among Brazil’s China policy stakeholders resolved?”, by analyzing Brazil's initial announcement to recognize China as a market economy, followed by its eventual non-implementation. Through this case study, the subchapter reveals the tensions and competing interests within Brazil's bureaucratic landscape, highlighting how various stakeholders influence foreign policy decisions. In 2004, Brazil initially indicated it would recognize China as a market economy – a designation that would impact trade relations by reducing Brazil’s ability to impose anti-dumping measures on Chinese goods. However, despite this early announcement, Brazil ultimately refrained from implementing the recognition, due largely to resistance from key domestic actors concerned about the potential consequences for Brazilian industry. This case highlights the interplay of political and economic considerations within Brazil’s bureaucratic structure, revealing how decisions in foreign policy are influenced by both ideological positions and the pragmatic interests of various stakeholders, including interest groups and parliamentary actors wary of the impact on Brazil’s manufacturing sector. The episode underscores how Brazil’s approach to China is shaped not only by bilateral dynamics but also by internal political pressures and the competing priorities of influential bureaucratic entities.

Chapter 2 presents a detailed analysis of the political structures and actors shaping Brazil’s approach to China. It underscores the interplay between the Presidential Palace, Itamaraty, Parliament, and other political stakeholders, reflecting the complexity of formulating a coherent China policy amidst diverse and sometimes competing interests. By doing so, the chapter lays the groundwork for understanding how political motivations and institutional dynamics influence the trajectory of Brazil-China relations, providing context for the subsequent chapters that will explore economic and cooperative aspects of this bilateral relationship.

2.1. In the President's Ears: Pundits and Gambits

The Presidency's International Advisory Office⁷⁸ plays a critical role in shaping Brazil's foreign policy and maintaining its international relations. This team, led by the Special Advisor to the President, assists the President personally in strategic operations that seek to strengthen Brazil's position on the global stage. According to Law 14,600 (June 19, 2023), the team directly supports the President in matters related to foreign policy and national sovereignty. This involves in-depth analysis and guidance on international issues, ensuring that the President is well-prepared to handle situations that may affect the country's interests abroad. The advisory team is thus instrumental in preparing studies and establishing necessary contacts as per the President's directives. This includes coordination with foreign entities, diplomats, and international personalities, facilitating dialogues for bilateral and multilateral relations. The team also prepares materials and briefs for the President's meetings and hearings with foreign dignitaries. This ensures the President is equipped with up-to-date information and strategic advice, enabling effective communication and negotiations during high-stakes interactions. Handling correspondence with foreign leaders is another significant duty of the team. This involves crafting diplomatic letters and messages that reflect Brazil's positions and intentions, nurturing relationships with other countries. Additionally, the advisory team actively participates in planning and executing the President's international engagements. This includes logistical and strategic preparations for visits abroad, as well as coordinating with other governmental bodies to ensure cohesive representation of Brazil's interests on the international stage. Finally, members of this team often accompany the President to international meetings, events, and commitments. Their presence provides continuous advisory support, ensuring that the President's international agenda is conducted smoothly and aligns with Brazil's diplomatic goals. In sum, the Presidency's international advisory team facilitates Brazil's

⁷⁸ Depending on the administration, the Presidency's International Advisory Office is called the Special Advisory Office. In this work, both terms are used interchangeably.

diplomatic efforts, both with the formulation and the implementation of the country's presidential diplomacy.

Among Brazilian bureaucracies, Itamaraty is possibly the closest to Weber's ideal type, which is characterized by several organizational features of administrative order (Weber 2019). A bureaucracy's ideal type is defined by a hierarchical structure, professionalism, adherence to rules, impersonality, meritocracy, and a disciplined workforce of public servants. These individuals possess specific competencies and operate independently from the political sphere (Sager and Rosser 2021). Conversely, the President's International Advisory Office is a political body in essence. It is headed by people of the utmost trust of the President, who consequently become very powerful actors in the bureaucratic pulling and hauling. The Advisory Office's location reveals its power: it is located on the third floor of the Planalto Palace, room number 315, a few steps from the President's Office.

The role of diplomatic advisors to the Brazilian Presidency, though lacking formal definition until the 1990s, has origins traceable to the Juscelino Kubitschek administration (1956-1961)⁷⁹. During Kubitschek's tenure, there was no official title or specific mandate for these advisors; nonetheless, career diplomats José Sette Câmara Filho⁸⁰ and Paulo Tarso Flecha de Lima⁸¹ served within the President's Office, albeit without the clearly defined international advisory roles that are present today. It was Augusto Frederico Schmidt – a key advisor to Kubitschek but not a career diplomat – who wielded significant influence, contributing strategic ideas on international matters⁸². Notably, he played a role in initiating the Pan-American Operation in 1958, a precursor to the Alliance for Progress led by American President John F. Kennedy⁸³. In subsequent administrations, the scope and structure of diplomatic advisory roles continued to vary. Under President Jânio Quadros (1961), career diplomat

⁷⁹ Interview with Ambassador Gelson Fonseca Junior. Online. October 2024.

⁸⁰ Itamaraty. 2023. "José Sette Câmara Filho." Ministério das Relações Exteriores. 2023. <https://www.gov.br/mre/pt-br/biblioteca/colecoes/jose-sette-camara-filho>.

⁸¹ Alesp. 2002. "Cem anos de Juscelino Kubitschek." 2002. <https://www.al.sp.gov.br/noticia/?id=298467>.

⁸² CPDOC. 2013. "Augusto Frederico Schmidt." JK CPDOC. July 31, 2013. <https://jk.cpdoc.fgv.br/biografia/augusto-frederico-schmidt>.

⁸³ CPDOC. 2013. "Operação Pan-Americana (OPA)." JK CPDOC. July 16, 2013. <https://jk.cpdoc.fgv.br/fatos-eventos/operacao-pan-americana-opa>.

Carlos Alberto Leite Barbosa undertook a hybrid role encompassing both diplomatic and ceremonial duties (C. A. L. Barbosa 2007). For much of the Military Regime (1964-1985), the role of international advisor to the President was not assumed by a diplomat, but rather by a high-ranking military officer, General Golbery do Couto e Silva, who centralized the handling of international affairs within the Presidential Office⁸⁴. In the Sarney administration (1985-1990), the position began to take on a more defined shape, with Ambassador Rubens Ricupero⁸⁵ and later Ambassador Luiz Felipe de Seixas Corrêa⁸⁶ occupying roles akin to diplomatic advisors. The institutionalization of the role occurred during the presidency of Fernando Collor (1990-1992), when it was assigned an official title and a specific mandate. Ambassador Gelson Fonseca first held the position during this period and subsequently returned to it under the administration of Fernando Henrique Cardoso (1995-2002)⁸⁷. This progression reflects the gradual formalization and specialization of the position, evolving from a general advisory role to a distinct function focused on foreign policy, now an established part of the Presidential Office's structure.

During most of Lula's first two terms and Rousseff's two administrations, the Advisory Office was headed by Marco Aurelio Garcia (2006-2016), who had previously served as vice-president of the Workers' Party. During the Bolsonaro administration, it was led by Felipe Martins, a young political strategist close to Olavo de Carvalho, a conservative ideologue central to Bolsonaro's election. In Lula's third term, the Special Advisory is headed by Celso Amorim, a career ambassador who served as Foreign Minister for the longest time in Brazil's history, including during the eight years of Lula's first two terms. Amorim has been a member of the Workers' Party since 2009 and is President Lula's closest international advisor.

⁸⁴ CPDOC. 2024. "Golbery Do Couto e Silva. Atlas Histórico Do Brasil." 2024.
<https://atlas.fgv.br/verbete/5015>.

⁸⁵ CEBRI. 2024. "Rubens Ricupero." 2024.
<https://www.cebri.org/br/especialista/22/rubens-ricupero>.

⁸⁶ CEBRI. 2024. "Luiz Felipe de Seixas Corrêa." 2024.
<https://cebri.org/br/especialista/18/luiz-felipe-de-seixas-correa>.

⁸⁷ FUNAG. 2024. "Gelson Fonseca Junior." 2024.
<https://www.gov.br/funag/pt-br/composicao/centro-de-historia-e-documentacao-diplomatica-chd/gelson-fonseca-junior>.

President Temer (2016-2018) appointed Ambassador Claudio Frederico Arruda as the international advisor to the Brazilian Presidency. From 2011 to 2014, Arruda had served as Chief Diplomatic Advisor to then Vice-President Temer. Under the previous administrations of Lula da Silva and Rousseff, the formulation of foreign policy was largely shared between two main centers of influence: Itamaraty and the Presidential Palace. Marco Aurélio Garcia played a significant role within the latter, particularly in matters concerning Latin America. Garcia's prominent position at the time led some analysts to argue that there was a dual-source policy-making process, with substantial influence often emanating from the Presidential Palace⁸⁸. This notion has resurfaced in Lula's third term, as Ambassador Amorim, the President's Special Advisor, is frequently regarded as the *de facto* Foreign Minister⁸⁹. In contrast, under the short presidency of Michel Temer (2016-2018) – a two-year buffer mandate between Rousseff's impeachment and Bolsonaro's election –, the role of the Presidency's International Advisory Office was relegated to a more consultative status, significantly diminishing the influence of the Presidential Palace in shaping Brazil's foreign policy⁹⁰. The centralization of policy-making in a supersized Itamaraty, with Apex and Camex under its umbrella, headed subsequently by two powerful senators from São Paulo, José Serra and Aloysio Nunes, illustrated the Presidency's diminished power during the Temer administration. Ascending to the presidency after Dilma Rousseff's impeachment, Temer lacked the strong mandate typically granted through direct elections, impacting the legitimacy and stability of his administration" (Søndergaard 2021). Furthermore, allegations of corruption, including those

⁸⁸ Patricia Campos Mello. 2024. "Diplomata Substitui Marco Aurélio Garcia Como Assessor Da Presidência - 17/05/2016 - Mundo." *Folha de S.Paulo*, April 20, 2024. <http://www1.folha.uol.com.br/mundo/2016/05/1771983-diplomata-substitui-marco-aurelio-garcia-como-assessor-da-presidencia.shtml>.

⁸⁹ Guzzo, J. R. 2024. "Na Política Externa de Lula e Amorim, a Vida de Um Palestino Vale Mais Que a Vida de Um Ucrâniano." *Estadão*, December 10, 2024. <https://www.estadao.com.br/politica/j-r-guzzo/na-politica-externa-de-lula-e-amorim-vida-de-um-palestino-vale-mais-que-a-vida-de-um-ucraniano/>.

⁹⁰ Patricia Campos Mello. 2024. "Diplomata Substitui Marco Aurélio Garcia Como Assessor Da Presidência - 17/05/2016 - Mundo." *Folha de S.Paulo*, April 20, 2024. <http://www1.folha.uol.com.br/mundo/2016/05/1771983-diplomata-substitui-marco-aurelio-garcia-como-assessor-da-presidencia.shtml>.

against Temer himself, eroded public trust and diminished his authority⁹¹. His reform agenda, especially in labor and pensions, faced strong public opposition and legislative resistance, complicating his ability to govern effectively⁹². These factors collectively undermined his presidency, and therefore also limited his capacity to influence foreign policy with a strong International Advisory Office.

One of the roles of the International Advisory Office is aligning Brazilian diplomacy, which is mostly conducted by unelected bureaucrats, with the foreign policy project democratically approved in elections. Career diplomats occupy a unique position within the architecture of international relations and foreign policy formulation. Their status as non-elected officials grants them a degree of insulation from the direct pressures and fluctuations of domestic politics, enabling a more stable and continuous approach to foreign policy. This continuity is crucial for maintaining long-term diplomatic relationships and ensuring consistent policy implementation across different administrations. However, the unelected nature of diplomats also raises questions about democratic accountability and transparency. Since diplomats are not directly accountable to the electorate, their actions and decisions in foreign arenas might not always reflect the immediate or evolving preferences of the public. This discrepancy can lead to a disconnect between national foreign policy objectives and public opinion, complicating democratic oversight and potentially leading to foreign policy decisions that lack broad-based support (de Lima 2000; Hudson and Day 2019, p. 86). Thus, while the professional autonomy of diplomats can enhance policy consistency, it also demands mechanisms for oversight and accountability to align their actions with the democratic values and interests of their country. The Presidency's International Advisory Office is the main intra-Executive mechanism for foreign policy democratic oversight.

⁹¹ *Folha de S.Paulo*. 2024. "Temer é Gravado Por Dono Da JBS Em Conversa Sobre Cunha - 17/05/2017 - Poder," April 20, 2024. <http://www1.folha.uol.com.br/poder/2017/05/1884926-audio-mostra-temer-dando-aval-a-compra-do-silencio-de-cunha-diz-jornal.shtml>.

⁹² Câmara dos Deputados. 2017. "Oposição faz vigília no Plenário contra reformas da Previdência e trabalhista - Notícias." *Portal da Câmara dos Deputados* (blog). March 15, 2017. <https://www.camara.leg.br/noticias/509416-oposicao-faz-vigilia-no-plenario-contra-reformas-da-previdencia-e-trabalhista/>.

Parliament is another oversight mechanism, a role that will be examined in a subsequent section.

An organizational strength of the International Advisory Office lies in its diverse composition, which includes professionals from various backgrounds, such as diplomats, scholars, and party officials⁹³. However, one criticism is that the group lacks economists with a deep technical understanding of the international economy⁹⁴. Integrating members with varied educational and professional backgrounds prevents groupthink. In political theory, the concept of groupthink refers to the phenomenon where a group of policymakers or decision-makers, due to a strong desire for conformity and consensus, arrive at suboptimal decisions without critically evaluating alternative viewpoints or recognizing potential risks (Schafer and Crichlow 2010). This psychological dynamic can lead to a deterioration in the quality of decisions, as the group tends to minimize conflict and reach a consensus decision without critical evaluation of more diverse options. Groupthink is particularly problematic in the context of international relations because it may lead to foreign policy blunders where critical information is ignored or dissenting opinions are suppressed, potentially escalating conflicts or failing to foresee significant threats. The theory was popularized by psychologist Irving Janis (1973), who identified symptoms of groupthink, such as the illusion of invulnerability, collective rationalization, and the demonization of outgroups, which can compromise the effectiveness and ethical foundations of international policy-making. Within the Advisory Office, the intent of varied group composition is to disrupt the usual uniformity of thinking found in bureaucratic environments, which can lead to new, unconventional viewpoints and solutions⁹⁵.

Therefore, the International Advisory Office is arguably more open and democratic in comparison to the Ministry of Foreign Affairs, in the sense that the Office's approach to foreign policy has been validated through the electoral process, thereby receiving direct affirmation from the electorate. Moreover, the people working there have been chosen by the President directly or indirectly.

⁹³ Interview with Ambassador no. 1. Brasilia, April 2024.

⁹⁴ Interview with Ambassador no. 2. Brasilia, April 2024.

⁹⁵ Interview with Ambassador no. 1. Brasilia, April 2024.

Nevertheless, this validation also imbues the unit with a pronounced political character, which harbors both potential benefits and drawbacks. On the one hand, such politicization may guarantee congruence with the governing mandate, aligning the Office's operations with the expectations of its democratic base. On the other hand, it poses the risk of appointing personnel who may not be adequately equipped for their roles, since there are no legal educational or professional requirements to work there, in stark contrast to Itamaraty's strict recruitment process. In highly politicized contexts, these factors may compromise the efficacy and prudence typically demanded in diplomacy.

The President's special advisers may also play an important role in the transitional government in Brazil, which is the structured process that occurs between the election of a new president and their official inauguration. The transitional government is regulated by Law no. 10,609 (2002) and Decree 7,221 (2010). This period is crucial for ensuring the seamless transfer of executive power within the framework of democratic governance. During this time, the president-elect and their team engage with the outgoing administration to gather critical information and understand the current status of various governmental sectors. This process is facilitated by transitional teams composed of appointees from both the incoming and outgoing administrations. These teams work collaboratively to review current policies, administrative procedures, and ongoing projects, aiming to ensure continuity of government operations while also preparing to implement the new administration's policies and agenda. The objective is to minimize disruption and maintain stability within the government, enabling the new administration to hit the ground running upon taking office. This structured transition is important for upholding the functionality of the state and the democratic process, ensuring that the change in leadership is both smooth and effective⁹⁶.

The process of government transition in Brazil highlights the complexities involved in shifting political and bureaucratic landscapes. While some government sectors require complete reconstruction due to ministries that may have ceased to exist altogether, making transition challenging due to a lack of

⁹⁶ PODER360. 2022. "Saiba como funciona a transição de governo." *Poder360*, November 5, 2022. <https://www.poder360.com.br/governo/saiba-como-funciona-a-transicao-de-governo/>.

interlocutors, the domain of foreign policy traditionally experiences a somewhat smoother transition, due to its established bureaucratic structure, institutional memory, and clear career pathways⁹⁷ – not least because Itamaraty is one of Brazil's most ancient bureaucracies, dating from 1822⁹⁸. This well established structure facilitates the identification of policy inflections and responsible parties, which is essential for effective governance continuation⁹⁹. Nevertheless, the transition within the realm of foreign policy from the Jair Bolsonaro to the Lula da Silva administration was fraught with its own set of challenges, especially regarding Brazil's China policy, which experienced a major shift.

The Bolsonaro administration's foreign policy approach marked significant deviations from prior practices, with a shift in Brazil's international positioning. The transition to the Lula administration thus involved moving away from some groups of like-minded countries to forming relationships with entirely different nations, reflecting a broader ideological shift. This, in turn, required a substantial recalibration of foreign policy strategies and objectives¹⁰⁰. Moreover, the Bolsonaro government's stance on public diplomacy was characterized by a reduction in interactions with non-state actors, such as civil society, social movements, the press, and academia. This shift in public diplomacy culture created a challenging environment within Itamaraty, where diplomats operated under a perceived threat of persecution, inhibiting their ability to freely communicate or act without fear of being perceived as hostile to the administration's objectives¹⁰¹. In response to alleged arbitrary dismissals¹⁰²,

⁹⁷ Interview with Ambassador no. 1. Brasilia. April 2024.

⁹⁸ Memória Da Administração Pública Brasileira. 2019. "Secretaria de Estado Dos Negócios Do Império." 2019.
<https://mapa.an.gov.br/index.php/menu-de-categorias-2/343-secretaria-de-estado-dos-negocios-do-imperio>.

⁹⁹ Interview with Ambassador no. 1. Brasilia, April 2024.

¹⁰⁰ Ibid.

¹⁰¹ Meyerfeld, Bruno. 2020. "« C'est un climat de chasse aux sorcières » : dans le Brésil de Bolsonaro, le grand blues des diplomates." *Le Monde.fr*, February 4, 2020.
https://www.lemonde.fr/international/article/2020/02/04/c-est-un-climat-de-chasse-aux-sorcieres-dans-le-bresil-de-bolsonaro-le-grand-blues-des-diplomates_6028344_3210.html.

¹⁰² Jamil Chade. 2023. "Sob Bolsonaro, Itamaraty teve perseguição e hoje vive déficit de diplomatas." *UOL*. Accessed May 27, 2024.
<https://noticias.uol.com.br/colunas/jamil-chade/2023/02/17/paria-internacional-sob-bolsonaro-brasil-vive-agora-deficit-de-diplomatas.htm>.

parties from the opposition questioned Itamaraty in Parliament, filing an Information Request (RIC 1538/2019) in the Chamber of Deputies¹⁰³.

The dynamic interplay between domestic politics and foreign policy in contemporary governance demands swift decision-making, which has significantly influenced the role of the Presidential International Advisory Office in Brazil. The daily complexities and rapid response required by the President's global interactions are beyond the capacity of the Minister of Foreign Affairs alone, underscoring the need for a specialized advisory unit directly supporting the President¹⁰⁴. According to one interviewee, this arrangement is not merely a matter of preference but a logistical necessity, facilitating immediate and effective responses to international matters directly from the Presidential office. The dynamic nature of global politics and the influence of digital platforms have significantly altered the operational landscape of Brazil's Special Advisory on International Affairs. This shift is marked by reduced reaction time and the necessity for rapid action in response to events, even during weekends. This change can be associated with the dissemination of digital platforms which have had substantial impacts on political outcomes (Martin, Jagla, and Firestone 2013, p. 16).

The International Advisory Office plays a crucial role in shaping Brazil's interactions with key global partners such as China, the US, and France, with whom significant diplomatic engagements often occur directly through the Presidential office, not least because foreign policy making in these countries is increasingly decentralized¹⁰⁵. As it will be argued in the next section, Itamaraty is comparatively stronger than other countries' foreign ministries, as it holds sway over most aspects of Brazil's international agenda, both economically and politically. Foreign ministries of other countries – such as China – have more limited influence, controlling only the diplomatic agenda, understood in strict terms, while the economic intercourse with the world is under the responsibility of other bureaucracies. According to one interviewee working close to the

¹⁰³ Ivan Valente - PSOL/SP , Fernanda Melchionna - PSOL/RS , Áurea Carolina - PSOL/MG e outros. 2019. *RIC 1538/2019*.

<https://www.camara.leg.br/proposicoesWeb/fichadetramitacao?idProposicao=2226791>.

¹⁰⁴ Interview with Ambassador no. 1. Brasília, April 2024.

¹⁰⁵ Ibid.

President, bureaucratic rivalries oftentimes seek to attribute foreign policy successes to Itamaraty and failures to the Presidential office, highlighting the contested nature of diplomatic achievements in Brazil.

The Advisory's Office China Policy

Prior to the 2000s, China did not hold sufficient significance for Brazil to warrant the formation of a coherent approach toward the country within the International Advisory Office of the Presidency. At that time, China-related matters were addressed in a diffuse and sporadic manner by presidential advisors, as needed, without the development of a clear strategy¹⁰⁶. In the 2000s, China began to gain increasing importance for Brazil. Despite this shift, during the period when the Special Advisory Office to the Presidency was headed by Marco Aurélio Garcia (2007-2016), the focus remained largely on Brazil's foreign policy toward Latin America. Garcia's attention was predominantly directed toward regional affairs, while Brazil's extra regional foreign policy – including its approach to China – was primarily formulated by the Ministry of Foreign Affairs (Saraiva 2010). Only in more recent years clearer orientations regarding Brazil's China policy began to emerge from the International Advisory Office. Initially, this shift occurred under the leadership of Filipe Martins, who aimed to distance Brazil from China while fostering closer ties with the United States. Subsequently, under the leadership of Ambassador Celso Amorim – who took a markedly different stance from his predecessor – the office adopted a more positive view of China, actively working to strengthen bilateral relations and influence world affairs in coordination with Beijing. This evolution highlights the growing role of the International Advisory Office in shaping Brazil's China policy, particularly in recent administrations.

With the rise of China, Sino-Brazilian relations became more politicized, and so did the role played by the International Advisory Office in the relationship. Reflecting an overall deterioration of the bilateral relationship during the Bolsonaro administration (2019-2022), the Chinese Ambassador to Brazil at the time, Yang Wanming, expressed concerns about Filipe Martins,

¹⁰⁶ Interview with Ambassador no. 4. Online. October 2024.

Chief International Advisor to President Bolsonaro, due to Martins' influential role in shaping Brazil's foreign policy, particularly regarding relations with China¹⁰⁷. As will be further discussed in Subchapter 4.4, Martins was a vocal critic of China and actively sought to distance Brazil from it, while fostering closer alignment with the United States. Ambassador Yang sought Martins' removal from the administration, and his message was relayed to President Bolsonaro through intermediaries, including parliamentarians and representatives from Itamaraty¹⁰⁸. The ambassador asserted Brazil-China relations could improve if Martins were removed from his position. This was due to Martins' skepticism towards China, his involvement in 5G technology discussions, opposing Huawei's operations in Brazil, and his connections with advisors of US President Donald Trump, which were seen as barriers to enhancing bilateral diplomatic ties with China. In a noteworthy episode, Martins accused Chinese hackers of trying to break into his social media accounts "almost everyday"¹⁰⁹. Seeking to mitigate tensions with China, some of President Bolsonaro's more moderate advisors suggested reassigning Martins to less influential roles, such as the presidency of Apex-Brazil – Brazil's Trade and Investment Promotion Agency – or a directorship at the Inter-American Development Bank. Despite these internal moves and the direct communication of concerns by the Chinese Ambassador, the Chinese Embassy officially maintained a stance of non-interference in Brazil's internal affairs, aligning with China's traditional diplomatic approach¹¹⁰.

Following the dismissal of Foreign Minister Ernesto Araújo, largely due to pressure from Parliament – and also from China, as will be further examined in Subchapter 4.4 – the International Advisory Office, led by Filipe Martins,

¹⁰⁷ Megale, Bela. 2021. "Após Ernesto Araújo, chineses pressionam Bolsonaro por demissão de Filipe Martins." *Bela Megale - O Globo*, May 10, 2021. <https://blogs.oglobo.globo.com/bela-megale/post/apos-ernesto-araujo-chineses-pressionam-bolsonaro-por-demissao-filipe-martins.html>.

¹⁰⁸ Interview with Parliamentarian no. 1. Brasília. April 2024.

¹⁰⁹ PODER360. 2019. "Filipe G. Martins, assessor de Bolsonaro, diz que é alvo de hackers chineses." *Poder360*, July 21, 2019. <https://www.poder360.com.br/governo/filipe-g-martins-assessor-de-bolsonaro-diz-que-e-alvo-de-hackers-chineses/>.

¹¹⁰ Tahan, Lilian. 2021. "Embaixador Chinês Pedu a Emissários de Bolsonaro a Cabeça de Filipe Martins." *Metrópoles*, March 5, 2021. <https://www.metropoles.com/colunas/grande-angular/embaixador-chines-pede-a-emissarios-de-bolsonaro-a-cabeça-de-filipe-martins>.

experienced a decline in importance¹¹¹. Martins, a dominant figure in shaping Brazil's foreign policy during Ernesto Araújo's tenure (2019-2021), experienced a significant reduction in his influence under Foreign Minister Carlos França (2021-2022), Araújo's successor. França explicitly chose not to engage with Martins. This decision was in line with França's broader intent to distance his administration from the ideological leanings of Olavismo, a right-wing, ideologically charged movement associated with some of Bolsonaro's closest advisors. One of Olavismo's main goals was to distance Brazil from China¹¹².

Concurrently, Martins' political standing suffered severely due to a controversy involving a gesture linked to white supremacists, made during a live Senate session¹¹³. The episode prompted strong reactions from senators, leading to calls for his dismissal. Martins was captured on camera making gestures considered obscene and racist, which reportedly were directed towards the Senate President, Rodrigo Pacheco. The Senate leadership conveyed its dissatisfaction to President Jair Bolsonaro, indicating that Martins' actions were unacceptable and demanding his removal from office¹¹⁴. More moderate members of Bolsonaro's cabinet attempted to reposition Martins to less central roles within the administration, but he did not accept it and indicated his preference to stay close to the presidential office¹¹⁵. Few months after the end of the administration, Felipe Martins was imprisoned by the Federal Police for allegedly having drafted and delivered a coup d'état proposal directly to the president, who supposedly presented it to the top brass of the Armed Forces during a post-election meeting aimed at discussing a potential coup to overturn

¹¹¹ Lauro Jardim. 2021. "Portas Fechadas Para Filipe Martins No Itamaraty." *O Globo*, April 28, 2021. <https://blogs.oglobo.globo.com/lauro-jardim/post/portas-fechadas-para-filipe-martins-no-itamaraty.html>.

¹¹² Ibid.

¹¹³ *Folha de S.Paulo*. 2021. "Senado cobra afastamento de Filipe Martins, e Bolsonaro procura cargo de compensação para aliado," March 25, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/03/senado-cobra-afastamento-de-filipe-martins-e-bolsonaro-procura-cargo-de-compensacao-para-aliado.shtml>.

¹¹⁴ Ibid.

¹¹⁵ Lauro Jardim. 2021. "Portas Fechadas Para Filipe Martins No Itamaraty." *O Globo*, April 28, 2021. <https://blogs.oglobo.globo.com/lauro-jardim/post/portas-fechadas-para-filipe-martins-no-itamaraty.html>.

his electoral defeat¹¹⁶. In August 2024, his imprisonment was replaced by alternative measures as the investigations continued. These measures include the use of an electronic ankle monitor, regular appearances before the court, and a prohibition on leaving the country. Additionally, he is barred from using social media and from having any contact with Bolsonaro or other individuals under investigation, by any means¹¹⁷.

In a notable departure from the Bolsonaro administration's International Advisory Office under Felipe Martins, President Lula's international advisory team, led by Ambassador Celso Amorim—who previously served as Lula's Foreign Minister from 2003 to 2010—takes a favorable view of China. Amorim has actively worked to strengthen Brazil's ties with China, reversing several policies implemented by his predecessor. Among the special advisors in Amorim's office is Professor Adriana Abdenur, a scholar trained in Sinology at Harvard. One of the reasons for Abdenur's selection for the role was her expertise in Chinese affairs¹¹⁸. Moreover, Brazil's importance to China has greatly increased in recent years due to Beijing's perception of rising hostility from the US and its allies. In a context of a mounting systemic conflict with the US, China sees the partnership with President Lula and Celso Amorim as a significant window of opportunity to tilt the balance of power in its favor with soft-balancing strategies, of which the BRICS expansion is the greatest example¹¹⁹.

In foreign policy analysis, a "window of opportunity" refers to a period when specific conditions align, enabling the initiation or implementation of foreign policies that might otherwise be unachievable (Doeser and Eidenfalk 2013). These windows are often opened by changes in political, economic, or geopolitical environments. Recognizing and acting within these moments can

¹¹⁶ Folha Poder. 2024. "Operação Da PF Contra Bolsonaro: Quem é Filipe Martins." August 2, 2024.

<https://www1.folha.uol.com.br/poder/2024/02/saiba-quem-e-filipe-martins-ex-assessor-de-bolsonaro-presos-pela-pf.shtml>.

¹¹⁷ Patriolino, Luana. 2024. "Ex-Assessor de Bolsonaro, Filipe Martins é Solto Após Seis Meses Na Prisão." *Correio Braziliense*, October 8, 2024.

<https://www.correiobraziliense.com.br/politica/2024/08/6917521-ex-assessor-de-bolsonaro-filipe-martins-e-solto-apos-seis-meses-na-prisao.html>.

¹¹⁸ Interview with Ambassador no. 3. Brasília. July 2024.

¹¹⁹ Ibid.

lead to strategic advantages in international relations. The concept highlights the importance of timing in diplomacy, emphasizing that successful foreign policy involves making the right decision at the right moment. Soft balancing, for its part, is a strategy used in international relations where states apply diplomatic and economic tools rather than military means to counteract a dominant power. This approach involves forming coalitions, engaging in strategic cooperation or non-cooperation, leveraging international institutions, and creating economic barriers to subtly oppose a hegemon's actions. Soft balancing is especially relevant in situations where hard balancing is too risky or costly. It allows smaller or less powerful states to navigate global politics flexibly, aiming to delay or complicate the actions of more powerful states without direct confrontation (Hossein Delavar, Eslami, and Mousavi Shafaei 2022).

As a consequence, the role of the Advisory Office in President Lula's third mandate has significantly grown, not least because President Lula and Ambassador Amorim, his Chief International Advisor, have a long working and personal relationship. Moreover, the Presidency Advisory Office's increased role is compatible with President Lula's personal interest in international politics. The Advisory Office discusses China-related issues not only with Itamaraty, but also directly with sectoral bureaucracies, such as the Ministries of Trade, Agriculture and the Environment, as well as with Anvisa, Brazil's health regulatory agency. Thus, the Advisory Office is not an extension of the Brazilian Foreign Ministry, possessing a complementary, yet distinct agenda, which does not necessarily coincide with that of Itamaraty¹²⁰.

This became evident in Wang Yi's, China's chief diplomat, visit to Brazil in January 2024. The primary purpose of the visit was to participate in the fourth edition of the Global Strategic Dialogue, the highest dialogue mechanism between the Foreign Ministers of Brazil and China¹²¹. The dialogue covers not only the bilateral agenda but also regional and multilateral issues, as explained in this dissertation's Introduction. In addition to being received by Mauro Vieira,

¹²⁰ Ibid.

¹²¹ Itamaraty. 2024. "Nota à Imprensa Nº 21. Visita do Ministro dos Negócios Estrangeiros da China, Wang Yi." https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/visita-do-ministro-dos-negocios-estrangeiros-da-china-wang-yi.

Brazil's Foreign Minister, Wang also held meetings with Celso Amorim and his team at the Presidency's Advisory Office¹²². According to attendees, besides the traditional inter-ministerial discussions, a significant part of the bilateral relationship has been directly conducted between the presidential offices of Brazil and China. In part, this is because Wang not only holds the position of Foreign Minister, but also of Director of the Chinese Communist Party (CCP) Central Committee Foreign Affairs Commission Office, as it will be examined in the next section. Thus, in addition to his role as Foreign Minister, he also performs functions akin to a presidential advisor on international matters. Consequently, he sought his counterparts in the Brazilian government, which, beyond the Foreign Minister, also included the President's International Advisor¹²³.

The Advisory Office's role in Brazil's China policy also became evident in an episode of interbureaucratic conflict involving Brazil's military diplomacy, as it will be further scrutinized in Subchapter 4.2. The conflict began in May 2023 when General Estevam Theophilo, leader of the Army's Land Operations Command, organized the 1st International Seminar on Land Military Doctrine, excluding China despite President Lula's China-friendly policy¹²⁴. When Ambassador Celso Amorim became aware of the incident, he rapidly acted to correct it. President Lula thus tasked his Defense Minister José Múcio Monteiro to urge the Army to invite the Chinese delegation to the seminar, Minister Mucio conveyed the order to Army Commander General Tomás Paiva, who then directed Theophilo to issue the invitation to China's military attaché in Brazil¹²⁵. This episode illustrated how the Presidency's Advisory Office has been acting to mold Brazil's China policy in concrete ways, and guaranteeing that measures

¹²² Agência Gov. 2024. "Celso Amorim se reúne com o Chanceler Wang Yi, Ministro de Negócios Estrangeiros da China." *Agência Gov*, January 19, 2024. <https://agenciagov.ebc.com.br/distribuicao/atividades-do-governo/19-01-2024-brasilia-df-celso-a-morim-se-reune-com-o-chanceler-wang-yi-ministro-de-negocios-estrangeiros-da-china>.

¹²³ Interview with Ambassador No. 3. Brasilia. July 2024.

¹²⁴ Feitoza, César. 2023. "Atuação de militares na diplomacia causa mal-estar, e Planalto busca freio de arrumação." *Folha de S. Paulo*, May 31, 2023, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2023/05/atuacao-de-militares-na-diplomacia-causa-mal-estar-e-planalto-busca-freio-de-arrumacao.shtml>.

¹²⁵ *Ibid.*

emanating from different bureaucracies are aligned with President Lula's China-friendly policy.

The most ambitious initiative emanating from the International Advisory Office of the Presidency in President Lula's third term has been in direct coordination with Beijing. In May 2024, Celso Amorim traveled to China, where he signed the "Common Understandings between China and Brazil on Political Settlement of the Ukraine Crisis" with Wang Yi¹²⁶. This document outlined a six-point political framework aimed at addressing the ongoing conflict in Ukraine, with both leaders advocating for a peaceful resolution based on diplomatic engagement and international cooperation. In short, the six points agreed upon were: 1. Avoid escalation; 2. Support dialogue and a peace conference; 3. Provide humanitarian aid and protect civilians; 4. Oppose weapons of mass destruction; 5. Protect nuclear facilities; 6. Promote global cooperation for the stability of supply chains. In September 2024, the Brazil-China framework for resolving the Ukraine crisis was multilateralized with the establishment of the Group of Friends of Peace during a High-Level Meeting of Global South countries on the Ukraine Conflict¹²⁷. This initiative represented a step toward engaging the Global South in the quest for a peaceful resolution to the Ukraine conflict, positioning Brazil and China as key mediators in international efforts to deescalate the crisis and promote dialogue among the parties involved.

After analyzing the influence of the Presidential Palace on Sino-Brazilian relations, we will proceed to examine the most traditional instrument within a foreign policy apparatus: the Ministries of Foreign Affairs of Brazil and China.

¹²⁶ United Nations. 2024. "Common Understandings between China and Brazil on Political Settlement of the Ukraine Crisis (A/78/972)." <https://documents.un.org/doc/undoc/gen/n24/222/55/pdf/n2422255.pdf>.

¹²⁷ Itamaraty. 2024. "Criação do 'Grupo de Amigos da Paz' durante Reunião de Alto Nível de Países do Sul Global sobre o Conflito na Ucrânia." Ministério das Relações Exteriores. September 28, 2024.

https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/criacao-do-201cgr-upo-de-amigos-da-paz201d-durante-reuniao-de-alto-nivel-de-paises-do-sul-global-sobre-o-conflito-na-ucrania.

2.2. A Tale of Two Diplomacies: Itamaraty, Waijiaobu, and their Critics

In this subchapter, the structure of the Foreign Ministries of Brazil and China will be analyzed to shed light on how their bureaucratic characteristics and organizational traits impact bilateral relations. In the same spirit, the Brazilian Embassy in Beijing and the Chinese Embassy in Brasilia will be thoroughly scrutinized. The subchapter ends with a note on the role of leadership in Sino-Brazilian relations.

Brazilian Foreign Policy: Itamaraty Almighty

Historically, Brazil's Ministry of Foreign Affairs, known as Itamaraty, has held a uniquely strong position within the Brazilian state, enjoying legitimacy among civil society, the press, and other government bodies (Cheibub 1985). According to an extensive quantitative study of Brazilian bureaucracies conducted by Bersch, Praça, and Taylor (2017), Itamaraty is among Brazil's most capable and autonomous bureaucracies. As seen in the Introduction, the authors deconstruct Max Weber's concept of "autonomous state capacity" into two distinct elements: bureaucratic capacity and political autonomy. To assess bureaucratic capacity, they utilize four specific measures: the ratio of civil servants in key or specialized roles, the average tenure of civil servants, the frequency of civil servants being transferred from other agencies, and the average salary within the agency. For political autonomy, they examine three factors: the percentage of lower and higher-level discretionary appointments ("DAS" positions) filled by political party members and the percentage of regular civil servants affiliated with a political party. Their analysis identifies certain sectors within the Brazilian federal service, notably the Ministry of Foreign Affairs, as "islands of excellence". These sectors stand out due to their technical prowess and relative independence from political influence, underscoring a blend of professional integrity and minimal political interference.

The Brazilian diplomatic corps has been viewed as an elite segment within the state apparatus, mostly insulated from party politics (De Faria 2012, p. 346). Unlike the practice in some countries, such as the United States, where

diplomatic mission heads may often be political appointees, Brazil predominantly nominates career diplomats to these positions. The same holds true for Foreign Ministers, as Brazilian presidents typically appoint career ambassadors to the position. As of 2024, the only exception to this rule is the Brazilian Embassy in Portugal, which is led by a political appointee from outside the diplomatic corps¹²⁸. Between 2004 and 2024, career diplomats headed Itamaraty for 17 out of those 20 years¹²⁹. This commitment to career diplomacy is underpinned by the perception of Itamaraty as a competent technical bureaucracy, a reputation reinforced by the stringent selection process at the Instituto Rio Branco, Brazil's diplomatic academy, which, in turn, has traditionally instilled a sense of exceptionalism in its recruits (de Moura 2007). The portrayal of diplomats as apart from regular party politics dynamics reinforces the idea of Itamaraty as an organ of the state rather than of the government, striving to maintain a distance from partisan politics (Milani and Pinheiro 2017). Indeed, as shown by Bersch, Praça, and Taylor (2017), the membership of diplomats in political parties is rare, and it was not until 2017 that a diplomats' union was established, reflecting long-standing institutional inertia towards organizational advocacy¹³⁰. An indication of the technical and professional nature of Brazil's diplomatic corps is that President Lula's administration retained the two key figures of Brazil's China policy appointed during Bolsonaro's presidency. In Brasilia, the Secretary for Asia and the Pacific remains Ambassador Eduardo Saboia, while in Beijing, Brazil's Ambassador to China continues to be Marcos Galvão¹³¹. Their retention, despite a substantial shift in government policy, underscores the functioning of Itamaraty as a Weberian bureaucracy – hierarchical, professional, and technically skilled

¹²⁸ Gaspar, Malu. 2021. "Indicação de ministro do TCU para a embaixada em Portugal já movimentada candidatos a substituto." *Malu Gaspar - O Globo*, September 28, 2021. <https://blogs.oglobo.globo.com/malu-gaspar/post/indicacao-de-raimundo-carreiro-para-embaixada-em-portugal-ja-movimentada-candidatos-substituto.html>.

¹²⁹ Itamaraty. 2023. "Ministros de Estado das Relações Exteriores." Fundação Alexandre de Gusmão - FUNAG. 2023. <https://www.gov.br/funag/pt-br/chdd/historia-diplomatica/ministros-de-estado-das-relacoes-exteriores/ministros-de-estado-das-relacoes-exteriores>.

¹³⁰ Interview with Ambassador no. 1. Brasilia, April 2024.

¹³¹ Costa, Ana Clara. 2023. "O Bolsonarismo No Itamaraty de Lula." *Revista Piauí*, November 8, 2023. <https://piaui.folha.uol.com.br/itamaraty-lula-diplomatas-bolsonarismo-cargos/>.

(Weber 2019). This historical detachment from partisan politics, however, has its drawbacks.

Some believe that the lack of political engagement among Brazilian diplomats can lead to a form of insularity that prevents the Ministry from effectively responding to societal needs and shifts¹³². The creation of the *SindItamaraty* (the first union of Itamaraty's servants, including diplomats, chancery officers, and chancery assistants) in 2009 and the conversion of the Association of Brazilian Diplomats (ADB) into a union in 2017 after friction between diplomats and chancery officials over salary adjustment¹³³ marked a significant shift towards greater self-awareness and potential advocacy within the corps. Having lost the quasi monopoly over Brazil's foreign policy it enjoyed during most of the 20th century (De Faria 2012), Itamaraty has had to reconsider its role and openness towards civil society in context of its relative declining influence. Establishing institutionalized dialogues with diverse societal actors such as businesses, the press, academia, and social movements could rejuvenate the Ministry's role in national and international arenas. This approach would align Itamaraty more closely with contemporary democratic practices and societal expectations, potentially invigorating its operations and restoring its standing both at home and abroad (Milani and Pinheiro 2017, pp. 87-92).

The structure and operational dynamics within Itamaraty reflect both the strengths and limitations of bureaucratic organization in shaping foreign policy. Brazilian diplomats, predominantly with a generalist formation, rarely spend most of their careers in the same domain; instead, they move across multiple areas (multilateral affairs, bilateral relations, consular work, international advisory offices in other ministries, etc.)¹³⁴. This mobility fosters a comprehensive perspective, ensuring that they do not develop a narrow, self-serving agenda but rather consider the broader implications for national and

¹³² Ibid.

¹³³ Correio Braziliense. 2015. "Diferença salarial cria atrito entre diplomatas e oficiais de chancelaria." *Correio Braziliense*, July 20, 2015. <https://www.diariodepernambuco.com.br/noticia/economia/2015/07/diferenca-salarial-cria-atrito-entre-diplomatas-e-oficiais-de-chancelaria.html>.

¹³⁴ Interview with diplomat no. 1. Brasilia, April 2024.

international politics. This means diplomats are able to easily establish issue linkages, which refers to the strategic practice of connecting disparate issues or areas of concern to achieve specific objectives, as will be further explored in Subchapter 4.4. Recognizing the interconnected nature of global challenges, states leverage issue linkage as a negotiation tool to influence the behavior of other actors. This involves offering concessions or seeking cooperation on one issue in exchange for reciprocal actions on another. By intertwining multiple issues, such as trade, security, human rights, and environmental concerns, parties aim to maximize their interests and advance their policy goals. However, issue linkage adds complexity to negotiations, requiring careful consideration of interdependencies and trade-offs. While it can foster cooperation and creative problem-solving, it also carries risks of discord or breakdowns in negotiations if perceived as unfair or exploitative (Noone 2019; McGinnis 1986; Haas 1980).

However, Itamaraty's capacity to embody and advance the national interest is not guaranteed merely by its holistic approach. The assertion that Itamaraty's viewpoint automatically aligns with national interests is a misconception. Effective foreign policy requires engagement with a diverse array of societal actors such as unions, businesses, and religious organizations to gather a wide range of perspectives and interests. This inclusive approach is essential in a democratic society where domestic consensus-building can be as challenging as international negotiations. According to one interviewee, the decline in Itamaraty's role as an agenda-setter is partly due to its insularity and self-congratulatory nature, which isolates it from critical societal feedback and necessary inter-ministerial collaboration¹³⁵.

Furthermore, it has been common practice to have diplomats stationed in international advisories of other ministries. This is positive for Itamaraty, since it increases its leverage in interbureaucratic conflicts and helps to ensure that its foreign policy guidelines are followed by other bureaucracies. One interviewee argued that there has been a historical trend of assigning less competent staff to these roles¹³⁶. However, they mention recent efforts to change that by deploying skilled diplomats to enhance inter-ministerial cooperation. Resource

¹³⁵ Ibid.

¹³⁶ Interview with Ambassador no. 1. Brasilia, April 2024.

allocation within the State Secretariat (Itamaraty's headquarters in Brasilia) and its overseas missions remains imbalanced. Some European embassies are overstaffed, while posts in Africa and domestic positions in Brasilia suffer from shortages¹³⁷. Such discrepancies highlight systemic inefficiencies and a misplaced prioritization that overlooks the potential benefits of a more distributed and rationalized deployment of diplomatic personnel. For its part, the common practice of "cabinetization" ("*gabinetização*"), that is, the overstaffing of high-level cabinets further dilutes the potential impact of these professionals in more strategic roles across the government. Diplomats who have held offices in high-level cabinets (namely the cabinets of the President, Vice-President, Foreign Minister and Itamaraty's Secretary-General) have approximately 5.67 times higher chances of reaching the top of their career and become Ambassadors, compared to those who have not held positions in such offices (ADB 2023, p. 372). These findings suggest a strong association between holding office positions and achieving the status of First-Class Minister (Ambassador). Diplomats thus often pursue advisory roles within high-level cabinets because these positions typically offer faster career advancement (Ibid, p. 375-376). The promotion process favors individuals who work closely with Brazil's President and Vice-President, as well as with senior diplomats, including the Foreign Minister, the Secretary-General, and Secretaries. This practice not only reflects a mismanagement of skilled personnel but also underscores the need for structural reforms within the ministry to adapt to the demands of contemporary international relations and domestic governance.

Regarding China, the process of "cabinetization" leads to a lack of personnel on the "factory floor" – an expression used by Brazilian diplomats to refer to the work done in divisions, the lowest hierarchical unit in Itamaraty's organizational chart, but where a significant part of the substantive work is done. Each of the two divisions at Itamaraty responsible for China has only two diplomats: a head and a deputy head¹³⁸. Hence, there are frequent complaints

¹³⁷ Chade, Jamil. 2024. "Diplomatas denunciam gestão do Itamaraty e cortes de postos no exterior." *UOL*, February 2, 2024. <https://noticias.uol.com.br/colunas/jamil-chade/2024/02/02/diplomatas-denunciam-gestao-do-itamaraty-e-cortes-de-postos-no-exterior.htm>.

¹³⁸ Information obtained through the Information Access Law.

from diplomats stationed at the State Secretariat about workload and personnel shortages. A few years ago, the divisions of the State Secretariat used to be better staffed, and the divisions dedicated to China had one extra diplomat each¹³⁹.

With Itamaraty's structure analyzed, we now shift our focus to the Chinese Foreign Ministry. By examining its organizational framework, we can gain insight into how it influences China's relations with Latin America, particularly Brazil.

Chinese Foreign Policy: Waijiaobu and beyond

China's Ministry of Foreign Affairs (Waijiaobu), or simply MFA, holds a central position in managing the nation's foreign relations, acting as the coordinating agency amidst various governmental bodies involved in international affairs. Staffed by over 9,000 individuals, the MFA orchestrates both bilateral and multilateral diplomatic endeavors (Shoujun and Cepik 2023). Considering the involvement of multiple state actors due to the extensive scope of China's global policy interests, the MFA maintains a coordinating role, particularly in sensitive diplomatic issues such as those related to Taiwan. The role of the MFA is complemented by the strategic functions of other significant ministries and commissions. For instance, the Ministry of Commerce (MOFCOM) leads on trade, investments, and external aid; the National Development and Reform Commission (NDRC) oversees initiatives related to energy, climate change, and infrastructure; and the Ministry of National Defense, which, while not directly commanding the People's Liberation Army, still plays a vital role in international defense relations. Additionally, financial institutions like the China Development Bank (CDB), the EXIM Bank of China, and the China Export and Credit Insurance Corporation (SINOSURE) are pivotal in supporting China's economic statecraft. Together, these entities form a complex network of governance that propels China's foreign policy objectives on the global stage (Ibid).

¹³⁹ Ibid.

China also highly values its professional diplomacy. The Chinese preference for appointing career diplomats to key foreign policy positions is exemplified by the careers of individuals such as Yang Jiechi (2007-2013) and Wang Yi (2013-)¹⁴⁰, two of the longest serving Foreign Ministers in China's recent history. Educated in prestigious institutions in the United Kingdom, Yang Jiechi served as the Chinese ambassador to the United States from 2001 to 2005, demonstrating a profound understanding of Western, particularly American, culture and political system. Similarly, Wang Yi's tenure as the Chinese ambassador to Japan from 2004 to 2007, followed by his role as the Director of the Taiwan Affairs Office of the State Council, showcases the importance placed on extensive diplomatic experience and expertise in managing complex international relations. These appointments underscore the CCP's trust in professional diplomats who have proven track records. They highlight the strategic emphasis on promoting seasoned diplomats to prominent roles within the foreign affairs bureaucratic cluster, reinforcing their critical influence in shaping China's foreign policy. This approach reflects a systemic preference for diplomats who possess deep regional and international insights as well as linguistic and cultural fluency necessary in global diplomacy (Lai and Kang 2014, p. 310). The diplomatic career in China is nonetheless losing its appeal due to long overseas assignments, low pay, strict discipline, and the challenging path to top positions (Sun 2017, p. 13). MOFCOM and the MFA have been significantly affected by brain drain. While joining the MFA remains competitive, government data indicates that it is now more than twice as difficult to get into other foreign-oriented units, such as the Customs Bureau (Ibid).

Unlike Brazil, however, Chinese foreign policy formulation is closely associated with party politics. CCP exerts substantial influence over the formulation of China's foreign policy through its Leading Small Groups (LSG), particularly the Central Foreign Affairs Commission (CFAC). LSGs are

¹⁴⁰ From December 2022 to July 2023, Qin Gang, a former Chinese ambassador to the US, briefly served as Foreign Minister. However, he disappeared in public view in June 2023 and was shortly after dismissed from the post. See Stephen McDonnell. 2023. "Qin Gang: The Swift Rise and Mysterious Fall of China's Missing Foreign Minister." *BBC*, July 25, 2023. <https://www.bbc.com/news/world-asia-china-66302235>.

inter-agency bodies that play a crucial role in consensus-building and policy coordination among various party, government, and military entities. While the full details of their membership, agenda, and deliberations remain confidential, these groups are known to be chaired by members of the Politburo Standing Committee (PSC) and include high-level officials from across the administrative spectrum. The CFAC is the CCP's committee responsible for the oversight of Chinese foreign policy. Previously known as the Central Foreign Affairs Leading Group, in 2018 it was upgraded to include China's maritime interests. The CFAC, under the leadership of the CCP General Secretary and President Xi Jinping, is instrumental in shaping China's foreign policy. It deliberates on key international strategy issues and forwards its recommendations to the PSC for final approval. This process ensures that major foreign policy decisions reflect the strategic priorities and objectives of the CCP leadership. Furthermore, the integration of the Central Finance and Economy Leading Small Group in foreign policy deliberations underscores the growing importance of economic factors in China's international relations, enhancing the country's capacity to coordinate complex policy issues such as foreign trade and economic relations. These groups enable focused and aligned efforts across various ministries and departments, ensuring that China's foreign policy actions are cohesive and effectively support the central leadership's broader geopolitical and economic goals (Lai and Kang 2014, p. 300-301).

In conclusion, China's MFA serves as a key coordinating body for the country's foreign policy, managing interactions with various government agencies involved in international affairs. Its role is essential in handling China's wide-ranging global interests, working closely with bureaucracies like MOFCOM and NDRC, as well as financial institutions that support China's economic diplomacy. The emphasis on career diplomats within the MFA reflects China's preference for experienced professionals in foreign policy positions. However, the influence of the CCP, particularly through its Leading Small Groups and the Central Foreign Affairs Commission, underscores the significant involvement of party structures in the foreign policy process. These inter-agency bodies ensure that foreign policy decisions align with the strategic priorities set by the CCP

leadership. This system differs from other diplomatic models, such as Brazil's, where party influence on foreign policy is less direct, highlighting a key characteristic of China's foreign policy governance.

Behind Closed Doors: An Inside Look at the Foreign Ministries

Itamaraty and Waijiaobu have very close ties. The bilateral acts signed between both Foreign Ministries concern organizational cooperation (Oct. 25, 2019), visa facilitation (Sep. 1, 2017; Jul. 16, 2014; May 24, 2004), joint political statement (Apr. 12, 2011), diplomatic academy cooperation (Sep. 14, 2010), and intellectual property (Apr. 16, 2010). The MoU for Strengthening the Cooperation between the Ministries of Foreign Affairs of Brazil and China (Oct. 25, 2019) has established that the Global Strategic Dialogue (DEG) between Foreign Ministries is held yearly, facilitated by designated focal points. DEG has the following sectoral dialogues: Disarmament and Non-Proliferation; Human Rights; International Law and Legal Cooperation; Diplomatic planning; Consular and Migration Issues; African affairs; Asian affairs; North America affairs; Middle Eastern affairs; and Latin American and Caribbean affairs. Moreover, the MoU has established a hotline between both Foreign Ministers in order to maintain close and timely communication on bilateral, regional, and international issues of great importance, with a diplomat in the Department of China of Itamaraty and another diplomat in the Department of Latin America and Caribbean of China's Ministry of Foreign Affairs being designated focal points. The MoU also provides that the parties will seek, whenever possible, to exchange experiences and reciprocal support on issues related to accession to international organizations, as well as bids for positions in international organizations and for hosting multilateral events. Concerning COSBAN, Itamaraty's Secretary for Asia and China's Vice-Minister of Foreign Affairs co-preside over the Political Subcommittee.

The organizational structure of Brazil's Ministry of Foreign Affairs, as defined in Decree No. 11,357, dated January 1, 2023, establishes a functional framework intended to support the Ministry's activities. The Minister of State for Foreign Affairs is directly assisted by several offices, including the Minister's

Office, the Special Advisory for Diplomatic Planning, and the Advisory on Social Participation and Diversity. These bodies provide administrative and strategic support essential for daily operations. The Secretariat-General of Foreign Affairs acts as the central directing body, coordinating policy and overseeing the various specialized secretariats that manage regional and thematic areas. These include regional secretariats for Latin America, Europe, Africa, the Middle East, and Asia-Pacific, each subdivided into departments that focus on specific countries or regions, facilitating targeted diplomatic engagement. Additionally, the structure includes secretariats devoted to economic and multilateral political affairs, along with thematic areas such as climate change, energy, and the environment. These are designed to align with Brazil's foreign policy priorities in trade, human rights, and disarmament, among others. The Ministry also maintains decentralized units like representative offices and commissions for boundary demarcation, and overseas units including diplomatic missions and consular offices. These extend Brazil's diplomatic reach and maintain its international presence. Decision-making is supported by the Promotion Commission, and the Ministry's educational and research initiatives are bolstered by the Alexandre de Gusmão Foundation (FUNAG).

FUNAG, established by Law No. 5,717 on October 26, 1971, is a public foundation linked to Itamaraty. Its primary objectives include conducting and promoting cultural and educational activities in the field of international relations, undertaking studies and research on international issues and Brazil's diplomatic history, and disseminating information about Brazilian foreign policy¹⁴¹. During the Bolsonaro administration, FUNAG played a controversial role in shaping Brazilian foreign policy, particularly concerning China. Traditionally, Funag's mission has been to disseminate knowledge on Brazil's foreign policy through publications, debates, seminars, and courses. However, under Bolsonaro, FUNAG became a platform for promoting ideologically charged and scientifically dubious views, especially during the COVID-19 pandemic¹⁴². The foundation

¹⁴¹ Itamaraty. 2024. "FUNAG — Fundação Alexandre de Gusmão." 2024. <https://www.gov.br/funag/pt-br>.

¹⁴² Marins, Carolina. 2020. "Sob Bolsonaro, fundação do Itamaraty vira palco de fake news sobre covid-19." *UOL*, May 10, 2020.

hosted a series of weekly seminars that not only questioned scientific evidence about the virus but also criticized international institutions like the World Health Organization (WHO) and domestic measures taken by local governments. These events, often featuring speakers from conservative blogs and lacking diverse viewpoints, were criticized for their politicized nature and for spreading misinformation¹⁴³. This ideological shift within FUNAG reflects broader trends in Bolsonaro's foreign policy, which sought to align with a nationalist and conservative agenda. The politicization of FUNAG and its use as a tool to disseminate partisan narratives, including those related to China, underscores a significant departure from the more pragmatic approach that historically characterized Brazil's China policy. This transformation raised concerns among parliamentarians, who formally questioned FUNAG's role under Foreign Minister Ernesto Araújo filing a request in the House of Representatives questioning Funag's impact on Brazil's international reputation and the practical implications for its foreign relations¹⁴⁴.

Within the Asia-Pacific Secretariat is the Department of China, Russia and Central Asia, which, for its part, has two divisions dedicated to China: the Division of China and Mongolia (DCM) and the Division of Regional Political Mechanisms (DMR). According to Decree No. 11,357 (January 1, 2023), “the Department of China, Mongolia and Bilateral and Regional Mechanisms is responsible for coordinating and monitoring Brazil's foreign policy to each country, with the group of countries and with the bilateral and regional mechanisms of the respective geographic area”. A department with two divisions within the Itamaraty organization structure dedicated to China was an innovation of the Bolsonaro administration, particularly of the organizational reform introduced by Ernesto Araujo, who was the epitome of the government's

<https://noticias.uol.com.br/internacional/ultimas-noticias/2020/10/05/funag-seminarios-pandemia-itamaraty.htm>.

¹⁴³ Zarur, Camila. 2020. “Em palestra em fundação do Itamaraty, Eduardo Bolsonaro diz que ‘pandemia é laboratório perfeito para globalistas.’” *O Globo*, August 11, 2020, sec. Mundo. <https://oglobo.globo.com/mundo/em-palestra-em-fundacao-do-itamaraty-eduardo-bolsonaro-diz-que-pandemia-laboratorio-perfeito-para-globalistas-24580915>.

¹⁴⁴ Jamil Chade. 2020. “Itamaraty usa ‘likes’ para justificar palestras de olavistas e monarquistas.” September 9, 2020. <https://noticias.uol.com.br/colunas/jamil-chade/2020/09/09/itamaraty-usa-likes-para-justificar-co-nvite-a-olavistas-e-monarquistas.htm>.

anti-China posture. According to one interviewee, this institutional development – kept in successive administrations – was Araújo's main contribution to Brazil-China relations¹⁴⁵. This has been an important organizational shift, especially considering that until the 2000s the ministry did not even have a China desk or department, nor “a single fluent Chinese speaker or cohort of China specialists in the entire Brazilian Foreign Service” (Shambaugh 2013, p. 107).

The China and Mongolia Division (DCM) primarily focuses on the economic aspects of the relationship, whereas the Regional Policy Mechanisms Division (DMR) predominantly handles the political dimensions. In accordance with Decree No. 11,357 (January 1, 2023), DCM plays a crucial role in supporting the department's responsibilities, particularly in monitoring economic, financial, commercial, investment, agricultural, and energy-related developments in China and Mongolia and their impact on Brazil. DCM is tasked with two primary responsibilities. First, it provides advisory support to ensure effective tracking of these diverse issues, which are important for informed diplomatic engagement and policy formulation. Second, the DCM coordinates with relevant units of the External Relations Secretariat (SERE) to oversee bilateral dialogues with China and Mongolia. These dialogues encompass economic, financial, commercial, investment, agricultural, and energy matters, as well as interactions involving agencies active in these areas. This coordination extends to participating in the Plenary Session and various levels of COSBAN, underscoring the strategic importance of these bilateral engagements in enhancing Sino-Brazilian relations¹⁴⁶.

The DMR primarily addresses the political aspects of Brazil's relationships with China and Mongolia. Established under Decree No. 11,357 (January 1, 2023), the DMR's primary functions include overseeing the development and implementation of foreign policies related to China and Mongolia. This seeks to ensure that Brazil is consistently updated and can respond effectively to regional developments. The division also organizes the Global Strategic Dialogue between the Brazilian and Chinese foreign ministers,

¹⁴⁵ Interview with diplomat no. 2. Brasilia, April 2024.

¹⁴⁶ Interview with diplomat no. 1. Brasilia, April 2024.

playing a key role in supporting high-level diplomatic engagements. Additionally, the DMR prepares for the Political Sub-Commission meetings of COSBAN and the Strategic Dialogue on Asia, which are crucial for coordinating bilateral political strategies. The division is also involved in Brazil's participation in the Macau Forum, which fosters cooperation between China and Portuguese-speaking countries. Furthermore, the DMR monitors Brazil's interactions within major international groupings such as the Shanghai Cooperation Organization, the RIC Forum (Russia-India-China), the China-Africa Cooperation Forum (FOCAC), the China-Eastern European Countries Summit (16+1), and various dialogues that China conducts with South America, the US, the European Union, and Japan¹⁴⁷. These activities are part of the DMR's broader role in managing Brazil's diplomatic relations in a complex global context.

As for China, the organizational structure of the Waijiaobu, its Ministry of Foreign Affairs, is designed to manage its extensive diplomatic responsibilities and international relations. At the apex of the Ministry's hierarchy is the Foreign Minister, who is supported directly by several deputy ministers who handle various regional and thematic portfolios¹⁴⁸. The Ministry is divided into numerous departments and bureaus that specialize in different geographical areas and specific foreign policy issues. For example, there are regional departments such as the Department of Asian Affairs, Department of European-Central Asian Affairs, Department of North American and Oceanian Affairs, and Department of African Affairs. Each department focuses on managing China's relations with countries in these respective regions. Furthermore, the Ministry includes departments dedicated to policy-related issues such as the Department of International Organizations and Conferences, Department of Arms Control, and Department of Treaty and Law. These departments are crucial for shaping China's stance on global issues and its engagement in international law and agreements. Additionally, the Ministry has operational departments like the Department of Protocol, Department of

¹⁴⁷ Information obtained through the Information Access Law.

¹⁴⁸ "China's Foreign Ministry." 2024. April 2024.

https://www.fmprc.gov.cn/eng/wjb_663304/zizig_663340/.

Consular Affairs, and Department of Information, which handle diplomatic protocol, consular services, and press releases, respectively. The Ministry also oversees the Information Office, which manages foreign media relations and public diplomacy. Specialized bureaus within the Ministry address more specific needs, such as the Hong Kong, Macao, and Taiwan Affairs bureau, which focuses on policy concerning these special administrative regions and Taiwan. This structure allows the Ministry to handle a broad range of international interactions and to promote China's foreign policy objectives globally.

The Department of Latin American and Caribbean Affairs (DLACA) within China's Ministry of Foreign Affairs is led by a Director-General and a Deputy Director-General¹⁴⁹. This department is central in shaping China's foreign policy and bilateral relations with countries in Latin America and the Caribbean. Its main responsibilities encompass managing diplomatic contacts and making representations to these regions. It also oversees and coordinates policies on cooperation and exchanges, guiding the operation of China's diplomatic missions in these regions. Additionally, the department handles translation and interpretation for significant diplomatic functions involving Latin American and Caribbean languages¹⁵⁰. The DLACA was established to streamline the coordination among various Chinese ministries and their Latin American counterparts, being structured into six divisions, with four focusing on specific countries, one on policy drafting and planning, and another on engagement with regional organizations (Shoujun and Cepik 2023). The department is not only crucial in bilateral contexts but also in multilateral frameworks, particularly in managing the day-to-day operations of the China-CELAC Forum Follow-Up Committee. As DLACA orchestrates these interactions, it draws on the resources of the largest network of Chinese diplomats in Latin America, based in Brasilia, and also coordinates with the Chinese embassies across 22 Latin American countries. The importance of DLACA is underscored by its involvement in the preparatory processes of high-level meetings, which require coordination with various state organs such as MOFCOM and the NDRC,

¹⁴⁹ China's Ministry of Foreign Affairs. 2024. "The Department of Latin American and Caribbean Affairs." 2024. https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/ldmzs_664952/.

¹⁵⁰ Ibid.

highlighting its role in managing the interplay of political, financial, and technical issues within China's foreign policy apparatus toward Latin America and the Caribbean (Ibid).

In conclusion, the relationship between Itamaraty and the Waijiaobu is defined by formalized cooperation and regular dialogues, governed by a series of bilateral agreements across various sectors. The creation of the Global Strategic Dialogue (DEG) and its sectoral dialogues reflects the increasing institutionalization of Brazil-China relations, with both foreign ministries maintaining established channels for addressing key bilateral, regional, and international issues. The organizational structures of Brazil's Ministry of Foreign Affairs and China's Ministry of Foreign Affairs demonstrate their respective approaches to managing this relationship. The inclusion of divisions focused on China within Itamaraty and the Department of Latin American and Caribbean Affairs within the Waijiaobu indicates the importance of targeted diplomatic engagement. Despite periods of tension and ideological shifts in Brazil's foreign policy, particularly during the Bolsonaro administration, the underlying mechanisms for cooperation between the two ministries have remained intact, illustrating the pragmatic need for sustained diplomatic dialogue.

The Brazilian Embassy in Beijing

The Brazilian Embassy in Beijing was established in 1975, with Aluizio Napoleão de Freitas Rêgo serving as the first Brazilian Ambassador in Beijing until 1981. Since then, 13 other Ambassadors have represented Brazil in China. Given the significant importance of Sino-Brazilian relations, the Embassy is divided into several specialized sectors: the Political Sector (including environmental issues), the Economic Sector (encompassing agriculture), the Trade Promotion Sector, the Science & Technology Sector, the Cultural Sector, the Consular Sector, the Press and Public Diplomacy Sector, and the Educational Sector¹⁵¹.

The Brazilian Embassy in Beijing, as delineated by Decree no. 11,024 issued on March 31, 2022, plays a critical role in fostering and maintaining

¹⁵¹ Itamaraty. 2024. "Quem Somos. Embaixada do Brasil em Pequim." Ministério das Relações Exteriores. 2024. <https://www.gov.br/mre/pt-br/embaixada-pequim/a-embaixada/quem-somos>.

Brazil's diplomatic and economic relationships with China. The Embassy represents Brazilian interests and actively engages in negotiations and information exchange to protect these interests abroad. The Embassy is specifically tasked with promoting the directives of Brazilian foreign policy which emphasize national development and the safeguarding of national and expatriate interests. To attain these objectives, the Embassy has outlined strategic goals that encompass expanding Brazil's presence in China, diversifying exports, attracting investments, and supporting Brazilian enterprises operating in Chinese markets. Furthermore, the Embassy aims to bolster scientific and educational exchanges, with a keen focus on cooperation in critical areas such as health, sustainability, artificial intelligence, space, and information technologies¹⁵². It also seeks to enhance Brazil's cultural and technological stature, facilitate high-quality consular services, and engage more effectively in bilateral and multilateral dialogues. Through these endeavors, the Embassy seeks to refine governance practices and strengthen Brazil's strategic positioning in relation to China¹⁵³.

According to a cable by Ambassador Castro Neves (2004-2008) sent to Brasilia in February 2005, the strengthening of Sino-Brazilian following President Lula's state visit in 2004 highlighted some difficulties that "seriously compromise[d] the operational security of the Embassy and, in particular, the preservation of the confidentiality inherent to the activities of a diplomatic mission"¹⁵⁴. The cable revealed critical vulnerabilities and suggested measures to mitigate these risks. The Embassy's external security was managed by PLA soldiers, who guarded the premises around the clock. Internally, a Chinese security firm, which maintained close ties with both the Diplomatic Bureau and the PLA, provided security. This firm was the only one authorized by Chinese authorities to offer security services to foreign diplomatic missions. The cable emphasized a concerning dependency on this Chinese security firm, which compromised the embassy's autonomy over its internal security.

¹⁵² Strategic planning of the Embassy of Brazil in Beijing. Ambassador Marcos Bezerra Abbott Galvão. 2022, p. 5.

¹⁵³ Ibid.

¹⁵⁴ Cable no. 165, from Beijing to Brasilia. Feb. 21 2005. Secret.

Another significant issue highlighted by the cable was the composition of the embassy staff. Concerning non-diplomatic personnel, apart from four Brazilian employees, the rest of the staff comprised Chinese nationals who were government employees. According to Ambassador Castro Neves, it was unusual that almost all of them had higher education degrees and that some subordinate Chinese employees were even former diplomats at the Chinese Embassy in Brasilia – a fact they did not hide. However, they preferred, by “personal choice” according to them, to serve coffee at the Brazilian Embassy. This situation raised concerns about potential conflicts of interest and the risk of sensitive information being compromised. The dependency on Chinese interpreters was exacerbated by the fact that only four Brazilian employees spoke Mandarin fluently. This reliance posed a threat to the confidentiality of diplomatic communications and activities. Acknowledging this issue, the Embassy initiated Mandarin language training for its staff to reduce dependency on local interpreters¹⁵⁵.

The expansion of the Embassy's diplomatic and military attaché staff further intensified existing security concerns. The cable pointed out two primary deficiencies: inadequate administrative support and insufficient security measures to ensure the inviolability of documents and activities. The increase in personnel without a corresponding increase in administrative support had strained the embassy's operations, making it difficult to maintain high security standards. To address these challenges, Ambassador Castro Neves proposed several measures: strengthening administrative support by increasing the number of administrative staff to match the growing diplomatic presence, enhancing security measures by implementing additional security protocols to safeguard documents and communications, ensuring higher standards of inviolability, and hiring additional local staff while carefully vetting them to ensure they do not pose a security risk¹⁵⁶.

As a consequence, during Ambassador Clodoaldo Huguene's tenure from 2008 to 2013, the Embassy in Beijing saw a marked increase in its staff and overall significance. Previously, the diplomatic position in Beijing was less

¹⁵⁵ Ibid.

¹⁵⁶ Ibid.

appealing to Brazilian diplomats due to several factors: the embassy's modest size, relatively low salaries, Beijing's considerable distance and high pollution levels, as well as the substantial cultural and linguistic barriers faced by Brazilians¹⁵⁷. However, this situation began to evolve as the political and economic ties between China and Brazil grew in importance, highlighting a dynamic shift in the perception and strategic relevance of Brazil's diplomatic mission in China. Table 3 presents the personnel of Brazil's Embassy in Beijing in 2004 and 2022, as well as the personnel of Brazil's embassies in Washington and Buenos Aires, which are respectively Brazil's second and third trading partners, after China. The year 2004 was chosen as a reference because it was in November of that year that the parties decided to establish COSBAN. A diachronic analysis shows that there has been a slight increase in the number of diplomats in Brazil's Embassy in Beijing, from 14 in 2004 to 17 in 2022. While the number of Chancery Officers and Assistants of the Embassy in Beijing has decreased from 11 in 2004 to 5 in 2022, the local staff has significantly increased from 27 in 2004 to 39 in 2022. In 2004, the local staff only held positions of "support assistant" (*auxiliar de apoio*) and "administrative assistant" (*auxiliar administrativo*). In 2022, there are two staff specifically responsible for assisting the agricultural attachés and another five specifically allocated to the Sector of Trade Promotion (*Secom*). The increase in the local staff and their specific positions concerning trade and agriculture are evidence of the Embassy's burgeoning economic role.

The comparison of the personnel in the Embassy in Beijing to the Embassies in Washington and Buenos Aires confirms the relative importance of the diplomatic post in China, especially considering China's much farther geographical distance, as well as the longevity of the contemporary diplomatic relationship, established only in 1974. While Brazil celebrates 50 years of diplomatic relations with China in 2024, it also celebrates 200 years of diplomatic relations with Argentina and the US.

¹⁵⁷ Interview with diplomat no. 3. Online. February 2022.

Table 3 - Personnel of Brazilian embassies in selected countries¹⁵⁸

Position	Beijing 2004	Beijing 2022	Washington 2022	Buenos Aires 2022
Ambassador / First Class Minister	2	1	1	1
Second Class Minister	2	2	3	3
Counsellor	3	2	4	7
First Secretary	2	3	2	4
Second Secretary	4	9	10	3
Third Secretary	1	0	0	0
Total Diplomats	14	17	20	18
Chancery Officers	5	3	6	5
Chancery Assistant	6	2	1	0
Total Foreign Service	25	22	27	23
Local staff	27	39	40	74 ¹⁵⁹
Embassy personnel	52	61	67	97

Source: Elaborated by the author, with information gathered through Brazil's Information Access Act.

Prior to the Covid-19 pandemic, the embassy's priority was the economic and commercial relationship¹⁶⁰. The embassy's goals were to “expand and diversify exports, promote programs and investment opportunities in Brazil, such as the Investment Partnerships Program (PPI), and facilitate contacts

¹⁵⁸ The Brazilian Foreign Service is composed of three careers: Diplomat Career, Chancery Officer Career, and Chancery Assistant Career. Chancery Assistants are career civil servants with a minimum high-school degree who provide technical and administrative support. Chancery Officers are career civil servants with a minimum university degree who contribute to the formulation, implementation and execution of acts of technical analysis and administrative management. Diplomats are career civil servants responsible for diplomatic and consular activities. There are six ranks in the diplomatic career, in hierarchical order: Third Secretary, Second Secretary, First Secretary, Counselor, Second Class Minister, First Class Minister. Ambassador is the honorary dignity conceded permanently when a Minister of First Class assumes a post overseas. It can also be a temporary assignment, when carried on by a lower-rank diplomat or a high-level Brazilian politician. Source: Itamaraty. “O Itamaraty e as Carreiras Do Serviço Exterior,” May 21, 2021. <https://web.archive.org/web/20210521175742/http://antigo.itamaraty.gov.br/pt-BR/perguntas-frequentes-artigos/19363-o-ministerio-das-relacoes-exteriores-e-as-carreiras-do-servico-exterior>.

¹⁵⁹ Including the staff of the Brazil-Argentina Cultural Center.

¹⁶⁰ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §1.

between Brazilian enterprises and Chinese investors”¹⁶¹. Other areas of the relationship, such as the flow of people, science and technology, tourism, education, and culture, “were in the background, but with growing importance”¹⁶². The beginning of the Covid-19 pandemic deeply changed the Embassy's working conditions and priorities, as well as the prospects for Sino-Brazilian relations. The Embassy supported Brazilian subnational actors (states and municipalities), companies, and associations in the acquisition of vaccines, respirators, and medical supplies¹⁶³, as will be further examined in Subchapter 4.4.

Growing tensions between China and the US coupled with the Covid-19 pandemic have hindered international trade and led to the politicization of the multilateral trading system¹⁶⁴. Against this backdrop, Sinophobia in Brazilian political circles and social networks increased, requiring a “permanent effort of clarification and contextualization” from the Embassy¹⁶⁵. In response to the Bolsonaro administration’s anti-China discourse, there was an increase in negative coverage of Brazil in the Chinese media, to which the embassy responded by intensifying contacts with local media, “to positively influence the publication of content related to Brazil”¹⁶⁶. The embassy has also augmented its presence on Chinese social networks, “disseminating content on various aspects of Brazilian reality, especially on culture, agriculture and the environment”¹⁶⁷. The burgeoning bilateral agricultural trade has led to the expansion of the Embassy’s agribusiness sector, which has two diplomats, two

¹⁶¹ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §2.

¹⁶² Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §3.

¹⁶³ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §5.

¹⁶⁴ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §14.

¹⁶⁵ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §4, translated by the author.

¹⁶⁶ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §14, translated by the author.

¹⁶⁷ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §14, translated by the author.

agricultural attachés and two local staff dedicated to the matter, in addition to the collaboration of the economic analysis and statistics support group¹⁶⁸.

The Brazilian Embassy in Beijing has experienced notable changes since its establishment in 1975, aligning with the increasing political, economic, and cultural exchanges between Brazil and China. The expansion of specialized sectors, particularly in agriculture and trade, illustrates China's strategic significance as Brazil's principal trading partner. The embassy's functions have evolved, transitioning from a primary focus on economic relations to addressing critical public health issues during the Covid-19 pandemic, which demonstrates its capacity to adapt to changing bilateral and global circumstances. However, challenges related to security and staffing, including the reliance on local employees and interpreters, remain pertinent concerns. The embassy's efforts to manage Brazil's image in Chinese media and promote national interests through various communication channels underscore the complexities of Sino-Brazilian relations. As Brazil and China mark 50 years of diplomatic ties, the embassy's expanding personnel and resources reflect its growing relevance in Brazil's foreign policy towards China, particularly in addressing the broader geopolitical and economic context.

Attachés

The Brazilian Embassy in Beijing hosts a range of attachés who specialize in various sectors, reflecting the varied relationship between Brazil and China. The military attachés include representatives from the Army, Navy, and Air Force, each responsible for fostering bilateral defense ties and enhancing military cooperation – although bilateral defense cooperation is still weak, as it will be explored in Subchapter 4.2. Additionally, there are civil and agricultural attachés who focus on strengthening collaboration in their respective fields. The civil attaché, from Brazil's Intelligence Agency (Abin), liaises on intelligence and security issues, while the two agricultural attachés

¹⁶⁸ Management Report, Ambassador Paulo Estivallet de Mesquita (2018-2021). Brazilian Embassy in Beijing, 2022, §35.

work to advance agricultural interests and cooperation between the two nations¹⁶⁹.

Historically, Itamaraty exhibited a reluctance towards the establishment of attaché positions. This hesitance was largely due to the perception that such roles often served as mere political appointments for individuals who were not necessarily qualified for these positions, particularly in the realms of cultural and press attachés (Silva 2018). However, as the 21st century unfolded, significant changes within various ministries, marked by increased professionalization and a higher level of education among personnel, forced Itamaraty to reevaluate its position. This shift coincided with the growing complexity and technical demands of the international agenda, thereby reigniting the debate on the creation of attaché roles. Itamaraty's resistance reflected the fear of diluting its control over international negotiations, which it views as crucial for protecting national interests against sector-specific agendas.

In response to longstanding demands from both the private sector and the Ministry of Agriculture, Livestock, and Food Supply (MAPA), Decree No. 6,464 (May 27, 2008) established the position of agricultural attaché in several Brazilian diplomatic missions abroad, including cities like Buenos Aires, Brussels, Geneva, Moscow, Beijing, Pretoria, Tokyo, and Washington. These attachés were tasked with fostering access for Brazilian agribusiness products in local and regional markets, identifying new opportunities, supporting external promotion, and monitoring any issues that might impact trade, including specific local policies of interest to Brazilian agribusiness. In response to Itamaraty's concerns, the decree ensured that appointments would be safeguarded from political influence, requiring that attachés be federal public servants from MAPA or employees of federal public companies assigned to MAPA, selected by the President upon the recommendation of the Minister of Agriculture, after consulting with Itamaraty. The final decision to establish the attaché positions was influenced significantly by higher political powers, possibly within the presidential circle, which helped overcome Itamaraty's objections (De Faria 2012). The resulting arrangement stipulated in the decree aimed to balance

¹⁶⁹ Information gathered through Brazil's Information Access Act.

responsibilities between MAPA and Itamaraty, ensuring that the attaché's role was integrated within Brazil's broader diplomatic missions, and even allowed for shared financial responsibilities for the attachés' activities¹⁷⁰.

Agriculture is a critical sector for Brazil, characterized by stringent regulations that necessitate specialized knowledge and oversight. The introduction of agricultural attachés was a strategic move to manage and facilitate the agricultural trade, including sanitary and phytosanitary issues and border control operations¹⁷¹. Initially appointed with a single attaché, the complexity and volume of work led to the addition of another, underlining the growing agricultural ties between Brazil and China. These attachés are crucial in ensuring compliance with both countries' regulatory frameworks and in enhancing the efficiency of trade processes. Before the presence of attachés, communications regarding these matters were slower, with telegrams sent from Beijing to the SERE and then relayed to MAPA. The presence of attachés streamlined these communications, allowing for direct and quicker coordination with relevant sectors in Brasilia¹⁷².

Agricultural attachés in the Brazilian diplomatic corps are generally held in high regard by diplomats, due to their competence, which stems from undergoing a rigorous internal selection process¹⁷³. This rigorous vetting ensures that those appointed as agricultural attachés possess the requisite skills and knowledge to effectively represent and manage Brazil's agricultural interests abroad – as it will be further examined in Subchapter 3.3. In contrast, other types of attachés, such as those in military and intelligence roles, are viewed less favorably within diplomatic circles. This perception is largely due to the lack of a transparent selection process for these positions, which are often filled based on political appointments rather than merit¹⁷⁴. As a result, the effectiveness and integration of military and intelligence attachés within embassy operations can be quite variable. Often, these attachés may operate independently of the embassy's core diplomatic mission, sometimes without

¹⁷⁰ Interview with Ambassador no. 5. Online. April 2024.

¹⁷¹ Interview with diplomat no. 3 Online. February 2022.

¹⁷² Ibid.

¹⁷³ Various interviews with Brazilian diplomats.

¹⁷⁴ Ibid.

even seeking regular communication with the ambassador, which can lead to situations where their presence and role within the embassy are not as impactful or recognized¹⁷⁵.

Meanwhile, MDIC has historically struggled to establish a formal attaché presence, in a context of inter-bureaucratic disputes with Itamaraty over the control of Brazil's foreign trade agenda. The establishment of the Ministry of Economy's first attaché in Washington in 2022¹⁷⁶ suggests a potential blueprint for similar establishments in other strategic locations, including Beijing, but nothing has materialized yet. This move indicates the evolving nature of Brazil's international economic engagements and the recognition of the need for specialized diplomatic roles in major capitals. The Federal Police's (PF) interest in opening attaché positions, including in Beijing, further suggests an increasing acknowledgment of the need for comprehensive and legally structured international engagement across various sectors¹⁷⁷.

The evolving structure of the Brazilian Embassy in Beijing, with its range of specialized attachés, mirrors the increasing complexity of Brazil-China relations. The presence of military, agricultural, and intelligence attachés reflects a deliberate strategy to engage with China on multiple fronts, even as challenges persist, particularly in defense cooperation. The introduction of agricultural attachés, driven by sectoral demands and solidified by formal decrees, highlights the importance of agriculture in Brazil's China policy. Meanwhile, other sectors, such as defense and intelligence, continue to face issues of integration and effectiveness due to less transparent selection processes and fragmented communication with the embassy's leadership. These developments underscore broader trends in Brazil's foreign service, where the push for specialized roles is reshaping diplomatic practices. However, the success of such efforts depends heavily on interagency coordination and

¹⁷⁵ Interview with Ambassador no. 5. Online. April 2024.

¹⁷⁶ Pedro Peduzzi. 2022. "Publicado Ato Que Cria Escritório Do Ministério Da Economia Nos EUA | Agência Brasil." January 27, 2022. <https://agenciabrasil.ebc.com.br/economia/noticia/2022-01/publicado-ato-que-cria-escritorio-do-ministerio-da-economia-nos-eua>.

¹⁷⁷ Polícia Federal. 2023. "PF Firma Acordo de Cooperação Policial Internacional Com a China — Polícia Federal." April 14, 2023. <https://www.gov.br/pf/pt-br/assuntos/noticias/2023/04/pf-firma-acordo-de-cooperacao-policial-internacional-com-a-china>.

the professionalization of these attaché positions, as well as overcoming historical resistance within Itamaraty. Looking forward, the possibility of expanding this model to other sectors, like trade and law enforcement, could further deepen Brazil's strategic engagement with China and other key global players.

Chinese Embassy in Brasilia

The Chinese government places Brasilia among its most vital diplomatic posts, alongside its embassies in the US, Russia, the UK, France, Japan, Germany, India, and North Korea, as well as the diplomatic missions before the UN, the WTO and the EU¹⁷⁸. Ambassadors in this postings have the same protocol rank as deputy cabinet ministers and are considered China's "top-level ambassadors"¹⁷⁹. Chinese top-level ambassadors have served as ambassador at least once before taking up the top post and are thus closer to the official retirement age of 65. Ambassadors in China's most prestigious embassies, such as in Brazil, have greater stability, with tenures that normally exceed the average of three and a half years of Chinese ambassadors elsewhere¹⁸⁰. This longer duration indicates a higher level of confidence from the CCP, which only trusts a few people to take these top posts, and underscores the critical role these positions play in representing China's interests. In general, top-level ambassadors have also served as vice-ministers before or headed a department within China's MFA. For instance, Li Jinzhang, Chinese ambassador to Brazil from 2012 to 2018, had previously served as ambassador to Mexico from 2001 to 2003 (Hutchings and Suri 2017). In 2003, he returned to China and served as Deputy Foreign Minister. In 2006, he was promoted to Vice Minister of Foreign Affairs. The Embassy in Brasilia was his last official assignment, as he retired immediately after leaving Brazil. His successor,

¹⁷⁸ Jiangtao, Shi. 2018. "Is China Headed for a Diplomatic Crisis of Its Own Making?" *South China Morning Post*, April 1, 2018.

https://www.scmp.com/news/china/diplomacy-defence/article/2137092/china-headed-diplomatic-crisis-its-own-making?campaign=2137092&module=perpetual_scroll_0&pgtype=article.

¹⁷⁹ Mokry, Sabine. 2018. "Chinese Experts Challenge Western Generalists in Diplomacy." *The Diplomat*, August 15, 2018.

<https://thediplomat.com/2018/08/chinese-experts-challenge-western-generalists-in-diplomacy/>.

¹⁸⁰ Ibid.

Ambassador Yang Wanming, was also highly experienced when he arrived in Brasilia. Between 2007 and 2012, Yang was the Director for Latin America of China's MFA. He then served as ambassador to Chile (2012-2014), to Argentina (2014-2018) and finally to Brazil (2018-2022)¹⁸¹.

China's diplomacy is regionalized, which means that Chinese diplomats typically specialize in a region throughout their careers. Zhu Qingqiao, Ambassador to Brazil (2022-), had previously served in the country twice. He was posted to Brazil from 1996 to 2003 and again from 2009 to 2014, when he served as Minister Counselor¹⁸². This means that Chinese Ambassadors in Brasilia are typically fluent in Portuguese and know the country well. As a consequence, many believe that all – or at least most – Chinese diplomats stationed in Brasilia are fluent in Portuguese, which is not necessarily true. In the recruitment of new diplomats, China's MFA restricts the applicant pool to those who have undergraduate degrees in humanities, particularly international affairs and foreign languages (Hutchings and Suri 2017, p. 46). Therefore, many Chinese diplomats indeed have college degrees in Portuguese and are sent to Portuguese-speaking countries, such as Brazil. However, this is not necessarily the case of most – let alone all – Chinese diplomats in Brazil. Throughout my research, I have met several Chinese diplomats who did not speak Portuguese, and had college degrees in other languages, such as English or French.

Another interesting characteristic of Chinese diplomacy is that only half the personnel at Chinese missions are MFA's employees¹⁸³. Table 4 shows the personnel at the Chinese Embassy in Brasilia as of 2024. Chinese civil servants from various state agencies, such as MOFCOM or Ministry of Education, are

¹⁸¹ Castro, Gabriel de Arruda. 2021. "Quem é Yang Wanming, tuiteiro, fotógrafo e midiático embaixador da China no Brasil." *Gazeta do Povo*, December 12, 2021, sec. ideias. <https://www.gazetadopovo.com.br/ideias/quem-e-yang-wanming-tuiteiro-fotografo-e-midiatico-e-embaxador-da-china-no-brasil/>.

¹⁸² Coletta, Ricardo Della. 2022. "China escolhe diplomata com ampla experiência no Brasil para chefiar embaixada." *Folha de S.Paulo*, October 19, 2022, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2022/10/china-escolhe-diplomata-com-ampla-experiencia-no-brasil-para-chefiar-embaixada.shtml>.

¹⁸³ Mokry, Sabine. 2018. "Chinese Experts Challenge Western Generalists in Diplomacy." *The Diplomat*, August 15, 2018. <https://thediplomat.com/2018/08/chinese-experts-challenge-western-generalists-in-diplomacy/>.

sent abroad as diplomats, and not necessarily as attachés¹⁸⁴, as is the practice of many foreign services, including Brazil. This does not mean, however, that China does not also send attachés abroad. As of 2024, there are a total of 22 Chinese attachés – 5 defense and 17 civil – officially registered before the Brazilian government as personnel of the Chinese Embassy. Therefore, different to what happens in Brazilian missions abroad, personnel working at the Education Sector of the Chinese Embassy are oftentimes not career diplomats but civil servants from the Ministry of Education itself. Abroad, however, they receive a diplomatic title and have the same privileges and immunities as a career diplomat. As a consequence, based on data from Table 4, it is impossible to precise how many of the 36 Chinese officials registered as diplomats are actual career diplomats from China's MFA and how many come from other state agencies, such as MOFCOM, Ministry of Education, Ministry of Culture, the CCP or even from the Ministry of State Security, China's main civilian intelligence agency. However, the unusually high number of Counselors at the Embassy, as shown in Table 4, is an indication that personnel from these other state agencies possibly receive the diplomatic title of counselors.

¹⁸⁴ Ibid.

Table 4 - Personnel of the Chinese Embassy in Brasilia (2024)

Position	Staff no.
Ambassador	1
Minister-Counsellor	3
Minister	2
Counsellor	13
First-Secretary	6
Second-Secretary	3
Third-Secretary	8
Total diplomats	36
Defense Attachés	5
Civil Attachés	17
Total attachés	22
Embassy total staff	58

Source: Elaborated by the author¹⁸⁵.

The Chinese embassy in Brasilia also includes a house in Lago Sul – a neighborhood different to where the Embassy headquarters is located – that functions as a separate commercial office, officially called “Economic and Commercial Section”¹⁸⁶. It is operated by officials from the Ministry of Commerce of China (MOFCOM), with its own budget and personnel. These commercial and economic activities take place outside the scope of the MFA’s traditional diplomacy, requiring direct engagement with MOFCOM for trade issues, although the office is formally part of the embassy. In practice, this setup demonstrates the strength and autonomy of MOFCOM, highlighting the complex structure of Chinese representations abroad. Itamaraty has historically not contested this arrangement, accepting that commercial matters are handled separately from traditional diplomatic relations¹⁸⁷. Although the house in Lago

¹⁸⁵ See Itamaraty. 2024. “Lista Do Corpo Diplomático e Datas Nacionais” 2024. <https://www.gov.br/mre/pt-br/assuntos/cerimonial/lista-do-corpo-diplomatico-e-datas-nacionais#China>.

¹⁸⁶ Itamaraty. 2024. “Lista Do Corpo Diplomático e Datas Nacionais” 2024. <https://www.gov.br/mre/pt-br/assuntos/cerimonial/lista-do-corpo-diplomatico-e-datas-nacionais#China>.

¹⁸⁷ Interview with Ambassador no. 6. Online. April 2024.

Sul is listed as part of the Chinese diplomatic mission in Brasilia, Chinese diplomatic sources have indicated that the Economic and Commercial Section has been moved to the Embassy headquarters and that the house in Lago Sul currently functions only as accommodation to Chinese officials¹⁸⁸.

For its part, the CCP also maintains a significant presence in Chinese embassies worldwide (Sun 2017). Cadres from the CCP's International Liaison Department are sent abroad as diplomats and receive diplomatic titles, typically of Counselors, but act as representatives of the CCP rather than the MFA – in Brazil it is not different¹⁸⁹. These individuals are responsible for defending China's strategic interests, thereby monitoring and reporting on pro-Taiwan, pro-Tibet, or anti-China movements for example. As China's military and economic influence have expanded over the years, the army and numerous other party and government agencies have increased their influence within the country's diplomatic framework. This shift has reduced the foreign ministry's role to a largely operational function, diminishing its overall significance in shaping diplomatic policies¹⁹⁰, a trend that is also reflected in China's Embassy in Brasilia.

The Chinese Embassy in Brasília is one of China's most prestigious diplomatic posts, reflecting the importance of Sino-Brazilian relations. The appointment of experienced, top-level ambassadors with extended tenures highlights China's commitment to fostering strong ties with Brazil. Chinese diplomacy in Brazil follows a regionalized approach, with diplomats specializing in Latin American affairs, contributing to their effectiveness. The embassy's structure is multifaceted, with personnel from various state agencies, including MOFCOM and the Ministry of Education, working alongside career diplomats from the MFA. The separation of diplomatic and economic activities, managed by MOFCOM, is a distinctive feature of China's representation in Brazil, accepted by Brazil's Ministry of Foreign Affairs. Additionally, the presence of

¹⁸⁸ Interview with Chinese diplomat. Brasilia. May 2024.

¹⁸⁹ Interview with Ambassador no. 6. Online. April 2024.

¹⁹⁰ Jiangtao, Shi. 2018. "Is China Headed for a Diplomatic Crisis of Its Own Making?" *South China Morning Post*, April 1, 2018.

https://www.scmp.com/news/china/diplomacy-defence/article/2137092/china-headed-diplomatic-crisis-its-own-making?campaign=2137092&module=perpetual_scroll_0&pgtype=article.

cadres from the CCP's International Liaison Department, who focus on safeguarding China's strategic interests, underscores the influence of the Party in China's foreign missions. This decentralized structure reflects China's comprehensive approach to managing its foreign policy and the key role of the Embassy in Brasilia in this strategy.

The Role of Leadership

If bureaucracy is a major player in the policy-making process, top leaders are another. Since the establishment of diplomatic relations with the PRC in 1974, Brazilian Presidents and Foreign Ministers had adopted a mostly coherent and friendly posture towards China. There was one significant exception: the two years Itamaraty was headed by Foreign Minister Ernesto Araújo (2019-2021), who, as President Bolsonaro himself, was a harsh critic of China. In a keynote address to new diplomats at the Instituto Rio Branco in the beginning of the Bolsonaro administration, Araújo articulated a strong stance on Brazil's trade ethics, emphasizing that the country would not "sell its soul" to export key commodities such as iron ore and soybeans¹⁹¹. This assertion came in the context of China being the largest buyer of these Brazilian exports. Araújo stressed that while Brazil aimed to continue its trade relations, it would not compromise its foreign policy principles merely for economic gain. This sentiment reflected a broader critique by Araújo of Brazil's recent foreign policy directions. He argued that Brazil's strategic alignment had shifted erroneously towards Latin America, Europe, and the BRICS nations, neglecting a deeper relationship with the United States, which he posited as historically more beneficial for Brazil's development. Araújo suggested that Brazil's period of significant growth coincided with strong ties to the US, and implied a correlation between a pivot away from the US and a phase of economic stagnation. Additionally, Araújo openly questioned the benefits of Brazil's increasing

¹⁹¹ *Folha de S. Paulo*. 2019. "A Novos Diplomatas, Araújo Diz Que País 'não Venderá Alma' Para Exportar Minério de Ferro e Soja ", March 11, 2019. <https://www1.folha.uol.com.br/mundo/2019/03/a-novos-diplomatas-araujo-diz-que-pais-nao-ven-dera-alma-para-exportar-minerio-de-ferro-e-soja.shtml>.

reliance on China as a major trade partner, associating this shift with the Brazil's economic challenges¹⁹².

The appointment of Ernesto Araújo as Foreign Minister was not President Bolsonaro's only move to realign Brazil's international relations. In 2019, during his first year in office, Bolsonaro attempted to nominate his son, Deputy Eduardo Bolsonaro – a vocal critic of China – as Brazil's ambassador to the US¹⁹³. This episode underscored the value Brazilian society places on professional diplomacy, since the nomination faced widespread public backlash and was unlikely to gain approval from the Brazilian Senate, which must confirm all presidential ambassadorial appointments. Consequently, President Bolsonaro ultimately refrained from formally appointing Eduardo. Eduardo Bolsonaro's nomination was seen as an effort to pivot Brazil closer to Washington, thereby reducing its diplomatic engagement with Beijing. This reorientation reflected a significant shift in Brazil's foreign policy, which had traditionally maintained a more balanced approach between major global powers. Subchapter 4.4, "To Veto, or Not to Veto: 5G, Vaccines, and High-Tech Cooperation," will analyze how these changes have impacted Brazil's foreign relations in practice. Within it, the sections "Diplomatic Tug-of-War: The Araújo-Yang Rivalry" and "The Great Fall: How Anti-China Rhetoric Toppled a Brazilian Foreign Minister" will further explore the role of leadership in Brazil's China policy and how these political figures molded Sino-Brazilian relations in recent years.

After examining the dynamics between the Foreign Ministries of Brazil and China, we will now consider the role of Parliaments, which are also influential political actors in contemporary Sino-Brazilian relations.

¹⁹² Ibid.

¹⁹³ Agência Senado. 2019. "Indicação de Eduardo Bolsonaro para embaixada nos EUA repercute no Senado." *Senado Federal*, July 17, 2019. <https://www12.senado.leg.br/noticias/materias/2019/07/17/indicacao-de-eduardo-bolsonaro-para-embaixada-nos-eua-repercute-no-senado>.

2.3. Naysayer: Parliament as a Veto Player

Under the Brazilian Constitution of 1988, the President of Brazil holds significant authority in the realm of foreign affairs, including the exclusive powers to maintain relations with other states and to accredit foreign diplomatic representatives. Additionally, the President has the authority to sign international treaties and agreements, subject to the approval of the National Congress, as stipulated in Article 84. This ensures that while the executive can negotiate and initiate international agreements, the legislative branch retains a critical oversight role through its ratification powers.

The National Congress, comprising the Chamber of Deputies and the Federal Senate, plays a crucial role in the oversight of these international treaties and agreements. According to Article 49 of the Brazilian Constitution, it has the exclusive competence to conclusively decide on international commitments that might affect national sovereignty or involve national assets. This dual oversight mechanism underscores the importance of checks and balances in the conduct of Brazil's foreign policy. Each house within Congress has a Committee on Foreign Relations and National Defense. These committees are tasked with a broad range of responsibilities, including the scrutiny of diplomatic and consular affairs; economic, commercial, cultural, and scientific relations; and interactions with international and regional organizations. They also review and have a say in matters concerning international law, national defense policy, military law, and even declarations of war and peace terms. This comprehensive mandate allows the legislative branch not only to participate in but also to shape Brazil's foreign and defense policies in alignment with broader national interests and legislative oversight.

In political theory, parliaments play a crucial role as veto players, a concept originally introduced by Tsebelis (2002). Recent studies have demonstrated how veto player approaches can be used in foreign policy analysis theory (Oppermann and Brummer 2017). As veto players, parliaments have the capacity to influence, modify, or obstruct foreign policy decisions, thereby shaping the trajectory of a nation's international relations. This role is particularly significant in political systems characterized by a high degree of

checks and balances – as is the case of Brazil’s democratic system –, where multiple institutional actors must agree on policy proposals before they can be implemented. According to Tsebelis (2002), the presence of multiple veto players can lead to policy stability, as changing existing policies becomes more challenging when more actors must agree on the proposed changes. In the context of foreign policy, this means that parliamentary approval can be essential for the ratification of international treaties, decisions on military engagement, and budget allocations for diplomatic missions. Parliaments can thus serve not only as a check on the executive’s foreign policy prerogatives but also as a critical forum for deliberation where diverse perspectives and public concerns can be addressed, reflecting democratic values in the conduct of foreign affairs. This function underscores the complex interplay between domestic political structures and international policy outcomes, highlighting the importance of legislative bodies in shaping a country’s foreign policy direction.

From a formal standpoint, Brazilian parliamentarians wield *ex post facto* influence over foreign policy matters, meaning their involvement comes after developments occur on the international stage (Diniz and Ribeiro 2010). This indicates that they lack prior legal authority to shape negotiations between the executive branch and external entities, except in cases such as declaring war and deploying troops for international missions. Specific responsibilities within the Federal Senate include endorsing the president’s diplomatic appointments for ambassadors in diplomatic missions abroad and approving loans from international organizations negotiated by subnational governments (Ramanzini and de Souza Farias 2021, pp. 93-99). Institutional rules restrict legislative control, offering parliamentarians limited opportunities to introduce, alter, postpone, or reject bills or proposals from the executive. Constitutional prerogatives restrict parliamentarians to presenting reservations or rejecting international acts, rather than shaping negotiations beforehand. Additionally, the executive may control the timing and rapporteur selection, while informal rules can hinder opposition parliamentarians’ involvement, leading to low legislative control capacity (Diniz and Ribeiro 2010). Unlike in domestic policy, the Federal Constitution and Executive agenda control mechanisms significantly constrain

the legislative branch's role in international agreement deliberations. Nevertheless, the legislature remains engaged in monitoring and discussing international matters, utilizing specific instruments such as requesting information, conducting parliamentary missions abroad, holding hearings with Ambassadors and Foreign Ministers, summoning authorities, and leveraging the activities of legislative committees (Ibid).

Despite constitutional limitations, recent studies have indicated a growing influence of the National Congress in Brazilian foreign policy (Santiago 2019). The Parliament's growing international role is consistent with its increased power in domestic politics. With the accumulation of democratic experience, parliamentary proceedings became institutionalized, strengthening the role of the National Congress in Brazilian politics. Since the enactment of Brazil's 1988 Constitution, the National Congress impeached Presidents Fernando Collor (1992) and Dilma Rousseff (2016), and barred the impeachment of Presidents Michel Temer and Jair Bolsonaro amid crises in exchange for political favors. Furthermore, it expanded its control over the public budget and its dominance as a law-maker to the detriment of the executive¹⁹⁴. It also approved institutional reforms reducing the executive's agenda-setting power in the legislative process, such as the limitation of the President's capacity to issue provisional measures (*medidas provisórias*) with legal force (Rey 2023). In the words of Arthur Lira, President of Brazil's Chamber of Deputies (2021-2024), "in the past, there was no Fiscal Responsibility Law, spending ceiling, regulatory agencies, an independent Central Bank, or mandatory amendments. The National Congress did not have as much protagonism [as today]"¹⁹⁵. Yet another evidence of the National Congress' increased power is the ruling by Brazil's Supreme Court in 2023 establishing that the executive needs legislative approval to denounce treaties. According to the rapporteur, Justice Dias Toffoli,

¹⁹⁴ Ventura, Manoel. 2021. "Orçamento dá superpoder ao relator e esconde indicações políticas." *O Globo*. April 12, 2021. <https://oglobo.globo.com/economia/orcamento-da-superpoder-ao-relator-esconde-indicacoes-politicas-24967003>.

¹⁹⁵ Feitoza, César. 2023. "Congresso conquista protagonismo e governo Lula precisa se adaptar, diz Lira." *Folha de S. Paulo*, May 24, 2023. <https://www1.folha.uol.com.br/poder/2023/05/congresso-conquista-protagonismo-e-governo-lula-precisa-se-adaptar-diz-lira.shtml>.

excluding international norms from the Brazilian legal system cannot be a mere decision of the Head of State. As treaties become legally binding when they are incorporated into Brazilian laws, their revocation also requires congressional approval¹⁹⁶.

In sum, the National Congress plays a role as a veto player in Brazil's foreign policy, functioning as a mechanism of oversight and balance within the country's democratic framework. While the President retains authority over international relations, including negotiating and signing treaties, legislative involvement ensures that these agreements align with the interest of domestic pressure groups and adhere to constitutional requirements. Though the formal influence of parliamentarians typically occurs after decisions are made, their ability to ratify treaties, approve diplomatic appointments, and monitor international agreements highlights their function in foreign affairs. The growing influence of the National Congress, as seen in recent legal rulings and its increasing role in domestic politics, reinforces its significance in shaping Brazil's foreign policy. The Parliament's capacity to affect decisions, from impeachment proceedings to budget control, reflects its expanding influence in both domestic and international arenas. As Brazil's China policy develops, legislative oversight will most certainly continue to serve as a check on executive power, seeking to ensure that the country's international relations are subject to broader institutional review and accountability.

As the subsequent sections will illustrate, the increasing influence of the Brazilian Parliament has also affected the country's relations with China, particularly as Brazil-China relations have grown so complex that distinguishing between domestic and international politics has become challenging.

Bridging Ideologies: Party-to-Party Diplomacy

The practice of party-to-party diplomacy has been a foundational aspect of the CCP international strategy since before the establishment of the PRC in 1949. Historical interactions with the Communist Party of the Soviet Union

¹⁹⁶ STF. 2023. "STF Valida Decreto Que Revogou Norma Internacional Sobre Dispensa Sem Justa Causa." *Supremo Tribunal Federal*. June 19, 2023. <https://portal.stf.jus.br/noticias/verNoticiaDetalhe.asp?idConteudo=509163&ori=1>.

during the revolutionary years provided early experience, which the CCP leveraged to establish and intensify connections with socialist and communist parties globally. These early connections were important during the Cold War, facilitating China's support for leftist movements and establishing unofficial diplomatic channels with parties in Western democracies and in Japan. Post-Cultural Revolution, under Deng Xiaoping's leadership, the CCP's approach to party-to-party relations evolved towards fostering relationships based on principles of independence, equality, and non-interference, reflecting a shift towards more pragmatic and strategic international engagements. Today, these relations are managed by the International Liaison Department, with dual objectives of supporting state-to-state diplomacy and expanding the CCP's political influence internationally. This approach underscores a strategic utilization of party-to-party contacts as conduits for influencing foreign policy in countries around the world, particularly where formal diplomatic relationships might be limited or absent. Parallel to this, China's parliamentary diplomacy, primarily executed through the National People's Congress (NPC), complements party-to-party efforts. Although often perceived as a ceremonial body with limited legislative power, the NPC plays a crucial role in formalizing international treaties and fostering parliamentary exchanges. The NPC's engagement in parliamentary diplomacy is aimed at enhancing China's global political influence and advocating for policies that align with Chinese interests. The Foreign Affairs Committee of the NPC, in particular, engages actively with foreign legislators to promote China's positions and invite foreign parliamentary engagement (Li 2024).

Furthermore, the Chinese government, particularly under the guidance of the CCP, has shown a strong interest in cultivating parliamentary relations with various countries¹⁹⁷. This diplomatic strategy is not limited to interactions with socialist and communist parties; it also extends to engaging with leaders from a broad spectrum of political orientations. A notable instance of this broader engagement strategy was the January 2019 visit of Brazilian parliamentarians

¹⁹⁷ Li, Zhuoran. 2024. "More Than MOFA: China's Comprehensive Diplomacy." *The Diplomat*, March 29, 2024. <https://thediplomat.com/2024/03/more-than-mofa-chinas-comprehensive-diplomacy/>.

from the Social Liberal Party (PSL), which was then led by the right-wing, anti-communist President Jair Bolsonaro¹⁹⁸. This visit, fully funded by the Chinese government, focused on the implementation of facial recognition technology in public spaces and included a visit to Huawei. The technology was intended to aid Brazilian public security forces in combating crime and apprehending suspects or fugitives¹⁹⁹. This event underscored the pragmatic approach of the Chinese government in leveraging parliamentary exchanges to advance specific technological and security collaborations, irrespective of the ideological leanings of the involved parties. Such engagements highlight the CCP's use of parliamentary diplomacy as a versatile tool in China's foreign policy to foster bilateral relationships and promote its domestic technologies abroad.

In 2023, the Workers' Party (PT) of Brazil and the Chinese Communist Party formalized an agreement aimed at deepening their cooperation and enhancing bilateral relations between the two parties. The "Agreement on Understanding for Exchange and Cooperation" outlined several key areas of collaboration²⁰⁰. Both parties committed to strengthening bilateral relations, fostering strategic communication, and building mutual political trust based on principles of independence, equality, mutual respect, and non-intervention in internal affairs. The agreement emphasized the importance of high-level exchanges and continuous dialogue on significant regional and international issues. It also sought to institutionalize multi-level exchanges between the parties through delegations, aiming to share governance experiences and strengthen collaboration between party-affiliated institutions such as schools, communication departments, and think tanks. Moreover, the agreement included plans for an annual "Theoretical Seminar," to be alternately organized

¹⁹⁸ Rebello, Aiuri. 2019. "Bancada Do PSL Vai à China Importar Sistema Que Reconhece Rosto de Cidadãos." *UOL*, January 16, 2019. <https://noticias.uol.com.br/politica/ultimas-noticias/2019/01/16/bancada-do-psl-vai-a-china-para-importar-tecnicas-de-reconhecimento-facial.htm>.

¹⁹⁹ Ibid.

²⁰⁰ Brazil's Workers' Party and China's Communist Party. 2023. "Acordo de Entendimento Sobre o Intercâmbio e a Cooperação Entre o Partido Comunista Da China e o Partido Dos Trabalhadores Do Brasil." https://pt.org.br/wp-content/uploads/2023/09/acordo-de-entendimento-sobre-o-intercambio-e-a-cooperacao-entre-o-partido-comunista-da-china-e-o-partido-dos-trabalhadores-do-brasil-1_ok.pdf.

by both parties, focusing on discussions of party-building and socio-economic governance. The parties also pledged to enhance coordination on regional and international issues related to sovereignty, territorial integrity, and self-determination, while supporting each other's international initiatives. The CCP's International Department and the Workers' Party International Relations Secretariat were tasked with drafting and coordinating annual plans for these exchanges and cooperative efforts, ensuring the systematic implementation of the agreement's objectives.

In April 2024, a delegation from the Workers' Party arrived in Beijing for an official visit, marking 40 years of relations between the Brazilian party and the Chinese CCP²⁰¹. Gleisi Hoffmann, the party's president, led a 28-member delegation to Beijing, with all expenses covered by the Chinese party. The visit reaffirmed the partnership between the two parties. The delegation participated in the VII Theoretical Seminar focused on party-building and modernization. Hoffmann delivered opening remarks and read a letter from President Lula to Chinese President Xi Jinping. The delegation included federal and state deputies, as well as key party leaders. During the seminar, Hoffmann advocated for Brazil's participation in the BRI. She highlighted that while Brazil had not yet officially joined the initiative, which her party preferred to refer to as "cooperation", she and the party believed it would be beneficial for the country, as it could bring substantial Chinese investments to Brazil²⁰².

Party-to-party diplomacy has been an important element of China's international strategy, enabling the CCP to expand its influence through alliances with both socialist and non-socialist parties. This approach, supported by parliamentary diplomacy, facilitates bilateral exchanges and promotes Chinese interests abroad. The relationship between the CCP and Brazil's Workers' Party reflects this strategy, with the 2023 "Agreement on

²⁰¹ Fundação Perseu Abramo. 2024. "40 anos de relação entre PT e PCCh: comitiva do PT chega a Pequim em visita oficial." *Fundação Perseu Abramo* (blog). April 9, 2024. <https://fpabramo.org.br/cooperacao-internacional/40-anos-de-relacao-entre-pt-e-pcch-comitiva-do-pt-chega-a-pequim-em-visita-oficial/>.

²⁰² Sá, Nelson de. 2024. "Em Pequim, Gleisi defende adesão a programa de infraestrutura da China." *Folha de S.Paulo*, April 10, 2024, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2024/04/em-pequim-gleisi-defende-adesao-a-programa-d-e-infraestrutura-da-china.shtml>.

Understanding for Exchange and Cooperation" formalizing collaboration on governance, party-building, and regional cooperation. The Workers' Party 2024 visit to China, marking 40 years of party relations, further reinforced these ties, focusing on party-building and discussions on Brazil's potential participation in the BRI.

In the Shadow of Protocol: Brazil-China Parliamentary Diplomacy

The current pragmatic stance of Chinese parliamentary diplomacy resonates within the Brazilian Parliament, which has also adopted a pragmatic posture in relation to China. Counterintuitively, as of 2024 the Brazil-China Parliamentary Groups in both the Chamber of Deputies and the Senate are not led by members of left-wing, communist, or socialist parties. Instead, these groups are chaired by members of center-right parties, specifically the Progressivists (PP) and the Social Democratic Party (PSD), which were part of President Bolsonaro's parliamentary support base during his administration.

Parliamentary Friendship Groups within the Brazilian National Congress are established to promote relations with foreign legislatures. These groups are formed through a structured process that begins with the submission of a Resolution Project, followed by the drafting of a statute and the conduct of an inaugural meeting. During this meeting, a board is elected to lead the group, and the formal documents are subsequently published. Similar procedures are observed in the Senate, and it is possible to form mixed groups that include members from both legislative bodies²⁰³. Each new legislative term requires these groups to hold a reactivation meeting to continue their operations. The creation of a Friendship Group does not automatically lead to the establishment of a counterpart group in the foreign legislature, but it is common for reciprocal groups to be established to facilitate bilateral legislative exchanges. Currently, there are over 100 Parliamentary Friendship Groups in Brazil's Chamber of Deputies alone, indicating their significant role in the country's approach to international legislative relations. These groups aim to enhance mutual

²⁰³ Câmara dos Deputados. 2024. "Grupos Parlamentares de Amizade." Portal da Câmara dos Deputados. April 2024.
<https://www2.camara.leg.br/atividade-legislativa/comissoes/comissoes-permanentes/credn/arquivos/gruposparlamentaresin>.

understanding and cooperation on various international issues through direct legislative engagement.

The establishment of a regular exchange mechanism between the legislative bodies of Brazil and China was formalized with the signing of the Memorandum of Understanding in 2006²⁰⁴. This agreement set the foundation for ongoing interactions between Brazil's Chamber of Deputies and the National People's Congress of China, focusing on facilitating contacts among leaders and fostering cooperation within specialized committees. The operational phase of this mechanism started in June 2012, with a visit to China by Marco Maia, then President of Brazil's Chamber of Deputies. In terms of organizational structure, the Brazil-China Parliamentary Group in the Chamber of Deputies was established much earlier, on June 30, 1993, under Resolution No. 47/93, while the Senate group was formed in May 2004 as per Resolution No. 04/04²⁰⁵. Parallel to this, the National People's Congress of China has its own friendship group with Brazil, led by the director of the Committee on Supervision and Justice, which includes twelve additional members²⁰⁶. These groups aim to sustain and expand the scope of parliamentary cooperation between the two countries.

The Brazil-China Parliamentary Groups in the Senate and Chamber of Deputies alike have faced challenges in demonstrating tangible results and clear objectives as an institutional entity within Brazil's National Congress. Its activities suggest a predominance of protocol over substantive exchange. For instance, the inaugural meeting of the Senate's Parliamentary Group in 2023 lasted less than ten minutes and was largely ceremonial in nature, as there was no policy debate among parliamentarians²⁰⁷. Just the Group's President, Senator Nelsinho Trad, and a representative from the Brazilian Embassy – meaningfully not the Chinese Ambassador – spoke. No concrete objectives

²⁰⁴ Itamaraty. 2021. "Maço Básico China."

https://legis.senado.leg.br/sdleg-getter/documento?dm=9034118&ts=1655120856254&dispositon=inline&_gl=1*1ysv47z*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMzAxNDMyNC41LjAuMTcwMzAxNDMyNC4wLjAuMA..

²⁰⁵ Ibid.

²⁰⁶ Ibid.

²⁰⁷ TV Senado, dir. 2023. *Instalação Do Grupo Parlamentar Brasil - China*.

<https://www.youtube.com/watch?v=pRPQKrPXpZE>.

were established and there was no mention of past achievements of the Group. Further underscoring this symbolic role, there is scant evidence of subsequent meetings engaging in more meaningful discussions. Although the role of the group appears primarily ceremonial, this is not insignificant given the high value placed on protocol and ceremony in Chinese political culture.

While the Brazil-China Parliamentary Group often functions symbolically rather than substantively, this does not diminish the important role the Brazilian Parliament plays in the broader context of Sino-Brazilian relations. Individual parliamentarians still exert significant influence and engage in meaningful activities, although these efforts are not necessarily channeled through the formal workings of the Parliamentary Group. Indeed, the existence of the Group facilitates the opening of direct communication channels between Brazilian politicians and Chinese diplomats based in Brasilia. This arrangement suggests that while substantive discussions critical to the Sino-Brazilian relationship might not occur within the formal sessions of the Parliamentary Group, they are nonetheless taking place through other direct interactions facilitated by the established diplomatic framework. Consequently, the Group's presence, despite its largely symbolic nature, serves as a conduit for dialogue and engagement between the two countries, supporting a diplomatic agenda beyond official meetings.

Despite the largely symbolic role of the Brazil-China Parliamentary Group, there are instances where Brazilian parliamentarians, particularly the leadership of this group, are actively engaged in political processes addressing issues of mutual interest to both Brazilian and Chinese stakeholders. This active involvement becomes evident in matters where the interests of significant players like the Chinese company Huawei intersect with Brazilian national interests. For example, parliamentarians played a direct role in the 5G auction where Huawei had a vested interest, showcasing their capacity to influence decisions on critical technological advancements²⁰⁸. Additionally, these legislators were involved in negotiating the purchase of COVID-19 vaccines, a critical public health issue during the pandemic, and facilitated regulatory

²⁰⁸ Interview with Parliamentarian no. 1. Brasilia. April 2024.

approvals for Brazilian meatpacking plants to export to the Chinese market²⁰⁹. Another notable political intervention was the removal of Foreign Minister Ernesto Araujo, who had been openly critical of China²¹⁰. Such events will be further examined in Subchapter 4.4. These instances underscore the practical influence and operational capabilities of the Parliamentary Group's leaders, demonstrating that while their formal meetings may be symbolic, their real-world impact on significant bilateral issues is substantial.

Against this backdrop, the formation of the Brazil-Taiwan Parliamentary Group sparked significant controversy and discussion within Brazil's political circles²¹¹. Supported by 213 deputies, exceeding the minimum requirement of 198 as per the Chamber's regulations, the group's registration was officially authorized by Chamber President Arthur Lira on September 28, 2023. However, the registration document was never published in the Official Gazette of the Chamber of Deputies. Initially listed on the Chamber's website as an officially established group, the Brazil-Taiwan Parliamentary Group disappeared from the site just before a politically sensitive event: a meeting in Brasilia with about 100 parliamentarians and the Taiwanese representative in Brazil, Diego Wen. This disappearance occurred a day before the scheduled event, reverting the group's status on the Chamber's website to "awaiting dispatch from the President of the Chamber of Deputies", despite Lira having already signed the document²¹². The incident led to speculation that the Chinese embassy might have exerted pressure on Lira to prevent the group's establishment. Deputy Junio Amaral, who spearheads the initiative, expressed concern, noting that once the required signatures are collected and the protocol submitted, the President of the Chamber should not conduct any further analysis²¹³. This whole situation occurred days before Arthur Lira's official visit to China, in October 2023. In China, Lira met Chinese President Xi Jinping, Vice-President Han

²⁰⁹ Interview with Parliamentarian no. 2. Brasilia. April 2024.

²¹⁰ Ibid.

²¹¹ Gaspar, Malu. 2023. "Na Véspera de Viagem de Lira Para China, Câmara 'some' Com Frente Incômoda Para Xi Jinping." October 13, 2023. <https://oglobo.globo.com/blogs/malu-gaspar/post/2023/10/camara-some-com-frente-parlamentar-brasil-taiwan-na-vespera-de-viagem-de-lira-para-china.ghtml>.

²¹² Ibid.

²¹³ Ibid.

Zheng, and Foreign Minister Wang Yi²¹⁴. The meeting coincided with the Belt and Road Forum, which does not officially include Brazil. Lira was accompanied by a delegation of deputies from multiple Brazilian political parties. Their itinerary included discussions with high-level Chinese officials and a cultural visit to the Communist Party Museum, where Lira left a note acknowledging the presentation on the party's history. During the trip, the delegation of Brazilian deputies also visited enterprises relevant in Sino-Brazilian economic relations, such as COFCO, State Grid, and Suzano Papel e Celulose²¹⁵.

The Brazil-China Parliamentary Group operates primarily as a symbolic entity within the broader framework of Sino-Brazilian relations, with its activities often dominated by protocol rather than substantive policy exchange. Despite its largely ceremonial role, the group remains an important facilitator of diplomatic engagement between Brazilian parliamentarians and Chinese officials, enabling communication and cooperation on key issues. While formal meetings of the group may lack tangible outcomes, individual parliamentarians have played a significant role in shaping critical aspects of Brazil-China relations, such as the 5G auction and COVID-19 vaccine negotiations. These examples highlight the practical influence that the group's leadership can exert on bilateral matters of national interest. The controversy surrounding the Brazil-Taiwan Parliamentary Group and the diplomatic dynamics involving Brazil's interactions with both China and Taiwan further underscore the complex and sometimes contentious nature of parliamentary diplomacy in Brazil's foreign policy.

The China Paradox

The repercussions of Brazil's relationship with China on domestic politics present an intriguing paradox that illustrates the complexities inherent in international politics. The relationship has economically benefited Brazil's primary sectors, notably agricultural exports which are significant to the

²¹⁴ Sá, Nelson de. 2023. "Xi Jinping recebe Arthur Lira e promete mais 'sinergia' com Brasil." *Folha de S.Paulo*. October 20, 2023. <https://www1.folha.uol.com.br/mundo/2023/10/xi-jinping-recebe-arthur-lira-e-promete-mais-sinergia-com-brasil.shtml>.

²¹⁵ *Ibid.*

constituencies represented by the conservative "beef caucus" in the National Congress. These sectors, traditionally opposed to Workers' Party policies, gain considerably from the trade ties with China, underscoring an inherent contradiction within the international policy framework. Trade relations with China have contributed to a trend towards deindustrialization and reprimarization, potentially undermining the urban industrial sectors and middle-class constituencies that have historically supported the Workers' Party. Such developments highlight the contradictory impacts of globalization on domestic economic structures and political alliances, reflecting the nuanced challenges faced by leaders in reconciling national interests with global economic realities.

Building on these perceptions, Cavalcante, Moreno-Louzada, and Menezes Filho (2023) have scrutinized the impact of economic changes on political ideologies, specifically examining how globalization-induced economic shifts – namely the so-called China shock – have influenced political orientations in Brazil. Their study analyzes the impact of China's WTO accession in 2001 on Brazilian municipalities' political leanings from 2000 to 2010 using a shift-share instrumental variable approach. Findings suggest that increased export demand due to the China shock correlates with a trend towards right-leaning ideologies, linked to improved labor market outcomes such as higher income, lower unemployment, and reduced reliance on social security. Unlike patterns in developed economies where import competition fosters rightward shifts due to deteriorating labor conditions, Brazil exhibits a move towards conservatism under improved economic conditions. This shift implies that enhanced economic prospects from globalization can decrease support for redistributive policies, favoring right-wing parties that promote economic liberalism.

The perception of China by different ideological factions within Brazilian politics reflects a dichotomy that complicates Brazil's foreign policy dynamics. Certain segments of the left view China through a somewhat naive lens, considering it an anti-hegemonic ally, whereas more ideologically-driven sectors

on the right often demonize this relationship²¹⁶. However, these simplistic views overlook the pragmatism at the core of Chinese international engagement, which is driven by clear national interests and concrete economic objectives. This pragmatic approach by China demands that Brazil, regardless of whether its government leans left or right, assert its own national interests robustly to derive tangible benefits from its interactions with China. The relationship with China is not governed by ideological sympathies or antipathies; it is a strategic engagement similar to those Brazil maintains with other global partners. Therefore, it is essential for Brazilian foreign policy decision-making towards China to be pragmatic, focusing on balancing ideological perceptions with the practical imperatives of securing mutual economic and strategic gains. This approach would ensure that Brazil prioritizes its national interests over ideological alignments and manages its relationship with China through a pragmatic assessment of national goals and global economic conditions²¹⁷.

A notable incident that underscored this paradox occurred early in President Bolsonaro's term when a delegation from the Social Liberal Party (PSL), Bolsonaro's party at the time, visited China in January 2019, Bolsonaro's first month in office. The visit drew sharp criticism from Olavo de Carvalho, a conservative ideologue influential during the election and early period of the Bolsonaro administration. Carvalho labeled members of the PSL party who traveled to China as "semi-illiterates", suggesting that they were naively handing over Brazil to Chinese influence²¹⁸. Carvalho's outburst reflected his deep skepticism towards China's intentions, specifically mentioning concerns about potential espionage and the safety of Chinese refugees in Brazil once certain systems are installed at Brazilian airports. This incident sparked significant internal discord within the PSL, as demonstrated by responses from several party members who were in the delegation. Carla Zambelli, a PSL congresswoman, defended her participation in the trip by highlighting her

²¹⁶ Interview with Ambassador no. 7. Online. April, 2024.

²¹⁷ Interview with Parliamentarian no. 2. Brasilia. April, 2024.

²¹⁸ PODER360. 2019. "Olavo de Carvalho chama deputados do PSL que foram à China de 'semianalfabetos.'" *Poder360*, January 17, 2019. <https://www.poder360.com.br/governo/olavo-de-carvalho-chama-deputados-do-psl-que-foram-a-china-de-semianalfabetos/>.

commitment to Brazil and mentioning discussions between Brazil's Economy Minister Paulo Guedes and the Chinese ambassador, emphasizing the economic benefits of such diplomatic engagements. Other delegates, including Charles Evangelista and Luis Miranda, downplayed the significance of the trip, noting that they did not yet possess the authority to speak on behalf of Brazil and were simply seeking to foster tourism and business ties with China, a longstanding major trading partner²¹⁹. This conflict within the PSL showcases the interplay between national identity, international diplomacy, and internal party dynamics, highlighting how foreign policy issues can become entangled with personal and ideological conflicts within political parties. Carvalho's criticism reflects the tension between traditional ideological stances and the evolving pragmatic approach in parliamentary diplomacy, illustrating the complex dynamics that shape Brazil's international relations with significant global players like China.

Brazil's relationship with China demonstrates a complex interaction between economic interests, political ideologies, and foreign policy. The paradox of sectors traditionally opposed to Workers' Party pro-China policies benefiting from trade with China highlights the varied effects of globalization on Brazil's domestic political environment. The internal conflicts within the PSL during Bolsonaro's early administration further illustrate how Brazil's engagement with China can blur the lines between ideological commitments and pragmatic diplomacy. These dynamics underscore the need for a foreign policy approach that prioritizes national interests over ideological positions. Brazilian leaders, irrespective of their political affiliation, must manage international relations with a focus on economic and strategic objectives, ensuring that the country's engagement with China, like with other global partners, supports its long-term goals in the context of a changing global economy.

²¹⁹ Ibid.

Beyond Rubber Stamps: How Parliaments Shape Brazil-China Relations

The Brazilian National Congress holds a significant, though often restrained, role in overseeing the country's foreign policy through its function as a veto player. While the formal structure of Brazil's foreign policy decision-making grants the executive branch substantial authority, including the power to negotiate and sign international agreements, the legislature retains the ability to shape foreign policy outcomes through its ex post facto powers. Specifically, Congress exercises oversight by ratifying treaties, approving diplomatic appointments, and managing budgetary allocations tied to international engagements. Although these powers come into play after the executive has already engaged in international negotiations, they provide a critical layer of review that ensures such agreements align with constitutional requirements and broader domestic interests.

Recent legal developments and institutional reforms have enhanced Congress' capacity to influence foreign policy. Notably, decisions such as the Supreme Court's 2023 ruling, which requires legislative approval for the revocation of treaties, underscore the increasing role of the National Congress in foreign policy matters. Additionally, the institutionalization of parliamentary proceedings since the enactment of the 1988 Constitution has contributed to the growing power of Congress, allowing it to check executive authority and shape foreign relations through its legislative oversight mechanisms.

Brazil's relationship with China serves as a case study of the evolving role of the National Congress in international relations. As this bilateral relationship has deepened, particularly in economic and technological spheres, the Brazilian Parliament has become more involved in shaping the terms of engagement with China. Although groups such as the Brazil-China Parliamentary Group have primarily engaged in symbolic and ceremonial activities, individual parliamentarians and parliamentary leaders have been actively involved in critical decisions, such as those concerning the 5G network auction, vaccine procurement during the COVID-19 pandemic, and trade negotiations with key Chinese companies. These activities demonstrate that, while formal parliamentary diplomacy may appear limited in scope,

parliamentarians' informal actions and leadership roles have a tangible impact on significant bilateral issues.

This dynamic reflects a broader trend in which parliamentary diplomacy is often symbolic, but individual legislative actors can exert substantial influence over specific foreign policy matters. The role of the Brazil-China Parliamentary Group, for instance, illustrates that formal mechanisms of parliamentary engagement with China may lack substantive policy debate, yet the existence of these groups facilitates communication channels between Brazilian legislators and Chinese officials. Moreover, individual parliamentarians have demonstrated the ability to intervene in foreign policy issues that involve key national interests, such as technological cooperation and trade agreements, further highlighting the nuanced role of the legislature in Brazil's foreign policy landscape.

The intersection of domestic politics and foreign policy in Brazil's dealings with China reveals the complexities of legislative involvement in international relations. The influence of Brazil's legislative branch is not limited to its formal veto powers but extends to the broader capacity of individual parliamentarians to shape and influence the direction of foreign policy through their participation in key negotiations and policy debates. This interaction between domestic political actors and international policy underscores the challenges of managing complex bilateral relationships like that with China, where economic, technological, and strategic interests often converge.

In summary, the role of the National Congress in foreign policy, particularly in the context of Brazil's relations with China, illustrates broader patterns of legislative oversight and involvement in international affairs. As Brazil expands its international engagements, including with major actors such as China, the legislative branch is likely to continue acting as a check on executive authority, ensuring foreign policy decisions align with domestic interests and undergo appropriate institutional review. While parliamentary diplomacy may often be symbolic, individual legislators and parliamentary leadership still play a role in shaping Brazil's foreign relations, reflecting the interaction between domestic political structures and international policy decisions.

After examining the roles of the Presidencies, Foreign Ministries, and Parliaments of Brazil and China in their bilateral relations, we now turn to the final section of this chapter: a case study on Brazil's stance regarding China's market-economy status (MES). This case provides a clear illustration of the dynamic interactions among the political actors discussed in this chapter, highlighting the processes through which they influenced and shaped Brazil's position on this sensitive issue for China.

2.4. Much Ado About Nothing: Brazil's non-implementation of China's market economy status

This subchapter will focus on a case study exploring an episode in Sino-Brazilian relations that highlights the political dynamics shaping Brazil's China policy. Specifically, it examines Brazil's initial announcement in 2004 to recognize China as a market economy and the subsequent non-implementation of this decision. This issue first emerged on the bilateral agenda 20 years ago during President Hu Jintao's visit to Brazil and remains a relevant topic in the current relationship between the two countries. The episode illustrates the interplay between various political actors, including the Presidency, Foreign Ministry, and Parliament, in shaping Brazil's foreign policy toward China. The case study will contribute to answering Chapter 2's central question: "How are inter-bureaucratic conflicts among Brazil's China policy stakeholders resolved?" By analyzing Brazil's evolving stance on China's market-economy status (MES), the subchapter demonstrates the tensions between domestic political actors and the international pressures exerted by China. It also reveals how the interaction among these actors influenced Brazil's approach to this diplomatically sensitive issue, leading to the eventual non-implementation of the initial commitment despite ongoing relevance to the bilateral relationship today.

After accessing the WTO in 2001 with "transitional economy" status, China launched an international campaign to be unilaterally recognized as a market economy by its trade partners before the 2016 deadline²²⁰. The market-economy status would prevent China's trade partners from easily imposing anti-dumping measures against it. In that context, obtaining MES from Brasilia became very important to Beijing because Brazil heavily adopted anti-dumping measures against China, and especially because Brazilian recognition could spur other countries, especially Latin American ones, to follow suit²²¹. Obtaining MES recognition from Brazil thus became the main goal of President Hu's 2004 visit to Brazil²²².

²²⁰ Cable 1100 (Confidential), from Beijing to Brasilia Nov 1, 2004 §4.

²²¹ Cable 1058 (Secret, very urgent), from Brasilia to Beijing, Nov. 12, 2004, §7.

²²² Cable 1058 (Secret, very urgent), from Brasilia to Beijing, Nov. 12, 2004, §2.

Against this backdrop, the year 2004 was of special importance to the relationship between China and Brazil. In February, Brazilian Foreign Minister Celso Amorim (2003-2010) visited Beijing to prepare for President Lula's state visit to the country, which took place in May. The Brazilian president visited China accompanied by seven state ministers, six governors, and over 450 businesspeople, in what was the largest business mission ever organized by the Brazilian government²²³. In November of the same year, President Hu Jintao (2003-2013) inaugurated his Latin American tour landing in Brasilia. Prior to and during the visit, the Chinese delegation strongly pressured for the recognition of China's MES²²⁴, which was announced with the signing of a Memorandum of Understanding (MoU)²²⁵ at the end of Hu's stay. As a consequence, Brazil would abandon the transition economy status attributed to China in its WTO accession protocol. This generated harsh opposition from the Brazilian business community, especially through the Federation of Industries of the State of São Paulo (FIESP) and the National Confederation of Industries (CNI), because it would restrict Brazil's commercial safeguards against Chinese dumping. However, the decision to grant China MES has never been ratified, for it was not regulated by Brazil's Chamber of Foreign Trade (CAMEX), and Brazilian authorities have criticized China for currency manipulation²²⁶.

The Chinese delegation was successful at first, in that the Brazilian government yielded to its pressures and announced the decision to grant China MES during President Hu's stay in Brasilia. Nevertheless, detachment between Brazilian negotiators and important domestic actors during the negotiation process has been one of the fundamental issues encumbering ratification. While official records confirm that negotiators did anticipate latent domestic opposition (Biato Junior 2010, p. 153), they ignored it in order to conclude the

²²³ Cable 1066 (Secret, urgent), from Beijing to Brasilia, Oct. 22, 2004, §3.

²²⁴ Interview with Luiz Augusto Castro Neves, President of CEBC and former Brazilian ambassador to Beijing (2004-2008), conducted by the author, January 2022

²²⁵ Available on

<https://concordia.itamaraty.gov.br/detalhamento-acordo/5250?tipoPesquisa=2&TipoAcordo=BL&TextoAcordo=economia%20de%20mercado&IdEnvolvido=58&TpData1=1&DataInicial1=01/11/2004&DataFinal1=30/11/2004>

²²⁶ Mello, Patrícia C. (2010). "Celso Amorim: 'Precisamos Repensar Nossa Relação Com a China.'" *Folha de São Paulo*, November 27, 2010.

<https://www1.folha.uol.com.br/fsp/mercado/me0203201112.htm>.

agreement, thus maximizing the risk of post-hoc lobbying against implementation. The strategy of Brazilian negotiators was to (i) ask China for some more time to enable Brazilian commercial institutions to adapt to the new circumstances, and (ii) to seek economic and political concessions from China in exchange for MES recognition. In the months prior to the arrival of the Chinese delegation in Brasilia, China highly pressured Brazil through various channels and during negotiations was willing to comply with Brazil's demands, most of which would be reflected in the MoU signed during the visit²²⁷. Faced with China's tempting offer, the Brazilian impetus to sign the MoU became so strong that scant attention was paid to crucial domestic interests, and Brazilian negotiators overlooked the technical requirements of Brazilian legislation, while sidelining stakeholders from the manufacturing sector. This has characterized a detachment of international negotiators and domestic constituents, which, in turn, would obstruct an acceptable win-set. An agreement was reached at Level 1 (international), but unsettled issues were carried over into Level 2 (domestic), eventually hampering ratification.

The post-negotiation context rapidly shifted once the MoU was signed, significantly influencing the Brazilian non-ratification. Since the decision was not thoroughly debated with Brazilian domestic actors, such as members of Parliament and the industrial community²²⁸, it did not initially face much domestic opposition, and Brazilian negotiators only needed to persuade other bureaucratic agencies. When the decision was announced, Brazil's industrial community felt it had been sidelined and started a campaign to halt implementation, mobilizing support within Brazil's Parliament and even forging an international alliance with the Industrial Union of Argentina²²⁹. At the systemic level, not long after the MES decision was announced, the Brazilian

²²⁷ Interview with Luiz Augusto de Castro Neves, Brazilian Ambassador in Beijing (2004-2008), February 2022.

²²⁸ O Estado de S. Paulo. "Fiesp critica apoio do Brasil à China - Economia". Estadão, November 2004.
<https://economia.estadao.com.br/noticias/geral,fiesp-critica-apoio-do-brasil-a-china,20041113p23655>.

²²⁹ O Estado de S. Paulo. "Fiesp quer união com argentinos contra a China - Economia - Estadão", November 2004.
<https://economia.estadao.com.br/noticias/geral,fiesp-quer-uniao-com-argentinos-contra-a-china,20041125p23894.amp>.

government officially launched its bid for a UNSC permanent seat within G4, along with China's regional competitors India and Japan, prompting China's outright opposition, something Brazilian officials did not anticipate²³⁰. Moreover, Chinese investments in Brazil failed to live up to expectations in the years right after the decision²³¹. Consequently, Brazil's domestic actors' lobby in the post-negotiation phase importantly transformed contextual circumstances, diminishing Brazil's incentive to ratification over time. In fact, the decision aroused opposition not only in Parliament, but also in other Brazilian bureaucracies. In general, Itamaraty was pro-ratification, but even within it there was a split. Whereas the Embassy in Beijing, through which Chinese pressure was chiefly channeled, was especially pro-ratification, the Brazilian Foreign Minister's cabinet was less favorable to implementation, given the cooling of relations. Furthermore, Brazil's Industrial Ministry (MDIC), responsible for implementing trade defense mechanisms, also held a skeptical view of China. As the Rousseff administration started in 2011, the Planalto Palace started to see China as an aggressive economic competitor that could potentially impede Brazilian progress. With the new president against it, Itamaraty had its hands tied, and implementation was put aside once and for all. This has become one of the clumsiest episodes in contemporary Sino-Brazilian relations.

After this brief overview of the case, the following section will focus on the more technical aspects of granting China MES.

The Nuts and Bolts of MES

In 2001, China was accepted into the WTO, after negotiations that lasted for 15 years. China accessed the WTO with the status of a "transitional economy", since it was still in the process of shifting from a centrally planned economy to a market economy. Until China fully reformed its economy, addressing issues such as subsidies, currency administration, state-backed oversupply, and price control, it would have a transition economy status. Consequently, other WTO members would be able to impose commercial

²³⁰ Interview with Ambassador no. 6. April 2024. Online.

²³¹ "Latin American Agenda." *Financial Times*, October 2, 2005. <https://www.ft.com/content/8e9a6e8a-3356-11da-bd49-00000e2511c8>.

safeguards, namely antidumping measures, against China more easily. According to its Accession Protocol²³² of 2001, China had 15 years after its WTO entry to implement reforms that would transform the country into a full market economy. At the end of that period, China would have its MES recognized by all WTO members. Yet prior to that deadline, WTO members could grant China MES unilaterally, consequently also waiving eased commercial safeguards rights. After accessing the WTO, China launched a global campaign to obtain MES from its partners, not least because it rapidly became subjected to a large number of antidumping measures (Shambaugh 2013, p. 127; WTO 2002).

Article 15 of the Accession Protocol treats “Price Comparability in Determining Subsidies and Dumping”. According to Art. 15 (a, ii), when determining whether China commits dumping, WTO members could use a methodology that is not primarily based on the comparison with domestic prices in China to find the “normal value” (i.e., the value in a market economy) of the product. This means that in trade investigations against China, WTO members were authorized to discard China’s domestic prices, since they would be artificially low and not formed by market forces. Therefore, when determining the existence of dumping, the importing WTO member could use alternative values as reference, such as the price in an actual market economy, which tends to be higher and formed by market agents. That method is known as the “analogue country approach” (Zang 2011, p. 878), and it gives importing WTO members greater dumping margins, increasing the number of successful anti-dumping measures against China (Divisions Project Team and International Bar Association 2010).

According to Art. 15 (d) of the aforementioned Protocol, WTO members can also unilaterally recognize China as a market economy in their internal law. This halts the application of Art. 15 (a, ii), which means that, when determining the existence of dumping, WTO members would have to consider China’s domestic price as the “normal value”, therefore reducing anti-dumping duties. Moreover, given the putative distortions in China’s domestic market, the

²³² Available on: https://www.wto.org/english/thewto_e/acc_e/completeacc_e.htm

unilateral recognition of China as a market economy could obstruct a country's ability to protect its industry against unfair competition related to exchange distortions or subsidies (R. Barbosa 2016).

In Brazil, the conclusion and approval of international agreements is an executive prerogative in the case of all commitments but those with the potential to "affect national patrimony", understood as those that imply financial burdens, which are subjected to the need for parliamentary approval. Hence, in most cases, the attribution of the status of market economy to other countries has been managed by institutions within the executive branch (Neto and Panzini 2011).. According to Brazil's Executive Decree no. 4.732 (June 10th, 2003)²³³, the Brazilian Chamber of Foreign Trade (Camex) is responsible for "formulating, adopting, implementing and coordinating the policies and activities related to foreign trade of goods and services". Therefore, once the executive decides on an issue related to foreign trade, it needs to get it passed Camex. In agreement with Circular no. 59 (Nov. 28th, 2001)²³⁴ from MDIC, Camex shall, among others, take the following factors into account when assessing the existence of market economy conditions in a foreign country: (i) the degree of governmental control over its enterprises or means of production; (ii) the level of state control over resources allocation, prices and enterprises' decisions of production; (iii) the applicable legislation on matters of property, investment, taxation and bankruptcy; (iv) the degree to which wages are freely determined in negotiations among employers and employees; (v) the degree to which distortions inherited from the planned economy system still subsist in relation to, among other aspects, assets amortization; and (vi) the degree of state interference over currency operations.

The Art of the Bargain: Wins and Trade-Offs in Brazil-China MES Talks

Upon China's accession to the WTO in 2001, the country started a diplomatic campaign to be recognized by its trading partners as a market

²³³ This Decree has been altered several times since its edition, but Camex central responsibility to approve Brazil's foreign trade policies has never been substantially changed. Available on : http://www.planalto.gov.br/ccivil_03/decreto/2003/D4732.htm

²³⁴ Available on: http://www.mdic.gov.br/images/REPOSITORIO/secex/decom/Legislação/Circular_59_2001.pdf

economy²³⁵. In his 2004 Latin American tour, one of President Hu Jintao's main objectives was to gain market-economy recognition²³⁶. Hu's first stop was Brasilia, where he delivered a speech before the Brazilian National Congress, in which he announced China's new policy for Latin America. China saw Brazil as its main partner within the region²³⁷, which as a regional power could influence its Latin American neighbors²³⁸. Thus, Brazil recognition of Chinese MES was seen by Beijing as a political trump card that could be useful to obtain the same recognition from other countries in the region. The Chinese move in Latin America was part of a greater strategy. In the early 2000s, the commercial gains China would enjoy from obtaining MES from Latin American countries were limited and could by themselves not account for Beijing's diplomatic offensive. China's aim was to initially gain recognition from smaller economies with which its economic ties were of more limited importance. This would eventually facilitate recognition from major economies, namely the US, the EU and Japan, which could amount to much more substantial economic gains²³⁹. During President Lula's May 2004 visit to China, the matter was presented to him by President Hu Jintao himself. In Article 7 of the Joint Communiqué signed by both presidents on May 24, 2004, at the end of Lula's visit, Brazil committed to "examine, with a constructive spirit, the question of the recognition of China as a country with a market economy"²⁴⁰. However, until President Hu's visit in November, the MES remained a vague promise made by the Brazilian President, who did not have the support from his cabinet members to implement it, nor from Brazilian society more broadly.

Writing to Brazil's Ministry of Foreign Affairs on November 1, the Brazilian embassy in Beijing recommended granting MES to China, given the high importance Beijing attributed to the matter. However, it stressed Brazil's industrial community's concerns that Chinese products could flood the domestic

²³⁵ Cable 1100 (Confidential), from Beijing to Brasilia Nov 1, 2004 §4.

²³⁶ Cable 1058 (Secret, very urgent), from Brasilia to Beijing, Nov. 12, 2004, §2.

²³⁷ Cable 1066 (Secret, urgent), from Beijing to Brasilia, Oct. 22, 2004, §3.

²³⁸ Cable 1058 (Secret, very urgent), from Brasilia to Beijing, Nov. 12, 2004, §7.

²³⁹ Cable 1093 (Secret, very urgent), from Beijing to Brasilia, Nov. 1, 2004, §5.

²⁴⁰ Available on

<https://concordia.itamaraty.gov.br/detalhamento-acordo/5174?tipoPesquisa=2&TipoAcordo=BL&IdEnvolvido=58&TpData1=1&DataInicial1=01/05/2004&DataFinal1=31/05/2004>

market. China and Brazil therefore sought a middle-ground. The cables advised Brazilian negotiators to ask for more time to enable Brazil's commercial defense institutions to adapt to the new circumstances. According to the embassy, if Brazil did not grant China MES, it could retaliate against Brazil's exports. Moreover, Brazil's ability to obtain economic gains with China would be constrained, especially if other Latin American countries granted China MES. The embassy therefore recommended that the Brazilian negotiators sought concessions from China, such as (i) the commitment not to impose arbitrary barriers against Brazil's agricultural exports; (ii) the purchase of airplanes from HEAI²⁴¹; (iii) facilitation of Brazilian acquisition of steel coke from China²⁴²; (iv) the promotion of investment in infrastructure projects in Brazil; and (v) advances on the conversations on China's support for the Brazilian plea for a seat in the UN Security Council (Biato Junior 2010, pp. 153-154).

On November 5 2004, few days before President Hu's visit to Brasilia, Brazil's recently appointed ambassador in Beijing Luiz Augusto de Castro Neves presented his diplomatic credentials to President Hu Jintao, who used the occasion of the twenty-minute private meeting to explicitly request China's MES recognition: "[President Hu] emphatically expressed his hope that the Brazilian government could officially announce the granting of market economy status to China during his visit", Ambassador Castro Neves reported in a cable to Brazil's Foreign Minister Celso Amorim that same day. Furthermore, the timing was crucial to Beijing. On the eve of China's delegation departure, Chinese Trade Minister Bo Xilai, who would be part of the delegation, met Ambassador Castro Neves to reiterate China's plea, while stressing that an eventual recognition after the state visit would have less impact. By that time, Chile had already agreed to announce the recognition during Hu's visit to Santiago²⁴³.

However, interbureaucratic dissension was mounting. Minister Luiz Fernando Furlan, head of Brazil's Ministry of Development, Industry and Trade,

²⁴¹ HEAI is the acronym for Harbin Embraer Aircraft Industry Company, which was Embraer's joint venture with Harbin Aviation Industry Co. and with Hafei Aviation Industry Co., under China Aviation Industry Corporation II (AVIC II).

²⁴² Steel coke is used in the steelmaking process by Brazil.

²⁴³ Cable 1142 (Secret, very urgent), from Beijing to Brasilia, Nov. 9, 2004, §1.

opposed the measure, seeking to protect Brazil's manufacturing sector (Couto 2010) (Couto 2010, p. 379). Therefore, a series of studies on Brazil-China trade perspectives were elaborated by Itamaraty and presented to Furlan by José Mauro Costa Couto, a career diplomat who served as the minister's special advisor on Asian affairs. These studies posited that Brazil's capacity to expand its exports to China was much greater than China's capacity to export to Brazil²⁴⁴. At first, the minister was skeptical of greatly enhancing Brazil's trade relations with China, arguing that over 20% of Brazil's anti-dumping measures targeted China. Furlan would only soften his position shortly before President Hu's visit to Brasilia (Ibid, pp. 380-381).

After a few meetings with Roberto Rodrigues, the Brazilian Minister of Agriculture, Furlan was eventually convinced that granting China MES could bolster Brazil's exports, especially of Embraer airplanes, beef and poultry meat, and information and banking technology. These products would also be listed in the November 12th MoU. On the eve of President Hu's arrival, a meeting of several cabinet members took place in which the granting of MES was discussed. The Ministers of Agriculture and of Development, Industry and Trade were both favorable to the recognition (Ibid, p. 381). Yet, once the Chinese delegation arrived in Brasilia, negotiations were difficult. During the negotiating process, Furlan told the press that China's Trade Vice-Minister Ma Xiuhong was a "willful" (*voluntariosa*) woman – a sexist comment –, and that the Chinese delegation was "obsessed" with the MES, as she had mentioned it "28 times" during the meetings²⁴⁵. Furlan also told the press that "Brazil had the political will [to grant China MES]". "Conversely," the minister added, "we made it clear, very directly, in the first meeting that technically [China] is not a market economy. We will not compromise unilaterally. If concessions are eventually made, they will be conditioned to rules and to *quid pro quo*" (Ibid).

The Brazilian government was aware that the measure would displease the manufacturing sector. The Brazilian embassy stressed that "certain industrial sectors fear that China may 'invade' the Brazilian market, as Chinese

²⁴⁴ Cable 1093 (Secret, very urgent), from Beijing to Brasilia, Nov. 1, 2004, §3.

²⁴⁵ Soliani, Andre. 2004. "Visita: Líder Chinês Chega, Mas Acordo Empaca." *Folha de S.Paulo*, December 11, 2004. <https://www1.folha.uol.com.br/fsp/dinheiro/fi1211200421.htm>.

enterprises feel backed by the rights that derive from operating under a market economy” (Biato Junior, p. 153). In face of this resistance, the embassy suggested that Brazil could use “technical arguments to found an eventual toned-down answer to Beijing’s insistent plea” and that “given the exponential growth of the Chinese presence in international trade” Brazil could “ask for more time to qualify [its] commercial defense institutions to the new circumstances” (Ibid.). It is reasonable to assume that the Brazilian negotiators did use the technical arguments the cable referred to. Moreover, as the text of the MoU confirms, the Brazilian government recognized China as a market economy as part of a package of mutual commitments resulting from the negotiation.

On November 12th 2004, after the meeting in which the Brazilian government signed the MoU granting China MES, President Hu celebrated the decision: “I would like to thank [President Lula]. This Brazilian decision will definitely create the conditions to a much richer strategic relation and favor bilateral economic and commercial cooperation”²⁴⁶. President Lula, for his part, did not mention the MES matter in his press address right after the meeting. Few hours later, the Brazilian president stated that Brazil “gave a demonstration of trust, a demonstration that the strategic relationship is genuine, when it recognized China as a market economy” (Ibid).

Primary sources available show no evidence of concern with the technical aspects of granting MES to China, such as the conditions listed on MDIC’s Circular 59 or how to get the measure passed by Camex. More importantly, the Brazilian business community was not thoroughly consulted and the decision was taken behind “closed doors”, as denounced by Fiesp’s President Paulo Skaf²⁴⁷. The decision was chiefly political, which is corroborated by Minister Furlan’s address to the press that same day: “In the short term, this recognition is more of a political gain embedded with symbolism that the

²⁴⁶ Soliani, André, and Julianna Sofia. 2004. “Visita: Por Acordo, Brasil Cede e Atende Pedido Chinês.” *Folha de S. Paulo*, November 13, 2004.
<https://www1.folha.uol.com.br/fsp/dinheiro/fi1311200420.htm>.

²⁴⁷ Skaf, Paulo. 2004. “Status de Economia de Mercado à China Foi Erro.” *Estado de São Paulo*, December 21, 2004.
<https://www.estadao.com.br/economia/status-de-economia-de-mercado-a-china-foi-erro/>.

Chinese will take to other countries”²⁴⁸. However, a comparison of the negotiating instructions to the MoU's final text reveals sharp similarities. Brazil agreed to compromise in Article 1, in which it grants China MES; China, for its part, made concessions from Articles 2 to 6, which basically comply with the demands from the Brazilian negotiators, i.e., market access of animal and plant products (Art. 2); support for the Sino-Brazilian aircraft joint-venture (Art. 3); cooperation in the information technology sector (Art. 4); facilitated steel coke trade (Art. 5), and; promotion of investment (Art. 6). The Brazilian plea for a seat at the UNSC was the only relevant point raised by Brazilian negotiators that was left out of the MoU, and for that matter, of any other document signed during President Hu's visit to Brazil.

Even if the decision to grant China MES was mainly political, happened behind closed doors, and did not consider technical and legal aspects, the Brazilian government did invest significantly in the bargaining, and the recognition was not solely due to political or ideological considerations. It was part of a negotiation package in which China did give in to most of Brazil's demands, which were related to trade and investment. Therefore, much of the critique that followed the signing of the MoU, and that would persist in the years to follow, appears to be unfounded, as it asserts that Brazil's government, especially Itamaraty, had a “naive” view of its strategic partnership with China (Zanotto 2010, p. 390). However, with the agreement about the negotiation package, the Brazilian impetus to sign the MoU became so strong that little attention was paid to crucial domestic interests, not least stakeholders related to the manufacturing sector. The exclusion of these actors from important parts of the bilateral discussions had led to a situation of detachment between domestic constituents and negotiators. The important links of information exchange between these two levels upon which the definition of a broadly acceptable win-set depends had thereby been obstructed. The consequent misrepresentation of the domestic win-set amongst Brazilian negotiators meant that albeit an agreement was reached at the international level, significant

²⁴⁸ Soliani, André, and Julianna Sofia. 2004. “Visita: Por Acordo, Brasil Cede e Atende Pedido Chinês.” *Folha de S. Paulo*, November 13, 2004. <https://www1.folha.uol.com.br/fsp/dinheiro/fi1311200420.htm>.

unsettled questions about its wider implications were carried over into the domestic level, where they eventually would threaten its prospects for ratification.

A Two-Level Samba: The Non-Implementation of China's MES

As soon as the decision to recognize China was made public, it generated strong opposition from Brazil's manufacturing community, which started an aggressive campaign in the media and in Parliament to prevent the approval of the measure by Camex²⁴⁹. In Furlan's first address to the press after the recognition was made public, he stated his intent to "reassure the Brazilian productive sector that this concession will not make the Brazilian government give up its current trade defense mechanisms"²⁵⁰. The Brazilian Foreign Minister, Celso Amorim, for his part, stressed that "contrary to what is being said, Brazil is not giving up on using trade [protecting] measures, especially anti-dumping". "I don't think [granting China MES] will possibly diminish our capacity to defend [Brazil's] industry", Amorim argued²⁵¹. Given the repercussions in the media and the protests made by Brazil's industrial sector, Amorim was summoned for a public hearing in Brazil's House of Representatives and Senate Commission of Foreign Relations, on December 2nd 2004, which is evidence of both issue intensity and private actors' leverage; that is, domestic forces were wielding their influence to halt ratification. In the hearing, Amorim stressed that the recognition was a "political manifestation that [would] come into effect if the other clauses of the Memorandum [were] implemented"²⁵².

In November 2004, Paulo Skaf had just assumed the presidency of Fiesp. Skaf was responsible for organizing a strong and protracted resistance

²⁴⁹ Agência Estado. 2004. "Fiesp critica apoio do Brasil à China." *Estado de São Paulo*, November 13, 2004.

<https://www.estadao.com.br/economia/fiesp-critica-apoio-do-brasil-a-china/>.

²⁵⁰ Soliani, André, and Julianna Sofia. 2004. "Visita: Por Acordo, Brasil Cede e Atende Pedido Chinês." *Folha de S. Paulo*, November 13, 2004.

<https://www1.folha.uol.com.br/fsp/dinheiro/fi1311200420.htm>.

²⁵¹ Agência Estado. 2004. "Reconhecimento Da China Como Economia de Mercado Não é Oficial." *Estado de São Paulo*, December 2, 2004.

<https://www.estadao.com.br/economia/reconhecimento-da-china-como-economia-de-mercado-nao-e-oficial/>.

²⁵² Ibid.

against China, especially in relation to the implementation of the MES. Still in November, he met Argentinian Foreign Minister Rafael Bielsa to articulate an alliance between Fiesp and the Industrial Union of Argentina (UIA) to pressure their respective governments to prevent the surge of Chinese imports and the ratification of China's MES²⁵³. Shortly after leaving Brazil, the Chinese delegation headed to Argentina, where a very similar MoU²⁵⁴ was signed on November 17th. Skaf has also made several public appearances advocating the non-implementation of the decision. In December 2004, he claimed that "China is not a market economy, in which prices are determined by the market. China is a planned economy, with artificial and very low prices". Furthermore, he maintained that Chinese "imports [would] flood the Brazilian market" and that Brazil's government should consider its implications before officializing the decision, which was "made behind closed doors, without consulting anyone"²⁵⁵.

Discontent amongst domestic interest groups about the Chinese MES also gained a political expression within Congress in early 2005. Article 49 in the Brazilian Constitution stipulates the need for legislative approval of international agreements in cases when they are associated with strong financial implications. Alleging that the decision would have "serious consequences for the national economy, which can generate grave disruptions in the Brazilian industrial park", Brazilian Deputy Antonio Pannunzio, from the center-right Brazilian Social Democratic Party (PSDB) undertook a legislative project to block the MoU²⁵⁶. Representing the state of São Paulo, home to the Brazilian industrial heartland, Mr. Pannunzio's initiative enjoyed strong support from the state's manufacturing sector, represented by Fiesp, which highlighted its vital importance for the country's industrial base. Similar signals were emitted

²⁵³ Agência Estado. 2004. "Fiesp Quer União Com Argentinos Contra a China." *Estado de São Paulo*, November 25, 2004.

²⁵⁴ Available on:

<https://www.cronista.com/impresageneral/Memorandum-de-entendimento-entre-la-Republica-Arentina-y-la-Republica-Popular-China-sobre-cooperacion-en-materia-de-comercio-e-inversiones--20041118-0112.html>

²⁵⁵ Skaf, Paulo. 2004. "Status de Economia de Mercado à China Foi Erro." *Estado de São Paulo*, December 21, 2004.

<https://www.estadao.com.br/economia/status-de-economia-de-mercado-a-china-foi-erro/>.

²⁵⁶ Pannunzio, Antonio Carlos. 2005. *Projeto de Decreto Legislativo de 2005*.

https://www.camara.leg.br/proposicoesWeb/prop_mostrarintegra;jsessionid=50A854CA75C7EF7ED870869FC3CBEDE3.proposicoesWebExterno1?codteor=300251&filename=PDC+1630/2005.

from the Senate, where Senator Arthur Virgílio from the PSDB in the state of Amazonas – which also harbors a large manufacturing hub in the city of Manaus, – strongly lashed out against President Lula for allegedly reaching beyond his executive prerogatives with the concession of MES to China. Mr. Virgílio thus stressed how the decision, which he characterized as outright “irresponsible”, would lead to the transfer of manufacturing jobs from Brazil to China²⁵⁷. With a growing array of domestic stakeholders raising their concerns about the implication of Chinese MES, the executive itself became marked by a high degree of interbureaucratic dissent about which course of action to pursue. That is, Parliament exercised a type of pocket veto in this case: it did not approve any formal legislation countering the executive’s decision, but clearly stated its discontent, indicating that if the executive implemented the recognition this would oppose Legislature’s interest, deteriorating executive-legislative relations. In sum, the cost for the executive to implement the decision increased considerably.

As the time since the signing of the MoU progressed, other important voices also began to express a change in posture regarding the Chinese MES, which indicated that the post-negotiation context was shifting. Less than one year after President Hu’s visit to Brazil, Amorim clearly stated his disappointment in relation to Brazil’s partnership with China, in an interview to the *Financial Times*²⁵⁸. Brazil’s foreign minister suggested that expectations raised by President Hu’s visit had been exaggerated. Chinese investments in infrastructure, for example, had failed to live up to expectations. Moreover, Amorim admitted that Brazilian companies were under pressure since Chinese imports of shoes, textiles and toys were flooding Brazilian markets. Nonetheless, assessment carried out by the Brazilian embassy in Beijing in April and August 2006 concluded that the Chinese had already substantially fulfilled all of the clauses of the November 2004 MoU, namely: the purchase of aircrafts from HEAI; access to China’s steel coke market; cooperation in the

²⁵⁷ PSDB. 2005. “Fiesp apóia projeto de Pannunzio sobre China.” *Partido da Social Democracia Brasileira* (blog). May 2, 2005.

<https://www.psdb.org.br/acompanhe/noticias/fiesp-apoia-projeto-de-pannunzio-sobre-china/>.

²⁵⁸ Lapper, Richard. 2005. “Latin American Agenda.” *Financial Times*, October 2, 2005. <https://www.ft.com/content/8e9a6e8a-3356-11da-bd49-00000e2511c8>.

information technology sector; and larger access to China's agricultural market (Biato Junior 2010, p. 212). A factor that contributed to Amorim's shifting views on China was the Chinese opposition to Brazil's collective UNSC permanent member bid in July 2005 through resolution project A/59/L.64. Brazil presented its bid along with its G-4 partners, Germany, India and Japan, yet the former two are China's regional competitors. Brazilian officials were then caught off guard by China's outright opposition, since they were fighting domestic resistance to grant China MES. Although there was no explicit bargain on both issues, recognition of China's MES was the highest political trump card Brazil had to offer²⁵⁹. The Brazilian incentive to comply with the MES agreement had therefore diminished over time due to changed contextual circumstances.

The bureaucratic interplay between Brazil's ministries has also played an important role in the non-ratification. During the decision-making and the implementation phases, Itamaraty – especially the embassy in Beijing – tended to favor granting China MES. This can be explained by the fact that Chinese pressure on the Brazilian government was channeled chiefly through the Ministry of Foreign Affairs, and above all, through the embassy in Beijing. Moreover, Itamaraty's organizational mission (Decree no 4,118/2002, Art. 33)²⁶⁰ is to manage Brazil's international politics and diplomatic relations; that is, it was most likely willing to suffer a minor economic setback in order to preserve a constructive political relationship with China – a key country in the international system. Granting China MES thus became an established demand of Itamaraty in Brasilia's bureaucratic interplay²⁶¹. Brazil's Ministry of Agriculture also had a very favorable view of Sino-Brazilian relations, not least because China was the main destination for the Brazilian soy, with great potential for growth, as econometric studies indicated²⁶².

MDIC, for its part, had a skeptical view of China. Its legal mandate is to administer Brazil's industrial development, foreign trade, and intellectual

²⁵⁹ Pereira, Carlos, and João Augusto de Castro Neves. 2011. *Brazil and China: South-South Partnership or North-South Competition?* Brookings Institution.

²⁶⁰ Available on http://www.planalto.gov.br/ccivil_03/decreto/2002/d4118.htm

²⁶¹ Bonin, Robson. 2011. "Velha Nova Polêmica." *Veja*, January 27, 2011. <https://veja.abril.com.br/coluna/radar/velha-nova-polemica>.

²⁶² Cable 1093 (Secret, very urgent), from Beijing to Brasilia, Nov. 1, 2004, §3.

property policies, as well as to implement trade defense mechanisms (Decree no 4,118/2002, Art. 47). China represented an aggressive competitor for Brazilian industrial products both on the domestic and on third markets (Hearn 2013). China has been the main target of Brazilian trade defense mechanisms²⁶³, chiefly anti-dumping measures; the same mechanisms which the Brazilian government would be precluded from imposing should it grant China MES. MDIC had opposed the concession of MES to China before President Hu's visit. Minister Furlan would however become momentarily convinced that the gains of granting China MES could surmount eventual losses. Nevertheless, given the great pressure wielded by Brazil's manufacturing sector, MDIC eventually backed down²⁶⁴.

As a bureaucracy, Itamaraty seemed to be more pro-China than its leader, Minister Amorim. The Brazilian embassy in Beijing was favorable to adopting China-friendly positions (Biato Junior 2010, p .212). It sought to stave off "retaliations" from the Chinese and to avoid that China saw Brazil as an "untrustworthy actor" (Ibid, p. 232). During the decision phase, the Brazilian embassy recommended Brazilian negotiators to compromise, otherwise there could be risks involved, such as "veiled retaliations that could hinder Brazil's exports to China" and "reduce Brazil's capacity to obtain economic gains from China", especially if other Latin American countries, such as Argentina, complied with the Chinese plea for MES (Ibid, p. 153).

Amorim did not share his subordinates' concerns, and openly criticized China in the press²⁶⁵. In his final months as Foreign Minister, he maintained that "as I am leaving office, I will share my opinion: if a country wants to be treated as a market economy, it cannot have a currency policy that is not market-based". He then added that "the relationship with China will be one of Brazil's main challenges from now on"²⁶⁶. As head of Itamaraty, having to

²⁶³ Brazil's trade defense measures are available on <https://www.gov.br/produtividade-e-comercio-exterior/pt-br/assuntos/comercio-exterior/defesa-comercial-e-interesse-publico/medidas-em-vigor/medidas-em-vigor>

²⁶⁴ Pereira, Carlos, and João Augusto de Castro Neves. 2011. *Brazil and China: South-South Partnership or North-South Competition?* Brookings Institution.

²⁶⁵ Lapper, Richard. 2005. "Latin American Agenda." *Financial Times*, October 2, 2005. <https://www.ft.com/content/8e9a6e8a-3356-11da-bd49-00000e2511c8>.

²⁶⁶ Mello, Patrícia Campos. 2010. "Celso Amorim: 'Precisamos repensar nossa relação com a China.'" *Estadão*, November 27, 2010.

manage all of Brazil's foreign affairs dossiers, Amorim was more attentive to issue linkages than most diplomats. The decision of granting China MES was a political concession, as it basically ignored all technical aspects of the Brazilian legislation on the theme, especially those listed in MDIC's Circular no 59/2001. Therefore, it is reasonable to assume that Amorim expected some political concession from China, especially in relation to the Brazilian plea for a seat in UNSC. This does not mean that he anticipated unequivocal support for Brazil's plea within G-4, but as Amorim made clear to the press, he did expect China would not actively work to stave off G-4's efforts and eventually stated that he was "disappointed with China's stance"²⁶⁷.

When President Lula's administration ended in 2010, there were no signs that China's MES would be incorporated into Brazilian legislation. Many of the agreements signed between China and Brazil during President Hu's 2004 visit had not yet been implemented. Brazilian pork meat exports to China had still not started, and only few Brazilian slaughterhouses were granted authorization from China to export, with poultry meat as the only exception²⁶⁸. Moreover, Embraer was considering ending its operations in China, given the competition from Chinese enterprises²⁶⁹. By 2010, COSBAN had held just one meeting. Timing thereby played a key role in the non-implementation. For one thing, incentives to comply with the MoU had considerably diminished with the years, since various bilateral agreements had not materialized; for another, domestic actors opposing the implementation had the time to organize domestic and transnational coalitions.

As President Lula's government ended and Dilma Rousseff (2011-2016) assumed office as president, Fiesp's pressure against the implementation of China's MES continued. However, one of first moves from Antônio Patriota,

<https://www.estadao.com.br/politica/celso-amorim-precisamos-repensar-nossa-relacao-com-a-china/>.

²⁶⁷ Trevisan, Cláudia. 2005. "Amorim Diz Estar Decepcionado Com China." *Folha de S. Paulo*, August 16, 2005. <https://www1.folha.uol.com.br/folha/dinheiro/ult91u99260.shtml>.

²⁶⁸ Mello, Patrícia Campos, and Fabiano Maisonnave. 2011. "Acordos de Brasil e China Ficam No Papel." *Folha de S. Paulo*, February 22, 2011. <https://www1.folha.uol.com.br/fsp/mercado/me2202201103.htm>.

²⁶⁹ Gómez, Natalia. 2010. "Embraer decide fechar fábrica na China." *Exame*, October 10, 2010. <https://exame.com/negocios/embraer-decide-fechar-fabrica-china-602870/>.

Brazil's new Minister of Foreign Affairs, was to pressure other cabinet members to implement the recognition²⁷⁰ – which confirms Itamaraty's pro-ratification position. Yet a few weeks into Rousseff's tenure it had become clear that the new president was wary of China, since she saw it as an aggressive economic competitor and one of Brazil's main obstacles on its road to development²⁷¹. In the first two months of the new administration, Skaf had already met with three members of the new cabinet (Minister of Foreign Affairs Antônio Patriota, Minister of Trade Fernando Pimentel, and Vice-President Michel Temer) to prevent MES implementation concerning China²⁷². By 2011, over 40% of Brazil's anti-dumping measures were against China²⁷³. In February 2011, Brazilian Ambassador Sérgio Amaral, then president of the Brazil-China Business Council, claimed that “there has been an exaggeration in signing of agreements [between China and Brazil], which often represented mere declarations of intentions from side to side”. He added that Brazil's relations with China were “dominated by a vision of South-South coordination”, but after the end of President Lula's mandate, the Brazilian government realized it had to “include the business vision” into the relation²⁷⁴. In sum, by the beginning of Rousseff's administration in 2011, the political context had considerably changed vis-a-vis that of 2004, when the MoU was signed.

Winning the Battle, Losing the War: How the MES Pursuit Ignited Anti-China Politics

By pushing to get the MES from Brazil during president Hu's visit, China won the battle, but lost the war. In the short term, the decision represented an

²⁷⁰ Bonin, Robson. 2011. “Velha Nova Polêmica.” *Veja*, January 27, 2011. <https://veja.abril.com.br/coluna/radar/velha-nova-polemica>.

²⁷¹ Winter, Brian, and Brian Ellsworth. 2011. “Brazil and China: A Young Marriage on the Rocks.” *Reuters*, February 3, 2011. <https://www.reuters.com/article/uk-brazil-china-idUKLNE71202720110203/>.

²⁷² Maisonave, Fabiano. 2011. “China Reclama Por Ratificação de Status.” *Folha de S. Paulo*, March 2, 2011. <https://www1.folha.uol.com.br/fsp/mercado/me0203201112.htm>.

²⁷³ Leopoldo, Ricardo. 2011. “Fiesp Quer Excluir China Como Economia de Mercado.” *Estadão*, February 21, 2011. <https://www.estadao.com.br/economia/fiesp-quer-excluir-china-como-economia-de-mercado/>.

²⁷⁴ Mello, Patrícia Campos, and Fabiano Maisonave. 2011. “Acordos de Brasil e China Ficam No Papel.” *Folha de S. Paulo*, February 22, 2011. <https://www1.folha.uol.com.br/fsp/mercado/me2202201103.htm>.

important victory for China, as that had been its main goal with the visit²⁷⁵. Furthermore, obtaining political recognition from Brazil – the first stop in President Hu’s Latin American tour – was used as a political trump card to get the same recognition from other countries in the region. As mentioned, shortly after visiting Brazil, President Hu arrived in Buenos Aires, where his delegation signed a very similar MoU with Argentina, in which it also granted China MES. In the medium term, however, the strategy to pressure the Brazilian government to rapidly grant China MES – without giving Brazil the appropriate time to play its “two level game” domestically – represented a setback. It greatly exacerbated an anti-China feeling, which was strongly expressed by Brazil’s manufacturing sector, especially by Fiesp. In Brazil’s 2018 presidential elections this anti-China feeling was incorporated by then candidate Jair Bolsonaro, who was supported by FIESP, one of Brazil’s most influential interest groups²⁷⁶. Therefore, with the November 12th MoU, China attained its short-term political goal, but failed to ensure its middle-term economic objective. The latter was to get Brazil to act under Art. 15 (d) of China’s WTO accession protocol, i.e., to reduce Brazil’s capacity to impose anti-dumping duties. This was a goal that grew in importance over the years, as Brazil-China trade rose exponentially. Politically, the market-economy issue significantly intensified anti-China sentiment, initially among Brazil’s industrial elites in FIESP, which later permeated broader public opinion during the 2018 presidential elections. The winning candidate, Jair Bolsonaro, capitalized on a strong anti-China narrative, with substantial backing from FIESP. This anti-China sentiment has remained a persistent force in Brazilian politics and continues to influence electoral dynamics. Consequently, the market-economy issue ultimately represented a political setback for Chinese interests in Brazil.

For China, the stakes were high, as the MES issue was part of a broader foreign policy strategy. The matter extended beyond Sino-Brazilian relations,

²⁷⁵ Soliani, Andre. 2004. “Visita: Líder Chinês Chega, Mas Acordo Empaca.” *Folha de S.Paulo*, December 11, 2004. <https://www1.folha.uol.com.br/fsp/dinheiro/fi1211200421.htm>.

²⁷⁶ Redação. 2018. “Paulo Skaf anuncia apoio a Bolsonaro e Márcio França no segundo turno.” *Diário do Poder*, October 10, 2018. <https://diariodopoder.com.br/politica/paulo-skaf-anuncia-apoio-a-bolsonaro-e-marcio-franca-no-s egundo-turno>.

with Beijing aiming to use Brazil's recognition as a political lever to secure similar acknowledgment from other countries. Even without a formal policy change from Brazil, given the non-ratification, the mere announcement of the decision had the potential to influence other nations' actions. The diplomatic cables from the Brazilian embassy highlighted the significant costs Brazil would face if it refused China's request. However, in the short term, the costs of granting China MES were lower, as the decision did not require any immediate concrete steps. In the medium term, however, ratifying the measure would impose much higher costs on the Brazilian government, especially vis-à-vis the business community, one of the country's most powerful pressure groups, with strong representation in Parliament. Costs and benefits were very unequally distributed over time between China and Brazil.

Endgame: Brazil's Burden of Proof on China's MES

Based on Article 15 (a),(ii) of China's WTO Accession Protocol, until December 11, 2016, Brazil's investigating authorities presumed that China did not operate under market conditions, allowing for an automatic application of a methodology that did not rely on Chinese prices and costs to calculate anti-dumping measures. After this date, a significant shift occurred. The automatic presumption of non-market conditions in China was removed, leading to the cessation of explicit references to China's MES and the use of surrogate countries for normal value calculations in the initiation of investigations. This change marked a shift in the burden of proof regarding market economy conditions in China (CNI 2020). Previously, Chinese producers and exporters bore the responsibility of proving the existence of market conditions in their sectors. Post-December 11, 2016, this burden shifted to Brazilian domestic industries filing the anti-dumping petitions, requiring them to provide evidence of the absence of market conditions in China. The Brazilian practice interprets the Protocol of Accession to allow for the continued treatment of China as a non-market economy on a case-by-case basis²⁷⁷. Brazilian trade authorities'

²⁷⁷ Assis Moreira. 2017. "China agradece Brasil por suposto 'status' de economia de mercado." *Valor Econômico*, July 19, 2017. <https://valor.globo.com/brasil/coluna/china-agradece-brasil-por-suposto-status-de-economia-de-mercado.ghtml>.

analyses on the prevalence of market conditions in China have been rigorous, downplaying the difficulties in obtaining information about distortive practices in China. Brazil's industrialists thus complain that trade authorities have not given due importance to the impact of systemic distortions in their analyses of the prevalence of market conditions in China, unlike the practices of authorities in the United States²⁷⁸ and the European Union²⁷⁹.

In Brazil, trade defense analyses are valid only within the scope of each investigation and do not serve as precedents for other cases, even within the same sector. While similarities between cases are acknowledged, conclusions from one investigation are not automatically applicable to others. For instance, in the tire sector, each case is analyzed individually, though sector similarities are considered. The analysis adopts a top-down approach, focusing on the degree of government intervention and mandatory planning that restricts private investment decisions, which is inconsistent with market economy logic. The primary objective is to assess market conditions within the sector, requiring specific evidence beyond general non-market conditions in China. Evidence can be presented throughout the investigation until the end of the probative phase. All parties have the opportunity to comment and provide evidence, ensuring the right to contradict and broad defense, and the decision is based on the collective evidence from all interested parties (Biasetton and Amaral Júnior 2022; CNI 2020)

Discussions about the prevalence of market conditions have involved extensive submissions and evidence from interested parties. Key evidence against the existence of market conditions in China includes centralized economic planning (e.g., Five-Year Plans), legal and juridical provisions reinforcing non-market conditions (e.g., "socialist market economy" in the Chinese Constitution), the influence of the CCP on companies, state ownership of production means, state involvement in the financial system, tax benefits, the

²⁷⁸ United States Department Of Commerce. China's status as a non-market economy. Available on: <https://enforcement.trade.gov/download/prc-nme-status/prc-nme-reviewfinal-103017.pdf>.

²⁷⁹ European Commission. Commission staff working document on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations. Brussels, 20 dez. 2017. Available on: http://trade.ec.europa.eu/doclib/docs/2017/december/tradoc_156474.pdf.

role of State-Owned Enterprises (SOEs), government subsidies, investment regulation, and currency distortions. The decisions on China's market conditions are detailed and voluminous, reflecting the complexity of state involvement in the Chinese economy. Besides the listed evidence, petitioners must prove the absence of market conditions specifically in the sector under investigation, a challenging task given the difficulty of obtaining precise information on state-induced distortions and the undocumented nature of many such practices (Carvalho 2017; CNI 2020)

In cases where Brazilian trade authorities made a decision concerning China's market conditions, six investigations concluded that market conditions did not exist, two of which were preliminary and for opening purposes only. In another five investigations (two of them for opening purposes only), trade authorities determined that the petitioner could not demonstrate the absence of market conditions in China, as shown in Table 5.

Table 5 - Treatment of China as a market economy in investigations after Dec. 2016

Product Investigated	Decision Date (or Opening, for Ongoing Investigations)	China Treated as Non-Market Economy?
Non-Oriented Electrical Steel	July 2019	Yes
Automobile Tires	July 2019	Yes
Austenitic Stainless Steel Tube with Seam	July 2019	Yes
Cold-Rolled Stainless Steel Flat Products	October 2019	Yes
Garlic	October 2019	No
Nylon Yarns	December 2019	No
Refractory Ceramic Filters	June 2020	No
Pencils*	August 2019 (opening)	No
Offset Plates*	March 2020 (opening)	Yes – for opening purposes
Truck Tires*	April 2020 (opening)	Yes – for opening purposes
PET Films*	May 2020 (opening)	No – for opening purposes

*Under investigation.

Source: CNI (2020)

Under the Bolsonaro-Araújo anti-China foreign policy, Brazil signed a Joint Statement with the US and Japan on the “Importance of Market-Oriented Conditions To The World Trading System Statement”²⁸⁰ (September 2020), within the scope of the Japan–US–Brazil Exchange (JUSBE). Although the statement does not mention China directly, it is an outright critique of its economic policies. The document emphasizes the importance of market-oriented conditions in the world trading system. It recalls the establishment of the WTO to promote a trading system based on open, market-oriented policies, as outlined in the Uruguay Round Agreements and Decisions. The signatories express serious concerns about non-market-oriented policies and practices, which they believe harm the world trading system by

²⁸⁰ Brazil, Japan, And The United States. 2020. “Importance of Market-Oriented Conditions To The World Trading System.” WTO. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/GC/W803R1.pdf&Open=True>.

causing overcapacity, unfair competition, hindering innovation, and undermining international trade. The statement asserts that market-oriented conditions are crucial for a fair and mutually advantageous trading system, highlighting the need for a level playing field for enterprises to benefit citizens. According to them, essential elements of market-oriented conditions include the free determination of prices, costs, and investments in response to market signals, market-determined prices for capital, labor, technology, independent accounting standards, impartial legal processes, and minimal government interference in enterprise decisions. The signatories express their willingness to work with other WTO members to reinforce their commitment to open, market-oriented policies and achieve fairer and more open global trade. Nevertheless, the JUSBE dialogue was discontinued after the end of the Bolsonaro administration.

Over the past twenty years, trade between Brazil and China has grown significantly, making the economic dimension of Brazil's recognition of China as a market economy much more important for Beijing, while also raising the domestic economic costs of this recognition for Brazil. As we will further examine in the next chapter, today Sino-Brazilian trade represents the most valuable commercial relationship between two developing nations, consistently reaching record levels. Since China's accession to the WTO, trade between the two countries has surged, increasing from US\$ 4 billion in 2001 to over US\$ 157 billion in 2023 (MDIC 2024). In contrast, China-India trade amounted to US\$ 136 billion in 2023²⁸¹ – approximately 13% less than Brazil-China trade – even though India's economy is around 75% larger than Brazil's²⁸². Whereas China and India share a common border, Brazil is geographically distant from China, situated on the opposite side of the globe. As a result of COSBAN's 7th Plenary Session, held in Beijing, in June 2024, Brazil's Vice-President Geraldo

²⁸¹ Bhardwaj, Naina. 2023. "India-China in 2023: Bilateral Trade and Investment Prospects." India Briefing News, January 13, 2023. <https://www.india-briefing.com/news/india-china-bilateral-trade-and-investment-prospects-26894.html/>.

²⁸² Máximo, Wellton. 2023. "Brazil Jumps Two Places, Becomes World's Ninth Largest Economy in 2023." *Agência Brasil*, December 20, 2023. <https://agenciabrasil.ebc.com.br/en/economia/noticia/2023-12/brazil-jumps-two-places-becomes-worlds-ninth-largest-economy-2023>.

Alckmin signed a bilateral document stating that “the Brazilian side will implement the recognition of China's market economy status, abandon the ‘surrogate country’ approach in dumping investigations, end the antidumping measure against garlic, and prudently initiate trade defense investigations against China, including dumping, subsidies, and others”²⁸³. In other words, the MES issue is still on the bilateral agenda, troubling Beijing and Brasilia to this day.

Brazil's handling of China's MES has evolved significantly since China's accession to the WTO. Initially, Brazilian trade defense authorities presumed China's non-market status, allowing for more aggressive anti-dumping measures. However, after 2016, the burden shifted to Brazilian industries to prove the absence of market conditions in China, prompting case-by-case investigations. These assessments, which continue to identify systemic distortions like state control, subsidies, and centralized planning, have led to mixed results in Brazilian trade defense decisions. The complexities of the Chinese economy, combined with the difficulty of obtaining reliable information on its market practices, have fueled persistent concerns among Brazilian industrialists. Under the Bolsonaro-Araújo administration, Brazil adopted a more critical stance on non-market practices, aligning with the US and Japan in the 2020 Joint Statement condemning policies seen as harmful to global trade. While not directly mentioning China, the statement clearly targeted its economic policies. The JUSBE dialogue, however, was discontinued following Bolsonaro's term. As shown by the final document signed by Vice-President Alckmin during COSBAN's 7th Plenary Session in 2024, the issue of China's MES continues to be a point of contention in Brazil's China trade and foreign policy, reflecting global tensions regarding China's economic influence and the challenge of balancing diplomatic relations with legitimate domestic economic interests.

In sum, the episode of Brazil's recognition of China's MES, which to this day is not fully implemented, has been the cause of much ado about nothing.

²⁸³ COSBAN. 2024, §6. *Ata Da VII Sessão Plenária Da Comissão Sinobrasileira de Alto Nível de Concertação e Cooperação*.

https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/vii-sessao-plenaria-da-comissao-sino-brasileira-de-alto-nivel-de-concertacao-e-cooperacao-cosban/ata-vii-sessao-plenaria-da-cosban.pdf.

2.5. Conclusions

Chapter 2 has provided a comprehensive analysis of the political dynamics shaping Brazil's relationship with China, chiefly focusing on the roles played by Presidents and their advisors, Foreign Ministers and Parliaments. As emphasized in Subchapter 2.1, "In the President's Ears: Pundits and Bandits", Brazil's China policy is not crafted by a singular, rational actor but rather reflects inter-bureaucratic competition among domestic stakeholders, shaped by political and economic shifts both in Brazil and abroad. The Presidential Palace, particularly through the influence of its International Advisory Office, has acted as a central player in shaping Brazil's China policy under recent Brazilian administrations. In the 2000s, under Lula's and Rousseff's presidencies, the Advisory Office, led by Marco Aurélio Garcia, placed a strategic emphasis on Latin American affairs, with China emerging as a secondary concern. However, this stance evolved over time. Filipe Martins' anti-China agenda under the Bolsonaro administration underscored the extent to which the Presidency can pivot Brazil's China policy according to the prevailing political ideology. By contrast, Celso Amorim has been leading efforts to deepen ties with Beijing. In President Lula's third term, the China policy emanating from Planalto Palace's room 315 is ambitious, reaching beyond bilateral relations to directly influence high-stakes global affairs, including negotiations surrounding the war in Ukraine. Only time will tell if these initiatives will bear fruit, but the effort is worthwhile. The Advisory Office's growing role in recent years reflects the increasing politicization of Sino-Brazilian relations, particularly as the global geopolitical environment becomes more polarized.

Itamaraty, with its historically institutionalized and professional approach to foreign relations, has at times found itself at odds with the more politically-driven agendas of the Presidential Palace. While the Ministry of Foreign Affairs remains one of Brazil's most capable bureaucratic entities, its autonomy has been challenged by the increasing influence of the Presidency's political advisors, who often bypass traditional diplomatic channels in favor of more direct political alignments. This tension was perhaps most clearly seen during the Bolsonaro administration, where ideological preferences for the US,

combined with a distrust of China, led to significant disruptions in Brazil's foreign policy consistency. However, Itamaraty has managed to retain a significant degree of influence by maintaining its focus on long-term diplomatic goals, adapting to political changes without losing its institutional integrity. The Ministry's structured and professional ethos, grounded in Weberian principles, has enabled it to withstand the fluctuations in Brazil's foreign policy toward China, even in the face of internal resistance.

Subchapter 2.2, "A Tale of Two Diplomacies: Itamaraty, Waijiaobu, and their Critics", compared bureaucratic dynamics within Brazil and China's foreign ministries, revealing the different approaches these institutions take toward shaping bilateral relations. Itamaraty's structure as a traditional Weberian bureaucracy, largely insulated from party politics, stands in contrast to China's party-driven foreign policy, where Waijiaobu operates under the direction of the CCP and its broader strategic goals. Comparatively, Itamaraty wields more power than Waijiaobu, overseeing not only the strictly diplomatic agenda but also key aspects of the relationship, particularly trade. In contrast, China's Ministry of Foreign Affairs must share its domain of influence with other actors, especially MOFCOM, which even controls COSBAN. Though Itamaraty has long been regarded as one of Brazil's most capable bureaucracies, its insularity and occasional hesitance to engage with civil society actors limit its ability to swiftly respond to domestic political and electoral shifts. As a result, the Presidential Office has increasingly asserted greater control over Brazil's China policy. Waijiaobu, in contrast, operates within a tightly controlled political framework, where the CCP ensures that foreign policy decisions align with its strategic priorities. The analysis of these two ministries reveals how bureaucratic structures and political control shape the conduct of diplomacy. These contrasts offer valuable insights into how the domestic organization of foreign policy apparatus shapes the foreign policies of emerging powers.

As I argued in Subchapter 2.3, "Naysayer: Parliament as a Veto Player", Parliament has emerged as an increasingly important actor in Brazil's foreign policy, particularly when domestic concerns align against international commitments. While traditionally considered secondary in matters of foreign

affairs, Parliament's role as a veto player adds a layer of complexity to Brazil's decision-making process regarding China. For its part, the role of parliamentary diplomacy between Brazil and China, though often symbolic and largely ceremonial, is an essential element of the political framework shaping Sino-Brazilian relations. The Brazil-China Parliamentary Group, despite its protocol-driven activities, serves as a conduit for dialogue, fostering engagement between key parliamentarians and Chinese officials. While formal meetings may not yield substantive policy outcomes, individual parliamentarians have demonstrated their ability to influence significant bilateral matters, including high-stakes technological and health-related negotiations. The controversies surrounding the formation of the Brazil-Taiwan Parliamentary Group further illustrate the nuanced and politically charged nature of parliamentary diplomacy. As Sino-Brazilian relations continue to evolve, the combination of party-to-party diplomacy and parliamentary engagement underscores the growing complexity of political alignments beyond the executive's traditional diplomatic channels.

Subchapter 2.4, "Much Ado About Nothing: China's Market-Economy Status", further exemplified the growing assertiveness of Parliament, where concerns from Brazil's manufacturing sector and other domestic actors successfully stalled what would have been a significant shift in Brazil's trade policy. This not only highlights Parliament's ability to influence foreign policy through its oversight and veto powers but also reflects the broader interplay between economic pragmatism and political caution. Parliament's capacity to act as a counterweight to executive-led foreign policy, particularly in cases where domestic economic interests are at stake, illustrates its evolving role in shaping Brazil's strategic decisions. As the case of China's MES demonstrates, Parliament's interventions can significantly alter the trajectory of bilateral relations, ensuring that domestic voices remain central in Brazil's foreign policy considerations.

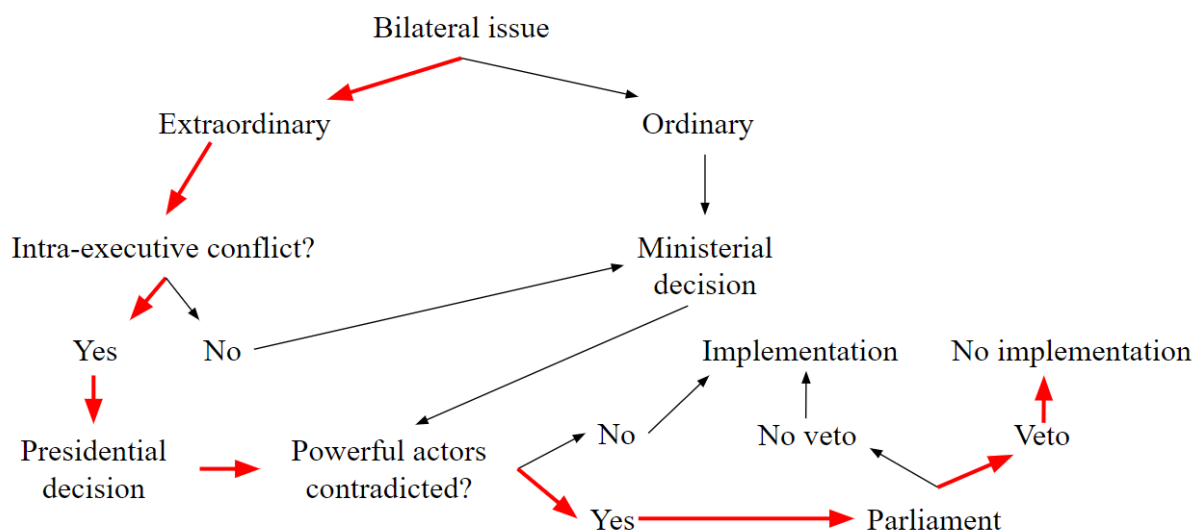
The case study also illustrates the complexity of inter-bureaucratic decision-making, where domestic concerns – particularly from Brazil's manufacturing sector – can outweigh international diplomatic commitments.

This episode highlights how internal political and economic interests influence Brazil's China policy, creating a layered process where foreign policy decisions are rarely the result of a single actor or institution. Instead, Brazil's approach to China is shaped by a network of competing interests, with Parliament playing an essential role in safeguarding domestic economic priorities even at the cost of delaying or altering international agreements. The initial announcement and eventual non-implementation of China's MES exemplify how domestic resistance can shape international relations, showing the push-and-pull between internal and external stakeholders with competing interests.

Furthermore, the controversy surrounding China's MES had a profound political impact in Brazil, initially stoking opposition from the industrial elites, particularly within FIESP, and gradually spreading to broader segments of the public. This shift in sentiment became particularly evident during the 2018 presidential elections, where Jair Bolsonaro successfully harnessed anti-China rhetoric as a key part of his campaign, bolstered by significant support from FIESP. This anti-China narrative has since left a lasting imprint on Brazilian politics, shaping electoral discourse and maintaining its relevance in political debates. As a result, the market-economy dispute ultimately represented a political setback for China, as it fueled ongoing resistance to Chinese interests in Brazil.

Having scrutinized the interplay among different bureaucracies in this case study, we can now return to this chapter's central question, that is: how are inter-bureaucratic conflicts among Brazil's China policy stakeholders resolved? The study of the role of the Presidency, the Foreign Ministry and Parliament, and especially the market-economy case study indicate that when inter-bureaucratic conflicts among Brazil's China policy stakeholders arise the president's position on the issue tends to prevail initially. However, if the issue at stake contradicts the interest of groups powerful enough to get Parliament involved in the dispute, Parliament may use its veto power to prevent implementation. In the market-economy case study, the action channels of Brazil's China policy have led to the decision-making process represented in Figure 5.

Figure 5 - Action channel for Brazil's decision on China's MES



Source: elaborated by the author.

The bilateral issue – the Chinese demand for recognition as a market-economy – arose in the context of the presidential visits of 2004. This was clearly an extraordinary issue, since it was a high-stakes situation personally involving Presidents Lula and Hu. There was intra-executive conflict among Brazilian bureaucracies: Itamaraty, responsible for diplomatic relations, and the Ministry of Agriculture, whose main exporting market is China, favored the recognition. Conversely, MDIC, the bureaucracy responsible for industrial development, opposed the recognition, since it would limit Brazil's trade defense mechanisms against China. Faced with a deadlock, President Lula had to arbitrate, and decided to give in to the Chinese demand, considering issue-linkages, and political and economic gains in other areas. Nevertheless, Brazilian industrialists – one of Brazil's most powerful interest groups – felt sidelined, since they had not been consulted during the decision-making process, and demanded their representatives in the Brazilian National Congress to wield their veto power. Parliament discussed the subject and, while it did not approve any formal legislation obstructing implementation, it harshly criticized the decision, indicating to the executive that going ahead with implementation would have high political costs. In other words, Parliament exercised a

pocket-veto, which in practice halted the implementation of China's market-economy status.

Ultimately, Chapter 2 confirms that Brazil's China policy is not dictated by a single institution or actor but is the product of continuous negotiation between various political, economic, and bureaucratic stakeholders. The Presidential Office, Itamaraty, and Parliament, along with sectoral actors and interest groups, each bring different perspectives and priorities to the table, contributing to the complexity and, at times, inconsistency of Brazil's approach to China. This dynamic interplay underscores the challenges of formulating a coherent foreign policy in an increasingly multipolar world, where domestic interests often collide with international imperatives. The groundwork laid in this chapter sets the stage for subsequent discussions on the economic and cooperative dimensions of Brazil-China relations, offering a comprehensive view of the political foundations underpinning one of Brazil's most significant international partnerships.

3. Economy

In 2024, Brazil and the People's Republic of China mark 50 years of diplomatic relations, a partnership that can be broadly divided into two distinct phases. During the first 30 years (1974-2004), the bilateral relationship was primarily driven by political interests and cooperation, with economic exchanges being initially minimal. However, in the last 20 years (2004-2024), economic exchanges have skyrocketed. Trade volumes surged in the 2000s, and Chinese investments in Brazil grew substantially in the 2010s. While political and diplomatic cooperation remains relevant, the last two decades have seen economic ties become the dominant feature of Sino-Brazilian relations. This chapter shifts from the political-diplomatic dimensions explored earlier to examine the economic issues that now drive the partnership, underscoring the central role of political economy in shaping contemporary Brazil-China relations. This chapter explores the deepening economic ties between Brazil and China, which have evolved into the world's most significant commercial relationship between two Global South nations. Each subchapter will address distinct aspects of Brazil-China economic relations, from high-level trade exchanges and strategic investment initiatives to specific cases in agriculture and mining, revealing both the opportunities and challenges of the partnership.

Subchapter 3.1, "At the Apex: Trade and Investment Policy", will examine the exponential rise in Sino-Brazilian trade flows, which have surged from USD 4 billion in 2001 to over USD 157 billion by 2023. Since 2009, China has overtaken the US as Brazil's main trading partner, a shift that has transformed Brazil's economic landscape. This trade relationship has been largely driven by China's demand for Brazilian commodities, notably soybeans, iron ore, and oil, which satisfy China's resource needs amidst its limited domestic supply and high domestic consumption. However, this export concentration has also sparked critical discussions in Brazil around over dependency on primary goods and vulnerability to Chinese demand fluctuations. In parallel, this subchapter will address how geopolitical shifts, such as the US-China trade war and the Russia-Ukraine conflict, have inadvertently positioned Brazil as an essential supplier of agricultural products to China, sometimes at the expense of US

market share. The analysis will further explore how the trade relationship, while beneficial in addressing Brazil's foreign currency needs, has also spurred the so-called "Dutch disease effect," limiting Brazil's industrial competitiveness as its currency appreciates from commodity-driven surpluses.

Subchapter 3.2, "Easier Signed Than Done: BNDES and the Brazil-China Fund" will analyze the ambitious yet challenging trajectory of the Brazil-China Cooperation Fund, initially proposed as a USD 20 billion bilateral initiative to fuel investments in strategic Brazilian sectors. The fund, introduced in 2015 and operationalized in the following years, reflected a shared vision to strengthen productive capacity through joint financing. However, despite early optimism, the fund faced multiple obstacles, including fluctuating exchange rates, complex regulatory frameworks, and – above all else – shifting political priorities, which have hindered project approvals and implementation. This subchapter will trace the fund's evolution under different Brazilian administrations, noting how skepticism about China eventually brought the fund to a standstill. In President Lula's third term, efforts to reactivate the fund have focused on revising its governance and operational framework to address previous limitations and attract foreign direct investment in line with Brazil's green reindustrialization goals. The examination will underscore how domestic politics can influence international financial cooperation, as well as the hurdles and potential of joint funds in facilitating sustainable development.

Sino-Brazilian agricultural diplomacy is a crucial component of the bilateral relationship, especially given that agriculture represents a substantial portion of Brazil's exports to China. Subchapter 3.3, "Roots of Power, Fields of Influence: Sino-Brazilian Agricultural Diplomacy" will explore the role of the Ministry of Agriculture (MAPA) and influential actors within Brazil's agricultural sector in cultivating robust commercial ties with China. Brazil's agricultural exports, particularly in soy and beef, have grown steadily since the 2000s, buoyed by China's rising demand for food security. However, these relations are not without tension. Bureaucratic asymmetries and regulatory barriers, often influenced by China's strict food safety standards, have posed challenges for Brazilian exporters. Additionally, political dynamics under the Bolsonaro

administration saw the unusual rise of MAPA in managing relations with China, given the ideological tensions that stymied conventional diplomatic channels. The chapter will also discuss how Agricultural Minister Tereza Cristina played an instrumental role in advancing agricultural exports and securing imports of COVID-19 vaccine components, a diplomatic maneuver that highlighted MAPA's capacity for negotiation under strained circumstances. Furthermore, the establishment and impact of the China Group within MAPA, a team dedicated to advancing agricultural relations with China, will illustrate Brazil's adaptive strategies in maintaining this essential sectoral relationship.

Subchapter 3.4, "From Red Tape to Red Carpet: Valemax Vessels and Iron Exports", will investigate a case study on Valemax vessels, which underscores the complexities and occasional friction in Brazil-China trade relations. Commissioned by Vale, these massive vessels were designed to transport large quantities of iron ore to China efficiently, reducing shipping costs and improving Brazil's competitive position. However, despite their logistical advantages, the vessels encountered regulatory opposition from Chinese port authorities, barring them from China for several years on grounds of safety and infrastructure limitations. This section will analyze the technical, regulatory, and political factors contributing to the impasse and how they illustrate the broader challenges Brazil faces in exporting high-volume raw materials to China. Additionally, it will explore how the eventual resolution of the issue, which involved diplomatic, logistical and economic adjustments, reflects the complex interplay between regulatory bodies and economic imperatives in high-stakes international trade.

The concluding section will synthesize findings from the individual subchapters to answer this chapter's central question: How do private actors influence Brazil's China policy? By drawing insights on the overarching economic trends and sectoral dynamics that define Brazil-China economic relations, it will discuss the extent to which Brazil has benefitted from its ties with China and address the structural challenges that have emerged, including concerns around economic dependency and deindustrialization. The conclusion will also consider potential paths for diversifying and balancing Brazil's export

profile with China, with an emphasis on value-added sectors, as well as the implications of this bilateral relationship for Brazil's long-term economic resilience.

3.1. At the Apex: Trade and Investment Policy

Brazil-China trade flows represent the most significant commercial relationship between any two Global South nations, consistently setting new records each year. Since the early 2000s, Sino-Brazilian trade has grown exponentially, soaring from USD 4 billion in 2001 to over USD 157 billion by 2023 (MDIC 2024). For comparison, China-India trade in 2023 amounted to US\$ 136 billion²⁸⁴, which is approximately 13% less than Brazil-China trade. This is particularly notable given that India's economy is roughly 75% larger than Brazil's²⁸⁵. Additionally, while China and India share a common border, Brazil is geographically distant, situated on the opposite side of the globe. China has by far debunked Brazil's traditional trading partners, namely the US (US\$ 74 billion, 2023) and the EU (US\$ 91 billion, 2023), as shown in Figure 6. Since 2009, China has been Brazil's main single trading partner, surpassing the US, which had held that position since the 1870s. China alone also surpassed the EU as a trading bloc in 2013, becoming Brazil's overall first trading partner. In 2023, China accounted for 27% of Brazil's total trade, whereas Brazil accounted for roughly 2.7% of Chinese trade (MDIC 2024), being China's 9th largest trading partner²⁸⁶. Brazil's extensive and diversified territory allows it to be one of the world's main commodities exporters, whereas China has the world's largest population, but comparatively few fertile lands and water resources, as well as rising labor and supply costs, making it a big consumer of primary products²⁸⁷. On the systemic level, the trade war between China and the United States, which led to bilateral tariffs and investment restrictions, has indirectly benefited

²⁸⁴ Bhardwaj, Naina. 2023. "India-China in 2023: Bilateral Trade and Investment Prospects." *India Briefing News*, January 13, 2023. <https://www.india-briefing.com/news/india-china-bilateral-trade-and-investment-prospects-26894.html/>.

²⁸⁵ Máximo, Wellton. 2023. "Brazil Jumps Two Places, Becomes World's Ninth Largest Economy in 2023." *Agência Brasil*, December 20, 2023. <https://agenciabrasil.ebc.com.br/en/economia/noticia/2023-12/brazil-jumps-two-places-becomes-worlds-ninth-largest-economy-2023>.

²⁸⁶ Zhou, Qian. 2024. "China-Brazil Economic Ties: Trade, Investment, and Opportunities." *China Briefing News*. October 4, 2024. <https://www.china-briefing.com/news/china-brazil-economic-ties-trade-investment-and-opportunities/>.

²⁸⁷ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §34.

Brazil's exports to China²⁸⁸. As a consequence, as of 2018, Brazil has become China's main agricultural supplier, with a market share of 20,9%, surpassing the US, whose market share totals 17,2%²⁸⁹. China started demanding from Brazil products it used to buy from the US in traditional markets, such as soy and beef, but also in new ones, such as lobster and tobacco²⁹⁰. The conclusion of the US-China Economic and Trade Agreement (Phase One) in the beginning of 2020 worried Brazilian producers, in that it granted market access for new US horticultural products. However, the agreement has not produced trade diversions against Brazil, since Chinese purchases of American products were below the goals agreed²⁹¹. As of 2022, the Russia-Ukraine war also benefited Brazilian exports to China, which started to import corn from Brazil in November 2022, substituting imports from Ukraine and the US²⁹². Until 2022, China did not purchase any corn from Brazil. However, by 2023, Brazil had already become China's primary corn supplier, surpassing the US. This shift significantly impacted the US market share, as American corn exports to China dropped by 67% during the same period²⁹³.

²⁸⁸ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §24.

²⁸⁹ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §27.

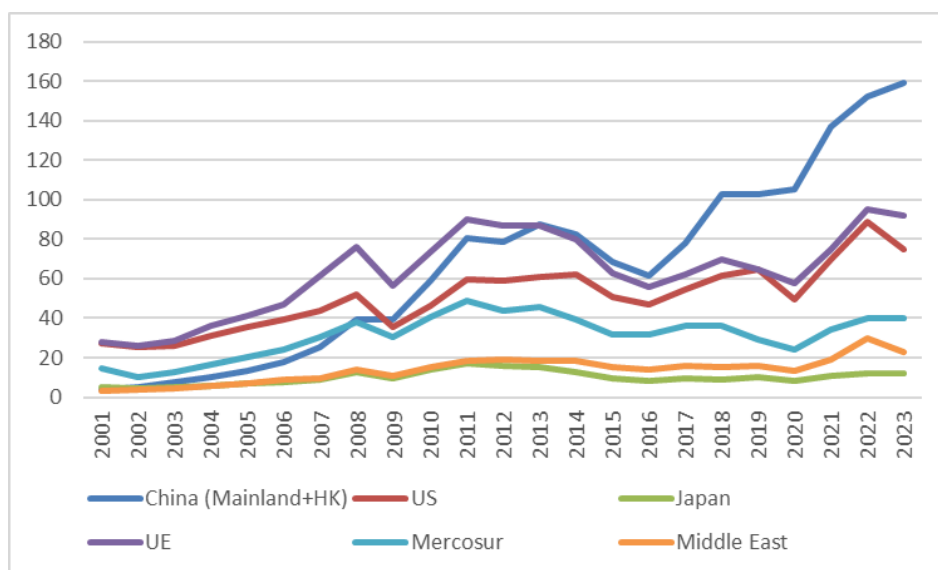
²⁹⁰ Nicacio, Adriana. "Brasil ganha US\$ 8,1 bilhões com guerra comercial entre China e Estados Unidos". Agencia de Notícias CNI. Acessado 10 de maio de 2022. <https://noticias.portaldaindustria.com.br/noticias/internacional/brasil-ganha-us-81-bilhoes-com-guerra-comercial-entre-china-e-estados-unidos/>.

²⁹¹ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §25.

²⁹² Garcia, Nathalia. 2023. "Milho para China impulsiona saldo comercial recorde do Brasil de quase US\$ 100 bi." *Folha de S.Paulo*, December 2, 2023, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2023/12/milho-para-china-impulsiona-saldo-comercial-ecorde-do-brasil-de-quase-us-100-bi.shtml>.

²⁹³ Reuters. 2024. "Brasil Amplia Domínio Sobre EUA Como Principal Fornecedor de Milho e Soja Da China." *CNN Brasil*, March 20, 2024. <https://www.cnnbrasil.com.br/economia/macroeconomia/brasil-amplia-dominio-sobre-eua-como-principal-fornecedor-de-milho-e-soja-da-china/>.

Figure 6 - Brazil's foreign trade with selected partners (US\$, billions, FOB)



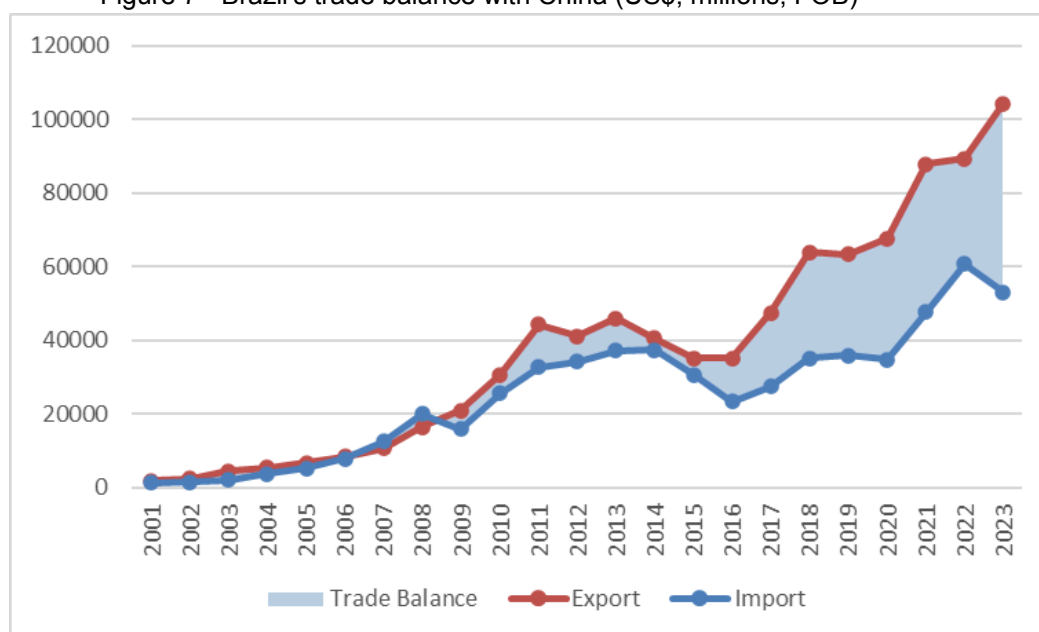
Source: Author's elaboration, with data from MDIC (2024).

Moreover, while Brazil has consistently accumulated trade surpluses with China in the past two decades, as shown in Figure 7, it has had trade deficits with the US since 2008 and with the UE since 2012, Brazil's second and third largest trade partners respectively (MDIC 2024). The rapid growth of the Chinese economy fostered very positive internal conditions during the Workers' Party administrations (2003-2016) (Ricupero 2017, p. 641). This was reinforced by the Chinese stimulus package to respond to the global financial crisis, since China's over-expenditure made the prices of items such as soy, oil, and ore soar. Brazil's consistent trade surplus with China has allowed for the country to overcome its traditional foreign currency shortage, which had caused several balance of payments crises throughout the 20th century. In 2023, Brazil's bilateral trade with China amounted to over 50% of the country's overall trade surplus; in 2019, this figure peaked at nearly 80% (MDIC 2024). The accumulation of a considerable amount of foreign reserves – over US\$ 350 billion as of 2024²⁹⁴ – has reduced Brazil's external vulnerability and strengthened its macroeconomic foundations, while also allowing for the adoption of economic policies favoring growth, such as expanding credit and

²⁹⁴ Central Bank of Brazil. 2024. "Estatísticas Do Setor Externo. Nota Para a Imprensa." https://www.bcb.gov.br/content/estatisticas/hist_estatisticassetorexterno/202405_Texto_de_estatisticas_do_setor_externo.pdf.

cutting interest rates (Hiratuka and Sarti 2016, pp. 85-86). As a result of the increase in bilateral trade and investment, as well as of China's overall economic growth, in March 2023 the Chinese Yuan – which until 2018 was not part of Brazil's international reserves – surpassed the Euro and became the second most important currency in Brazil's foreign exchange reserves, after the dollar²⁹⁵.

Figure 7 - Brazil's trade balance with China (US\$, millions, FOB)



Source: Elaborated by the author, with data from Comex Stat (2024)

However, the growth in exports and inflow of foreign investment – driven partly by the intensifying Sino-Brazilian economic relations – contributed to the appreciation of the Real starting in 2004. The "Dutch disease effect" has limited the competitiveness of Brazilian exports, worsening the industrial crisis and eventually leading to current account deficits (Wise 2020, p. 24). From Brazil's perspective, another disseminated critique of the bilateral relations is that exports to China are heavily based on a few primary products (Rosito 2020, p. 88), inasmuch as soy, iron ore, and oil traditionally constitute over 70% of total

²⁹⁵ "Yuan supera euro como segunda principal moeda das reservas internacionais do Brasil." 2023. Folha de S.Paulo. March 31, 2023. <https://www1.folha.uol.com.br/mercado/2023/03/yuan-supera-euro-como-segunda-principal-moeda-das-reservas-internacionais-do-brasil.shtml>.

exports²⁹⁶. Conversely, Chinese exports to Brazil are overwhelmingly composed of industrialized items (MDIC 2024). In fact, Brazil's trade relations with most of its Asian partners, including Japan, India, South Korea, and Singapore, follow the same pattern: exporting primary goods and importing industrialized products. In 2023, 70% of Brazil's total exports to Asia consisted of primary goods (agriculture and mining), while 99% of imports from Asia were industrial items (MDIC 2024). Therefore, this imbalanced pattern of trade is not just a bilateral question with China, but rather a generalized problem Brazil faces with Asia, the world's most dynamic region in economic terms. The situation is related to Brazil's poor industrial performance since the 1980s, which contrasts with the country's rapid gains in productivity in the agricultural sector. The demand for achieving a more balanced commercial relationship is always brought up by Brazilian authorities in official documents²⁹⁷. Yet in internal documentation, Brazilian officials admit that “[t]he much-desired expansion of exports of products with higher added value depends on promotional efforts to be conducted essentially by the private sector, as it requires the establishment of differentiated brands”²⁹⁸. It is also interesting to note that in the initial decades of the relationship, Brazil mostly exported industrialized items to China, as shown in Table 6, while imports were almost fully concentrated on oil. In 1990, due to advancements in the Chinese steel and petrochemical sectors, Brazilian industrial exports had decreased by half compared to 1985. Brazil was never able to reverse this trend.

²⁹⁶ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §23.

²⁹⁷ See §15 of the Strategic Plan (2022-2032) and Article 4 (3) of the Executive Plan (2022-2026).

²⁹⁸ Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §7.

Table 6 - Brazilian exports to China per economic sector (1985-1991)

Year	Basic (%)	Semi-manufactured (%)	Manufactured (%)
1985	6	30.1	63.9
1986	10.1	39.5	50.4
1987	21.5	28	50.5
1988	17.1	14	68.9
1989	11.7	27.5	60.8
1990	19.6	48.8	31.5
1991	42.1	25.6	32.4

Source: MDIC/SECEX, apud (Biato Junior 2010, p. 43).

This reality has led to distortions in different productive sectors in Brazil (Becard and Søndergaard 2019). In response, Brazilian industrialists have urged the federal government to implement restrictive trade measures, making China by a wide margin, the primary target of Brazil's trade defense mechanisms. In 2024, Brazil maintained 46 trade defense measures against China, significantly more than the 12 measures in place against the US, which ranked second²⁹⁹. At the same time, the Brazilian government has also tried to diversify its exports to China especially as of the 2000s. It sought to adopt an entrepreneurial, proactive stance towards China, considering the growing competition from other exporting countries, such as Australia, which was granted special access to the Chinese market through a free-trade agreement in 2015³⁰⁰. In that regard, the Brazilian embassy in Beijing supported commercial initiatives, such as business missions to China³⁰¹ and e-commerce. Brazil's Trade Promotion Offices in Beijing and Shanghai have facilitated the country's inclusion in Tmall Fresh's³⁰² online campaign for "Single's Day" (November, 11th), known as China's Black Friday. The embassy decided to

²⁹⁹ MDIC. 2024. "Medidas de defesa comercial em vigor." Ministério do Desenvolvimento, Indústria, Comércio e Serviços. 2024. <https://www.gov.br/mdic/pt-br/assuntos/comercio-exterior/defesa-comercial-e-interesse-publico/medidas-em-vigor/medidas-em-vigor/medidas-de-defesa-comercial-em-vigor>.

³⁰⁰ Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, §69.

³⁰¹ Management Report, Ambassador Marcos Caramuru de Paiva (2016-2018). Brazilian Embassy in Beijing, 2018, §29.

³⁰² Tmall Fresh is one of China's main e-commerce platforms, linked to the Alibaba group.

prioritize e-commerce platforms as a means of promoting Brazilian exports. Yet, this commercial offensive has especially favored larger companies within the agribusiness and mining sectors, while small and medium-sized industrial enterprises have not been sufficiently supported to access the Chinese market or to compete with Chinese exports (Becard and Søndergaard 2019).

In conclusion, the dynamic and substantial trade relationship between Brazil and China illustrates both the opportunities and challenges of economic interdependence between two major Global South economies. Brazil has successfully leveraged this partnership to stabilize its macroeconomic position, as evidenced by a resilient trade surplus and the substantial accumulation of foreign reserves. This financial cushion has offered Brazil critical economic autonomy, enabling policy flexibility and bolstering its resistance to external shocks. Moreover, China's sustained demand for Brazilian commodities has brought significant gains to the agricultural and mining sectors, with both sectors benefiting from expanded Chinese market access amid trade shifts linked to global events like the US-China trade dispute and the Russia-Ukraine war. However, this bilateral trade relationship also exposes Brazil to vulnerabilities, particularly through its structural dependency on primary product exports, which has contributed to a pattern of deindustrialization and current account deficits. The concentration of exports in low-value commodities along with a flood of Chinese industrial goods into Brazil highlights a persistent trade imbalance, exacerbated by the appreciation of the Brazilian Real. While Brazil has made some strides toward export diversification and commercial promotion, these efforts have largely benefitted large agribusiness and mining corporations, leaving smaller industrial players with limited market access in China. This dichotomy underscores the ongoing challenge for Brazilian private sector and policymakers to foster a more balanced trade relationship with China, addressing the constraints imposed by commodity-driven trade structures while promoting the competitiveness of Brazil's industrial sector on the global stage. The trajectory of Sino-Brazilian trade flows, therefore, will hinge on Brazil's ability to face these dual imperatives: maximizing the benefits

of Chinese demand while mitigating the structural economic impacts on its domestic industries.

Having analyzed Sino-Brazilian trade patterns, we will now turn to the more recent dimension of their economic relationship: investment flows.

From Soy to Circuits: China's Evolving Investment Strategy in Brazil

As of the late 2000s, investments have become an important feature of Brazil-China relations. Chinese foreign direct investment (FDI) in Brazil rose exponentially after the 2008 financial crisis. From 1990 to 2009, FDI in Brazil totalled US\$ 255 million; in 2010 alone, the amount rose to US\$ 9,6 billion (Blanchard 2019). From 2012 to 2016, Chinese firms invested twice as much in Brazil as American companies, and in 2017 China became the largest investor in Brazil³⁰³, debunking the US³⁰⁴. Brazil emerged as a significant destination for Chinese investment, ranking fourth globally from 2005 to 2022, with US\$ 71.6 billion, behind the United States (US\$ 192.7 billion), Australia (US\$ 105 billion), and the United Kingdom (US\$ 100 billion) (Cariello 2023, p. 17). In Latin America, Chinese investments are predominantly concentrated in South America, which received 96% of the total value of Chinese projects in the region. In this period, Brazil emerged as the primary destination, attracting 48% of all investments in the subcontinent – nearly three times more than the next highest recipient, Peru, which captured 17%. In contrast, Mexico, the region's second-largest economy, received only 3% of these investments (Ibid).

Until 2010, China prioritized investments directly related to commodities, eyeing soy, iron and oil trade. From 2011 to 2013, Chinese investments reached industrial sectors, seeking Brazil's consumer market. From 2014 to 2015, investments focused on services, especially in the banking sector. From 2014 onwards, Chinese capital flowed into energy, infrastructure, oil and gas,

³⁰³ Biller, David. 2018. China expands Brazil frontier as investment grows during crisis. Bloomberg (April 24) <https://www.bloomberg.com/news/articles/2018-04-25/china-expands-brazil-frontier-as-investment-grows-during-crisis>.

³⁰⁴ Ellis, Evan. 2017. Washington should take note of Chinese advancement in Brazil. Newsmax (October 9) <https://www.newsmax.com/evanellis/china-brazil-investment-washington-dc/2017/10/09/id/818644>.

agribusiness, and technology, sectors with high growth potential (Cariello 2021, pp. 21-22). From 2007 to 2020, Chinese companies invested in 176 projects in Brazil, totaling US\$ 66.1 billion. Another 64 announced investments, totaling US\$ 44.5 billion, failed to materialize (Ibid, p. 10). Brazil has been the main destination of Chinese investments in South America, with 47% of the total. Almost half (48%) of the Chinese investment stock in Brazil between 2007 and 2020 went to the electric sector, especially through the giant Chinese state-owned companies State Grid and China Three Gorges. Next comes oil and gas (28%), extraction of metallic minerals (7%), manufacturing industry (6%), infrastructure works (5%), agriculture and livestock (3%), and finance services (2%) (Ibid). China's economic presence in Brazil has been associated with socio-environmental risks, such as deforestation, water pollution, and rural exodus, due in part to the disrespect of existing legislation and government guidelines (de LT Oliveira 2018; Thives, Søndergaard, and Inoue 2022a).

Concerning the automobile sector in particular, Chinese investments have experienced ups and downs. The journey began with the presentation of Chana's utility vehicles at the 2006 São Paulo Auto Show, later rebranded to Changan in 2011³⁰⁵. JAC Motors, one of the most prominent Chinese automobile brands in Brazil, achieved considerable success initially, registering 23,000 cars in 2011. However, the company's progress was severely hampered by the import restrictions imposed in September that year, in the context of President Rousseff's industrial policies, which included a quota system and a 30 percentage point surcharge on the Industrialized Product Tax for vehicles exceeding the quota. Rousseff's protectionist policies led to the creation of the Inovar-Auto program, aimed at enhancing technological advancement and local vehicle production from 2012 to 2017. While this program spurred some investments, such as Mercedes-Benz's factory now owned by Great Wall Motors, another Chinese automobile company, it also exposed the vulnerabilities in Brazil's industrial strategy. In response to these policies, Sergio Habib, head of the SHC group representing JAC Motors in Brazil, announced a

³⁰⁵ Sodré, Eduardo. 2022. "Montadora Chinesa Great Wall Confirma Investimento de R\$ 10 Bi No Brasil." *Folha de S. Paulo*, January 27, 2022. <https://www1.folha.uol.com.br/mercado/2022/01/montadora-chinesa-great-wall-confirma-investimento-de-r-10-bi-no-brasil.shtml>.

R\$ 900 million investment in October 2011 to construct a new factory in Bahia, with operations expected to begin in 2015. However, the Brazilian economic crisis and difficulties in securing funding derailed this project. Another attempt was made in December 2017 to establish a production line in Itumbiara, in the state of Goiás. This venture also failed, leading SHC to file for bankruptcy protection. In recent years, JAC Motors adapted by focusing on importing electric vehicles, including passenger cars and plug-in trucks³⁰⁶.

In 2017, the Chinese automaker Chery and the Brazilian automotive group CAOA established the CAOA-Chery joint-venture³⁰⁷. The partnership aimed to combine CAOA's experience in the Brazilian automobile market with Chery's manufacturing expertise. The joint venture involved CAOA acquiring 51% of Chery's Brazilian operations for \$60 million, including the Jacareí plant in São Paulo and the Anápolis plant in Goiás. This collaboration led to the production and distribution of Chery-branded vehicles in Brazil, with a focus on localized manufacturing to meet the demands of the Brazilian consumer³⁰⁸. CAOA, founded by Carlos Alberto de Oliveira Andrade, has a long history in the Brazilian automotive industry, initially starting as an importer and distributor of various automotive brands, including Hyundai and Subaru. By partnering with Chery, CAOA expanded its manufacturing capabilities, with facilities in Anápolis (Goiás) and Jacareí (São Paulo), producing a range of vehicles, including SUVs and sedans. This partnership strengthened the presence of Chinese automobiles in Brazil, contributing to the diversification of the Brazilian automotive market³⁰⁹.

³⁰⁶ Ibid.

³⁰⁷ Xinhua. 2018. "China's Automaker Chery Bets on Brazil's Economic Recovery to Gain Market Share." *China Daily*, March 30, 2018.

[//global.chinadaily.com.cn/a/201803/30/WS5abdd947a3105cdcf6515610.html](http://global.chinadaily.com.cn/a/201803/30/WS5abdd947a3105cdcf6515610.html).

³⁰⁸ Reuters. 2017. "Caoa Compra 50% Da Chery No Brasil e Anuncia Investimento de R\$ 6,5 Bi." *Folha de S.Paulo*, November 11, 2017.

<http://www1.folha.uol.com.br/mercado/2017/11/1934723-caoa-chery-vai-investir-ate-r-65-bilhoes-no-brasil-nos-proximos-5-anos.shtml>.

³⁰⁹ Olmos, Marli. 2022. "Caoa Chery é a segunda montadora de carros a ter híbrido a etanol." *Valor Econômico*, June 16, 2022.

<https://valor.globo.com/empresas/noticia/2022/06/16/caoa-chery-e-a-segunda-montadora-de-carros-a-ter-hibrido-a-etanol.ghtml>.

Chinese companies – which as of 2024 control 7% of the Brazilian automobile market³¹⁰ – are also playing a significant role in advancing Brazil's energy transition³¹¹. Great Wall Motors expanded its presence in Brazil by acquiring the Mercedes-Benz plant in Iracemápolis, São Paulo, in 2021³¹². With a substantial investment plan of R\$ 4 billion (US\$ 776 million) from 2022 to 2025, the Chinese automaker aims to manufacture electric and hybrid vehicles and conduct research and development in the country. Volvo, with China's Geely as its major shareholder, also committed to the energy transition with an R\$ 881 million (US\$ 171 million) investment in its Curitiba plant in Paraná³¹³. This investment focuses on developing electromobility and decarbonization technologies, forming part of a broader R\$ 1.5 billion (US\$ 290 million) investment cycle from 2022 to 2025. Higer Bus planned a US\$ 50 million investment in an electric bus manufacturing plant in Pecém, Ceará, and a second plant in the Central-West region³¹⁴. Meanwhile, BYD announced US\$ 5.5 billion in investment for building a plant in Camaçari, Bahia, where a Ford factory operated until 2021³¹⁵. BYD signed a memorandum of understanding with the state government of Bahia to produce electric and hybrid vehicles and

³¹⁰ Olmos, Marli. 2024. "Marcas chinesas de carros atingem 7% do mercado brasileiro." *Valor Econômico*, May 6, 2024.
<https://valor.globo.com/empresas/noticia/2024/05/06/marcas-chinesas-atingem-7-do-mercado-brasileiro.ghtml>.

³¹¹ Kotz, Ricardo Lopes. 2024. "China's Green Energy Investments Aim at Latin America Amid Competition With the US." *The Diplomat*, May 11, 2024.
<https://thediplomat.com/2024/05/chinas-green-energy-investments-aim-at-latin-america-amid-competition-with-the-us/>.

³¹² Valor. 2021. "Chinesa Great Wall compra fábrica da Mercedes-Benz em Iracemápolis (SP), diz jornal." *Valor Econômico*, July 4, 2021.
<https://valor.globo.com/empresas/noticia/2021/07/04/chinesa-great-wall-compra-fabrica-da-mercedes-benz-em-so-paulo-diz-jornal.ghtml>.

³¹³ Olmos, Marli. 2022. "Para não ser 'jabuticaba', Volvo investe em eletrificação no Brasil." *Valor Econômico*, February 3, 2022.
<https://valor.globo.com/empresas/noticia/2022/02/03/para-nao-ser-jabuticaba-volvo-investe-em-eletrificacao-no-brasil.ghtml>.

³¹⁴ Prieto, Carlos. 2023. "Exclusivo: Chinesa Higer anuncia planos para segunda fábrica de veículos elétricos no Brasil." *Valor Econômico*, July 14, 2023.
<https://valor.globo.com/empresas/noticia/2023/07/14/chinesa-higer-anuncia-planos-para-segunda-fabrica-de-veiculos-eletricos-no-brasil.ghtml>.

³¹⁵ Olmos, Marli. 2024. "BYD eleva investimento na Bahia para R\$ 5,5 bi e vai construir moradia para empregados." *Valor Econômico*, March 18, 2024.
<https://valor.globo.com/empresas/noticia/2024/03/18/byd-eleva-investimento-na-bahia-para-r-55-bi-e-vai-construir-moradia-para-empregados.ghtml>.

process lithium and iron phosphate. The BYD project was officially confirmed in July 2023, with production slated to begin in 2024 (Cariello 2023, p. 21).

Over the past two decades, Chinese capital inflows have diversified from commodities to sectors such as manufacturing, finance, and renewable energy, with the electric sector capturing nearly half of all Chinese FDI in Brazil. This shift has bolstered Brazil's infrastructure and contributed to its energy transition, illustrating a maturation in the investment partnership. However, the volatility in certain sectors, particularly in the automotive industry, highlights the hurdles posed by Brazil's regulatory environment and economic instability. While programs like Inovar-Auto initially spurred investment in local production, they also exposed structural vulnerabilities and failed to achieve sustained industrial growth, as seen in the setbacks experienced by companies such as JAC Motors. Brazil's receptiveness to Chinese investments in high-tech sectors, such as electric vehicles and electromobility, demonstrates the country's alignment with global sustainability trends and presents an avenue for further technological development. Yet, the predominance of Chinese state-owned enterprises in critical infrastructure has raised concerns, including socio-environmental worries, challenging Brazil's regulatory frameworks and highlighting the complexities of foreign ownership in sensitive industries. As Chinese firms continue to expand their footprint across diverse sectors, Brazil faces the dual imperative of fostering investment that supports long-term industrial and technological advancement while safeguarding its environmental and socio-economic interests. The outcomes of this evolving investment landscape will hinge on Brazil's ability to balance these goals within the broader context of its strategic partnership with China.

Crown Jewel or Job Hanger? Apex-Brazil's Pulling, Hauling, and Holding Ground

Apex-Brazil is the Brazilian trade and investment promotion agency. Conceived within Brazil's Support Service for Micro and Small Enterprises (SEBRAE), Apex-Brazil was spearheaded by Dorothea Werneck, Minister of Industry and Trade from 1995 to 1996 (Decree no. 2,398, November 21, 1997).

Luiz Fernando Furlan, Minister of Development, Industry, and Foreign Trade from 2003 to 2007, oversaw the restructuring of the Agency into an Autonomous Social Service³¹⁶ with its own revenues, authorized by Provisional Measure No. 106 in January 2003, later becoming Law No. 10,668 in May of the same year. Apex-Brazil is headquartered in Brasilia with offices in four Brazilian regions – in the cities of Belém, Porto Alegre, Recife, and São Paulo –, and nine offices abroad, two of which in China – Beijing, Bogotá, Brussels, Dubai, Jerusalem, Miami, Moscow, San Francisco, and Shanghai. These international offices act as regional hubs, collaborating with Itamaraty's network to identify market opportunities for Brazilian products, engage with foreign investors, and maintain relations with partners in selected international markets (Apex-Brasil 2022).

Apex-Brazil operates under a management contract with MDIC. As a non-profit entity governed by private law, its goal is to promote Brazilian products globally, attract foreign investment to key sectors, and support Brazilian companies in their international expansion. The agency implements export promotion policies in collaboration with public authorities and facilitates investment promotion in line with Brazil's national development strategy, particularly in industrial, commercial, technological, agricultural, and service sectors, focusing on small businesses and job creation. To achieve its goals, Apex-Brazil engages in a variety of commercial promotion activities. These include organizing trade missions, business roundtables, and supporting participation in international fairs. Additionally, Apex-Brazil facilitates visits by foreign buyers to familiarize them with Brazilian industries, all with the aim of enhancing Brazil's role as a global business partner (Ibid).

Apex-Brazil stands out as a "jewel in the crown" within Brazil's bureaucratic pulling and hauling, particularly due to its significant administrative autonomy. Unlike most Brazilian government entities, Apex can hire employees without a public tender process (*concurso público*), allowing it to circumvent

³¹⁶ In Brazilian law, Autonomous Social Services are non-profit legal entities governed by private law, created or authorized by a law and intended to provide assistance or teaching to certain social categories or professional groups, and are maintained by budget allocations or parafiscal contributions. They include entities belonging to System "S": Senai, Sesi, Senac, Sesc, Senat, Sest, Senar, Sebrae, SESCOOP, etc.

traditional hiring practices³¹⁷. This autonomy extends to its financial structure, with the agency's primary revenue coming from a 0.3% contribution paid monthly by Brazilian employers on their payroll³¹⁸. The remuneration within Apex reflects its unique status, with salaries that surpass those of top government officials, including the President of the Republic. For instance, in 2019 the president of Apex earned R\$ 50,534 monthly (over US\$ 12000 at the time), while a manager earned R\$ 33,560 (over US\$ 8000 at the time)³¹⁹. This compensation scheme, coupled with the ability to make politically motivated appointments, has made Apex a coveted entity in Brazil's bureaucratic negotiations and job distribution game. Despite its perceived value, some government officials have advocated for its dissolution, labeling it as a "job hanger"³²⁰. The Federal Court of Accounts (TCU), the country's federal audit office, has recommended that Apex replace its non-tenured employees with those who have passed public exams, a directive that has yet to be fully implemented³²¹.

From 2003 to 2016, Apex-Brazil was linked to MDIC. However, at the start of the Temer administration (2016-2018), the agency was transferred to Itamaraty at the behest of Senator José Serra (PSDB-SP), as a condition for him to accept the position of Foreign Minister. In the same context, the Foreign Trade Chamber (Camex) was also placed under Itamaraty's jurisdiction. Due to its status as an Autonomous Social Service, a significant portion of Apex-Brazil's budget is protected from cutbacks driven by economic or political pressures. With the move, MDIC saw a significant reduction in resources, as Apex accounted for more than half of its budget³²².

³¹⁷ Interview with a former Apex high-level executive. Online. April 2024.

³¹⁸ Teixeira, Matheus. 2020. "STF mantém tributo sobre folha de pagamento para financiar Sebrae, Apex e ABDI." *Folha de S.Paulo*, September 23, 2020, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2020/09/stf-mantem-tributo-sobre-folha-de-pagamento-para-financiar-sebrae-apex-e-abdi.shtml>.

³¹⁹ O Estado de S. Paulo. 2019. "Planalto avalia tirar Apex do Itamaraty." *Época Negócios*. April 16, 2019. <https://epocanegocios.globo.com/Brasil/noticia/2019/04/epoca-negocios-planalto-avalia-tirar-apex-do-itamaraty.html>.

³²⁰ Ibid.

³²¹ Ibid.

³²² Mello, Patrícia Campos. 2016. "Itamaraty de Serra Será 'turbinado' Com Agência de Exportações." *Folha de S.Paulo*, November 5, 2016.

In November 2018, Aloysio Nunes (2017-2018), Serra's successor as Foreign Minister still during the Temer administration, wrote an op-ed article in *Folha de São Paulo*, one of Brazil's most-read newspapers, to defend keeping Apex-Brazil within Itamaraty³²³. He argued that Brazil's success at the 2018 Shanghai Import Fair was due to the close coordination between Apex technicians and Itamaraty diplomats. Nunes highlighted that with support from MDIC, MAPA, and FIESP, Apex mobilized competitive companies across various sectors, while diplomatic efforts showcased Brazil's strong relationship with China, resulting in Brazil being honored at the Fair. He claimed that prior to 2016, when Apex was linked to MDIC, such coordination was lacking, leading to duplicated efforts and costs, with Apex and Itamaraty often setting up separate stands at international fairs. Additionally, he noted that Apex expanded its presence by establishing offices in ten countries, aligning with Brazilian embassies' trade promotion efforts. "I say without inhibition that part of the credit for the notable recovery in foreign trade and the high rate of foreign investment belongs to Apex at Itamaraty", wrote the Minister³²⁴.

During the Bolsonaro administration, Apex experienced significant turbulence, marked by frequent leadership changes and internal conflicts. The agency's instability became evident shortly after the appointment of Alexandre Carreiro as president in the first days of the administration. Carreiro's tenure was brief; he was dismissed only seven days after his appointment, making him the first official to be ousted in Bolsonaro's government. The Foreign Minister, Ernesto Araújo, attributed Carreiro's departure to his own request, but internal reports indicated mounting tensions due to Carreiro's abrupt dismissal of long-standing staff members, which created a climate of fear and uncertainty within the agency³²⁵. Carreiro's actions, particularly his replacement of

<https://www1.folha.uol.com.br/poder/2016/05/1770319-itamaraty-de-serra-sera-turbinado-com-a-gencia-de-exportacoes.shtml>.

³²³ Ferreira, Aloysio. 2018. "Aloysio Nunes Ferreira: A Apex no Itamaraty." *Folha de S.Paulo*, November 7, 2018, sec. Opinião.

<https://www1.folha.uol.com.br/opiniao/2018/11/a-apex-no-itamaraty.shtml>.

³²⁴ Ibid.

³²⁵ Bilenky, Thais. 2019. "Presidente da Apex é demitido, e governo Bolsonaro tem primeira queda." *Folha de S.Paulo*, January 9, 2019, sec. Mundo.

<https://www1.folha.uol.com.br/mundo/2019/01/presidente-da-apex-e-demitido-e-governo-bolsonaro-tem-primeira-queda.shtml>.

experienced personnel with his allies without a proper transition, led to significant disruption. Among those dismissed were key technical staff, including diplomats, which distanced Apex from its association with Itamaraty. This contributed to a perception of a "witch hunt" atmosphere, prompting Araújo to intervene and eventually demand Carreiro's resignation. Carreiro's lack of fluency in English, a critical requirement for the role, further justified his removal³²⁶. In his place, Araújo nominated Ambassador Mario Vilalva, who brought extensive experience in export promotion and economic diplomacy, having served as ambassador in Chile, Portugal, and Germany. However, the ambassador had little opportunity to apply his experience in trade promotion to boost and diversify Brazilian exports to China, as his tenure would last only three months.

The turbulence within Apex extended beyond leadership changes. The agency's restructuring under Bolsonaro's administration was part of a broader shift initiated by José Serra, who had integrated Apex into the Itamaraty during his tenure as Foreign Minister. This move was maintained under Araújo, despite concerns within the Foreign Ministry about potential overlaps with the newly established Ministry of Economy. The ministerial reform, formalized by a provisional measure on January 1, 2019, granted the Ministry of Economy significant authority over economic and financial negotiations, traditionally managed by diplomats. This shift threatened to undermine Itamaraty's role in trade discussions, leading to fears that the diplomatic influence in commercial negotiations might be diminished. The agency's mission to promote Brazilian exports and attract foreign investment was complicated by the political affiliations and interventions of key figures, including the influence of Eduardo Bolsonaro, the president's son, who had close ties to newly appointed directors within Apex³²⁷.

³²⁶ The lack of English fluency led to the temporary suspension of Jorge Viana's presidency at Apex-Brazil in 2023, following his appointment by the Lula administration. However, the agency's statutory requirement for English fluency was later relaxed, allowing Viana to continue in the role.

See Rosa, João, and Ana Carolina Nunes. 2023. "Justiça suspende decisão que afastou Jorge Viana da presidência da Apex." CNN Brasil, May 25, 2023. <https://www.cnnbrasil.com.br/economia/macroeconomia/justica-suspende-decisao-que-afastou-jorge-viana-da-presidencia-da-apex/>.

³²⁷ Ibid.

The nomination of Ambassador Vilalva was intended to stabilize the agency after the abrupt dismissal of his predecessor, Alexandre Carreiro. However, Vilalva's three-month tenure did not resolve the underlying issues within the organization. Vilalva's efforts to steer Apex were significantly undermined by Foreign Minister Ernesto Araújo, who unilaterally transferred key powers from the presidency to two of his close allies within the agency, Leticia Catelani and Márcio Coimbra. This move, made without Vilalva's knowledge or consent, effectively marginalized his authority and created further discord. Vilalva publicly accused Araújo of disloyalty and criticized Catelani and Coimbra as being "unprepared, inexperienced, irresponsible, and reckless"³²⁸. The controversial changes included provisions that prevented Vilalva from dismissing the two directors without the approval of the Deliberative Council, chaired by Araújo. Additionally, the amendments allowed Catelani and Coimbra to convene executive board meetings in Vilalva's absence or refusal, further diluting his control³²⁹. The Foreign Ministry defended the statutory changes as necessary legal adjustments and denied any intent to diminish Vilalva's powers or paralyze the agency³³⁰.

In an effort to contain the crisis, President Bolsonaro appointed Rear Admiral Sergio Ricardo Segovia Barbosa (2019-2021) as the agency's president³³¹. On his first day in office, Segovia dismissed Leticia Catelani and Marcio Coimbra. Segovia's decisive action to remove them aimed to bring an end to the agency's turmoil and pave the way for a more orderly and effective promotion of Brazilian products abroad³³². The appointment of Ambassador

³²⁸ Coletta, Ricardo Della. 2019. "Presidente da Apex acusa Ernesto Araújo de falta de lealdade após ter poderes esvaziados." *Folha de S.Paulo*, April 8, 2019, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2019/04/presidente-da-apex-acusa-ernesto-araujo-de-falta-de-lealdade-apos-ter-poderes-esvaziados.shtml>.

³²⁹ PODER360. 2019. "Mário Vilalva é Demitido Do Comando Da Apex." *Poder360*, April 9, 2019. <https://www.poder360.com.br/governo/mario-vilalva-e-demitido-do-comando-da-apex/>.

³³⁰ Coletta, Ricardo Della. 2019. "Presidente da Apex acusa Ernesto Araújo de falta de lealdade após ter poderes esvaziados." *Folha de S.Paulo*, April 8, 2019, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2019/04/presidente-da-apex-acusa-ernesto-araujo-de-falta-de-lealdade-apos-ter-poderes-esvaziados.shtml>.

³³¹ Coletta, Ricardo Della. 2019. "Em primeiro dia na Apex, militar demite diretores ligados a Ernesto Araújo." *Folha de S.Paulo*, May 6, 2019, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2019/05/em-primeiro-dia-na-apex-militar-demite-diretores-ligados-a-ernesto-araujo.shtml>.

³³² Ibid.

Augusto Pestana (2021-2023) as president of Apex-Brazil in 2021 by Foreign Minister Carlos França, Araújo's successor, marked a significant step towards the normalization of the agency following tumultuous years³³³. Pestana's appointment, a career diplomat with experience in business promotion, signaled a return to stability and professionalism within the agency. The decision to appoint Pestana, despite pressure from the clientelist political faction known as the "Centrão," demonstrated França's commitment to restoring credibility and effectiveness to Apex. Pestana's predecessors, including Alexandre Carreiro and Ambassador Mario Vilalva, had short tenures marked by conflicts with politically appointed directors. Pestana's background, including his previous role as director of business at Apex, positioned him as capable of taking the agency out of its period of dysfunction³³⁴. After stepping down as president of Apex, Pestana was appointed Consul-General in Shanghai in 2023. This role, closely tied to trade promotion through the Consulate's SECOM, reflects a measure of bureaucratic rationality and continuity.

The persistent instability within Apex-Brazil in recent years – marked by frequent changes in its bureaucratic affiliation and leadership – has hindered Brazil's trade policy toward China, particularly in the promotion of high-value-added goods. Each shift in leadership disrupted continuity, fragmenting the agency's focus and weakening its institutional memory. Recurrent replacements and internal conflicts divert attention from long-term trade objectives, leaving Brazil's exporters and investors vulnerable to shifting priorities. This lack of stability not only undermines the continuity of Apex's projects in China but also dilutes the agency's credibility in handling complex foreign markets. Furthermore, the agency's affiliation with either Itamaraty or MDIC often reflected political maneuvering rather than a coherent export promotion strategy, causing Brazil to miss consistent and unified opportunities to solidify its economic presence in China. The volatility within Apex-Brazil's leadership structure has undermined its effectiveness in advancing Brazil's

³³³ Mello, Patrícia Campos. 2021. "Novo chanceler emplaca diplomata na presidência da Apex, alvo de cobiça do centrão." *Folha de S.Paulo*, April 15, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/04/novo-chanceler-emplaca-diplomata-na-presidencia-da-apex-alvo-de-cobica-do-centrao.shtml>.

³³⁴ Ibid.

trade policy with China, hindering efforts toward a more stable and strategic engagement. Perhaps the most concrete examples of this are the creation – and subsequent dissolution – of Apex’s China Group and the agency’s inability, despite having two offices in China, to successfully establish a “Brazil brand” on Chinese e-commerce platforms, as will be discussed in the following sections.

Chained to Agribusiness: Apex’s China Strategy

Partly as a result of the bureaucratic instability highlighted in the previous section, Brazil lacks a well-defined trade promotion strategy targeting China – the world’s second-largest consumer market after the US – particularly in the realm of high-value-added goods. This section will show that, while some initiatives exist, they do not effectively coordinate public and private efforts as seen in more competitive countries.

As president of Apex-Brasil (2016-2019), Roberto Jaguaribe drew on his prior experience as the Brazilian ambassador to China to restructure the agency’s approach to better manage the Brazilian-Chinese economic relationship. Recognizing the need for a more targeted strategy, he established a “China Group” (*Núcleo China*) within Apex aiming to improve bilateral relations and facilitate commercial discussions³³⁵. In addition to Apex’s typical sector-based strategies, Jaguaribe highlighted the need for a country-specific approach for China, driven by the significant unfamiliarity and apprehension Brazilian businesses have towards the Chinese market. The “China Group” at Apex focused on generating commercial intelligence, facilitating investments, and supporting Brazilian companies in establishing a presence in China. According to official documents³³⁶, the group consolidated information across Apex to enhance its analytical understanding of China. This sought to enable the agency to provide the Brazilian government and businesses with detailed data for their dealings with China. The group supported the internationalization

³³⁵ CEBC. 2017. “Café China Embaixador Roberto Jaguaribe, Presidente Da Agência Brasileira de Promoção de Exportações e Investimentos (Apex-Brasil).” https://www.cebc.org.br/sites/default/files/cafe_china_jagua.pdf.

³³⁶ Apex-Brasil. 2017. “Resolução COA N°09/2017.” <https://apexbrasil.com.br/content/dam/apexbrasil/arquivos/transparencia/conselho-deliberativo/resolu%C3%A7%C3%B5es/2018/Resolu%C3%A7%C3%A3o%20CDA%2006.2018%20-%20Or%C3%A7amento-Programa,%20Plano%20de%20A%C3%A7%C3%A3o%20Anual.pdf>.

of Brazilian companies and attracted Chinese investments. With the establishment of the China Group, Jaguaribe aimed to address the knowledge gap, reduce apprehensions, and improve Brazilian enterprises' access to the Chinese market³³⁷.

“China Groups” were also created within Camex in 2016³³⁸ and in MAPA in 2019³³⁹. However, the three “China Groups” (Apex’s, Camex’s, and MAPA’s) were short-lived and discontinued by subsequent administrations, which indicates they were more associated with sporadic individual initiatives than with a coherent state policy for dealing with China. As discussed in the previous section, frequent leadership changes exacerbate this discontinuity. In the case of Apex, as of 2024 there is still a Regional Management Unit (*Gerência Regional*) responsible for overseeing the agency’s activities in various regions, including, though not exclusively, China³⁴⁰. An interesting characteristic of the “China Groups” is that, albeit outside of Itamaraty, at some point they were all headed by career diplomats who had previously served at the Brazilian Embassy in Beijing. Ambassador Tatiana Rosito created the China Group in Camex (2016-2017), Counsellor Augusto Castro headed Apex’s China Group (2017-2019), and Secretary Jean Taruhn led MAPA’s China Group (2021-2023) after its establishment by Larissa Wachholz (2020-2021), a senior business executive dedicated to strengthening Sino-Brazilian economic relations. The prominent presence of career diplomats in bureaucracies beyond Itamaraty reveals that its influence extends well beyond the traditional turf of diplomacy strictly understood, permeating various agencies within the Esplanade³⁴¹, particularly those tied to foreign trade.

³³⁷ Ibid.

³³⁸ Apex-Brasil. 2016, pp. 4-5. “Ata Da 3ª Reunião Ordinária Do Conselho Deliberativo Da Apex-Brasil.” <https://apexbrasil.com.br/content/dam/apexbrasil/arquivos/transparencia/conselho-deliberativo/atas/2016/Ata%203%C2%AA%20Reuni%C3%A3o%20Ordin%C3%A1ria%20CDA%202016.pdf>.

³³⁹ CEBRI. 2020, p. 9. “Relações Brasil-China Em Tempos de Comércio Administrado e Coronavírus: Impactos e Estratégias.” Rio de Janeiro. https://cebri.org/media/documentos/arquivos/Relatorio_XVII_Reuniao_Grupo_C60477f18c06f4.pdf.

³⁴⁰ Apex-Brasil. 2024. “Organograma.” <https://apexbrasil.com.br/content/dam/apexbrasil/arquivos/transparencia/institucional/-organogramas-/Organograma%20Presid%C3%Aancia.pdf>.

³⁴¹ The “Ministries’ Esplanade” (Esplanada dos Ministérios) is the administrative center in Brasília where Brazil’s federal ministries are based

As argued in previous sections, a critical issue in Brazil-China trade relations is the limited diversity of Brazilian exports to China, which predominantly include a narrow range of primary products. Apex aims to expand this range and foster an export culture within Brazil. To achieve this, Apex seeks to encourage smaller companies to explore international markets, extending beyond the agribusiness sector. This approach includes enhancing the presence of Brazilian brands in China to ensure that Chinese consumers recognize and prefer Brazilian products. Apex acknowledges Brazil's limited footprint in China's e-commerce sector and has been working – albeit with limited success thus far – to integrate Brazilian products, with a particular focus on animal protein, into this market. Brazilian barbecue culture, for instance, has already gained some recognition in China, as seen in the presence of major barbecue restaurant chains in Shanghai, such as the Latina Brazil Barbecue Music Restaurant. Nonetheless, unlike competitors such as the US, Australia, New Zealand, Argentina, and Uruguay, Brazil has yet to establish a significant position in China's luxury meat market³⁴². Coffee provides another example of Apex-Brazil's strategic efforts. Historically, Brazilian coffee exports to China have remained low, despite the vibrant coffee culture in cities like Shanghai, which now boasts nearly 8,000 coffee shops. Apex has promoted the export of specialty Brazilian coffee from states such as Minas Gerais, Paraná, and São Paulo. Often roasted and packaged in Brazil, these exports are positioned as high-value products, comparable to fine wines. During Vice-President and Minister of Industry and Trade (MDIC) Geraldo Alckmin's visit to China in June 2024, Brazil and China signed a MoU providing for the purchase of approximately 120,000 tons of Brazilian coffee by the Luckin Coffee, China's largest coffee chain, valued at around US\$ 500 million³⁴³. Apex brokered the deal³⁴⁴.

³⁴² Interview with Apex's Former Senior Executive. Online. April 2024.

³⁴³ Vice-Presidency of Brazil. 2024, §35. "Lista de Resultados Da Missão Do Vice-Presidente Geraldo Alckmin à China."

<https://www.gov.br/mdic/pt-br/assuntos/noticias/2024/junho/alckmin-encontra-xi-jinping-e-conclui-missao-oficial-a-china-que-resultou-em-mais-de-r-24-bilhoes-em-creditos-para-o-brasil/resultados-viagem-vpr-a-china.pdf>.

³⁴⁴ Bocchini, Bruno. 2024. "Brasil faz acordo com China que pode aumentar exportação de café." *Agência Brasil*, June 5, 2024.

Apex operates through public-private partnerships, encompassing various segments of the Brazilian economy, represented by entities and organizations that establish formal agreements with the agency. Apex's governance model considers the interests of entrepreneurs while providing technology and commercial intelligence to set sectoral priorities. Apex plays a significant role in facilitating the international presence of Brazilian small and medium-sized enterprises (SMEs) by organizing and maintaining Brazilian pavilions at various trade fairs across multiple sectors. Apex-Brazil emphasizes to exporters that participating in the international market is a long-term commitment and not merely influenced by temporary circumstances. This perspective is essential for engaging with China, where market dynamics rely on long-term relationships, making it challenging to establish new connections³⁴⁵.

Nevertheless, Brazil's presence in the Chinese cultural imagination remains limited. In Hainan, stores selling Brazilian brands such as Havaianas, Ipanema, and Melissa prominently feature "Made in Brazil" labels, a contrast to their absence in Shanghai³⁴⁶. These brands were even targeted by piracy in China, and the case was brought before the Intellectual Property Working Group within the framework of COSBAN³⁴⁷. This highlights the evolving nature of soft power, with beach fashion, particularly flip-flops, being marketed successfully, although Brazilian clothing is not yet prevalent. A significant challenge remains in converting Brazil's soft power into commercial assets. While Brazilian soccer enjoys global recognition, this popularity has not fully translated into commercial opportunities in China, such as the sale of Brazilian soccer league shirts. This underscores Brazil's difficulty in leveraging its cultural influence to generate economic benefits.

A critical examination of Apex-Brasil's trade promotion strategy in China reveals significant limitations in diversifying beyond traditional agribusiness

<https://agenciabrasil.ebc.com.br/economia/noticia/2024-06/brasil-faz-acordo-com-china-que-pod-e-aumentar-exportacao-de-cafe>.

³⁴⁵ Interview with Ambassador no. 7. Online. April 2024.

³⁴⁶ Ibid.

³⁴⁷ Cable no. 1636, from the Embassy in Beijing to the State Secretariat in Brasilia, on Dec. 10, 2010. Confidential, very urgent.

sectors. While Apex's focus on food, beverages, and agribusiness aligns with Brazil's competitive advantages in these areas, it perpetuates an export pattern rooted in low value-added goods, reminiscent of Brazil's colonial trading history. This narrow approach overlooks sectors with high growth potential, which, despite rising Chinese demand fueled by higher disposable incomes and an expanding middle class, remain outside Apex's strategic focus. This omission suggests a missed opportunity to leverage Brazil's diversified economy in one of the world's largest consumer markets.

The agency's narrow emphasis is further underscored by its 19 sectoral projects in China, of which 13 are concentrated in "food, beverages, and agribusiness"³⁴⁸. The remaining projects are limited to a handful of sectors like fashion (encompassing footwear, leather goods, and jewelry), home construction (ornamental stones), and a single multisectoral franchise initiative. Noticeably absent are high-value sectors such as fintech, startups, or pet products, which could enjoy robust demand in the Chinese market³⁴⁹. This lack of strategic diversification reflects an outdated paradigm in Brazil-China trade relations, as it fails to tap into China's booming e-commerce sector and consumer market, the largest and second largest globally, respectively. Apex-Brazil's market intelligence materials, including the "Country Profile"³⁵⁰ and "Bilateral Trade and Investment Map"³⁵¹, often provide superficial overviews, largely reiterating readily available online information. The documents occasionally lack depth in content and refinement in form, with limited critical analysis, which reduces their effectiveness for serious business stakeholders. Such issues suggest a need for greater rigor and strategic focus in presenting insights that transcend generic assessments, ideally by employing a deeper analysis of China's evolving consumer landscape and identifying

³⁴⁸ Apex-Brasil and CEBC. 2024. "Mapa Bilateral de Comércio e Investimentos Brasil-China." <https://apexbrasil.com.br/content/apexbrasil/br/pt/solucoes/inteligencia/estudos-e-publicacoes/mapa-de-investimentos-estrangeiros-diretos-brasileiros/mapa-bilateral-de-comercio-e-investmentos-brasil---china-2024.html>.

³⁴⁹ Interview with former high-level Apex executive. Online. April 2024.

³⁵⁰ Apex-Brasil. 2023. "China: Perfil País." <https://apexbrasil.com.br/br/pt/conteudo/estudos/perfil-pais-china0.html>.

³⁵¹ Apex-Brasil and CEBC. 2024. "Mapa Bilateral de Comércio e Investimentos Brasil-China." <https://apexbrasil.com.br/content/apexbrasil/br/pt/solucoes/inteligencia/estudos-e-publicacoes/mapa-de-investimentos-estrangeiros-diretos-brasileiros/mapa-bilateral-de-comercio-e-investmentos-brasil---china-2024.html>.

synergies between Brazilian industries and Chinese market demands. By failing to diversify promotional efforts, Apex's strategy limits Brazil's positioning in China's expansive and varied market, leaving untapped the growing opportunities for sectors beyond agribusiness.

After examining Apex's China policy, the next section delves into the coordination and contrasting approaches between Apex and Itamaraty in promoting Brazilian trade.

Export Promotion Strategies: Apex vs. Itamaraty

Itamaraty and Apex-Brazil have distinct approaches to trade promotion, reflecting their respective scopes and operational priorities. Itamaraty adopts a universalist strategy, deploying around 120 Trade Promotion Sections (SECOMS) across embassies and consulates worldwide³⁵². This broad approach aims to cover a wide range of geographical areas but can potentially result in a dispersion of efforts and resources, in a “one mile wide and one inch deep” approach³⁵³. In contrast, as mentioned, Apex-Brazil focuses on specific priorities, working with a targeted list of 60 key sectors, 19 of which in China³⁵⁴. This sectoral focus allows Apex-Brazil to achieve quicker, more measurable results, adhering to the private sector logic of concentrating resources where they are most likely to yield immediate benefits. This contrasts with the universalist approach of SECOMS, which serves a broader range of sectors and provides information to all producers, regardless of their alignment with Apex-Brazil's priority sectors. The relationship between Apex-Brazil and Itamaraty's SECOMS reflects this difference in approach. While SECOMS are more inclusive and broad in their support, Apex-Brazil is constrained by its sectoral focus and cannot allocate resources outside its key areas.

³⁵² Itamaraty. 2024. “Diplomacia comercial.” Ministério das Relações Exteriores. April 1, 2024. <https://www.gov.br/mre/pt-br/assuntos/politica-externa-comercial-e-economica/promocao-comercial>.

³⁵³ Interview with former Apex high-level executive. Online. April 2024.

³⁵⁴ Apex-Brasil and CEBC. 2024. “Mapa Bilateral de Comércio e Investimentos Brasil-China.” <https://apexbrasil.com.br/content/apexbrasil/br/pt/solucoes/inteligencia/estudos-e-publicacoes/mapa-de-investimentos-estrangeiros-diretos-brasileiros/mapa-bilateral-de-comercio-e-investimentos-brasil---china-2024.html>.

Apex-Brazil's recruitment model emphasizes expertise and experience, particularly from the private sector, which contrasts with Itamaraty's recruitment approach that does not prioritize previous experience. Apex-Brazil's staff are selected through competitive processes that value professional backgrounds. Moreover, Apex-Brazil has the flexibility to address its staffing needs by hiring specialists from the market, an option not available to Itamaraty. For example, in the United Arab Emirates, Apex employed a headhunter to hire a specialist for the Indian market³⁵⁵. This capacity to recruit specific expertise allows Apex-Brazil to effectively address gaps in knowledge and enhance its trade promotion efforts. Itamaraty's universalist approach provides broad coverage, while Apex-Brazil's targeted, sector-specific strategy focuses resources for potentially quicker outcomes. This dynamic between the two entities reflects Brazil's effort to balance comprehensive coverage with focused trade promotion. Another striking difference between Apex and Itamaraty is their budget. As mentioned, Apex is not part of the Union's budget, being financed by mandatory contributions from the private sector. Hence, Apex is very well financed, whereas Itamaraty has to compete for public resources from Brazil's federal budget with other bureaucracies. Despite having more financial resources, Apex-Brazil cannot transfer funds to Itamaraty or MDIC, as the agency is not part of the Union's budget. This financial independence allows Apex-Brazil to maintain its operations and support trade fairs and pavilions, such as those at the Shanghai Import Expo, where it manages the Brazilian presence with input from SECOMS in governance roles.

Furthermore, while Apex-Brazil does not participate in the market access phase, its support is important for Brazilian businesses to thrive in the new market. When a market is opened, the entrant must compete with other international or even domestic suppliers that already have a foothold in that market. Therefore, exporters must capture market share from established competitors. Against this backdrop, Apex-Brazil plays an important role in providing the intelligence and financial resources needed for these efforts. This promotion is often conducted through trade fairs, which are essential for

³⁵⁵ Interview with former Apex high-level executive. Online. April 2024.

showcasing products directly to potential buyers and consumers, thereby increasing visibility and market penetration.

Nevertheless, the prevailing notion that “Brazil does not sell to China, but rather China buys from Brazil” persists. Brazilian producers still struggle to position themselves as appealing suppliers in the Chinese market, especially for higher-value-added products involving brand identity. In this context, a comparison between Brazil and Germany is insightful³⁵⁶. Both countries aim to sell wines and sparkling wines in China. Germany, through its wine exporters’ association, created the “Wines of Germany” platform on Alibaba, undertaking coordinated efforts to promote the country’s image³⁵⁷. This German initiative exemplifies a public-private partnership with investments from both sectors. This role aligns closely with the mission of Apex-Brazil; however, according to a private-sector interviewee, Apex’s role in the promotion of Brazilian products in China has been lacking and could be significantly improved³⁵⁸. Against this backdrop, one initiative of MAPA’s China Group was to establish a Brazilian storefront on e-commerce platforms like Alibaba to market higher-value-added products, such as biscuits, honey, propolis, and wine – products with some degree of processing. While these items may not significantly impact the Sino-Brazilian trade balance, unlike billion-dollar commodities like soybeans, they represent a step toward diversifying Brazilian exports. However, there is no evidence that the initiative gained traction before MAPA’s China Group was dissolved in 2023. Nor is there any indication that Apex-Brasil pursued a similar initiative, despite this falling within its scope of activities.

Following this sectoral analysis of Itamaraty and Apex’s roles in bilateral economic relations, we will proceed to a broader examination of how China has influenced Brazil’s macroeconomic foundations over the past two decades and the implications for the country’s geopolitical positioning.

³⁵⁶ Interview with Private Sector Agent no. 1. Online. February 2022.

³⁵⁷ Wines of Germany. 2024. “Deutsches Weininstitut.” 2024. <https://www.winesofgermany.com/>.

³⁵⁸ Interview with Private Sector Agent no. 1. Online. February 2022.

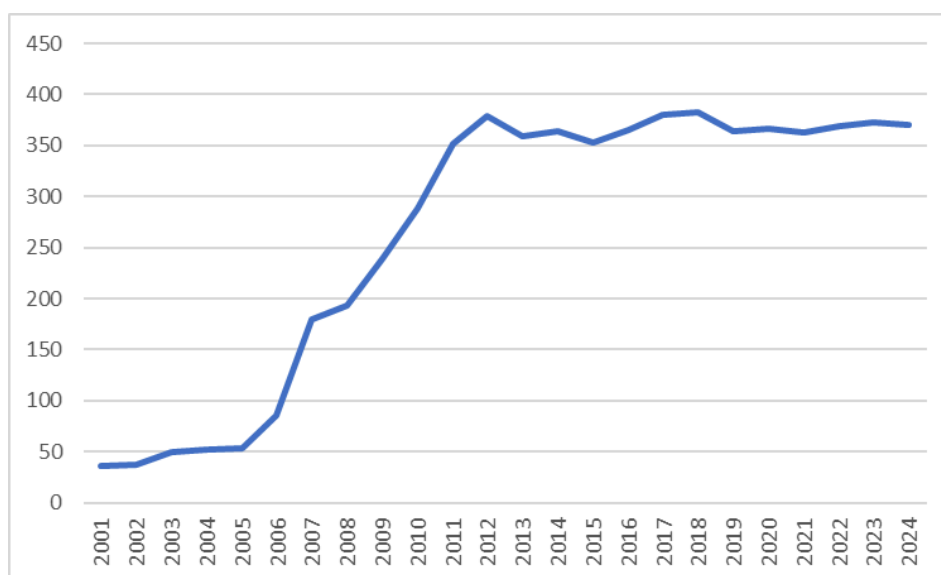
The China Factor: From Macroeconomics to Geopolitics

According to Ricupero (2017, pp. 641-643), one of Brazil's most prominent Ambassadors, China surpassing the United States as Brazil's main trading partner in 2009 was a signal of a tectonic movement within international politics, not least because the US had been Brazil's main trading partner since the 1870s. Such transformation was very swift, having occurred roughly in a decade. China's rapid economic growth fostered outstandingly positive internal conditions in Brazil during the 2000s, which favored the Workers' Party administrations. This condition was intensified as of 2008, due to Beijing's stimulus package to respond to the global financial crisis. The extra expenditure reinforced the super cycle of commodities, making prices soar. Consistent trade surpluses with China coupled with the massive inflow of Chinese investments as of 2010 have contributed to a tenfold increase in Brazil's foreign reserves in about two decades (Figure 8): at the beginning of Lula's first term, in January 2003, foreign reserves were at US\$ 38.7 billion; in June 2019, Brazilian foreign reserves peaked at US\$ 388 billion³⁵⁹. A large amount of reserves has functioned as a buffer against international economic shocks, allowing Brazil to depart from the structural external vulnerability that marked its economic history throughout the 20th century, when the country had to grapple with a plethora of foreign currency crises. Reserve stabilization has been a fundamental step towards macroeconomic stability. This becomes especially evident when Brazil is compared to Argentina, its largest neighbor, which still suffers from successive foreign reserve shortages, leading to serious economic and political destabilizing effects³⁶⁰. On the negative side, however, the major influx of dollars coming from China caused the Brazilian currency to appreciate, hindered Brazil's capacity to export manufactured goods, worsening the country's industrial crisis and eventually led to current account deficits (Giambiagi, Villela, and Hermann 2016, pp. 221-227).

³⁵⁹ Central Bank of Brazil. 2022. "Reservas Internacionais." 2022. <https://www.bcb.gov.br/estabilidadefinanceira/reservasinternacionais>.

³⁶⁰ Bianchi, Walter. 2022. "Analysis: Argentina's Economic Crisis Whack-a-Mole Goes into Overdrive." *Reuters*, June 28, 2022, sec. Business. <https://www.reuters.com/business/argentinas-economic-crisis-whack-a-mole-goes-into-overdrive-2022-06-28/>.

Figure 8 - Brazil's foreign reserves (US\$, billion)



Source: elaborated by the author, with data from (Central Bank of Brazil 2024).

Therefore, China has produced mixed effects on the Brazilian economy. On the one hand, China is i) a large commodity importer, having a central role in Brazil's trade surpluses; ii) one of Brazil's main foreign investors in sectors such as energy, infrastructure, and consumer goods (the automobile industry, for instance); iii) an exporter of machinery that contributes to Brazil's industrial development. On the other hand, China often is a more efficient competitor in third markets and even in Brazil's domestic market, fostering aggressive competition strategies that sometimes disrespect international trade rules (Paz 2022; Sennes and de Freitas Barbosa 2011). Brazil is therefore suffering from deindustrialization and "reprimarization", processes that have implications for the country's development and sustainability paths (Cooney 2021; Santoro 2022, pp. 64-68). A similar trend has been documented in China's relations with other Latin American countries, such as Mexico, which has "ratchet[ed] down the industrial ladder" (Wise 2020, pp. 191-228).

According to Wise (2020, pp. 177-181), in the context of the 2000s commodity boom, Brazil suffered an "institutional resource curse", due to "grabber-friendly institutions and politicians". Petrobras – Brazil's national oil company in which the Brazilian government has over 60% of voting shares – fell victim to corruption, which cost the company's and Brazil's investment-grade

rating. While smaller open economies in Latin America, such as Chile, Costa Rica, and, secondarily, Peru, had managed to push through important economic reforms prior to the commodity boom, Brazil and Argentina failed to do so, not least because before 2003 they had just emerged from major financial crises. These institutional reforms would have been essential to improve productivity and promote sustainable growth. For Wise, during the boom Brazil's institutional reforms stagnated, and the country lacked the institutional solidity to best benefit from the China boom. Against this backdrop, the author disputes neo-dependency scholars who explain China's relations with Latin American countries stemming from a framework that emphasizes the structure of international capitalism as its main explanatory factor (pp. 230-231), arguing that Brazil's poor economic performance as of 2013 can be directly associated with faltering institutions (pp. 188-190).

For Becard and Søndergaard (2019), bilateral policies implemented under the win-win principle have predominantly favored Chinese interests, inasmuch as the Brazilian government has reactively responded to the rise of China, reinforcing an economic relationship excessively concentrated in a few sectors. While the Brazilian government has managed to institutionalize the strategic partnership through joint action plans, it has chiefly supported the interest of some large companies, such as Embraer, Vale, and Petrobras, at the expense of industrial exports from small and medium-sized enterprises (SMEs), which did not receive the political attention or the financial resources to strengthen their competitiveness (Ibid). As a result, some argue that current Brazil-China economic relations follow the same pattern as the relationship Brazil had with former colonial powers³⁶¹: foreign investments concentrated mostly on natural resources and agriculture, with manufactured imports and basic exports, whereas investments in infrastructure and manufacturing depend on the prospect of bilateral political negotiations (Magalhães 2018). In that regard, Brazil's international trade has become similar to what it was at the beginning of the 20th century. Against this backdrop, Abdenur (2019) contends Brazil must wisely navigate the "ripple effect" of China's Belt and Road Initiative

³⁶¹ Ninio, Marcelo. 2024. "Brasil e China, rotas oblíquas." *O Globo*, June 11, 2024. <https://oglobo.globo.com/blogs/marcelo-ninio/post/2024/06/brasil-e-china-rotas-obliquas.ghtml>.

(BRI) or it risks being pushed toward a reinforced peripheral position, since the BRI has already started to rearrange the world's economic geography, pivoting to Greater Eurasia.

Nonetheless, the Brazilian government has maintained a cautious stance regarding formal participation in China's BRI. On the eve of Vice-President Geraldo Alckmin's trip to China to copreside over COSBAN's 7th plenary session in June 2024, José Guimarães, the Workers' Party leader in the Chamber of Deputies, tweeted that "Vice-president and minister, @geraldalckmin, @costarui, and more than 200 businesspeople are going to China to finalize Brazil's inclusion in the Belt and Road Initiative – a global infrastructure project, with technology transfer and alliances for the eradication of hunger at the COSBAN meeting in Beijing"³⁶². It was a false alarm, however. Once in Beijing, Vice-President Alckmin backed off and said that no definitive decision had been made about Brazil joining the BRI³⁶³. This hesitation stemmed from Itamaraty's perspective that Brazil already benefits from substantial Chinese investments without formally adhering to the initiative³⁶⁴. The BRI, launched in 2013, has seen widespread international participation, with 151 countries joining, yet Brazil remains one of the few holdouts in South America, alongside Colombia and Paraguay, which does not have diplomatic ties with Beijing. Chinese authorities, including Liu Jianchao, have expressed a strong desire for Brazil's inclusion, emphasizing the mutual benefits it could bring to Brazil-China cooperation and Brazil's development³⁶⁵. However, Brazil's decision hinges on a complex balance of maintaining economic autonomy, pursuing diversified trade

³⁶² Guimarães, José. 2024. X. June 2, 2024.

<https://x.com/guimaraes13PT/status/1797228113840980375>.

³⁶³ Ninio, Marcelo. 2024. "Em Pequim, Alckmin Nega Adesão Do Brasil à 'Nova Rota Da Seda.'" *O Globo*, April 6, 2024.

https://oglobo.globo.com/blogs/marcelo-ninio/post/2024/06/em-pequim-alckmin-nega-adesao-do-brasil-a-nova-rota-da-seda.ghtml?utm_source=Whatsapp&utm_medium=Social&utm_campaign=compartilhar.

³⁶⁴ Zeidan, Rodrigo. 2024. "O Brasil e a Nova Rota da Seda." *Folha de S.Paulo*, March 15, 2024, sec. Rodrigo Zeidan.

<https://www1.folha.uol.com.br/colunas/rodrigo-zeidan/2024/03/o-brasil-e-a-nova-rota-da-seda.shtml>.

³⁶⁵ Ninio, Marcelo. 2024. "Em Pequim, Alckmin Nega Adesão Do Brasil à 'Nova Rota Da Seda.'" *O Globo*, April 6, 2024.

https://oglobo.globo.com/blogs/marcelo-ninio/post/2024/06/em-pequim-alckmin-nega-adesao-do-brasil-a-nova-rota-da-seda.ghtml?utm_source=Whatsapp&utm_medium=Social&utm_campaign=compartilhar.

relationships, and addressing national development priorities independently of formal BRI commitments. At the end of his trip, Vice-President Alckmin signed the Minutes of COSBAN's 7th Plenary Session, in which Brazil and China agreed to “examine synergies between Brazil's development policies and investment programs, including efforts in South American integration, and China's development policies and international initiatives, including the Belt and Road Initiative” (§4)³⁶⁶.

However, there is anticipation within political and diplomatic circles in Brasilia that Brazil will join the BRI during President Xi's state visit to Brazil in November 2024³⁶⁷. This prospective alignment represents another instance where China's initiatives provoke bureaucratic rifts in Brazil. As argued, Itamaraty has traditionally opposed Brazil's entry into the BRI, emphasizing its commitment to an independent foreign policy and expressing concern that joining the BRI would signal alignment with Beijing's paramount geopolitical project³⁶⁸. Moreover, as mentioned, Itamaraty perceives limited tangible benefits in formally joining the BRI, as Brazil already attracts substantial Chinese investments outside the framework of the initiative³⁶⁹. Another argument is that China significantly reduced its foreign investment flows approximately a decade after the BRI's inception in 2013. With a more constrained financial environment domestically and internationally, Beijing has reallocated its limited resources for foreign investment, shifting from grand-scale projects to a ‘small and beautiful’ phase: investing selectively in smaller initiatives aligned with its strategic priorities (Ray 2023). From a geopolitical standpoint, China is also unlikely to negotiate Brazil's BRI membership in exchange for supporting Brazil's bid for a permanent UNSC seat³⁷⁰. However, despite Itamaraty's predominant view, the

³⁶⁶ COSBAN. 2024. *Ata Da VII Sessão Plenária Da Comissão Sino-Brasileira de Alto Nível de Concertação e Cooperação*. https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/vii-sessao-plenaria-da-comissao-sino-brasileira-de-alto-nivel-de-concertacao-e-cooperacao-cosban/ata-vii-sessao-plenaria-da-cosban.pdf.

³⁶⁷ Interview with Ambassador No. 3. Brasilia. July 2024.

³⁶⁸ Interview with Ambassador No. 2. Brasilia. April 2024.

³⁶⁹ Zeidan, Rodrigo. 2024. “O Brasil e a Nova Rota da Seda.” *Folha de S.Paulo*, March 15, 2024, sec. Rodrigo Zeidan. <https://www1.folha.uol.com.br/colunas/rodrigo-zeidan/2024/03/o-brasil-e-a-nova-rota-da-seda.s.html>.

³⁷⁰ Interview with Ambassador no. 8. Online. February 2022.

decision to join the BRI appears to have been made at the highest levels of government – namely, within the Presidential Office – which, under President Lula’s third term, has cultivated close political and economic ties with Beijing³⁷¹.

China's economic rise and its implications for Brazil underscore the complexities embedded in this bilateral relationship. While China has indeed fueled Brazil's economic growth, particularly through robust trade surpluses and critical foreign investments, these benefits have also exposed vulnerabilities within Brazil's economic structure. The dependency on commodity exports and the decline in industrial competitiveness reflect broader trends of deindustrialization and "reprimarization" that challenge Brazil's long-term development aspirations. This dual impact highlights a fundamental tension in Brazil's engagement with China: the trade and investment flows that provide economic resilience also pose strategic dilemmas for sustainable growth and industrial diversification. Moreover, China's BRI further complicates this relationship, especially as Brazil grapples with the decision to formally align with Beijing's flagship global strategy. While Brazil's cautious approach reflects an intent to balance Chinese engagement with a diversified foreign policy, the momentum toward joining the BRI may signal a shift in this equilibrium. The bureaucratic debate within Brazil over BRI membership mirrors broader global dynamics, where nations weigh the allure of Chinese investment against potential shifts in geopolitical alignment. As Brazil contemplates its future in this evolving framework, its decision will likely reverberate beyond immediate economic outcomes, influencing its position within the international system and its aspiration to engage with an increasingly multipolar world.

Following this subchapter’s analysis of the main bureaucratic structures within Itamaraty, MDIC, and Apex that shape Brazil-China trade and investment relations, the next subchapter will examine the financial dimension of this bilateral relationship. It will feature a case study of the Brazil-China Fund, examining how the fund’s bureaucratic design – incorporating Brazil’s BNDES and China’s Claifund – led to the rise and fall of this initiative.

³⁷¹ Interview with Ambassador No. 3. Brasilia. July 2024.

3.2. Easier Signed Than Done: Financial Relations, BNDES, and the Brazil-China Fund³⁷²

The Brazil-China Cooperation Fund was a US\$ 20 billion initiative originally introduced in 2015 to promote bilateral productive investments. Nevertheless, it experienced significant changes reflecting the evolving political landscape in Brazil. The initial groundwork was laid during President Dilma Rousseff's administration, with a Framework Agreement signed on May 19, 2015, amid a period of political and economic crisis in Brazil³⁷³. As will be examined, the subsequent Memorandum of Understanding (MoU) operationalizing the fund was signed under President Michel Temer in 2016³⁷⁴, during a strategic push for foreign investments, particularly in productive sectors. The Temer administration sought to attract foreign capital and identified China as a key partner due to its substantial financial resources and interest in infrastructure investments. This approach required handling complex negotiations domestically as well to secure approvals from various Brazilian governmental bodies, including the Attorney General's Office (PGR), the Chief of Staff (Casa Civil), and the Federal Court of Accounts (TCU). The fund's progress was nevertheless interrupted by a shift in policy under President Jair Bolsonaro's government (2019-2022), which decided to halt the initiative due to ideological considerations³⁷⁵. This move led to the fund being abandoned, without approving any project. The intention to revive it was announced on the occasion of President Lula's visit to China in April 2023, with a renewed focus on sustainable development. During COSBAN's 7th Plenary Session in June

³⁷² In this chapter, I will address two related but distinct funds, which can be a source of confusion: on the one hand, the China-LAC Industrial Cooperation Investment Fund (Claifund), is a Chinese government fund for investments in Latin America; on the other, the Brazil-China Fund for Productive Capacity Expansion, is a bilateral investment screening mechanism that serves as the chapter's central focus. When using the term "Fund" alone, I am referring specifically to the Brazil-China Fund; to refer to the Claifund, I will consistently use its acronym.

³⁷³ Rittner, Daniel. 2015. "Brasil e China avançam em novo fundo." *Valor Econômico*, June 30, 2015. <https://valor.globo.com/financas/coluna/brasil-e-china-avancam-em-novo-fundo.ghtml>.

³⁷⁴ MPO and Claifund. 2016. "MoU for the Establishment of the Brazil-China Cooperation Fund for the Expansion of Productive Capacity."

³⁷⁵ Rittner, Daniel, and Ana Krüger. 2019. "Retórica anti-China trava uso de fundo bilionário no Brasil." *Valor Econômico*, March 7, 2019. <https://valor.globo.com/brasil/noticia/2019/03/07/retorica-anti-china-trava-uso-de-fundo-bilionario-no-brasil.ghtml>.

2024, a new MoU was signed overhauling the Fund³⁷⁶. It remains to be seen whether this time it will get off the ground. The trajectory of the Brazil-China Fund highlights the influence of Brazil's domestic political shifts on its international economic partnerships, illustrating the impact of changing political contexts on bilateral relations.

Investment on Paper, Impact in Question: The 2016 Framework

In 2015, China established the China-LAC Industrial Cooperation Investment Fund (Claifund) – do not confuse the Claifund with the Brazil-China Fund, as they are different, albeit related, instruments – with US\$ 10 billion to enhance industrial cooperation with Latin America³⁷⁷. Initiated by the People's Bank of China (PBC), the State Administration of Foreign Exchange (SAFE), and the China Development Bank (CDB), the fund aimed to provide medium- and long-term financing for projects in key sectors. It focused on manufacturing, high technology, agriculture, energy, infrastructure, and finance, to advance Sino-Latin American economic relations through collaboration with domestic and international institutions. In this same year, during the visit of Chinese Premier Li Keqiang to Brazil, a Framework Agreement was signed between Brazil's Ministry of Planning (MPO) and China's National Development and Reform Commission (NDRC)³⁷⁸. This agreement aimed to promote investment and cooperation in productive capacity development, and was signed towards the end of the Rousseff administration. After President Rousseff's impeachment in mid 2016, the new economic team under the Temer administration (2016-2018) sought to advance negotiations with the Chinese in line with what had been agreed by the previous administration.

The foundational document creating the Brazil-China Fund – then officially called Brazil-China Cooperation Fund for the Expansion of Productive

³⁷⁶ Brazil's Ministry of Finance and China's SAFE. 2024. "Memorandum Of Understanding On Enhancing The Effective Role Of The Brazil-China Cooperation Fund For The Expansion Of Production Capacity For Sustainable Development." https://www.gov.br/fazenda/pt-br/assuntos/noticias/2024/junho/arquivo/mou_safe_and_mof-brazilian_execution_copy.pdf.

³⁷⁷ Xinhua. 2015. "China Launches Fund for LatAm Industrial Cooperation." *Xinhua*, September 1, 2015. http://www.china.org.cn/china/Off_the_Wire/2015-09/01/content_36473985.htm.

³⁷⁸ MPO and Claifund. 2016, preamble. "MoU for the Establishment of the Brazil-China Cooperation Fund for the Expansion of Productive Capacity."

Capacity – was signed between the Secretariat for International Affairs of the Ministry of Planning, Development, and Management of Brazil (MPO) and the China-LAC Industrial Cooperation Investment Fund (Claifund) on October 11, 2016³⁷⁹. The original MoU emphasized the mutual commitment to foster economic cooperation and development, recognizing the strategic importance of enhancing bilateral ties through joint investments in critical sectors aiming to achieve sustainable growth and development. The fund's goal was to finance projects deemed priorities by the Brazilian Government in the infrastructure sectors and to facilitate industrial capacity cooperation between Brazil and China (Article 1.1). Priority sectors included the development of logistics, energy and mineral resources, advanced technology, agriculture, agribusiness and agricultural storage, manufacturing, and digital services, among others, within the territory of Brazil (Article 2, IV).

The governance structure of the Fund was composed of a Steering Committee and a Working Group, each consisting of an equal number of representatives appointed by each Party (Article 2, I). The Steering Committee was responsible for approving all investment decisions and was formed by Vice-Minister level authorities. On the Brazilian side, it comprised the Executive Secretary of the Chief of Staff's Office (Casa Civil), the Executive Secretary of the Ministry of Planning, and the Secretary-General of the Ministry of Foreign Affairs. Representing the Chinese side were officials from the PBC, the CDB, and SAFE, a regulatory agency under China's State Council. The Fund was composed of up to US\$ 20 billion, cumulatively, on a pro rata basis, with up to US\$ 15 billion (75%) provided by Chinese institutions, and up to US\$ 5 billion (25%) provided by Brazilian institutions. Contributions were to be made on a project-by-project basis, subject to approvals by the Steering Committee (Article 2, VI).

The MoU outlined the possibility of investments in both greenfield and brownfield projects of companies established in Brazil, including subsidiaries and non-subsidiaries of Chinese firms (Article 2, XIII). Brownfield projects benefiting from the fund's resources were required to contribute to the

³⁷⁹ MPO and Claifund. 2016. "MoU for the Establishment of the Brazil-China Cooperation Fund for the Expansion of Productive Capacity."

expansion of productive capacity and technological development. Given that the projects would generate revenues in reais, the Brazilian currency, both Parties agreed to individually assume the risks associated with currency exchange rate fluctuations (Article 2, XIV). Nevertheless, the Parties committed to exploring appropriate measures to mitigate foreign exchange risk. Furthermore, the fund would bear the credit risk of operations, except for those involving the transfer of resources to commercial banks (*ibid*). The MPO agreed to make its best efforts to secure support from state and municipal governments for the implementation of co-investment projects (Article 3). These efforts included negotiating with state and municipal authorities to promote project approvals, ensure environmental assessments, and explore the possibility of local financing and tax incentives. This collaborative approach aimed to facilitate the successful execution of projects by aligning with regional regulatory frameworks and leveraging local resources and incentives.

For its part, the Working Group aimed to identify and analyze projects in line with the fund's investment policy, form project teams, review ongoing projects, and formulate the annual investment plan for Steering Committee approval (Article 7.1). The Working Group advanced workflow through meetings or calls and executed tasks as directed by the Steering Committee. Project selections required final approval from the Steering Committee, and external consultants could be engaged for project analysis, with costs shared equally. All Group decisions needed unanimous approval (Article 7.4), and each Party bore its own expenses related to the execution of the MoU (Article 8). Regarding confidentiality, the parties agree that the data and information obtained or produced under the MoU were subject to the laws of their respective countries, specifically those governing banking secrecy (Article 10).

The Fund's 2016 Framework represented an ambitious attempt to institutionalize industrial and infrastructure collaboration between Brazil and China. However, despite its extensive governance structure and sectoral focus, the Fund's outcomes raised significant questions regarding its practical impact on Brazil's economy. Persistent issues with project selection, currency risk, and the complexities of regional regulatory compliance suggested that the Fund's

potential was hindered by bureaucratic hurdles and coordination challenges. As will be explored in the following section, while the Framework set out clear commitments, its effectiveness depended on moving beyond formal agreements to deliver concrete results that addressed Brazil's pressing economic demands and contributed substantially to local capacity building.

Currency, Control, and Constraints: Why the Brazil-China Fund Never Took Off

Despite the initial excitement surrounding its announcement, as of 2024 the Brazil-China Fund never financed a single project with the US\$ 20 billion available to it. Exchange rate volatility, complex bureaucracy, and a lack of interest from the Brazilian government were some of the key obstacles, which hindered the fund's ability to attract market interest³⁸⁰. The fund was created when China aimed to export its productive capacity and had ample capital for strategic investments globally. For Brazil, which was experiencing the end of the commodities boom and a shrinking investment capacity, the fund represented an opportunity for productive capacity expansion. President Rousseff emphasized this potential during the signing of the initial agreement, noting that reciprocal trade and investment with China could improve Brazil's economic situation amid the global economic slowdown³⁸¹.

At the start of the Temer administration, Professor Jorge Arbache with Professor Renato Baumann as his deputy; together, they became the Fund's chief negotiators on the Brazilian side.³⁸² The Chinese Embassy in Brasilia inquired whether the new Brazilian administration would continue the fund initiated during Rousseff's presidency. The Temer administration decided to proceed, adopting a pragmatic approach to leverage China's financial capacity for boosting Brazil's infrastructure and economic growth. Nevertheless,

³⁸⁰ Costa, Livia Machado. 2021. "Fundo Brasil-China não financiou nenhum projeto em seis anos." *Dialogue Earth*. February 18, 2021. <https://dialogue.earth/pt-br/negocios/39954-fundo-brasil-china-e-seus-us-20-bi-seguem-parados-seis-anos-apos-anuncio/>.

³⁸¹ Ibid.

³⁸² Ritter, Daniel. 2018. "Fundo Brasil-China escolhe projetos para aportes de US\$ 2,4 bi." *Valor Econômico*, May 9, 2018. <https://valor.globo.com/brasil/coluna/fundo-brasil-china-escolhe-projetos-para-aptos-de-us-24-bi.html>.

negotiations with Chinese officials and Brazilian public financial institutions, such as BNDES, Caixa Econômica, and Banco do Brasil were challenging³⁸³. In one negotiation with Caixa, the Chinese expressed interest in financing ventures exceeding \$4 billion, but there were no projects of that scale available; Caixa's largest undertaking at the time was worth only \$500 million³⁸⁴. This figure thus became the minimum threshold for fund projects. Despite efforts to identify suitable projects, even \$500 million was substantial. The primary challenge was providing sufficient incentives to attract companies, compounded by the difficulty of securing financing from Brazilian financial institutions, as private banks were generally hesitant to engage in long-term projects³⁸⁵. Consequently, securing private capital involvement remained a significant hurdle.

The fund would be primarily financed by China's SAFE, the institution managing the country's foreign reserves. In the 2010s, the Chinese government sought to diversify its investments, moving away from primarily purchasing US Treasury bonds and aiming for higher returns (Salidjanova 2011). This strategy included investing in emerging economies such as Brazil. However, the Brazil-China Fund was not a traditional investment fund with a set US\$ 20 billion budget; instead, it identified projects of mutual interest and allocated portions of China's reserves for participation³⁸⁶. In other words, it was not an investment fund with established resources, but rather a project screening mechanism³⁸⁷. Although designed as a tool for high-level economic cooperation and bilateral political rapprochement, involving Vice-Ministerial authorities from both countries, the Fund already faced some domestic resistance in the Temer

³⁸³ Interview with economic authority no. 1. Online. April 2024.

³⁸⁴ Interview with economic authority no. 2. Brasília. April 2024.

³⁸⁵ Costa, Livia Machado. 2021. "Fundo Brasil-China não financiou nenhum projeto em seis anos." *Dialogue Earth*. February 18, 2021. <https://dialogue.earth/pt-br/negocios/39954-fundo-brasil-china-e-seus-us-20-bi-seguem-parados-seis-anos-apos-anuncio/>.

³⁸⁶ Graner, Fabio. 2016. "Brasil e China criam fundo bilateral de US\$ 20 bi." *Valor Econômico*, October 11, 2016. <https://valor.globo.com/brasil/noticia/2016/10/11/brasil-e-china-criam-fundo-bilateral-de-us-20-bi.ghtml>.

³⁸⁷ Saraiva, Alessandra. 2017. "BNDES será um dos operadores de novo fundo de cooperação Brasil-China." *Valor Econômico*, May 30, 2017. <https://valor.globo.com/brasil/noticia/2017/05/30/bndes-sera-um-dos-operadores-de-novo-fundo-de-cooperacao-brasil-china.ghtml>.

administration, notably from Eduardo Guardia (2018-2019), Minister of Finance under President Temer³⁸⁸. However, at the time the Fund was managed by Brazil's Ministry of Planning (MPO); consequently, Guardia had limited influence over it. The 3+3 Steering Committee only met once, at the Fund's launch in 2017, highlighting the challenges and limited implementation of the initiative³⁸⁹.

For a project to be approved, the company interested had to submit a letter of intent, which would be reviewed by the Working Group responsible for determining whether the project served the interests of both countries³⁹⁰. Once approved, the company had 12 months to structure and implement the project. According to the Fund's regulations, other than resources from Claifund projects, it also needed to obtain financing through a Brazilian institution; international institutions such as the IDB, World Bank, and CAF were thus excluded. This further complicated things, because Brazilian private banks were typically not interested in longer term projects, leaving only government-affiliated institutions such as BNDES, Banco do Brasil, and Caixa as viable options³⁹¹. Moreover, during President Temer's administration, BNDES financing became less attractive due to the implementation of the Long-Term Rate (TLP), which gradually replaced the Long-Term Interest Rate (TJLP)³⁹². This change aimed to reduce government subsidies and rebalance public accounts, resulting in higher borrowing costs for BNDES loans and diminishing their appeal for various projects.

Further complicating the operation, BNDES showed reluctance to directly engage with the Claifund due to its negative perception about Claifund's

³⁸⁸ Interview with economic authority no. 2. Brasilia. April 2024.

³⁸⁹ Saraiva, Alessandra. 2017. "BNDES será um dos operadores de novo fundo de cooperação Brasil-China." *Valor Econômico*, May 30, 2017. <https://valor.globo.com/brasil/noticia/2017/05/30/bndes-sera-um-dos-operadores-de-novo-fundo-de-cooperacao-brasil-china.ghtml>.

³⁹⁰ Ministry of Planning. 2018. "Fundo Brasil-China de Cooperação Para a Expansão Da Capacidade Produtiva CBC-FUNDO." November 5. https://antigo.mme.gov.br/documents/36220/464613/2018-11-05_04_9%C2%AA+reuniao+SCT+Infraestrutura+-+MPDG+%28Fundo+Brazil-China%29.pdf/5c3477df-6dea-9697-da1b-69968a9aef5f.

³⁹¹ Interview with economic authority no. 2. Brasilia. April 2024.

³⁹² Reuters. 2017. "Temer sanciona lei que institui TLP para empréstimos do BNDES." *UOL*, September 22, 2017. <https://economia.uol.com.br/noticias/reuters/2017/09/22/temer-sanciona-lei-que-institui-tlp-para-emprestimos-do-bndes.htm>.

technical capacity³⁹³. The negotiation process was thus complex, exacerbated by the Claifund's lack of understanding of Brazilian realities, such as the independence between government branches and the need to follow due legal process. For instance, the Chinese did not understand why the MPO could not resolve issues related to visas or environmental licensing on its own³⁹⁴. This demanded detailed explanations about the functioning of the Brazilian state and society, which took considerable time. One significant difficulty was the approval of the Fund's Internal Operational Regulations. When the Brazilian side sent the final version to the Chinese counterparts, the latter preferred not to disclose the regulations due to their inclination for a secretive approach. This situation dragged on for four months because, under Brazilian law, the regulations could not be kept confidential³⁹⁵. Over time, it became evident that the Claifund team lacked technical strength. At one point, the Claifund even indicated interest in paying BNDES to conduct project analyses due to its own technical incapacity³⁹⁶.

Another challenge was the Fund's lack of attractiveness to investors. The Brazilian government attempted to persuade the Chinese to act as guarantors – a significant bottleneck in Brazil's capital market –, as having a guarantee mechanism could facilitate issuing letters of credit, similar to practices in more sophisticated capital markets³⁹⁷. However, the Chinese were reluctant and only agreed to participate through equity capital, with the stipulation that they would not own more than 40% of any project, reflecting their use of reserve funds³⁹⁸. In some cases, the Chinese would offer financing in reais with a 1:3 equity ratio, something Brazil highlighted as a key selling point. Despite these efforts, only six projects were presented before the Fund. The whole process thus became somewhat anecdotal: project went through extensive analysis by both the

³⁹³ Interview with economic authority no. 2. Brasilia. April 2024.

³⁹⁴ Moreira, Assis. 2023. "Novo ou velho Fundo Brasil-China?" *Valor Econômico*, March 31, 2023. <https://valor.globo.com/opiniao/assis-moreira/coluna/novo-ou-velho-fundo-brasil-china.ghtml>.

³⁹⁵ Ibid.

³⁹⁶ Interview with economic authority no. 1. Online. April 2024.

³⁹⁷ Ibid.

³⁹⁸ Moreira, Assis. 2023. "Novo ou velho Fundo Brasil-China?" *Valor Econômico*, March 31, 2023. <https://valor.globo.com/opiniao/assis-moreira/coluna/novo-ou-velho-fundo-brasil-china.ghtml>.

Brazilian and the Chinese sides, only to issue a certificate at the end³⁹⁹. This system failed to convince seasoned market participants, reflecting its inherent inefficiencies and lack of appeal.

As a result, none of the six project proposals reviewed materialized due to either finding alternative credit sources or lacking consistency⁴⁰⁰. Moreover, the project proposals were only analyzed by the technical Working Group; the Steering Committee formed by Vice-Minister level authorities from both countries never had met to analyze the projects⁴⁰¹. Brazilian officials were never even informed of the names of the Chinese authorities on the Steering Committee, and Chinese representatives were notably reluctant to share details about how the Fund would operate⁴⁰². The requirement for multiple approvals from various authorities made the process significantly slower than other available credit instruments, further impeding the Fund's implementation⁴⁰³.

As is often the case during government transitions, with the shift from the Temer to the Bolsonaro administration, Professor Jorge Arbache left his position as Secretary of International Affairs at the Ministry of Planning (MPO), and his deputy, Professor Renato Baumann, moved to CAMEX. The Bolsonaro administration's merger of various economic ministries into a single "superministry" of the Economy further complicated the Fund's implementation due to significant bureaucratic restructuring, including the dissolution of the MPO⁴⁰⁴. At CAMEX, Professor Baumann attempted to redesign the Fund and brought the matter to the attention of Professors Carlos Pio, Executive Secretary of CAMEX, and Marcos Troyjo, Special Secretary for Foreign Trade

³⁹⁹ Saraiva, Alessandra. 2017. "BNDES será um dos operadores de novo fundo de cooperação Brasil-China." *Valor Econômico*, May 30, 2017. <https://valor.globo.com/brasil/noticia/2017/05/30/bndes-sera-um-dos-operadores-de-novo-fundo-de-cooperacao-brasil-china.ghtml>.

⁴⁰⁰ Costa, Livia Machado. 2021. "Fundo Brasil-China não financiou nenhum projeto em seis anos." *Dialogue Earth*. February 18, 2021. <https://dialogue.earth/pt-br/negocios/39954-fundo-brasil-china-e-seus-us-20-bi-seguem-parados-seis-anos-apos-anuncio/>.

⁴⁰¹ Ibid.

⁴⁰² Ibid.

⁴⁰³ Interview with economic authority no. 1. Online. April 2024.

⁴⁰⁴ Moreira, Assis. 2023. "Novo ou velho Fundo Brasil-China?" *Valor Econômico*, March 31, 2023. <https://valor.globo.com/opiniao/assis-moreira/coluna/novo-ou-velho-fundo-brasil-china.ghtml>.

and International Affairs at the Ministry of Economy⁴⁰⁵. Although a new flowchart was created and the Chinese proposed new representatives, the Brazilian government, influenced by an anti-China rhetoric, lacked the political will to advance the fund, resulting in its stagnation⁴⁰⁶. Under Paulo Guedes' tenure as Minister of the Economy (2019-2022), the Fund remained inactive due to resistance from the Brazilian government. No meetings were convened to discuss the Fund's future or any related projects. Representatives of the Chinese government expressed their dissatisfaction with this situation to Guedes' advisors and Vice President Hamilton Mourão, who served as the primary liaison between the two governments⁴⁰⁷. The Ministry of Economy indicated that the investment Fund had governance issues that hindered the timely selection of projects and that it was considering utilizing the committee originally established to manage the fund as a means to stimulate additional Chinese investments beyond the scope of the fund itself⁴⁰⁸. However, no specific details were provided regarding this potential approach.

The list of assets reviewed by the Brazil-China Fund remained confidential, yet a leak revealed that Belo Monte Hydroelectric Plant's transmission line to Rio de Janeiro was nearly selected as the fund's inaugural investment.⁴⁰⁹ This R\$ 10 billion project, funded by BNDES, aimed to use fund resources as equity for up to a 40% stake. However, statements by President Bolsonaro regarding Chinese investments caused Beijing to delay fund release, preferring to await the development of bilateral relations⁴¹⁰. Five projects, totaling US\$ 2.4 billion, were pre-selected, with the Fund offered as a financing or equity alternative to auction winners. Applications were submitted via

⁴⁰⁵ Interview with economic authority. Brasília. April 2024.

⁴⁰⁶ Rittner, Daniel, and Ana Krüger. 2019. "Retórica anti-China trava uso de fundo bilionário no Brasil." *Valor Econômico*, March 7, 2019. <https://valor.globo.com/brasil/noticia/2019/03/07/retorica-anti-china-trava-uso-de-fundo-bilionario-no-brasil.ghtml>.

⁴⁰⁷ Wiziack, Julio. 2020. "Brasil cria travas que dificultam investimento chinês no país." *Valor Econômico*, August 9, 2020. <https://valor.globo.com/brasil/noticia/2020/08/09/brasil-cria-travas-que-dificultam-investimento-chins-no-pas.ghtml>.

⁴⁰⁸ Ibid.

⁴⁰⁹ Ibid.

⁴¹⁰ Ibid.

consultation letters to the Fund's executive secretariat, which lacked designated oversight in the Bolsonaro administration⁴¹¹.

In sum, as noted by Ambassador Tatiana Rosito (2020, pp. 110-111) – who would assume the role of Secretary for International Affairs at the Ministry of Finance during President Lula's third term – the largest bilateral financial initiative between Brazil and China encountered significant challenges. The Fund's project selection process lacked adequate incentives to attract financial agents and faced notable planning and structural issues. Investors initially saw the initiative as a strategic opportunity but gradually realized that its approval processes contributed little toward securing concrete financing. By early 2019, the Brazilian Ministry of the Economy indicated a lack of interest in continuing the mechanism.

Green Horizons: The Brazil-China Fund's New Dawn

With the start of President Lula's third term in 2023, Sino-Brazilian relations experienced renewed momentum towards closer cooperation. Even before the inauguration, discussions between Zhu Qingqiao, the Chinese Ambassador in Brasilia, and Aloizio Mercadante, the designated president of BNDES, indicated the Fund's revival⁴¹². In April 2023, President Lula visited China, aiming, among other goals, to restart negotiations regarding the Brazil-China Cooperation Fund. The Lula-Xi joint declaration stated: "The Parties agreed to strengthen their dialogue on the promotion of the effective role of the Brazil-China Cooperation Fund for the Expansion of Productive Capacity in the promotion of cooperation in bilateral investment" (§ 27)⁴¹³. A concrete outcome emerged during COSBAN's 7th Plenary Session in June 2024, when Brazil's Ministry of Finance and SAFE signed another MoU on Enhancing the

⁴¹¹ Ibid.

⁴¹² Braga, Juliana. 2022. "Vice-presidente chinês e 3 ministros virão à posse de Lula." *Folha de S. Paulo*, December 23, 2022, sec. Painel. <https://www1.folha.uol.com.br/colunas/painel/2022/12/vice-presidente-chines-e-3-ministros-vira-o-a-posse-de-lula.shtml>.

⁴¹³ Lula and Xi. 2023. "Declaração Conjunta entre a República Federativa do Brasil e a República Popular da China sobre o Aprofundamento da Parceria Estratégica Global." https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/declaracao-conjunta-entre-a-republica-federativa-do-brasil-e-a-republica-popular-da-china-sobre-o-aprofundamento-da-parceria-estrategica-global-pequim-14-de-abril-de-2023.

Effective Role of the Brazil-China Cooperation Fund for the Expansion of Production Capacity for Sustainable Development⁴¹⁴. This MoU sought to establish guidelines for revising the Fund's governance structure and operational framework, enhancing its ability to facilitate investment activities and projects within Brazil. The goal was to promote cooperation between Brazil and China in expanding production capacity for sustainable development, as mutually agreed by both parties (Article 1.1).

The reformed Fund will operate as a mechanism for screening and financing investments, facilitating discussions between Brazilian and Chinese entities – including financial institutions and both public and private investors – about opportunities and potential investments in mutually beneficial projects (Article 1.2). The Fund is not structured as a legal entity, such as a corporation or partnership. Its objective is to facilitate investment financing in priority sectors, including clean energy, energy transition, water supply, sanitation, transportation, railways, logistics, urban mobility, social infrastructure, digital infrastructure, agriculture, bioeconomy, and any additional sectors mutually agreed upon by both parties (Article 1.3). The bilateral document officially designated BNDES and the Claifund as major operating institutions under the Fund's mechanism (Article 1.4). These entities were tasked with screening and evaluating potential projects independently, ensuring alignment with their internal policies and regulations.

The revised governance structure included a committee with equal representation from both parties to oversee the fund's operations and review annual reports (Articles 2.1 and 2.2) – but there is no mention to the technical Working Group nor to the Vice-Minister level Steering Committee of the 2016 MoU. The potential financial support from each operating institution will adhere to their respective policies, regulations, and standard analysis and approval procedures. This support may encompass various cooperation models, including but not limited to debt financing (such as on-lending arrangements,

⁴¹⁴ Brazil's Ministry of Finance and China's SAFE. 2024. "Memorandum Of Understanding On Enhancing The Effective Role Of The Brazil-China Cooperation Fund For The Expansion Of Production Capacity For Sustainable Development." https://www.gov.br/fazenda/pt-br/assuntos/noticias/2024/junho/arquivo/mou_safe_and_mof-brazilian_execution_copy.pdf.

working capital loans, and syndication loans), equity investments, fund investments, and any other mechanisms determined by the relevant operating institutions (Article 2.4). Each operating institution will independently decide the form of financial support to be provided.

Projects must comply with applicable environmental, social, and governance rules and aim to provide mutual benefits to both Brazil and China. They must be located in Brazil and include participation from Chinese investors. Additionally, projects already within the portfolios of the operating institutions that meet these criteria may also be considered under the Fund (Article 2.5). Brazil's Ministry of Finance will seek to secure support from local governments, including state and municipal authorities, for the implementation of projects, in compliance with applicable Brazilian legislation, particularly concerning the regulatory and business environment (Article 3). Additionally, the parties agreed that the 2016 MoU would be terminated upon the enactment of the 2024 MoU (Article 2.4).

The reconfigured fund is expected to start operations soon, aiming once again to facilitate financing for priority infrastructure projects in Brazil – a goal that has remained unmet since its initial announcement in 2015 due to various obstacles. The first disbursement is anticipated to be announced in November 2024 during Chinese President Xi Jinping's visit to Brazil. The restructured fund seeks to address previous inefficiencies, particularly those related to its management structure and currency volatility. By shifting implementation responsibilities to the development banks of both countries, the new framework aims to be more effective in identifying and financing promising projects. Initially announced in 2015 with the promise of a US\$ 20 billion investment, mostly from China, the new version will likely feature more modest figures, while maintaining the original three-to-one investment ratio between China and Brazil⁴¹⁵. The focus has shifted to energy transition projects, aligning with current strategic priorities.

⁴¹⁵ Ninio, Marcelo. 2024. "Fundo Brasil-China ganha nova chance." *O Globo*, March 19, 2024, sec. Blogs; Marcelo Ninio. <https://oglobo.globo.com/blogs/marcelo-ninio/post/2024/03/fundo-brasil-china-ganha-nova-chance.ghtml>.

The Brazilian side aims to attract investments not only in infrastructure but also in productive sectors, emphasizing local production. The previous fund's inactivity was not due to a lack of Chinese capital, as evidenced by the over US\$ 70 billion in Chinese investments Brazil received between 2007 and 2022 (Tulio Cariello 2023). The new fund is expected to channel investment flows into productive sectors, aligning with the Brazilian government's green reindustrialization strategy. This initiative also serves as a practical measure of the effectiveness of President Lula's efforts to strengthen the partnership with China, setting the stage for a renewed bilateral cooperation framework.

China, for its part, has increasingly sought to invest in manufacturing industries globally, including in Brazil, as part of its broader strategy to expand its industrial footprint and secure key markets⁴¹⁶. This movement has gained additional urgency as the US and Europe intensify resistance to Chinese manufacturing presence in sectors like electric vehicles, lithium batteries, and photovoltaic solar panels, citing concerns over competitiveness, security, and sustainability⁴¹⁷. As these regions impose stricter measures or policies to limit Chinese access to their markets, China's role as an investor and financier in Brazilian manufacturing becomes more critical. For China, Brazil offers a strategic alternative, providing a receptive environment for industrial partnerships that would support China's market access, technological dissemination, and influence in Latin America⁴¹⁸. In turn, Brazilian industries could benefit from access to financing and technology in priority areas, aligning with national goals for industrial development and economic growth (Celio Hiratuka 2022).

The revitalized Brazil-China Cooperation Fund represents a strategic opportunity for Brazil and China to deepen their partnership in ways that align with both nations' evolving priorities. By prioritizing sustainable development

⁴¹⁶ Cowie, Sam. 2023. "China Makes a Big Bet on Electric Vehicles with Brazil Investment." *Al Jazeera*, July 20, 2023. <https://www.aljazeera.com/news/2023/7/20/china-makes-a-big-bet-on-electric-vehicles-with-brazil-investment>.

⁴¹⁷ Sim, Dewey. 2024. "With EU Tariffs and the US Rivalry, Will China Be Battling 2 Trade Wars at Once?" *South China Morning Post*, November 1, 2024. <https://www.scmp.com/news/china/diplomacy/article/3284690/eu-tariffs-and-us-rivalry-will-china-be-battling-2-trade-wars-once>.

⁴¹⁸

projects and incorporating updated governance mechanisms, the Fund aims to overcome previous limitations and foster mutual benefits in sectors critical to both countries. For Brazil, the new framework underscores a commitment to green reindustrialization and productive investment, helping to address long-standing infrastructural and industrial needs. For China, the Fund offers a channel to strengthen its industrial footprint in a favorable geopolitical setting, particularly as markets in the US and Europe grow increasingly restrictive. The evolving collaboration, shaped by practical adjustments to the Fund's structure, could support increased investment flows and offer a framework for future economic and technological exchanges. As the Brazil-China partnership progresses, the Fund reflects a mutual interest in fostering development aimed at both economic productivity and environmental responsibility. However, it remains to be seen whether this time Brazil and China will put their money where their mouths are.

Following an analysis of Brazil-China financial relations, the next subchapter, "Roots of Power, Fields of Influence: Sino-Brazilian Agricultural Diplomacy," will explore another central aspect of the bilateral economic relationship: agriculture. The following Subchapter will examine the roles of key bureaucratic actors shaping the Sino-Brazilian agricultural partnership.

3.3. Roots of Power, Fields of Influence: Sino-Brazilian Agricultural Diplomacy

This subchapter will examine the unique, multilayered relationship between Brazil and China within the agricultural sector, highlighting its complexity and strategic significance. As the backbone of Brazil's export economy, agriculture has forged one of the closest bonds between Brazil and China, driven primarily by the strong bilateral interdependence in this sector, notably with soybeans and beef. The Ministry of Agriculture, Livestock, and Supply (MAPA) has emerged as the primary bureaucratic actor fostering these ties, surpassing other Brazilian government sectors in its structured and intensified engagement with China. Through a mix of historical patterns, economic interdependence, and bureaucratic adaptation, this Subchapter will examine how Brazil's agricultural sector has managed its substantial, sometimes fraught, relationship with China. It will explore MAPA's critical role, the involvement of the Confederation of Agriculture and Livestock of Brazil (CNA), and the strategic establishment of diplomatic agricultural structures in Beijing, illuminating how these ties reflect broader dynamics of power and influence within Sino-Brazilian relations.

Disconsidering the Ministries covering the overarching political-economic dialogue (Economy and Foreign Affairs), the bureaucracy responsible for a sectoral interest with the most ties with China is MAPA, as shown in Table 2 (Subchapter 1.3). This can be explained by two main factors: for one thing, soy is Brazil's main exporting product, and China is its main importer; for another, agriculture is a very regulated sector, due to food safety purposes. The sector dealing with agriculture in the Brazilian Embassy in Beijing has grown steadily to match the increasing importance of agricultural exports, especially soy and meat, to China. The Embassy in Beijing is Brazil's only diplomatic posting with two agricultural attachés assigned exclusively to a single country⁴¹⁹. As it will be discussed, China has become so fundamental for MAPA that under the

⁴¹⁹ MAPA. 2024. "Governo Federal amplia número de adidos agrícolas." Ministério da Agricultura e Pecuária. July 31, 2024. <https://www.gov.br/agricultura/pt-br/assuntos/noticias/governo-federal-amplia-numero-de-adidos-agricolas-1>.

administration of Tereza Cristina, President Bolsonaro's Minister of Agriculture, a China Group (*Núcleo China*) was created within the Minister's cabinet. China was the only country to have a unit within the Ministry of Agriculture only for itself. However, MAPA's China Group was dismantled under Carlos Fávaro, President Lula's Minister of Agriculture. Yet another evidence of China's centrality to Brazilian agricultural interests is that Brazil's CNA established an office in Beijing in 2012, as it will be examined later in this Subchapter.

Sino-Brazilian agricultural relations are nevertheless marked by a degree of ambiguity. Most ruralists, represented by the CNA, adopt right-wing positions. The Confederation supported the impeachment of President Rousseff (2016), the election of President Bolsonaro (2018), and his failed re-election campaign (2022). However, the Brazilian right, especially under Bolsonaro, is highly critical of China, the main destination for Brazilian agricultural exports. The ideological prejudice of President Bolsonaro and several senior members of his cabinet led to strained political dialogue at key moments, resulting, among other things, in unusually prolonged embargoes on meat exports to China in 2021⁴²⁰.

In the 2000s, Brazil saw its soy shipments to China skyrocket. Seeking to add value to its exports, the Brazilian government launched a commercial offensive targeting especially the beef sector in the 2010s⁴²¹. From 2010 to 2023, Brazilian beef exports to China (Mainland and Hong Kong) rose from 66,964 to 1,233,297,384 metric tons, and now beef is Brazil's fourth largest exporting item to China (MDIC 2024). Such an increase has been partly the result of the African swine fever epidemic China faced as of 2018 (You et al. 2021), but it is also the consequence of a protracted effort by Brazilian authorities, which targeted the Chinese meat market as a way of adding value to Brazilian agricultural exports⁴²². As a leading beef exporter, Brazil has greatly benefited from the growing Chinese demand and the shift in the Chinese diet,

⁴²⁰ Inacio, Alexandre. 2021. "Lembre Como Foi o Embargo Da China à Carne Do Brasil Em 2021." *Bloomberg*, de Dezembro 2021. <https://www.bloomberglinea.com.br/2021/12/30/lembre-como-foi-o-embargo-da-china-a-carne-d-o-brasil/>.

⁴²¹ Management Report, Ambassador Marcos Caramuru de Paiva (2016-2018). Brazilian Embassy in Beijing, 2018, § 32.

⁴²² Cable no 154, from the Brazilian Embassy in Beijing to Brasilia, Feb 6, 2013, §6.

as consumers' preferences became more diverse and sophisticated⁴²³. Nevertheless, prior to the swine fever outbreak in China in 2018, the growth potential was limited, since Beijing adopted a self-sufficiency policy in the food sector, due to protectionist national security reasons⁴²⁴. Prior to the outbreak, China imposed sanitary and phytosanitary measures that the Brazilian government viewed as unfair trade barriers against Brazilian meat⁴²⁵. Meanwhile, the Brazilian Embassy in Beijing worked to consolidate Brazil's image as a high-quality, trustworthy producer that contributed to China's food security, given the political sensitivity of this matter for the country⁴²⁶. The outbreak of Operation Weak Flesh (Operação Carne Fraca, in Portuguese) by Brazil's Federal Police in March 2017 momentarily affected the country's exports, as dozens of Brazilian inspectors were accused of allowing rancid products to be sold, falsifying export documents or not inspecting slaughterhouses in exchange for bribes⁴²⁷. Although the onset of the operation did demand intense communication with China's local sanitary authorities, the crisis was surmounted in just a week at the bilateral level⁴²⁸.

The agricultural bond between Brazil and China underscores the complexity of their interdependence, where pragmatic economic interests often coexist with political and ideological divergences. As I will argue in the following sections, MAPA's proactive stance and institutional presence in Beijing, alongside CNA's direct engagement, reflect a strategy tailored to ensure Brazil's agricultural exports remain competitive and resilient amid fluctuating market demands and regulatory challenges in China. While episodic crises, such as the 2017 Operation Weak Flesh scandal, have tested the strength of these ties, both countries have demonstrated a willingness to prioritize trade continuity and food security. As Sino-Brazilian agricultural trade continues to develop, driven

⁴²³ Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, §68.

⁴²⁴ Cable no 768, from the Brazilian Embassy in Beijing to Brasilia, June 10, 2015, §11.

⁴²⁵ Cable no 768, from the Brazilian Embassy in Beijing to Brasilia, June 10, 2015, §9.

⁴²⁶ Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, §68.

⁴²⁷ Alberto Alerigi and Thais Freitas. 2017. "Operation Weak Flesh' Takes Bite out of Brazil's Meat Exports." Reuters, March 24, 2017, sec. Commodities News.

<https://www.reuters.com/article/us-brazil-corruption-food-exports-idUSKBN16V281>.

⁴²⁸ Management Report, Ambassador Marcos Caramuru de Paiva (2016-2018). Brazilian Embassy in Beijing, 2018, §12.

by changing dietary preferences and rising demand, this relationship underscores the deliberate balance Brazil must maintain, aligning economic interests with the ideological considerations that inform bilateral interactions.

To illustrate the dynamics of Sino-Brazilian agricultural negotiations, the following section presents a case study on the opening of the corn market to China. This case offers an unusual example of market-access negotiations, as it was China that sought to open its domestic corn market, while Brazil responded with hesitation.

Corn, Bureaucracy, and Brinkmanship: China's Demand and Brazil's Export Dilemma

Brazil-China agricultural relations are characterized by an asymmetry in market dynamics and bureaucratic structures. While Brazil aims to increase and diversify its exports, it is ultimately dependent on Chinese demand, which dictates which products are purchased⁴²⁹. A significant challenge in bilateral economic negotiations arises from the differing bureaucratic procedures in each country. In Brazil's democratic system, lobbying and pressures from various domestic actors heavily influence negotiations. In contrast, Chinese bureaucrats operate with fewer domestic pressures, making it more difficult for Brazil to negotiate concessions in exchange for export approvals⁴³⁰. Moreover, Brazilian negotiators enter discussions with a mandate but retain some flexibility to adapt during talks. In contrast, Chinese negotiators follow strict directives with minimal room for immediate adjustment⁴³¹. This rigidity requires internal renegotiations within the Chinese bureaucracy between negotiation rounds, adding complexity and making the process distinct from standard negotiation practices.

Negotiations between China and Brazil over opening the Chinese market to Brazilian corn exports in 2022, held within the framework of COSBAN, were shaped by complex economic and bureaucratic factors and took place within COSBAN⁴³². Amid Sino-American trade tensions since 2018 and the outbreak

⁴²⁹ Interview with Ambassador no. 5. Online. April 2024

⁴³⁰ Ibid.

⁴³¹ Interview with Ambassador no. 9. Brasilia. April 2024.

⁴³² Walendorff, Rafael. 2022. "China abre mão de exigências e deve importar milho brasileiro ainda em 2022." *Valor Econômico*, August 5, 2022.

of the Russia-Ukraine conflict in 2022, China – a major corn importer – sought to ease Brazil’s restrictions on corn exports. However, Brazil hesitated due to potential disruptions in its internal market; increased corn exports could drive up domestic prices, affecting the entire supply chain, particularly for eggs and poultry, given the saying that “a chicken is an ear of corn with wings”⁴³³. Brazil argued that opening the market would require compensatory benefits for affected sectors. One proposed benefit was allowing the Brazilian government to designate which companies and factories could export, similar to its practices in the meat and fish industries⁴³⁴. This negotiation framework is well established with the US, which holds a stronger bargaining position with China than Brazil. Furthermore, Brazil sought to leverage the corn export discussions to secure similar advantages for its beef, pork, and poultry sectors⁴³⁵. Despite these efforts, Brazil initially hesitated to open its corn market until internal bureaucratic shifts led to alternative market openings, such as for soybean meal, concentrated soy protein, peanuts, and citrus pulp⁴³⁶.

This negotiation process vividly illustrated a "Chicken-game" scenario, with each side testing the other's limits without making significant concessions. In game theory, a "chicken game" is a strategic contest where two players head toward each other on a collision course, and each must decide whether to swerve or stay on course (Rapoport and Chammah 1966). The worst outcome occurs if neither swerves, leading to a catastrophic collision. The best outcome for a player happens if they stay on course while the other swerves, making the first player appear more daring or dominant. This game illustrates situations of brinkmanship, where participants risk disaster to force the other to yield. The

<https://valor.globo.com/agronegocios/noticia/2022/08/05/china-abre-mao-de-exigencias-e-deve-importar-milho-brasileiro-ainda-em-2022.ghtml>.

⁴³³ Mandarino, Raphael. 2022. “Como a Exportação de Milho Para a China Impacta o Mercado Interno?” *Canal Rural*, November 28, 2022.

<https://www.canalrural.com.br/agricultura/milho/como-a-exportacao-de-milho-para-a-china-impacta-no-mercado-interno/>.

⁴³⁴ Interview with Ambassador no. 5. Online. April 2024.

⁴³⁵ Ibid.

⁴³⁶ Walendorff, Rafael. 2022. “China abre mão de exigências e deve importar milho brasileiro ainda em 2022.” *Valor Econômico*, August 5, 2022.

<https://valor.globo.com/agronegocios/noticia/2022/08/05/china-abre-mao-de-exigencias-e-deve-importar-milho-brasileiro-ainda-em-2022.ghtml>.

key challenge in a chicken game is balancing the desire to avoid the worst outcome with the aim of achieving a superior position by not yielding.

According to one of Brazil's lead negotiators in the corn market-opening discussions, engaging with Chinese counterparts requires patience, as their system is designed for prolonged negotiations⁴³⁷. This contrasts with Brazil's dynamic environment, where strong interactions between the private and public sectors create pressure for quick resolutions. While Brazil's corn sector pushed for export liberalization, broader concerns about the national economy and societal interests required a more cautious approach, highlighting the complexities of advancing these negotiations.

The differences in structure and priorities between China and Brazil illustrate the complexities of their agricultural negotiations. Brazil's goal of expanding exports is limited by Chinese demand and the different bureaucratic processes that define each country's approach to negotiations. Brazil operates under pressure from various domestic groups to reach fast outcomes, while China's process involves extended discussions and requires internal agreement across its bureaucracy, often necessitating time-consuming internal consensus. The recent corn market negotiations highlight Brazil's need to balance the benefits of export expansion with the potential impacts on its domestic market. As the two countries continue discussions, Brazil faces the challenge of aligning its flexible approach with China's more controlled and centralized system, which will likely shape future agricultural trade relations.

Agricultural Minister (At-Large): The Acting Foreign Minister

During the Bolsonaro administration, particularly under Foreign Minister Ernesto Araújo (2019–2021), much of Brazil's relationship with China was managed by MAPA, as relations between Araújo and Yang Wanming, the Chinese Ambassador in Brasilia, were severed. This breakdown limited the Chinese Embassy's access to the Asia and Pacific Secretariat within Itamaraty (see section "Diplomatic Tug-of-War: the Araújo-Yang Rivalry," in Subchapter 4.4). In this context, Agriculture Minister Tereza Cristina became a crucial

⁴³⁷ Interview with Ambassador no. 5. Online. April 2024.

diplomatic figure in Brazil's engagement with China, especially amid tensions related to the importation of COVID-19 vaccine inputs. With Araújo's ideological stance straining diplomatic channels, Tereza Cristina assumed an informal role akin to that of a Foreign Minister, utilizing her established commercial relationships to overcome bureaucratic and diplomatic obstacles⁴³⁸.

In December 2020, amid critical delays in vaccine input imports from China, exacerbated by Brazilian political figures' inflammatory remarks about China, President Bolsonaro recognized the need for a pragmatic approach devoid of ideological conflict. As a result, Tereza Cristina was tasked with using her extensive network of trade relations to facilitate the importation of Active Pharmaceutical Ingredients (APIs) necessary for vaccine production in Brazil⁴³⁹. Tereza Cristina's strategy included direct negotiations with Chinese Ambassador Yang Wanming and interactions with trading companies to secure the release of API shipments. Moreover, due to the volume of Sino-Brazilian agricultural trade, MAPA has close relations with the General Administration of Customs of China (GACC), the same body responsible for approving vaccine exports⁴⁴⁰. This approach contrasted with the anti-China rhetoric from other government officials, including the President and the Foreign Minister. Her success in these negotiations were fundamental to Brazil's pandemic response and elevated her standing within the government. Her effective diplomacy led to speculation about her potential to replace Ernesto Araujo as Foreign Minister, suggesting her skills could rehabilitate Brazil's international image and Brazil's relations with China⁴⁴¹.

Tereza Cristina's role extended beyond immediate vaccine concerns. She had previously established a dedicated unit within the Ministry of Agriculture to handle agricultural trade with China, equipped with

⁴³⁸ Borges, Larissa. 2021. "Tereza Cristina, a chanceler informal de Bolsonaro." *VEJA*, February 7, 2021. <https://veja.abril.com.br/politica/tereza-cristina-a-chanceler-informal-de-bolsonaro/>.

⁴³⁹ Ibid.

⁴⁴⁰ Zaia, Cristiano. 2021. "Tereza Cristina faz interlocução com embaixada chinesa sobre insumos para vacinas." *Valor Econômico*, January 20, 2021. <https://valor.globo.com/politica/noticia/2021/01/20/tereza-cristina-faz-interlocucao-com-embaixa-da-chinesa-sobre-insumos-para-vacinas.ghtml>.

⁴⁴¹ Soares, Jussara, and Daniel Gullino. 2021. "Centrão mira Ministério da Agricultura e quer deslocar Tereza Cristina para o Itamaraty." *O Globo*, February 9, 2021, sec. Política. <https://oglobo.globo.com/politica/centrao-mira-ministerio-da-agricultura-quer-deslocar-tereza-cristina-para-itamaraty-24874793>.

Mandarin-speaking staff to facilitate communication, as the next section will examine in detail. This unit became instrumental in addressing the logistical and regulatory challenges posed by the pandemic. Furthermore, her efforts were supported by other ministers, such as Bento Albuquerque, Minister of Mines and Energy, who also engaged with Chinese officials to mitigate the crisis. Much of foreign policy coordination within the Brazilian government was channeled through MAPA as well. MAPA's Secretary for Trade and International Relations Ambassador Orlando Leite Ribeiro and the Brazilian Ambassador in Beijing Paulo Estivallet had a longstanding relationship⁴⁴². In critical situations, Ambassador Estivallet would coordinate directly with the Agricultural Minister, in a context of strained relations between Araújo and the Chinese government. Unlike Itamaraty, where hierarchical relationships are rigid, MAPA allowed for direct communication between Ambassador Estivallet and Minister Cristina⁴⁴³. MAPA also maintained robust relations not only with China but also with Argentina during President Alberto Fernández administration (2019-2023), despite Bolsonaro and Foreign Minister Ernesto Araújo's disregard for Argentine's leftist government⁴⁴⁴.

Tereza Cristina's diplomatic engagement with China during the Bolsonaro administration highlights a pragmatic shift in Brazil's foreign relations, particularly amid ideological divisions. Her role in securing vaccine inputs emphasized the importance of economic diplomacy and positioned MAPA as an alternative conduit for Brazil-China relations. The Ministry's flexible approach and established networks enabled Cristina to bypass traditional diplomatic structures, addressing urgent challenges and supporting Brazil's pandemic response. Her success underscored the potential of economic ministries in foreign policy, setting a precedent for pragmatic, trade-focused diplomacy that reinforced Brazil's agricultural and health interests while demonstrating the value of institutional adaptability and collaboration in international relations.

The next section will examine the creation, functioning, and eventual dissolution of the China Group, within Tereza Cristina's office in MAPA.

⁴⁴² Interview with Ambassador no. 10. Online. April 2024.

⁴⁴³ Ibid.

⁴⁴⁴ Ibid.

“Diplomapas” and MAPA’s China Group

The creation of the China Group within MAPA was a strategic decision made by Minister Tereza Cristina to enhance the country’s agricultural diplomacy with China. Minister Cristina seldom made decisions without consulting her Secretary of Trade and International Relations, Ambassador Orlando Leite Ribeiro. Yet, during a meeting with the GACC in October 2019, she announced the formation of the China Group, highlighting China’s critical importance to Brazil. This announcement was impromptu, catching her team by surprise⁴⁴⁵. Ambassador Leite Ribeiro emphasized the need for someone fluent in Mandarin and knowledgeable about China, leading to the selection of Larissa Wachholz, a China expert from the private sector. The China Group was positioned within the Minister’s office on the eighth floor to ensure its influence across the ministry, yet it maintained close coordination with the Secretariat of Trade and International Relations⁴⁴⁶. When Wachholz departed in 2021, Jean Taruhn, a career diplomat also fluent in Mandarin who had served in China for several years, succeeded her, ensuring continued effective coordination⁴⁴⁷.

During this period, MAPA employed an unusually high number of diplomats, colloquially referred to as “diplomapas.” This led to tensions with Itamaraty, as the presence of five diplomats in a single ministry was uncommon; typically, no more than one or two diplomats serve in ministries outside Itamaraty⁴⁴⁸. These tensions arose from competition over human resources, as the assignment of diplomats to other ministries reduced the staff available within the Foreign Ministry, increasing the workload for those remaining. Diplomats within MAPA worked to sustain strong relations with China. During Araújo’s tenure as Foreign Minister, the “diplomapas” conducted a form of parallel diplomacy, directed not by the Foreign Ministry but by MAPA itself, with the goal

⁴⁴⁵ Walendorff, Rafael, and Daniel Rittner. 2020. “Ministério Cria o ‘Núcleo China.’” *Valor Econômico*, February 11, 2020.

<https://valor.globo.com/agronegocios/noticia/2020/02/11/ministerio-cria-o-nucleo-china.ghtml>.

⁴⁴⁶ Interview with private sector agent no. 1. Online. February 2022.

⁴⁴⁷ CNA. 2022. “CNA e Mapa discutem protocolos de exportação de grãos para a China.” Confederação da Agricultura e Pecuária do Brasil (CNA). August 8, 2022. <https://cnabrasil.org.br/>.

⁴⁴⁸ Interview with Ambassador no. 5. Online. April 2024.

of preserving connections with China despite the Sinophobic rhetoric prevalent in official diplomatic channels at the time⁴⁴⁹.

In March 2022, the final year of the Bolsonaro administration, Minister Tereza Cristina resigned to run for the Senate and was elected. Her Secretary of International Relations, Ambassador Leite Ribeiro, left his position alongside the Minister and was appointed as Brazil's Ambassador to Madrid⁴⁵⁰. Under the Lula administration, Brazil-China relations in the agricultural sector returned to business as usual. The Secretariat of International Relations was no longer headed by an Ambassador, and the number of “diplomapas” was reduced⁴⁵¹. For its part, the China Group was dissolved, indicating that the group’s creation was an episodic initiative associated with Minister Cristina’s will, and not part of a coherent state policy for dealing with China.

The establishment of the China Group within MAPA represented a strategic, though temporary, shift in Brazil’s diplomatic engagement with China. The group’s creation emphasized the critical role of agricultural diplomacy and the pragmatic approach required to maintain relations amidst a Sinophobic climate in official foreign policy. By embedding diplomatic expertise within MAPA, Minister Cristina effectively bypassed limitations stemming from the strained relations between Itamaraty and China. However, the dissolution of the China Group following Cristina’s departure reveals the episodic nature of this initiative, grounded more in the Minister’s individual strategy than in an enduring state policy. This brief endeavor illustrates both the adaptability and constraints of sector-specific diplomacy, which, without institutional continuity, remains susceptible to changes in leadership and political priorities. The episode underscores the necessity for a more stable and integrated approach to bilateral relations with China, particularly in essential sectors such as agriculture.

⁴⁴⁹ Ibid.

⁴⁵⁰ Agência Senado. 2021. “Aprovada indicação de Orlando Leite Ribeiro para embaixada na Espanha.” Senado Federal. December 15, 2021. <https://www12.senado.leg.br/noticias/materias/2021/12/15/aprovada-indicacao-de-orlando-leite-ribeiro-para-embaixada-na-espanha>.

⁴⁵¹ MAPA. 2024. “Secretaria de Comércio e Relações Internacionais - SCRI.” Ministério da Agricultura e Pecuária. July 2024. <https://www.gov.br/agricultura/pt-br/acesso-a-informacao/institucional/quem-e-quem-novo/secretaria-de-comercio-e-relacoes-internacionais>.

Attached to the Mission: Brazil's Agricultural Attachés

Agricultural attachés are civil servants or public employees assigned to provide advisory support on agricultural matters at Brazilian diplomatic missions abroad. They hold a status equivalent to that of a Counselor in the diplomatic career of the Ministry of Foreign Affairs⁴⁵². Beijing is Brazil's only Embassy with two agricultural attachés⁴⁵³. Besides the agricultural attachés, the Embassy in Beijing has three military attachés – one from each force – as well as a “civilian attaché” – a role designated for intelligence officers from ABIN. There are also ongoing discussions about the future establishment of a Federal Police attaché in Beijing⁴⁵⁴. Unlike attachés from other state agencies, who are appointed, agricultural attachés are chosen through a competitive process, similar to the selection of diplomats by the Rio Branco Institute, Brazil's diplomatic academy. Overall, the perception of career diplomats, including the heads of posts, towards attachés is not very positive. According to an experienced Brazilian ambassador, attachés typically “don't seek out the ambassador, it's as if they don't exist; they just ask for things and don't do anything”⁴⁵⁵. However, the situation for agricultural attachés is quite different: “It's as if there's an additional diplomat who coordinates with the ambassador”, the same ambassador noted.

The selection process for Brazil's agricultural attachés is meticulously structured and governed by Decrees and Interministerial Ordinances, ensuring a comprehensive and competitive evaluation. According to Decree No. 6,464 (May 27, 2008) and its amendments by Decree No. 10,519 (October 14, 2020), agricultural attachés are administratively subordinate to the head of the diplomatic mission, from whom they receive instructions and to whom they report, while being technically subordinate to MAPA's Secretariat of Trade and

⁴⁵² ENAGRO. 2024. “Processo Seletivo Para Adidos Agrícolas 2023.” April 17, 2024.

<https://enagro.agricultura.gov.br/selecao/processo-seletivo-para-adidos-agricolas-2023>.

⁴⁵³ The Brazilian Mission before the European Union in Brussels – which officially is not an Embassy – also has two agricultural attachés, who are responsible to oversee agricultural trade with the European Union as a bloc, not only with Belgium. See MAPA/MRE. 2023. Portaria Interministerial. Número 10.

<https://www.in.gov.br/web/dou/-/portaria-interministerial-mapa/mre-n-10-de-28-de-abril-de-2023-486544855>.

⁴⁵⁴ Polícia Federal. 2023. “PF Firma Acordo de Cooperação Policial Internacional Com a China.” April 14, 2023.

<https://www.gov.br/pf/pt-br/assuntos/noticias/2023/04/pf-firma-acordo-de-cooperacao-policial-internacional-com-a-china>.

⁴⁵⁵ Interview with Ambassador no. 5. Online. April 2024.

International Relations. Itamaraty and MAPA's Interministerial Ordinance No. 10 (April 28, 2023) established a committee to oversee the selection process, comprising representatives from both MAPA and Itamaraty. The committee includes high-ranking officials such as the MAPA's Trade and International Relations Secretary as President and Itamaraty's Commercial Policy Department's Director as a representative of the Foreign Ministry. The selection process involves multiple stages: an initial eligibility screening, a curriculum evaluation including proof of qualifications, written exams in Portuguese and the mandatory language of the first post, and finally, an interview⁴⁵⁶. This rigorous process seeks to ensure that the most qualified candidates are selected, reflecting the strategic importance of these roles in maintaining Brazil's agricultural diplomacy and international trade relations.

In the context of Brazil's diplomatic missions in China, the agricultural attachés' primary focus is on Sanitary and Phytosanitary (SPS) measures. With just one notable exception, agricultural attachés assigned to these missions have been highly competent, particularly those specializing in animal or plant health, according to various interviewees. This technical expertise is crucial for facilitating dialogue, as negotiations in these areas demand a high level of specialized knowledge. Effective diplomatic negotiations rely heavily on these technical elements to ensure informed discussions, highlighting the integral role of technical expertise in diplomatic efforts.

The role of agricultural attachés in Brazil's diplomatic missions, especially in China, reflects the increasing need for technical specialization in agricultural diplomacy. Unlike other attachés, who often work with limited coordination with mission leadership, agricultural attachés interact more closely with the embassy's diplomatic staff, aligning their efforts with broader institutional objectives. The structured selection process, emphasizing expertise in areas like Sanitary and Phytosanitary (SPS) standards, points to the strategic significance of specialized knowledge in supporting Brazil's agricultural policy abroad. This integration of technical competence within diplomatic functions

⁴⁵⁶ MAPA. 2023. "Edital SCRI/MAPA No. 1."

https://enagro.agricultura.gov.br/selecao/processo-seletivo-para-adidos-agricolas-2023-1/Edital_FINAL_seleo_adidos_2023.pdf.

reinforces agricultural attachés as practical contributors to advancing Brazil's agricultural and trade interests within its foreign service framework.

Sowing Alliances, Reaping Risks: CNA's Footprint in Brazil's China Policy

Brazil's National Confederation of Agriculture (CNA) represents around 5 million Brazilian rural producers, including small, medium, and large-scale landowners across various agricultural sectors⁴⁵⁷. Established in 1951, the CNA is a key forum for agribusiness discussions and decisions in Brazil. It operates within the CNA System, which also includes the National Service for Rural Learning (SENAR) and the CNA Institute. SENAR provides professional training and social promotion in rural areas, while the CNA Institute focuses on research and studies in social and agribusiness fields. The CNA System consists of 27 agricultural and livestock federations across Brazilian states and the Federal District, along with over 2,000 rural unions⁴⁵⁸. These federations and unions offer direct support to local producers, addressing specific issues and seeking solutions to local problems. The CNA advocates for producers' interests at the federal government level, in Congress, and in higher judiciary courts. The organization's mission is to represent, organize, and strengthen Brazilian rural producers, facilitating their participation in national agricultural policy discussions and aiming to advance sustainable and innovative agricultural practices⁴⁵⁹.

CNA has played a relevant role in recent Brazilian politics – and consequently in Brazil's China policy –, reflecting the significant influence of the agricultural sector. The organization's political engagement became particularly evident during the presidency of Senator Kátia Abreu, who became the first woman to lead the CNA in 2008⁴⁶⁰. Reelected in 2011 and 2014, Abreu took a leave of absence in 2015 to serve as Minister of Agriculture under President

⁴⁵⁷ CNA. 2024. "O Sistema CNA." Confederação da Agricultura e Pecuária do Brasil (CNA). July 2024. <https://www.cnabrasil.org.br/>.

⁴⁵⁸ Ibid.

⁴⁵⁹ Ibid.

⁴⁶⁰ Redação Canal Rural. 2008. "Senadora Kátia Abreu é eleita nova presidente da CNA." *Canal Rural*, November 12, 2008. <https://www.canalrural.com.br/agricultura/senadora-katia-abreu-eleita-nova-presidente-cna-52336/>.

Dilma Rousseff. However, President Rousseff's impeachment in 2016 created tensions within the CNA when Abreu attempted to return to the Confederation's presidency, but faced internal resistance due to her close association with Rousseff⁴⁶¹. The CNA's political stance was further highlighted when it declared support for Rousseff's impeachment, issuing a statement that attributed the decision to "reiterated economic policy errors and fiscal collapse" under her administration⁴⁶². This position, according to the CNA, aligned with the sentiments of rural producers and broader Brazilian society. In the 2018 presidential election, the CNA's leadership openly supported Jair Bolsonaro, with the CNA president signing a public letter endorsing him as the best candidate for rural interests⁴⁶³. This endorsement sparked controversy, particularly from presidential candidate Ciro Gomes, whose vice-presidential running mate was the former CNA president Kátia Abreu. Gomes criticized the CNA leadership, describing them as fervent Bolsonaro supporters and using harsh terms to denounce their political alignment⁴⁶⁴. In 2022's presidential elections, the CNA supported Bolsonaro's reelection, despite his anti-China agenda, which had concrete economic consequences for Brazilian rural producers. In 2021, China – the country to which Brazil sells most of its agricultural exports – had embargoed Brazilian beef exports due to two atypical BSE cases. The protracted suspension period reportedly was a diplomatic retaliation against the anti-Chinese posture of the Bolsonaro administration⁴⁶⁵.

⁴⁶¹ Zaia, Cristiano. 2016. "Kátia Abreu Já Tem Aval Para Voltar à Presidência Da CNA." *Valor Econômico*, July 7, 2016. <https://valor.globo.com/agronegocios/noticia/2016/07/07/katia-abreu-ja-tem-aval-para-voltar-a-presidencia-da-cna.ghtml>.

⁴⁶² G1. 2016. "CNA anuncia apoio ao impeachment da presidente Dilma Rousseff." *G1*, April 6, 2016, sec. Processo de Impeachment de Dilma. <https://g1.globo.com/politica/processo-de-impeachment-de-dilma/noticia/2016/04/cna-anuncia-a-poio-ao-impeachment-da-presidente-dilma-rousseff.html>.

⁴⁶³ Shalders, André. 2021. "Apoio do agronegócio a Bolsonaro em 2018 foi 'questão de momento', diz presidente da CNA." *Estadão*, August 12, 2021. <https://www.estadao.com.br/politica/apoio-do-agronegocio-a-bolsonaro-em-2018-foi-questao-de-momento-diz-presidente-da-cna/>.

⁴⁶⁴ "Agência Estado." 2018. "Ciro chama CNA de 'fascista', defende Katia Abreu e prega espaço ao contraditório." *Correio Braziliense*, September 18, 2018, sec. Política. https://www.correiobraziliense.com.br/app/noticia/politica/2018/09/18/interna_politica,706682/cir-o-chama-cna-fascista-defende-katia-abreu-prega-espaco-contraditrio.shtml.

⁴⁶⁵ Gaspari, Elio. 2021. "China jogou pesado ao tratar do embargo às importações de carne bovina." *Folha de S.Paulo*, November 16, 2021, sec. Elio Gaspari. <https://www1.folha.uol.com.br/colunas/eliogaspari/2021/11/china-jogou-pesado-ao-tratar-do-em-bargo-as-importacoes-de-carne-bovina.shtml>

The inauguration of a CNA office in Apex-Brasil's Beijing Business Center marked a significant milestone in the internationalization of the Confederation. Inaugurated in 2012 by Senator Kátia Abreu, then CNA's president, the new office aimed to promote Brazilian agricultural products and attract Chinese investments⁴⁶⁶. This strategic move underscored the CNA's long-term commitment to strengthening bilateral trade relations with China. Key products highlighted for promotion included coffee, meats, and orange juice, reflecting China's growing demand for these goods. The establishment of the office was part of a broader strategy initiated a year prior, focusing on sustainable trade growth and enhanced market access⁴⁶⁷. CNA's support for the approval of genetically modified crops in China was an instance of the Confederation's work in the 2010s. Along with Bayer CropScience representatives, CNA lobbied for Chinese government approval of Liberty Link soybeans, which had been used in Brazil since 2010. In a statement, the CNA said that the request "reflect[ed] the importance and success of CNA's institutional actions" in the Chinese market⁴⁶⁸.

According to a Brazilian Ambassador with extensive experience in agricultural negotiations, the CNA plays a crucial role in coordinating the private sector's initiatives within Brazil-China agricultural relations. This coordination is essential for determining sector-specific limits, acceptable quotas, and non-negotiable terms. The CNA's office in China, staffed consistently by the same representative, has cultivated long-term relationships with Chinese bureaucracies⁴⁶⁹. This presence aids both the Brazilian embassy and MAPA by providing valuable on-the-ground experience and facilitating smoother

⁴⁶⁶ Agencia Estado. 2012. "Kátia Abreu inaugura escritório da CNA na China." *G1*, November 14, 2012, sec. Agronegócios. <https://g1.globo.com/economia/agronegocios/noticia/2012/11/katia-abreu-inaugura-escritorio-da-cna-na-china.html>.

⁴⁶⁷ Moreira, Assis. 2013. "China aumenta ritmo de aquisições de empresas no exterior." *Valor Econômico*. November 5, 2013. <https://valor.globo.com/mundo/coluna/china-aumenta-ritmo-de-aquisicoes-de-empresas-no-exterior.ghtml>.

⁴⁶⁸ Caetano, Mariana. 2014. "Bayer CropScience pede apoio à CNA para aprovação de soja transgênica." *Valor Econômico*, October 22, 2014. <https://valor.globo.com/agronegocios/noticia/2014/10/22/bayer-cropscience-pede-apoio-a-cna-para-aprovacao-de-soja-transgenica.ghtml>.

⁴⁶⁹ Interview with Ambassador no. 5. Online. April 2024.

negotiations⁴⁷⁰. CNA's efforts help bridge gaps between Brazilian agricultural sectors and Chinese markets, enhancing the effectiveness of bilateral trade relations. Furthermore, Itamaraty has a protocol structure for hosting lunches, dinners, and meetings, which MAPA lacks. This infrastructure is crucial for gathering different sectors and aligning their positions effectively. Thus, MAPA uses CNA's robust physical infrastructure in Brasilia to bring together various agricultural sectors and form unified strategies and positions. A recent example was the use of CNA's facilities in Brasilia in April 2024 to organize an event celebrating the 50th anniversary of diplomatic relations between Brazil and China⁴⁷¹. Organized by the Brazilian Center for International Relations (Cebri), the event featured prominent figures including CNA President José Mário Schreiner, Vice Presidents Gedeão Pereira and Mário Borba, Senator and former Agricultural Minister Tereza Cristina, various CNA directors, the Chinese ambassador in Brasilia, various Brazilian ambassadors, parliamentarians, and even the Vice-President of Brazil, Geraldo Alckmin. Focused on agriculture, the conference aimed to discuss the future of Brazil-China relations and explore pathways for sustainable cooperation. Key topics included food security, a low-carbon economy, innovation, energy and ecological transitions, combating inequalities, and reforming global governance⁴⁷².

In 2019, the CNA opened a commercial office in Shanghai in partnership with Invest SP, the state of São Paulo's investment promotion agency, to enhance Brazil's agribusiness presence in China⁴⁷³. This initiative aimed to benefit small and medium-sized producers in sectors such as aquaculture, honey, dairy, coffee, fruits, flowers, and vegetables. A result of the partnership between CNA President João Martins and Invest SP President Wilson Mello, the office's establishment was intended to help Brazilian producers gain market insights and identify business opportunities in China.

⁴⁷⁰ Ibid.

⁴⁷¹ CNA. 2024. "Evento na CNA celebra 50 anos de relações entre Brasil e China." CNA. April 17, 2024. <https://www.cnabrasil.org.br/noticias/evento-na-cna-celebra-50-anos-de-relacoes-comerciais-en-tre-brasil-e-china>.

⁴⁷² Ibid.

⁴⁷³ CNA. 2019. "CNA e Invest São Paulo firmam parceria para desenvolver ações na China." CNA. October 12, 2019. <https://cna-portal-2022new.dotgroup.com.br/>.

The CNA organizes business trips and technical studies to enhance Brazilian agribusiness in China. In May 2024, the CNA led a delegation to the "Sial Shanghai 2024" agro-food fair in partnership with Apex-Brazil, including meetings with partners and showcasing Brazilian products like those from the company Essenciale⁴⁷⁴. The delegation also engaged in technical visits, discussing agricultural cooperation with Shanghai's Agriculture and Rural Affairs Committee and exploring business opportunities with the Leeqee Group and XTransfer. These activities aimed to improve market access and technological exchange between Brazil and China. In preparation for the business trip, the CNA developed a technical study providing the delegation with market insights and guidelines to better understand the Chinese market and identify opportunities for Brazilian agribusiness products⁴⁷⁵. The study informed the CNA's approach to engaging with potential partners and participating in the fair.

The CNA's role in shaping Brazil's China policy, particularly within the agribusiness sector, highlights both the potential and the constraints of industry-driven diplomacy. The CNA's active stance in supporting political candidates aligned with rural interests, such as Bolsonaro, demonstrates an approach that prioritizes sectoral needs over broader diplomatic considerations. However, this alignment with politically charged figures can expose the CNA to risks, as seen with Bolsonaro's anti-China rhetoric, which directly impacted Brazil-China relations and resulted in temporary setbacks, such as the suspension of beef exports to China. This incident illustrates a fundamental tension within CNA's approach: while it aims to protect and advance Brazilian agribusiness interests, political endorsements may sometimes work against the very market access and stability it seeks. The establishment of CNA's offices in Shanghai and Beijing, in collaboration with Apex-Brasil, reflects a proactive international strategy, positioning CNA as a bridge between Brazilian producers and the Chinese market. This initiative has enabled CNA to foster long-term relationships with Chinese bureaucracies, facilitating smoother negotiations and

⁴⁷⁴ CNA. 2024. "CNA leva empresários rurais para feira de alimentos e bebidas na China." Confederação da Agricultura e Pecuária do Brasil (CNA). de maio 2024. <https://www.cnabrasil.org.br/>.

⁴⁷⁵ Agro.BR. 2024. "SIAL China: Subsídios Técnicos Para a Missão Comercial Da CNA." <https://cnabrasil.org.br/storage/arquivos/pdf/cna-estudo-china-2024.pdf>.

sectoral cooperation. The CNA's on-the-ground presence in China provides invaluable insights for both the private sector and Brazilian government agencies, such as MAPA and Itamaraty, helping to align Brazil's agricultural diplomacy with the realities of Chinese market demands and regulatory frameworks.

CNA's contributions to Brazil-China agricultural relations underscore its role as a significant player within Brazil's foreign policy apparatus, especially in the context of Brazil's export-driven economy. Yet, CNA's influence, while valuable, is not without its complications. Balancing the demands of domestic political alliances with the pragmatic requirements of foreign trade relations requires a delicate approach, one that CNA has yet to fully master. Its successes in China demonstrate CNA's potential as a conduit for Brazil's agribusiness diplomacy, but the risks associated with its politicized stance suggest a need for a more nuanced strategy. As Brazil continues its relationship with China, the CNA is expected to remain an important organization. Its effectiveness will rely on its ability to align the interests of the agricultural sector with the overarching objectives of Brazil's foreign policy.

Blooming Bonds: Assessing Brazil's Agricultural Strategy in China

The agricultural relationship between Brazil and China, as examined in this subchapter, reflects a deep and increasingly complex interdependence shaped by economic demands, bureaucratic structures, and diplomatic strategies. Agriculture remains a cornerstone of Brazil's export economy, with China as the largest consumer of Brazilian soy and meat products, making this sector pivotal in sustaining Brazil's economic ties with China. This connection has required Brazil's MAPA to take a proactive role in agricultural diplomacy, structuring its engagements to meet the demands of a highly regulated Chinese market. Likewise, the CNA has reinforced this relationship by establishing a long-term presence in China, facilitating the expansion of Brazilian agricultural exports.

The prominence of MAPA as a bureaucratic actor in Brazil-China relations underscores the sector's significance within Brazil's broader foreign

policy framework. Unlike other Brazilian government sectors that interact with China at a more general economic level, MAPA's engagement is highly specialized, focused specifically on ensuring market access and stability for Brazilian agricultural products. This specialization is evident in MAPA's establishment of dedicated agricultural structures within the Brazilian Embassy in Beijing, including the appointment of two agricultural attachés – a unique arrangement not seen in Brazil's embassies in other countries. The creation of MAPA's China Group under Minister Tereza Cristina, although temporary, further exemplified the Ministry's commitment to strengthening ties with China, reflecting an understanding of China's central role in Brazil's agricultural economy.

However, the political and ideological tensions that have occasionally surfaced between Brazil and China highlight the challenges inherent in this relationship. During the administration of President Bolsonaro, MAPA's efforts were often conducted in a politically charged environment, as the anti-China rhetoric from senior government officials created obstacles to maintaining a stable dialogue. The ideological positions taken by President Bolsonaro and Foreign Minister Ernesto Araújo, particularly concerning China, strained diplomatic interactions, resulting in periods of tension and, at times, prolonged embargoes on Brazilian exports. Nonetheless, MAPA's direct engagement with China, led by figures such as Minister Tereza Cristina, enabled Brazil to circumvent some of these challenges and sustain trade continuity. Through these efforts, MAPA acted as an intermediary, focusing on pragmatic economic diplomacy even amid political difficulties.

The CNA's active role in China further highlights the importance of agricultural interests in shaping Brazil-China relations. By establishing offices in Beijing and Shanghai, the CNA has provided an institutional foundation for Brazilian agribusinesses to connect with Chinese markets, promoting key exports and supporting the agricultural sector's broader goals. The CNA's involvement has also demonstrated the potential for industry-driven diplomacy, as the Confederation has taken on responsibilities typically associated with state actors, such as coordinating trade missions, conducting market studies,

and lobbying for regulatory approvals for Brazilian agricultural products. However, CNA's close political alignment with figures like President Bolsonaro has also exposed Brazil's agricultural diplomacy to risks, as this alignment occasionally conflicted with the CNA's need to maintain favorable relations with China. The CNA's support for Bolsonaro's re-election campaign, despite the known repercussions of his administration's anti-China stance, exemplifies the complexities that arise when sectoral interests intersect with national politics.

The experience of MAPA and CNA in managing Brazil's agricultural relations with China underscores the necessity of a stable and institutionalized approach to this critical economic partnership. The establishment of specialized bureaucratic units, the assignment of dedicated agricultural attachés, and the CNA's long-term presence in China all contribute to a more resilient and adaptable agricultural diplomacy framework. However, the episodic nature of some initiatives, such as the temporary China Group within MAPA, highlights the limitations of sector-specific diplomacy when it is not fully integrated into a national policy. Such initiatives, while effective in the short term, are vulnerable to shifts in political leadership, potentially weakening Brazil's ability to respond consistently to China's market demands and regulatory conditions.

As the demand for Brazilian agricultural products in China continues to grow, Brazil's capacity to maintain and expand this relationship will depend on its ability to institutionalize its sectoral strategies within a broader foreign policy structure. A more cohesive approach would enable Brazil to mitigate the impact of political changes on its agricultural exports, ensuring stability and continuity in one of its most important international economic partnerships. The Brazil-China agricultural relationship, characterized by a blend of economic pragmatism and bureaucratic coordination, illustrates the need for a structured and sustained approach that aligns Brazil's agricultural interests with the overarching objectives of its foreign policy. By institutionalizing these sector-specific strategies, Brazil can better face the challenges and opportunities presented by its economic interdependence with China, reinforcing the foundations of a partnership that remains essential to both countries' strategic interests.

After examining Sino-Brazilian agricultural relations, the following Subchapter, “From Red Tape to Red Carpet: Valemax Vessels and Iron Trade”, will address bilateral dynamics in the mining sector. This analysis will center on the case of the Valemax vessels, super bulk carriers built by the mining company Vale for iron ore exports to China. These ships, however, became entangled in disguised Chinese trade protectionism, occupying a significant place on the bilateral agenda in the early 2010s.

3.4. From Red Tape to Red Carpet: The Valemax Vessels Crisis and Mineral Trade

Valemax vessels are a type of very large ore carriers (VLOCs) owned or chartered by the Brazilian giant mining company Vale. VLOCs are a class of bulk cargo ships designed to transport large quantities of raw materials, primarily iron ore, with deadweight tonnage exceeding 200,000 tons. VLOCs play a critical role in global trade, particularly in facilitating the movement of iron ore from major exporters such as Brazil and Australia to industrial hubs such as China. Valemax vessels were primarily designed to transport iron ore from Brazil to ports in Europe and Asia. With a capacity of up to 400,000 tons, they were the largest dry bulk carriers ever constructed at the time of their launch in the early 2010s. These ships offered cost advantages by consuming less fuel and reducing carbon emissions compared to smaller vessels⁴⁷⁶.

In 2008, during a period of high international freight rates, Vale ordered 19 Valemax vessels from Chinese and Korean shipyards, at a cost of US \$2.1 billion⁴⁷⁷, and contracted another 16, totalling 35 super vessels, capable to transport 60 million tons of ore per year⁴⁷⁸. Initially, Beijing embraced the idea of constructing Valemax ships, not least because the Valemax project would generate business for Chinese shipyards⁴⁷⁹. Two Chinese state-owned banks, the Export-Import Bank of China and the Bank of China Ltd., provided US\$ 1.3 billion to finance half of the ships built in China⁴⁸⁰. This also marked a significant shift for Vale, which had traditionally relied on shipping companies for

⁴⁷⁶ Góes, Francisco. 2014. "Acordo da Vale com Cosco poderá abrir portos da China para Valemax." *Valor Econômico*, September 15, 2014. <https://valor.globo.com/empresas/coluna/acordo-da-vale-com-cosco-podera-abrir-portos-da-china-para-valemax.ghtml>.

⁴⁷⁷ Durão, Vera Saavedra. 2011. "Vale define nova estratégia para transporte de minério." *Valor Econômico*, December 21, 2011. <https://valor.globo.com/empresas/coluna/vale-define-nova-estrategia-para-transporte-de-minerio.ghtml>.

⁴⁷⁸ Durão, Vera Saavedra. 2011. "Vale tem plano B para enviar minério para China." *Valor Econômico*, December 20, 2011. <https://valor.globo.com/empresas/noticia/2011/12/20/vale-tem-plano-b-para-enviar-minerio-para-china.ghtml>.

⁴⁷⁹ Murphy, Colum. 2012. "Proibição de Valemax mostra desafios para líderes chineses." *Valor Econômico*, November 14, 2012. <https://valor.globo.com/noticia/2012/11/14/proibicao-de-valemax-mostra-desafios-para-lideres-chineses.ghtml>.

⁴⁸⁰ Ibid.

transporting iron ore. The strategy of owning its fleet was introduced by the company prior to the market crisis that erupted at the end of 2008 when freight rates to China were around \$100 per ton⁴⁸¹. At that time, Vale was forced to halt the production and shipment of 70 million tons of ore due to a shortage of available ships for hire. This shortage prompted the company to decide on purchasing supercarriers⁴⁸². However, by the early 2010s, when Valemax vessels started to be delivered, the price of international iron ore freight had already plummeted, weakened by an oversupply of ships and the global economic slowdown⁴⁸³. Freight rates from Brazil to China fell from over \$100 per ton before the 2008 financial crisis to around \$27 per ton in the early 2010s. The freight rate from Australia to China was about \$10 per ton, down from \$40 per ton in 2008. In the early 2010s, the freight rate differential between Brazil and Australia on the China route was \$15 per ton, a significant drop from the \$60 per ton differential in 2008. Vale's Cost, Insurance, and Freight (CIF) sales policy was implemented to stabilize freight rates⁴⁸⁴. In turn, Vale's vessels faced strong pressure from Chinese shipowners and major state-owned steelmakers, who feared that Vale's large fleet would further depress iron ore freight prices in the international market.

By acquiring its own fleet, Vale positioned itself as a potential competitor to dry bulk cargo transport companies, especially China Ocean Shipping Company (COSCO), a Chinese SOE and the largest maritime transport company in China⁴⁸⁵. In June 2011, Chinese authorities denied the Valemax named Vale Brasil permission to dock, forcing the vessel to redirect to Taranto, Italy⁴⁸⁶. Subsequently, the vessel unloaded in Malaysia and the Philippines, with smaller ships transporting the ore onward to China. In December 2011, Berge

⁴⁸¹ Durão, Vera Saavedra. 2011. "Vale mantém estratégia de frota própria para levar minério à Ásia." *Valor Econômico*, December 20, 2011. <https://valor.globo.com/empresas/noticia/2011/12/20/vale-mantem-estrategia-de-frota-propria-pa-ra-levar-minerio-a-asia.ghtml>.

⁴⁸² Ibid.

⁴⁸³ Durão, Vera Saavedra. 2011. "Estaleiro chinês entrega sexto navio do tipo Valemax para a Vale." *Valor Econômico*, November 25, 2011. <https://valor.globo.com/empresas/noticia/2011/11/25/estaleiro-chinese-entrega-sexto-navio-do-ti-po-valemax-para-a-vale.ghtml>.

⁴⁸⁴ Ibid.

⁴⁸⁵ Ibid.

⁴⁸⁶ Wright, Robert. 2011. "China Allows Huge Valemax Ship to Dock." *Financial Times*, December 29, 2011. <https://www.ft.com/content/77a8da68-3219-11e1-b4ba-00144feabdc0>.

Everest was the first Valemax to dock at a Chinese port, in the city of Dalian, setting a world record by unloading 350,000 tons of iron ore in 55 hours⁴⁸⁷. Controversy surrounding the Valemax intensified after the Vale Beijing, the third carrier in the series, developed cracks in its ballast tank during loading for its maiden voyage in northern Brazil also in December 2011⁴⁸⁸. This incident raised concerns about the viability of the quick-loading method used for these ships. A month later, the Chinese Ministry of Transport (MoT) issued Circular no. 13 effectively banning Valemax ships from Chinese ports due to safety concerns⁴⁸⁹. Although Beijing did not specifically mention Vale, China announced stricter restrictions for all large vessels, including the Valemax fleet. “We are not optimistic about the safety situation of port operations for large vessels, especially the docking operations of super-large ships, whose dimensions exceed permitted design standards”, stated the MoT. “Considering the significant hidden dangers, we have decided to adjust the port management system regarding the docking of large ships”. For its part, the Chinese Shipowners’ Association labeled Valemax as a “monopoly and unfair competition issue”, claiming it harmed the interests of the shipping industry in China and other regions⁴⁹⁰. The Association contended that the new vessels were unsafe and would exacerbate the global oversupply of dry bulk ships, a surplus driven by the substantial orders placed during the 2003 to 2008 shipping boom⁴⁹¹. “We pay very special attention to this matter, and the association has been firmly opposed [to the Valemax fleet],” the Shipowners’ Association stated at the time⁴⁹².

The obstacles China posed to the Valemax fleet were part of longstanding tensions between China and the world's largest iron ore miners –

⁴⁸⁷ Cable no. 688, from the State Secretariat in Brasilia to the Embassy in Beijing. Confidential, very urgent. July 6, 2012. §3.

⁴⁸⁸ Wright, Robert. 2011. “China Allows Huge Valemax Ship to Dock.” *Financial Times*, December 29, 2011. <https://www.ft.com/content/77a8da68-3219-11e1-b4ba-00144feabdc0>.

⁴⁸⁹ Cable no. 688, from the State Secretariat in Brasilia to the Embassy in Beijing. Confidential, very urgent. July 6, 2012. §3.

⁴⁹⁰ Ibid.

⁴⁹¹ Wright, Robert. 2011. “China Allows Huge Valemax Ship to Dock.” *Financial Times*, December 29, 2011. <https://www.ft.com/content/77a8da68-3219-11e1-b4ba-00144feabdc0>.

⁴⁹² Ibid.

BHP Billiton, Rio Tinto, and Vale – collectively known as the “Big Three”⁴⁹³. They were frequently accused by Chinese steel industry organizations of monopolistic practices or conspiring to raise iron ore prices. Wei Jiafu, then COSCO’s president, held a significant role within the Chinese business community. Referred to as “Captain Wei”, he also occupied a prominent position in the Communist Party’s Central Commission for Discipline Inspection. Wei was vocal about the issue of overcapacity in the maritime sector. In 2011, the China COSCO division reported a substantial loss of 10.5 billion yuan (\$1.69 billion) due to sector overcapacity and a downturn in global trade⁴⁹⁴.

In response to the challenges faced with Chinese ports refusing to accept their Valemax ships, Vale developed an alternative strategy to ensure the continued entry of their iron ore into the Chinese market. José Carlos Martins, Vale’s Executive Director of Integrated Operations, attributed the refusal to “technical problems”, noting that most Chinese ports could not accommodate the 400,000-ton vessels⁴⁹⁵. As an interim solution, Vale implemented a parallel scheme to distribute its iron ore without directly docking the Valemax ships in China. By 2013, Vale’s 35 super ships had a capacity to transport 60 million tons of ore annually. Vale constructed distribution centers in Asia and the Middle East and adapted Brazilian ports, such as Tubarão in Vitória⁴⁹⁶, to anchor these massive ships. Ore distribution centers were inaugurated in Oman and Malaysia. These centers transferred the ore to smaller vessels, such as Capesize and Panamax, destined for China. Vale’s strategy ensured that their ships docked at ports capable of handling them, including Ponta da Madeira (Brazil), Rotterdam (Netherlands), Sohar (Oman), and Taranto (Italy), while negotiations were ongoing with other Asian ports

⁴⁹³ Hook, Leslie. 2012. “China bloqueia supercargueiros de minério da Vale.” *Valor Econômico*, February 1, 2012. <https://valor.globo.com/empresas/noticia/2012/02/01/china-bloqueia-supercargueiros-de-minerio-da-vale.ghtml>.

⁴⁹⁴ Murphy, Colum. 2012. “Proibição de Valemax mostra desafios para líderes chineses.” *Valor Econômico*, November 14, 2012. <https://valor.globo.com/noticia/2012/11/14/proibicao-de-valemax-mostra-desafios-para-lideres-chineses.ghtml>.

⁴⁹⁵ Durão, Vera Saaverdra. 2011. “Vale tem plano B para enviar minério para China.” *Valor Econômico*, December 20, 2011. <https://valor.globo.com/empresas/noticia/2011/12/20/vale-tem-plano-b-para-enviar-minerio-para-china.ghtml>.

⁴⁹⁶ Ibid.

outside China⁴⁹⁷. This approach allowed Vale to maintain stable freight rates and long-term contracts, with the flexibility to sell some ships if needed.

Martins denied that the refusal to receive the Valemax ships was due to a power struggle between the mining company and Chinese freight companies, highlighting the announcement by China's NDRC that the issues were solely related to port equipment and infrastructure⁴⁹⁸. He emphasized that Vale had to comply with Chinese regulations and that port preparations take time. He noted that the six operational Valemax ships were docking at ports capable of receiving them and mentioned the development of other ports in Asia. Martins also stated that the company's decisions were based on financial considerations, downplaying any potential conflict with Chinese freight companies⁴⁹⁹.

Rolling Out The Red Carpet: Brazil's Diplomatic Push for Vale

Initially the Brazilian government had not intervened with the Chinese government on behalf of Vale. However, during the visit of Chinese Vice Premier Wang Qishan to Brazil, where he led the delegation for COSBAN's 2nd Plenary Session in February 2012, the problem was discussed with then Vice President Michel Temer⁵⁰⁰. Prior to the Chinese mission's arrival, the Brazilian government had reached out to Vale to understand the situation and offer assistance. Vale requested that, if the issue were to be addressed, it should be part of a positive agenda to foster closer relations and increase business between the two countries, rather than being seen as part of a negative trade dispute⁵⁰¹. Vale's CEO Murilo Ferreira stated that the issue with the super ships

⁴⁹⁷ Durão, Vera Saavedra. 2011. "Estaleiro chinês entrega sexto navio do tipo Valemax para a Vale." *Valor Econômico*, November 25, 2011. <https://valor.globo.com/empresas/noticia/2011/11/25/estaleiro-chinese-entrega-sexto-navio-do-tipo-valemax-para-a-vale.ghtml>.

⁴⁹⁸ Rosas, Rafael. 2011. "Vale defende visão financeira sobre grandes navios cargueiros na China." *Valor Econômico*, November 28, 2011. <https://valor.globo.com/empresas/noticia/2011/11/28/vale-defende-visao-financeira-sobre-grandes-navios-cargueiros-na-china.ghtml>.

⁴⁹⁹ Ibid.

⁵⁰⁰ Durão, Vera Saavedra. 2012. "Vale busca solução na China para atracar supernavios." *Valor Econômico*, February 22, 2012. <https://valor.globo.com/empresas/coluna/vale-busca-solucao-na-china-para-atracar-supernavios.ghtml>.

⁵⁰¹ Ibid.

was not political. He emphasized that the discussions were technical and highlighted the significant involvement of Chinese shipyards in constructing the Valemax vessels. Ferreira expressed optimism about the negotiations, noting that the restrictions were being addressed at the port level⁵⁰².

On July 4, 2012, the State Secretariat in Brasilia reported that Ambassador Carneiro Leão, then Itamaraty's Secretary for Economic Affairs, met with the Chinese Ambassador in Brasilia, Mr. Li Jinzhang, to discuss preparations for the upcoming visit to Beijing by the Brazilian Minister of Development, Industry, and Foreign Trade, Fernando Pimentel, scheduled for July 11⁵⁰³. Ambassador Carneiro Leão highlighted that President Dilma Rousseff recently had a bilateral meeting with Prime Minister Wen Jiabao on June 26, on the sidelines of the Rio+20 conference, during which they discussed the Valemax issue. Following the Chinese leader's proposal to establish a working group to address Valemax-related issues and bilateral iron ore trade, President Rousseff instructed Minister Pimentel to undertake an official visit to China. Ambassador Carneiro Leão clarified that this visit was a courtesy call with a political, rather than a negotiatory, nature⁵⁰⁴. He requested the Chinese Ambassador's assistance in arranging meetings with Vice Premier Wang Qishan, Minister of Commerce Chen Deming, Minister of Transport Li Shenglin, and Chairman of the National Development and Reform Commission Zhang Ping. Carneiro Leão also presented a draft Terms of Reference for the working group to the Chinese Ambassador for feedback, expressing Brazil's interest in finalizing the document promptly for signing during Minister Pimentel's visit⁵⁰⁵. In response, the Chinese Ambassador committed to providing full support in scheduling the meetings⁵⁰⁶.

On July 5, 2012, a meeting was held at MDIC with representatives from Vale, MDIC's Secretariat for Foreign Trade, and diplomats from Itamaraty's economic units to address the challenges faced by Valemax ships in docking at

⁵⁰² Ibid.

⁵⁰³ Cable no. 679, from the State Secretariat in Brasilia to the Embassy in Beijing. Confidential, very urgent. July 4, 2012.

⁵⁰⁴ Ibid, §2.

⁵⁰⁵ Ibid, §3.

⁵⁰⁶ Ibid, §4.

Chinese ports due to new regulations imposed by China's MoT⁵⁰⁷. The objective of the meeting was to review and update information in preparation for Minister Fernando Pimentel's visit to China. During the meeting, Claudio Alves, Vale's International Marketing Director for iron ore, and Rafael Benke, the company's Director of Corporate Affairs, provided a detailed presentation on the issue⁵⁰⁸. They highlighted Vale's efforts to understand China's political and economic sensitivities, including inviting COSCO to participate in the Valemax project. However, COSCO had declined the offer due to its strong position in the maritime cargo transport sector at the time⁵⁰⁹. Vale had also negotiated memoranda of understanding with major Chinese ports to make the necessary technical adjustments for Valemax docking. Despite these efforts, the introduction of Circular 13 in January 2012 transferred the authority to grant docking licenses to the MOT, complicating the process⁵¹⁰. According to its representatives, Vale had never received a formal refusal from the MOT regarding the docking of Valemax ships. Instead, they only received "signals" from their Chinese partners suggesting that it would not be advisable to submit the request⁵¹¹. According to Vale, only Valemax ships had been prevented from docking at Chinese ports, while even larger and more complex vessels, such as supertankers, had not faced such problems⁵¹². Vale representatives emphasized that Chinese ports and steel mills would benefit from Valemax ships due to increased productivity in iron ore unloading⁵¹³. They also noted that while Vale had not received formal refusals from the MOT, there were indications from partners that it was not opportune to submit docking requests⁵¹⁴. The meeting concluded with the acknowledgment that the financial situation of COSCO was indeed critical, but that Valemax operations posed no significant threat to COSCO⁵¹⁵. Recent developments indicated a potential shift,

⁵⁰⁷ Cable no. 688, from the State Secretariat in Brasilia to the Embassy in Beijing. Confidential, very urgent. July 6, 2012.

⁵⁰⁸ *Ibid*, §2.

⁵⁰⁹ *Ibid*, §3, ii.

⁵¹⁰ *Ibid*, §3, v.

⁵¹¹ *Ibid*, §3, vii.

⁵¹² *Ibid*, §3, vii.

⁵¹³ *Ibid*, §3, vi.

⁵¹⁴ *Ibid*, §3, vi.

⁵¹⁵ *Ibid*, §3, ix.

with Dalian port authorities showing openness to continuing Valemax operations, possibly influenced by the high-level meeting between President Rousseff and Prime Minister Wen Jiabao on the sidelines of the Rio+20 summit⁵¹⁶.

On July 6, 2012, a cable from the Embassy in Beijing to Brasilia reported that a consultation with MOFCOM had revealed that the NDRC had been designated to coordinate the Valemax issue within the Chinese government and was responsible for scheduling the requested meetings⁵¹⁷. The Embassy maintained continuous contact with the NDRC to secure confirmations for these meetings, which included Vice Premier Wang Qishan, the Minister of Commerce, and the Minister of Transport⁵¹⁸. The NDRC, for its part, requested the composition of Minister Fernando Pimentel's delegation⁵¹⁹. Ten days later another cable from the Embassy in Beijing to Brasilia reported that the NDRC had confirmed its Vice Minister Zhang Xiaoqiang's intention to visit Brasilia on August 3⁵²⁰. Vice Minister Zhang was scheduled to hold a working meeting with MDIC. The agenda included the establishment of a working group comprising representatives from both governments and enterprises to discuss issues related to the iron ore trade and processing, as well as the berthing of Valemax vessels in Chinese ports⁵²¹. This initiative aimed to address and find solutions for the ongoing logistical challenges and enhance bilateral cooperation in the iron ore sector.

On November 9, 2012, a cable from Brasilia to Beijing highlighted the need to reschedule a meeting between Brazilian and Chinese officials aimed to present a pilot project prepared by Vale to address the Valemax issue⁵²². The cable emphasized the importance of this preliminary meeting as preparation for a subsequent high-level discussion requested by MDIC with the NDRC,

⁵¹⁶ Ibid, §4.

⁵¹⁷ Cable no. 935, from the Embassy in Beijing to the State Secretariat in Brasilia. Confidential, very urgent. July 6, 2012.

⁵¹⁸ Ibid, §2.

⁵¹⁹ Ibid, §3.

⁵²⁰ Cable no. 984, from the Embassy in Beijing to the State Secretariat in Brasilia. Confidential, urgent. July 16, 2012.

⁵²¹ Ibid, §2.

⁵²² Cable no. 1123, from the State Secretariat in Brasilia to the Embassy in Beijing. Confidential, urgent. November 9, 2012.

scheduled between November 19 and 22, with the participation of the MDIC Executive Secretary, Alessandro Teixeira. Further communication on November 14, 2012, reaffirmed the Brazilian side's interest in holding the proposed meeting despite the absence of the NDRC Vice-Minister⁵²³. The MDIC's Secretary of Foreign Trade, Tatiana Prazeres, reiterated the significance of this meeting for discussing iron ore and Valemax issues⁵²⁴. It was noted that the presence of the Deputy Executive Secretary of the Ministry of Mines and Energy, Francisco Romário Wojcicki, would be beneficial, as his involvement would better integrate his ministry into the Valemax discussions⁵²⁵. The Brazilian delegation was prepared to adjust the level of its representation depending on the Chinese side's participation. The cable also mentioned the delivery of a pilot project to the Chinese authorities, underscoring Brazil's commitment to resolving the Valemax docking issue and enhancing bilateral cooperation in the iron ore sector⁵²⁶.

According to Vale, the Valemax bilateral task force created in the context Chinese Premier Wen Jiabao's visit to Brazil in June 2012 resulted in little progress⁵²⁷. Vale expected that the 2013 presidential transition in China from Hu Jintao to Xi Jinping could lead to some advancements. Despite its efforts, Vale did not succeed in securing a direct meeting with the Chinese MoT without the intermediation of the Brazilian government⁵²⁸. This underscores the importance of state-to-state relations, particularly high-level visits, in resolving bilateral issues with the Chinese government.

From Tit For Tat to Quid Pro Quo: Vale's Rebuke and the Compromise Solution

⁵²³ Cable no. 1148, from the State Secretariat in Brasilia to the Embassy in Beijing. Confidential, very urgent. November 14, 2012.

⁵²⁴ Ibid.

⁵²⁵ Ibid.

⁵²⁶ Ibid, §2.

⁵²⁷ Murphy, Colum. 2012. "Proibição de Valemax mostra desafios para líderes chineses." *Valor Econômico*, November 14, 2012.

<https://valor.globo.com/noticia/2012/11/14/proibicao-de-valemax-mostra-desafios-para-lideres-chineses.ghtml>.

⁵²⁸ Ibid.

As a protest against the Valemax ban, Vale boycotted COSCO, refusing to use its vessels as of early 2012⁵²⁹. The SOE anticipated a significant operational impact from the boycott and considered filing a complaint in China's MOFCOM. According to COSCO president Ma Zehua, Vale had avoided using COSCO's fleet for a couple of months, opting for more expensive alternatives. Zehua suggested that Vale's actions were driven by the belief that COSCO had lobbied to prevent the Valemax ships from docking at Chinese ports due to safety concerns. Vale did not comment on the boycott or the safety concerns, stating only its hope to gain permission to use its ships in China.

On April 19, 2013, a representative from Vale-China informed the Brazilian government that a Valemax vessel had successfully docked and unloaded 220,000 tons of iron ore at the port of Lianyungang in Jiangsu Province earlier that week⁵³⁰. According to Vale, the ship docked with a load significantly below its maximum capacity of 400,000 tons, adhering to the limits set by Chinese port regulations⁵³¹. This docking occurred despite MoT's Circular 13 which had removed the discretion of ports to authorize the berthing of ships exceeding certain size limits⁵³². The Vale representative speculated that the port might not have consulted the central government since the load did not violate national regulations⁵³³. Press reports seemed to confirm this version, with a MoT official, He Jianzhong, stating that he was unaware of the docking and reaffirming that the prohibition on mega vessels remained unchanged⁵³⁴. Zhang Shouguo, Secretary-General of the China Shipowners Association, reacted angrily, insisting that Valemax ships continued to violate national legislation

⁵²⁹ Bloomberg. 2012. "Vale boicota navios chineses, diz operadora." *Valor Econômico*, May 9, 2012. <https://valor.globo.com/empresas/noticia/2012/05/09/vale-boicota-navios-chineses-diz-operadora.ghtml>.

⁵³⁰ Cable no. 545 from the Embassy in Beijing to Brasilia. Confidential, urgent. April 19, 2013. §2.

⁵³¹ Góes, Francisco. 2013. "Navio Valemax opera parcialmente carregado na China." *Valor Econômico*, April 25, 2013. <https://valor.globo.com/empresas/noticia/2013/04/25/navio-valemax-opera-parcialmente-carregado-na-china.ghtml>.

⁵³² Hook, Leslie. 2013. "China Permits Giant Valemax to Dock." *Financial Times*, April 18, 2013. <https://www.ft.com/content/ab14aba8-a7fb-11e2-b031-00144feabdc0>.

⁵³³ Cable no. 545 from the Embassy in Beijing to Brasilia. Confidential, urgent. April 19, 2013. §2.

⁵³⁴ *Ibid*, §3.

regardless of their load size and asserting that future approvals for such dockings would be “absolutely impossible” for Vale⁵³⁵. Despite this, Vale indicated the possibility of additional dockings in the coming weeks⁵³⁶.

In September 2013, Vale expressed optimism about an improvement in the Chinese economy, which could boost demand for iron ore and facilitate the direct supply of Valemax vessels to the Chinese market⁵³⁷. The Chinese government, persuaded by steel companies and other businesses that believed these ships could lead to more abundant and cheaper iron ore, considered delegating the decision on ship size to individual ports. While Chinese ports could handle ships up to 300,000 tons, some had already begun upgrading facilities to accommodate larger vessels. China’s MoT’s preliminary proposal suggested allowing ports to accept larger ships if they met safety and other requirements⁵³⁸. Nevertheless, the proposal implied that part of the cargo might need to be transferred to smaller vessels to comply with quay safety limits. Vale, eager to see the final outcome of these regulatory changes, noted the positive business environment under Xi Jinping’s new leadership⁵³⁹.

In a strategic move to solve the crisis, Vale entered into a \$500 million agreement with Shandong Shipping Corporation (SDSC), a large SOE under the Shandong Provincial People’s Government, transferring the operation of four Valemax vessels to the SDSC⁵⁴⁰. José Carlos Martins indicated that the company planned to transfer its fleet to shipping companies, prioritizing Chinese ones. Shandong Shipping operated the vessels within the existing regulatory framework, with the possibility of future permissions allowing Valemax operations in Chinese ports. In September 2014, Vale reached two similar agreements with Chinese shipowners. One with the China Ocean Shipping Company (COSCO) and the other with China Merchants Energy Shipping

⁵³⁵ Ibid, §4.

⁵³⁶ Ibid, §5.

⁵³⁷ Murphy, Colum. 2013. “China pode aceitar supereavios da Vale.” *Valor Econômico*, September 11, 2013.

<https://valor.globo.com/noticia/2013/09/11/china-pode-aceitar-supereavios-da-vale.ghtml>.

⁵³⁸ Ibid.

⁵³⁹ Ibid.

⁵⁴⁰ Francisco Góes. 2013. “Vale fecha parceria e transfere a operação de quatro Valemax.” *Valor Econômico*, November 8, 2013.

<https://valor.globo.com/empresas/noticia/2013/11/08/vale-fecha-parceria-e-transfere-a-operacao-de-quatro-valemax.ghtml>.

(CMES), both SOE among the world's largest shipping companies⁵⁴¹. Vale sold four Valemax vessels to COSCO, and another four to CMES. Both agreements were formalized during the visit of Chinese Premier Li Keqiang to Brazil in May 2015. The agreement with COSCO involved the sale of four Valemax ships for \$445 million, with a lease-back arrangement for a period of 25 years⁵⁴². Additionally, Vale signed charter contracts for ten new Valemax vessels, which were to be constructed by COSCO⁵⁴³. Vale's agreements with COSCO and CMES aimed to facilitate the docking of Valemax ships in China. The additional capacity provided by the new Valemax ships would help maintain low freight rates, a critical factor for Vale given the low iron ore prices at the time⁵⁴⁴. This agreement raised expectations that Vale might pursue further deals to transfer ownership of the remaining 15 Valemax ships still owned by the company⁵⁴⁵.

In February 2015, the Chinese Ministry of Transport lifted Circular 13⁵⁴⁶. Besides the agreement with COSCO, in May 2015 during Chinese Premier Li Keqiang's visit to Brazil Vale announced an expansion of its existing agreement with China Merchants Energy Shipping (CMES), a subsidiary of China Merchants Group⁵⁴⁷. This agreement focused on long-term strategic cooperation in the maritime transport of iron ore. As part of the expanded

⁵⁴¹ Góes, Francisco. 2015. "Vale entrega quatro navios Valemax para chinesa Cosco." *Valor Econômico*, June 8, 2015. <https://valor.globo.com/empresas/coluna/vale-entrega-quatro-navios-valemax-para-chinesa-cosco.ghtml>.

⁵⁴² Góes, Francisco. 2014. "Acordo da Vale com Cosco poderá abrir portos da China para Valemax." *Valor Econômico*, September 15, 2014. <https://valor.globo.com/empresas/coluna/acordo-da-vale-com-cosco-podera-abrir-portos-da-china-para-valemax.ghtml>.

⁵⁴³ Saraiva, Alessandra. 2015. "Vale conclui venda de 4 navios para chinesa Cosco por US\$ 445 milhões." *Valor Econômico*, May 19, 2015. <https://valor.globo.com/empresas/noticia/2015/05/19/vale-conclui-venda-de-4-navios-para-chinesa-cosco-por-us-445-milhoes.ghtml>.

⁵⁴⁴ Eisenhammer, Stephen, and Brenda Goh. 2014. "After Standoff, Vale and China's Cosco Both Claim Shipping Victory." *Reuters*, September 16, 2014, sec. Business. <https://www.reuters.com/article/business/after-standoff-vale-and-chinas-cosco-both-claim-shipping-victory-idUSKBN0HB00N/>.

⁵⁴⁵ Ibid.

⁵⁴⁶ Rostás, Renato. 2015. "China libera circulação de navios de grande porte da Vale, diz jornal." *Valor Econômico*, February 10, 2015. <https://valor.globo.com/empresas/noticia/2015/02/10/china-libera-circulacao-de-navios-de-grande-porte-da-vale-diz-jornal.ghtml>.

⁵⁴⁷ Saraiva, Alessandra. 2015. "Vale conclui venda de 4 navios para chinesa Cosco por US\$ 445 milhões." *Valor Econômico*, May 19, 2015. <https://valor.globo.com/empresas/noticia/2015/05/19/vale-conclui-venda-de-4-navios-para-chinesa-cosco-por-us-445-milhoes.ghtml>.

agreement, Vale planned to sell four Very Large Ore Carriers (VLOCs) to CMES, totalling US\$ 445 million. In July 2015, the Chinese government fully lifted the three-year ban on large iron ore carriers⁵⁴⁸. The announcement from the MoT and the NDRC indicated that four ports would now be accessible to the 400,000-ton Valemax vessels. This decision followed the late-June authorization for the Valemax carrier Yuan Zhuo Hai to anchor off Qingdao port in eastern Shandong province. Qingdao, along with Dalian, Tangshan, and Ningbo, were the four ports designated to receive these massive vessels⁵⁴⁹.

In March 2016, prominent Chinese maritime enterprises, including COSCO, CMES, and ICBC Financial Leasing Co., placed orders for 30 Valemax vessels, collectively valued at \$2.5 billion⁵⁵⁰. This initiative was intended to enhance China's control over Brazil's iron ore exports and exert additional competitive pressure on Western maritime carriers. Each of these three Chinese shipping companies ordered ten vessels from four Chinese shipyards: Shanghai Waigaoqiao Shipbuilding, Beihai Shipbuilding, CIC Jiangsu, and Yangzijiang Shipbuilding. Vale's last Valemax vessels were sold in December 2017 to China's Bank of Communications Finance Leasing (Bocomm)⁵⁵¹.

The Brazilian mining giant had initially ordered a fleet of 35 of the world's largest ships from Chinese and Korean shipyards in 2008 to transport iron ore. This strategic decision aimed to mitigate freight volatility and enhance the competitiveness of Brazilian iron ore against its Australian counterpart. However, upon the delivery and operation of five of these ships in 2011, Chinese port authorities, influenced by strong local lobbying, were reluctant to receive the Valemax vessels, despite the support Vale had from shipyards and ports. The situation underscored the broader economic pressures faced by the global shipping industry, exacerbated by an oversupply of vessels and a global

⁵⁴⁸ Mitchell, Tom. 2015. "China Lifts Ban on Giant Valemax Ships." *Financial Times*, July 3, 2015. <https://www.ft.com/content/10a4f69e-213f-11e5-ab0f-6bb9974f25d0>.

⁵⁴⁹ Ibid.

⁵⁵⁰ Paris, Costa. 2016. "China compra 30 supernavios Valemax." *Valor Econômico*, March 11, 2016. <https://valor.globo.com/noticia/2016/03/11/china-compra-30-supernavios-valemax.ghtml>.

⁵⁵¹ World Maritime News. 2017. "Vale Sells Final Valemax Bulklers to Bocomm." *World Maritime News*, December 4, 2017. <https://worldmaritimeneeds.com/archives/237526/vale-sells-final-valemax-bulkers-to-bocomm/>.

economic slowdown. Vale faced significant pressure in China from COSCO, a company under the Chinese Ministry of Transport, as well as from local shipowners and major steelmakers, who were also clients of Vale⁵⁵². These stakeholders feared that Vale's large fleet could further depress the already struggling freight market, which was dealing with an oversupply of ships amidst a global economic slowdown.

Beijing's Win-Win Strategy: When China Wins Twice

The resolution of the Valemax crisis through the sale of the ships to Chinese shipowners was described as a “win-win situation that plays to their respective advantages”, by Zhang Shouguo, executive vice president of the China Shipowners Association. However, a seasoned Brazilian ambassador with experience in commercial negotiations with China sees things differently. According to them, when the Chinese speak of “win-win” cooperation, they often ensure that they benefit doubly. Vale took into account China's political and economic sensitivities from the outset. Initially, Vale invited COSCO to participate in the Valemax project, but COSCO declined. The construction of the ships by Chinese shipyards, financed by Chinese banks, was a strategic move by the enterprise to please the Chinese. However, upon the vessels' completion, COSCO pressured the MoT to veto their docking. Both COSCO and the MoT cited safety concerns regarding the Valemax ships. In retaliation, Vale stopped using COSCO's vessels. Against this complicated backdrop, the Brazilian government came into play seeking to find a viable solution.

Ultimately, a compromise was found through the sale of the Valemax ships to COSCO and other Chinese carriers. In the case at hand, the Chinese indeed “win” multiples times: Chinese shipyards benefited from the construction orders, Chinese banks profited from financing, and the reduced transportation costs lowered the final price of Brazilian iron ore to Chinese steel companies. Despite these gains, it was only after the Valemax ships were sold to Chinese transporters that Vale was permitted to operate them in China.

⁵⁵² Durão, Vera Saavedra. 2011. “Vale reavalia estratégia de transporte.” *Valor Econômico*, November 25, 2011. <https://valor.globo.com/empresas/noticia/2011/11/25/vale-reavalia-estrategia-de-transporte.ghtml>.

A Brazilian trade authority directly involved in the negotiations reflected on this episode, noting that it offered significant insights into the relationship with China⁵⁵³. They stress that Vale had commissioned the construction of the Valemax ships from Chinese shipyards, financed by Chinese banks, to serve the Chinese market. When the ships were ready, Vale anticipated logistical advantages, only to be met with access restrictions at Chinese ports. The reasons for these restrictions – whether safety, environmental, or otherwise – remained unclear, prompting high-level diplomatic efforts. The prevailing sentiment was that the Chinese perceived Vale as solely benefiting from its investment, without reciprocal advantages for China. According to them, as negotiations progressed, it became evident that sharing the benefits with Chinese entities was crucial. Vale eventually sold the ships to COSCO and other Chinese carriers. This arrangement allowed Vale to lease the ships back, thus resolving the impasse. The lesson learned was clear: once the economic benefits were shared with Chinese companies, the operational issues seemed to disappear. The so-called environmental and safety concerns were mitigated through a commercial arrangement that provided mutual gains.

Anchored Ambitions: Vale's Lessons in China's Waters

The Valemax case study exemplifies the complex interdependence characterizing Brazil-China trade relations, revealing how economic ambition is intricately woven with strategic considerations and domestic regulatory mechanisms. Vale's original strategy with the Valemax vessels aimed to stabilize freight rates and secure a logistical advantage in supplying iron ore to China by circumventing the volatility associated with chartered transport. However, this strategy faced significant resistance from Chinese stakeholders, illuminating the layered dynamics that emerge when foreign economic initiatives intersect with national economic policy. China's decision to restrict Valemax vessels from docking at its ports, justified by official statements citing safety and technical concerns, reflects a deliberate approach to safeguard its domestic maritime sector. By imposing these regulatory constraints, China effectively

⁵⁵³ Interview with economic authority no. 3. Brasilia. April 2024.

protected its state-owned shipping industry, primarily represented by COSCO, as well as the broader interests of its shipowners. The Chinese Ministry of Transport's Circular 13 banning the docking of mega-vessels, including the Valemax ships, signaled a broader economic strategy that preserved domestic stakeholders' competitiveness against international pressures by maintaining control over national infrastructure.

Vale's response, which involved diplomatic negotiations and operational restructuring, underscores the challenges that foreign enterprises encounter when operating within China's regulated market environment. Initially, Vale had intended to align its investment with Chinese interests by commissioning the Valemax fleet from Chinese shipyards and securing financing from Chinese banks. Nevertheless, these economic overtures proved insufficient to overcome the regulatory barriers instituted by Chinese authorities, revealing the complex nature of the Chinese political economy, where strategic, regulatory, and domestic industry considerations converge to shape market access. The eventual compromise, involving the transfer of ownership of several Valemax vessels to Chinese state-owned shipping companies such as COSCO and CMES, proved essential for Vale to continue its operations within the Chinese market. This solution enabled Vale to indirectly utilize its own vessels to transport iron ore to China, while reinforcing Chinese control over the logistical chain of this significant commodity. By entering into sale-and-leaseback agreements with Chinese carriers, Vale reestablished access and engaged in a commercial arrangement that redistributed operational benefits across both Brazilian and Chinese entities. Consequently, the resolution of the Valemax issue exemplifies the importance of recognizing and adjusting to China's approach to foreign economic activities, where concessions are often structured to align with Chinese economic interests.

The role of Brazilian diplomacy in facilitating this compromise illustrates the essential function of high-level state engagement in addressing the regulatory and logistical challenges associated with the Chinese market. Diplomatic interventions, such as those undertaken by Itamaraty and MDIC, were instrumental in securing meetings with Chinese officials and establishing a

bilateral working group to address the Valemax issue. This collaboration underscores the necessity for foreign enterprises operating in China to engage with both commercial and governmental channels, particularly in instances where regulatory barriers impact operational continuity. The coordinated efforts by Brazilian and Chinese officials to create avenues for dialogue and negotiation highlight the central role of state-to-state interaction in advancing complex bilateral trade issues.

The lessons drawn from the Valemax case highlight the broader implications for Brazil-China economic relations, particularly in sectors where Brazilian exports play a substantial role in supporting China's industrial base. In operating within China's regulatory environment, Brazilian companies must not only accommodate the technical and logistical requirements imposed by Chinese authorities but also anticipate the strategic dimensions that may influence policy decisions. This episode underscores the significance of adopting a flexible, adaptable approach to international trade relations, as Brazil seeks to maintain its competitive edge in China's critical import markets. By aligning its business strategies with China's regulatory expectations and strategic priorities, Brazil can better position itself to leverage its economic strengths while abiding by the institutional frameworks that govern China's complex market landscape.

The Valemax case study illustrates that Brazil's economic engagement with China demands an understanding of China's complex approach to foreign investments and market access, where regulatory, political, and strategic factors intersect. By adjusting to these conditions and engaging through diplomatic and commercial channels, Brazil can work to secure its interests while fostering a stable trade relationship with China, based on economic pragmatism and diplomatic considerations.

3.5. Conclusions

In concluding this analysis of Sino-Brazilian economic relations, the four thematic areas covered in this chapter – trade and investment policy, financial collaboration, agricultural diplomacy, and mining and logistics – illustrate the opportunities and constraints Brazil faces in its evolving economic partnership with China. Each subchapter showed how Brazil utilized its resource-rich economy to fulfill China's demands, but this dynamic also fostered structural dependencies and posed distinct diplomatic challenges.

The subchapter 3.1, "At the Apex: Trade and Investment Policy", provided an in-depth analysis of Brazil-China trade relations, focusing on their rapid growth and the structural impacts on Brazil's economy. Brazil's trade with China surpassed that with traditional partners such as the US and EU, highlighting China's role as Brazil's leading trade partner since 2009. This trade relationship, built largely on Brazil's exports of primary commodities like soy, iron ore, and oil, and China's export of industrialized items, underscored an economic interdependence that has contributed to Brazil's stability in foreign currency reserves while revealing vulnerabilities. The trade flows between the two countries were influenced by global geopolitical shifts, such as the US-China trade war, which redirected Chinese demand toward Brazilian products, and the Russia-Ukraine conflict, which opened new markets for Brazilian corn. As a result, Brazil accumulated substantial foreign reserves, which reduced its external vulnerability, giving the country a buffer against international economic shocks. Yet, this reliance on commodity exports raised concerns about deindustrialization and "Dutch disease," wherein Brazil's manufacturing competitiveness declined, particularly due to an appreciated currency and persistent trade imbalances.

The subchapter also examined Brazil's cautious approach to China's BRI, emphasizing the bureaucratic and strategic considerations behind this decision. Although Brazil benefited from Chinese investments in areas like energy, infrastructure, and agriculture, the influx of Chinese capital highlighted risks, particularly through socio-environmental concerns and an increasing reliance on Chinese state-owned enterprises. These challenges were

compounded by the limited success of Brazil's export-promotion agency, Apex-Brazil, which focuses heavily on agribusiness while struggling to diversify Brazilian exports in China. Apex-Brazil's narrow sectoral focus, coupled with frequent leadership changes, constrained its ability to establish a broad and coordinated export strategy that would reach high-value sectors within China's consumer market. The subchapter discussed how Brazil's hesitation to formally join the BRI reflected an effort to maintain economic autonomy, balancing economic pragmatism with a broader geopolitical strategy aimed at diversified partnerships. This internal debate underscored Brazil's complex engagement with China: while Chinese trade and investments have been crucial to Brazil's economic growth, they also posed strategic dilemmas for long-term development, given the risks of dependency on a few high-demand commodities. As Brazil manages its evolving relationship with China, the potential alignment with China's BRI suggests a shift in strategy, prompting discussions about the impact on its position in a multipolar world.

In "Easier Signed Than Done: Financial Relations and the Brazil-China Fund," the analysis centered on the attempt to create a long-term, productive investment structure through the Brazil-China Cooperation Fund. Conceived as a US\$ 20 billion initiative to facilitate infrastructure development and industrial collaboration, the Fund faced numerous bureaucratic and political challenges. The subchapter highlighted the structural barriers that inhibited the implementation of large-scale bilateral financial initiatives, particularly those requiring sustained political and bureaucratic commitment across successive Brazilian administrations. The Brazil-China Fund's history underscores the complexities of establishing sustainable, large-scale economic partnerships amid changing domestic and international contexts. Despite high expectations and an initial framework for robust bilateral investment, the Fund's legacy reflects an interplay of political shifts, bureaucratic obstacles, and market-specific challenges. While the 2016 Framework was ambitious, its limitations – including complex governance requirements, fluctuating currency risks, and a mismatch with local financial conditions – impeded its practical

impact. The Bolsonaro administration's ideological realignment further compounded these issues, effectively stalling the Fund's progress.

The 2023 revival of the Fund under President Lula's administration, in collaboration with China's leadership, seeks to address these constraints through a refined focus on sustainable development and infrastructure priorities. With the reconfiguration to include development banks and streamlined governance, the new framework aspires to be more responsive and adaptable to market demands. This revised mechanism holds potential to fulfill domestic infrastructure needs in Brazil and to facilitate Brazil's broader objective of green reindustrialization, fostering productive investments that prioritize local economic development. For China, the Fund serves as a strategic conduit for advancing its industrial outreach in Latin America, particularly as it faces mounting trade restrictions from the US and Europe. By aligning with Brazil's industrial and environmental priorities, China can reinforce its economic presence in a region receptive to cooperative industrial ventures, thereby enhancing mutual benefits. The success of the restructured Fund will depend on its ability to balance bureaucratic transparency, operational flexibility, and the distinct economic goals of both nations. Ultimately, the renewed Brazil-China Cooperation Fund reflects a recalibrated partnership that aligns with contemporary priorities, offering a framework poised to translate investment commitments into actionable projects. By bridging financial, industrial, and environmental aspirations, the Fund stands as a test of both countries' dedication to fostering long-term, sustainable growth. As the initiative unfolds, its outcomes will shape the Brazil-China bilateral relationship and may provide a model for productive and sustainable international cooperation in the global South.

The third subchapter, "Roots of Power, Fields of Influence: Sino-Brazilian Agricultural Diplomacy," emphasized the centrality of agriculture in Brazil's economic ties with China. Brazil's agricultural exports to China, led by soybeans and meat products, formed the cornerstone of this relationship, with agriculture accounting for a significant share of Brazil's exports. The agricultural relationship between Brazil and China is marked by deep economic

interdependence, shaped by bureaucratic efforts and strategic diplomacy. As China remains Brazil's largest consumer of soy and meat products, Brazil's MAPA has taken a proactive stance in agricultural diplomacy, structuring engagements to operate within China's highly regulated market. The CNA, for its part, has also established a sustained presence in China, bolstering agricultural exports and illustrating the role of industry-driven diplomacy. However, political tensions, particularly during the Bolsonaro administration, challenged MAPA's diplomatic efforts, as anti-China rhetoric from high-level officials complicated relations. Despite these obstacles, MAPA's pragmatic focus allowed for trade continuity, positioning it as a key intermediary in maintaining stable ties with China.

The CNA's expanded role in China underscores the importance of sectoral interests in shaping Brazil-China relations. With offices in Beijing and Shanghai, the CNA facilitates market access for Brazilian agribusinesses, supporting their broader export goals while handling functions traditionally associated with state actors. Yet, the CNA's political alignment with President Bolsonaro sometimes clashed with its need to sustain favorable ties with China, reflecting the complexities of aligning sectoral and national interests. As demand for Brazilian agricultural products in China grows, Brazil's long-term ability to sustain this relationship will hinge on institutionalizing sectoral strategies within a cohesive foreign policy. This approach would help mitigate the effects of political changes on agricultural exports, reinforcing the foundations of a partnership essential to both countries' strategic interests.

However, the close agricultural interdependence also introduced challenges, as it tied Brazil's economic health to Chinese market conditions and policies. The transient nature of bureaucratic structures, such as the China Group within MAPA, further complicated agricultural diplomacy, as political shifts disrupted the continuity needed to sustain long-term initiatives. Despite these obstacles, Brazil's agricultural sector benefited substantially from access to the Chinese market, especially during global disruptions such as the US-China trade war and the Russia-Ukraine conflict, which diverted Chinese demand toward Brazilian products. Yet, the dependence on a limited range of export

products raises concerns about Brazil's economic resilience, as fluctuations in commodity prices or shifts in Chinese import policies could impact Brazil's agricultural sector disproportionately.

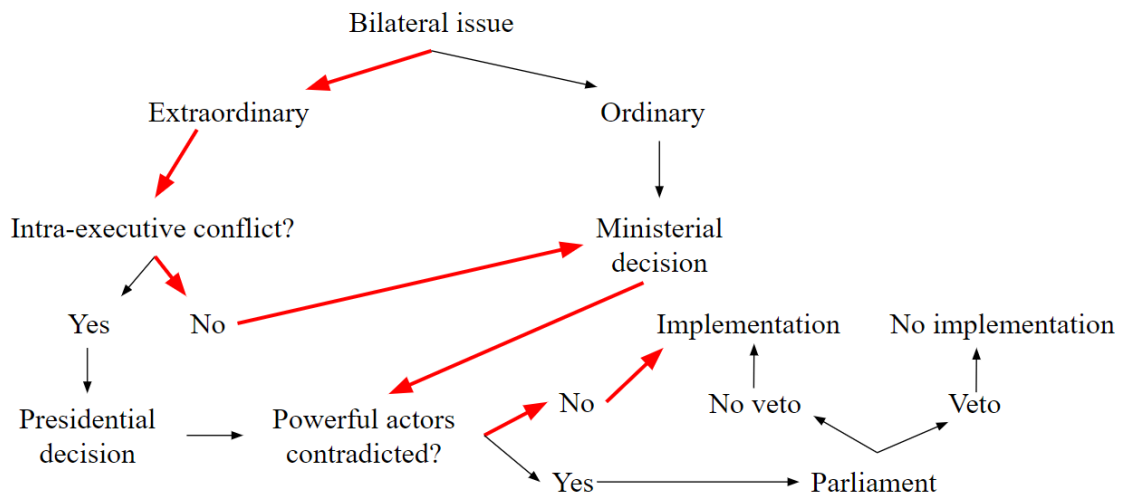
The final subchapter, "From Red Tape to Red Carpet: Valemax Vessels and Iron Trade," explored the intricate dynamics of Brazil's iron ore trade with China, specifically the controversy surrounding the Valemax vessels commissioned by Vale. Designed to transport large quantities of iron ore more efficiently, the Valemax ships were initially barred from Chinese ports due to concerns over trade competition and safety. This restriction not only impacted Vale's operations but also revealed the complexities of navigating regulatory barriers in China's highly controlled market. Brazil's negotiations to allow Valemax operations, which eventually led to a compromise involving Chinese shipping firms, highlighted the pragmatic adjustments Brazilian companies often make when conducting business with China. Although the final arrangement allowed Valemax vessels to operate under Chinese ownership, it underscored the strategic concessions Brazilian enterprises accept to access China's market. This case exemplified the broader challenges Brazilian firms face within China's regulatory landscape, where decisions are influenced by a complex mix of economic protectionism, local business interests, and diplomatic considerations.

Initially, Vale sought to avoid politicizing the Valemax issue and did not request the involvement of Brazil's Ministry of Foreign Affairs. However, governmental intervention soon became crucial, as it elevated the matter to a high political priority, enabling engagement at the top levels of diplomacy. Despite this, the matter was ultimately resolved through a commercial agreement led by Vale. High-level government involvement proved essential for China, as significant progress was only made following visits by heads of government and ministers. The episode highlighted COSBAN's practical role through the establishment of a working group to address the issue. This situation diverged from the general tone of Brazil-China relations, which are more often characterized by cooperation rather than competition, primarily due

to the complementary nature of the two countries' economies, rather than solely a foundation of mutual goodwill.

The thematic sections and the case study have provided insight into the central question of this chapter: How do private actors influence Brazil's China policy? The investigation led to the conclusion that only large non-state actors can directly influence Brazil's China policy by exerting pressure on executive branch bureaucracies. Small and medium-sized enterprises' (SMEs) interests are only considered if their positions are supported by larger organizations, such as the National Confederations of Industry (CNI) or Agriculture (CNA). Large companies such as Vale and Embraer have direct channels of dialogue with the Brazilian government and can exert significant pressure on Brazilian bureaucracies due to their importance to the national trade balance and the Brazilian economy in general. In contrast, SMEs need to organize through cooperatives or associations to influence Brazil's China policy, otherwise they have their interests overlooked. For example, Apex-Brazil collaborates closely with cooperatives, while CNA and CNI have become important actors in Brazil's China policy. CNA focuses on offensive interests, such as opening new markets for Brazilian agricultural exports in China, as demonstrated by the recent case of corn. In contrast, CNI is more concerned with defensive interests, such as the protectionist lobbying efforts highlighted in the market economy case study in Chapter 2.

Figure 9 - Action channels of Brazil's decision-making process in the Valemax crisis



Source: elaborated by the author.

Figure 9 applies the Valemax case study to this work's central analytical model, as follows. The Valemax episode was an extraordinary crisis situation. There was no intra-executive conflict; Itamaraty, MDIC, and the Ministry of Mines and Energy defended the same position, which was the protection of Vale's commercial interests, Brazil's largest mining company. Consequently, policy formation occurred at the ministerial level without the need for arbitration by the President. When the issue was escalated to the level of government heads, President Dilma Rousseff merely defended the unified position of the Brazilian bureaucracies, forged at the ministerial level. Furthermore, there were no powerful actors with conflicting interests; on the contrary, Vale's interests were fully defended by the Brazilian government, so the issue was not brought before Parliament. Hence, the course of action taken by the executive branch was directly implemented. This case illustrates the significant influence large non-state actors can have on Brazil's foreign policy when their interests align with those of the government, and when bureaucratic unity is achieved at the ministerial level.

In conclusion, the Sino-Brazilian relationship is one of profound economic interdependence, driven by complementary needs but marked by structural and strategic asymmetries. While China provided a critical export

market for Brazil's commodities, this relationship reinforced Brazil's reliance on primary products, leaving its industrial sector vulnerable. The efforts by Apex-Brazil and MAPA to diversify Brazil's export base and adapt agricultural diplomacy to Chinese market conditions reflected attempts to address this dependence. However, bureaucratic instability and shifting political priorities often weakened Brazil's trade promotion strategies and prevented sustained economic diversification. Meanwhile, initiatives like the Brazil-China Cooperation Fund illustrated the potential – and limitations – of financial collaboration, as political and institutional hurdles continued to restrict the Fund's effectiveness as a development tool. For Brazil, achieving a balanced and sustainable partnership with China requires greater institutional continuity, enhanced coordination across government agencies, and a strategic shift towards high-value exports and industrial competitiveness. The Valemax case further underlined the need for flexibility and pragmatism when engaging with China, as Brazilian firms operate within complex regulatory landscapes that reflect China's prioritization of domestic economic interests. As Brazil seeks to solidify its position within the global economy, its relationship with China presents a valuable opportunity and also a challenge, demanding careful coordination of policies that can sustain growth while reducing structural dependencies.

4. Cooperation

This chapter will focus on the cooperation – understood in broad terms – between Brazil and China. However, unlike the strong political and economic dialogue explored in previous chapters, this chapter's sections will examine areas where cooperation has not been as fluid as one might expect given the overall depth of the Sino-Brazilian relationship. While there are well-established fields where the results of Brazil-China cooperation are clear – most notably in the space sector under the Brazil-China Earth Resources Satellite (CBERS) program – this chapter takes a different approach. I have chosen to explore less-studied, though no less significant, strategic areas of bilateral cooperation: the environment, defense, human rights, and high technology, namely 5G and vaccines. The fact that these areas are less studied likely stems from the reality that cooperation in these fields has not yet reached the same level of development as the political and economic aspects of the relationship. Indeed, as will be discussed in the following sections, there are still obstacles to cooperation in these areas, at times posed by Brazil and at other times by China. Why is cooperation in strategic sectors so difficult, in contrast to the strong political-economic dialogue? This is the central question that will guide my analysis in this chapter.

While I have previously argued that the Sino-Brazilian strategic partnership is broad, spanning various areas of public policy, some strategic bureaucracies become conspicuous by their absence in the relationship. That is precisely the case of the Ministries of the Environment, the Ministries of Defense, and the Ministries of Human Rights. These bureaucracies are at the heart of modern policy-making, and frequently are part of bilateral dialogues with foreign countries, especially when a strategic partnership is considered. Yet, the Brazil-China bilateral dialogue is weak in these areas, in contrast with the strong sectoral dialogue in other fields. All the more striking is the fact that in these three sectors, there was a nascent dialogue at the beginning of the 2000s, which has weakened since. Moreover, these sectors are present in Brazil's strategic dialogues with developed nations, such as the US, France,

and the UK, as well as with developing countries, such as other BRICS partners (i.e., Russia, India, and South Africa).

The final section of the chapter will present a case study on cooperation in high-tech sectors, focusing specifically on 5G and vaccines. As this case study will demonstrate, the negotiations over 5G – and similarly, vaccines – were prolonged, highly politicized, and unfolded in a hostile environment marked by a Brazilian administration with an openly Sinophobic foreign policy. Despite these challenges, cooperation ultimately prevailed, and China emerged as a crucial partner for Brazil not only in economic terms but also in strategic, sensitive, and high-tech sectors.

4.1. Fair-Weather Friends: Climate Change and the Environment⁵⁵⁴

The Brazil-China Strategic Plan (2022-2031) acknowledges the importance of sustainability as a guiding principle that should be pursued across different areas (§3). It emphasizes the promotion of agricultural and animal exports that are produced sustainably and adhere to high standards of health and safety (§18). The Executive Plan (2022-2026) highlights the commitment of the parties to collaborate in advancing agricultural sustainability, under the coordination of the Ministries of Agriculture. These explicit references to sustainable agricultural trade represent a significant advancement compared to previous documents such as the TYP and JAP. These earlier documents primarily focused on facilitating agricultural market access, with occasional mentions of environmental considerations, particularly within the sustainable energy sector (Thives, Søndergaard, and Inoue 2022, p. 2140).

Despite some progress, Chinese and Brazilian environmental authorities continued to be excluded from the overall strategic partnership even after the approval of the aforementioned Plans and the overhaul of COSBAN's structure in 2022. During the 6th Plenary Session of the COSBAN in May 2022, the Brazilian delegation (see Annex III) comprised representatives from over 15 bureaucratic entities, including ministries and state agencies. However, notably absent were any delegates from the Ministry of the Environment or the environmental department of the Foreign Ministry. This absence has been consistent across all five previous COSBAN plenary sessions. This is noteworthy because the Environmental Ministers of Brazil and China convene multiple times a year at BASIC and BRICS environmental conferences (Thives, Søndergaard, and Inoue 2022a). Additionally, Brazil and China have established environmental dialogue mechanisms with other significant partners,

⁵⁵⁴ For a thorough analysis of Sino-Brazilian environmental cooperation see Thives, Søndergaard, and Inoue (2022); Søndergaard et al. (2024); Søndergaard, Thives, and Inoue (2023).

such as the European Union⁵⁵⁵ and the United States⁵⁵⁶. Brazilian ambassadors in Beijing have repeatedly highlighted this inconsistency and have advised Brasilia on numerous occasions to establish a regular bilateral mechanism for cooperative sustainable development within the COSBAN framework⁵⁵⁷. What adds to the peculiarity is that in the early 2000s, Brazil and China initiated bilateral cooperation in sustainability matters. Their environmental authorities signed two memoranda of understanding (MoU)⁵⁵⁸ and established a Common Agenda on Sustainable Development, which included a meeting held in Brasilia in August 2004.

In 2021, the Brazil-China Business Council (CEBC), which is the business branch of the strategic partnership, issued a report titled “Sustainability and Technology as Foundations for Brazil-China Cooperation”⁵⁵⁹. This report advocated for the creation of a “Ministerial Dialogue on Climate Change” and urged the adoption of a “Joint Declaration on Agriculture and Sustainability”. It emphasized the importance of acknowledging sustainable agriculture and livestock as integral components in combating climate change. Despite the 2022 update to the strategic partnership during the Bolsonaro administration, none of these recommendations were implemented. Within the

⁵⁵⁵ Itamaraty. 2020. “8o Diálogo Político de Alto Nível União Europeia-Brasil sobre a Dimensão Ambiental do Desenvolvimento Sustentável, em 16 de outubro de 2020 (reunião virtual) – Comunicado conjunto à imprensa.” Ministério das Relações Exteriores. October 16, 2020. [https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/2020/comunicado-conjunto-](https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/2020/comunicado-conjunto-a-imprensa-8-dialogo-politico-de-alto-nivel-uniao-europeia-brasil-sobre-a-dimensao-ambiental-d-o-desenvolvimento-sustentavel-em-16-de-outubro-de-2020-reuniao-virtual)

[a-imprensa-8-dialogo-politico-de-alto-nivel-uniao-europeia-brasil-sobre-a-dimensao-ambiental-d-o-desenvolvimento-sustentavel-em-16-de-outubro-de-2020-reuniao-virtual](https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/2020/comunicado-conjunto-a-imprensa-8-dialogo-politico-de-alto-nivel-uniao-europeia-brasil-sobre-a-dimensao-ambiental-d-o-desenvolvimento-sustentavel-em-16-de-outubro-de-2020-reuniao-virtual)

⁵⁵⁶ U. S. Mission Brazil. 2020. “Declaração Conjunta: Lançamento do Diálogo Quadro Brasil-EUA sobre Meio Ambiente.” Embaixada e Consulados dos EUA no Brasil. November 10, 2020.

<https://br.usembassy.gov/pt/declaracao-conjunta-lancamento-do-dialogo-quadro-brasil-eua-sobre-meio-ambiente/>

⁵⁵⁷ Cable 157 Brazilian Embassy, Beijing, 2013 §22; Cable 1257 Brazilian Embassy, Beijing, 2008, §§9–11.

⁵⁵⁸ MoU on Cooperation in Environmental Protection between the Ministry of the Environment of the Federative Republic of Brazil and the State Administration of Environmental Protection of the People’s Republic of China (August 17, 2005), and MoU between the Ministry of the Environment of the Federative Republic of Brazil and the Ministry of Water Resources of the People’s Republic of China on Technical and Scientific Cooperation in the Field of Water Resources (September 24, 2003).

⁵⁵⁹CEBC. 2021. “Sustainability and Technology as Foundations for Brazil-China Cooperation.”

Rio de Janeiro: Brazil-China Business Council.

<https://www.cebc.org.br/2021/10/14/lancamento-sustentabilidade-e-tecnologia-como-bases-para-a-cooperacao-brasil-china/>.

2022 COSBAN reform (see Annex IV), the Agricultural Subcommittee saw the addition of three new working groups (Crop Protection, Digital Agriculture, and Pesticides). However, none of these groups primarily focuses on sustainability. The sole mention of sustainability in the Agricultural Subcommittee's activity report presented before COSBAN's 6th Plenary Session was the "Brazil-China Dialogue on Sustainable Agriculture," conducted in both 2021 and 2022. The initiative was promoted by the CEBC, and although relevant, the dialogue remained unofficial and exploratory, lacking immediate consequences or enforceable decisions that could enhance the governance of sustainability in bilateral agricultural trade.

The management report from the Brazilian Embassy in Beijing covering the period from 2018 to 2022 highlighted an increase in the Chinese authorities' inquiries about food safety, prompting an expansion of the Embassy's focus on the agricultural sector. However, despite the increasing importance of agricultural trade, the environment was not prioritized in the bilateral relationship, resulting in no noticeable improvement in the oversight of sustainability within these exchanges. The report is organized into different thematic sections, including segments dedicated to agriculture and the environment. The agriculture section (§§ 27–35) exclusively discusses commercial and sanitary aspects of trade without addressing sustainability, while the environment section (§§ 56–57) covers general aspects of Chinese environmental policy but does not touch upon bilateral agricultural trade. Similarly, the Embassy's Strategic Planning (2021)⁵⁶⁰ does not propose any significant governance mechanism specifically targeting sustainability in trade. The sole mention of sustainability lies in the objective of arranging bilateral seminars encompassing various topics, including agricultural sustainability (p. 5). However, this objective lacks specificity and fails to yield immediate tangible impacts, especially considering Brazil's role as the primary supplier of agricultural products to China, and China being the main market for Brazilian agricultural exports. In the environmental section, the most promising goal

⁵⁶⁰ Embaixador Marcos Bezerra Abbott Galvão. 2021. "Planejamento Estratégico da Embaixada do Brasil em Pequim." <https://legis.senado.leg.br/sdleg-getter/documento?dm=9040005&ts=1655120855989&dispositivo=inline>.

involves negotiating a framework agreement for technical cooperation between Brazil and China (p. 21).

This lack of bilateral sustainability coordination has concrete repercussions. In 2020, China imported almost half of the soybeans harvested in areas deforested in Mata Atlântica (Brazil's Atlantic rainforest) during the previous five years⁵⁶¹. The data reveals that 46% of the soybeans produced in the 22.3 thousand hectares deforested were exported to China, Brazil's largest trading partner. Another 44% was destined for Brazil's domestic market, and around 3% for the European Union.

In 2023, President Lula took office for his third term (2023-2026) after a campaign strongly based on the protection of the environment. In April of the same year, the recently inaugurated president made a state visit to China, accompanied by seven Ministers⁵⁶², including his Minister of the Environment, Marina Silva. Marina Silva is one of Brazil's most respected environmentalists, with international recognition, having run for president three times (2010, 2014, 2018). She epitomizes the commitment of the Lula administration to the environmental agenda. From 2003 to 2008, Mrs. Silva had occupied this same position during Lula's first and in part second term in office and has been Brazil's only Minister of the Environment to have officially visited China (October 2005). As a consequence of Brazil's renewed environmental commitment under President Lula, which coincides with President Xi's climate agenda, both parties decided to establish a Subcommittee on the Environment and Climate Change within COSBAN and reinforced that they are "committed to continuing dialogue and coordinating positions on issues of climate and environmental change bilaterally in specific fora such as BASIC and BRICS"⁵⁶³. They also issued a

⁵⁶¹ *Folha de S.Paulo*. 2023. "China compra quase metade da soja colhida em áreas desmatadas na mata atlântica," April 16, 2023, sec. Ambiente. <https://www1.folha.uol.com.br/ambiente/2023/04/china-compra-quase-metade-da-soja-colhida-em-areas-desmatadas-na-mata-atlantica.shtml>.

⁵⁶² Fernando Haddad (Finance); Marina Silva (Environment); Carlos Fávaro (Agriculture); Luciana Santos (Science, Technology and Innovation); Mauro Vieira (Foreign Affairs); Paulo Teixeira (Agrarian Development); Margareth Menezes (Culture).

⁵⁶³ "Declaração Conjunta entre a República Federativa do Brasil e a República Popular da China sobre o Aprofundamento da Parceria Estratégica Global - Pequim, 14 de abril de 2023". Ministério das Relações Exteriores. Accessed December 8, 2023. https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/declaracao-conjunta-entre-a-republica-federativa-do-brasil-e-a-republica-popular-da-china-sobre-o-aprofundamento-da-parceria-estrategica-global-pequim-14-de-abril-de-2023.

“Joint Statement on Combating Climate Change”⁵⁶⁴, in which they stress their shared views on the topic, such as pressuring developed countries to fulfill their climate finance obligations of USD 100 billion per year destined for adaptation and mitigation in developing countries. Minister Marina Silva believes forest recovery is one of the most promising fields of this new sectoral dialogue, not least because China increased its forest coverage from 8% to 28% in four decades and is committed to restoring more than 70 million hectares, while Brazil has the target of restoring 12 million hectares⁵⁶⁵. In a speech at the Brazilian Embassy in Beijing⁵⁶⁶, she affirmed Brazil and China will have broad cooperation in energy transition, forest protection, and commodity traceability. The collaboration includes combating environmental crimes and preventing access to markets for products originating from environmental devastation, among other topics.

In September 2023, the Subcommittee on the Environment and Climate change held its first meeting in New York⁵⁶⁷. This meeting laid the foundation for future collaboration by establishing key operational modalities for the Subcommittee, including the adoption of its Terms of Reference and the specification of cooperation mechanisms. These mechanisms include the identification of focal points, the definition of the Subcommittee’s thematic focus areas, and the formation of working groups. This initial session aimed at setting the groundwork for structured and sustained interaction between the two parties. In April and June 2024, high-level bilateral meetings between ministerial officials from both countries took place⁵⁶⁸. These discussions focused on

⁵⁶⁴ Itamaraty. 2023. “Declaração Conjunta Brasil-China sobre o combate à mudança do clima.” Ministério das Relações Exteriores. April 2023. https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/declaracao-conjunta-brasil-china-sobre-o-combate-as-mudancas-climaticas.

⁵⁶⁵ Planalto Palace. 2023. “Governo brasileiro ressalta papel estratégico da relação com a China em reunião da COSBAN.” Planalto. August 2023. <https://www.gov.br/planalto/pt-br/vice-presidencia/central-de-conteudo/noticias/2023/governo-brasil-re ressalta-papel-estrategico-da-relacao-com-a-china-em-reuniao-da-cosban>.

⁵⁶⁶ “Brasil e China terão ampla cooperação em proteção de florestas, transição energética e rastreabilidade, diz Marina Silva.” 2023. Ministério do Meio Ambiente e Mudança do Clima. April 2023. <https://www.gov.br/mma/pt-br/assuntos/noticias/brasil-e-china-terao-ampla-cooperacao-em-prot ecao-de-florestas-transicao-energetica-e-rastreabilidade-diz-marina-silva>.

⁵⁶⁷ COSBAN. 2024. “Relatórios à VII Sessão Plenária Da COSBAN.” <https://aplicacao.itamaraty.gov.br/ApiConcordia/Documento/download/32525>.

⁵⁶⁸ Ibid.

various issues related to Brazil-China cooperation in environmental and climate governance, global environmental governance, and multilateral climate processes. Through these exchanges, both parties sought to deepen their understanding of each other's positions on critical issues, including biodiversity protection and climate change. The meetings also explored avenues for future collaboration, emphasizing the importance of mutual understanding in advancing joint environmental initiatives. Another significant change resulting from the establishment of the Subcommittee was that, for the first time, environmental authorities were present at a COSBAN meeting⁵⁶⁹.

In sum, while the establishment of COSBAN's Subcommittee on the Environment and Climate Change has not yet produced tangible results, it holds the potential to address a longstanding issue. For nearly two decades, environmental authorities from Brazil and China have been largely excluded from the strategic partnership (Table 2). This exclusion is particularly concerning given that both countries are members of the "Likeminded Megadiverse Countries"⁵⁷⁰ group and are among the world's largest greenhouse gas emitters. Their extensive South-South trade relations, particularly in soy, iron, oil, and beef production, have significant environmental repercussions, further underscoring the need for greater environmental cooperation within this strategic framework.

⁵⁶⁹ COSBAN. 2024. "Delegações à VII Sessão Plenária Da COSBAN." <https://aplicacao.itamaraty.gov.br/ApiConcordia/Documento/download/32524>.

⁵⁷⁰ Group of Likeminded and Megadiverse Countries. 2022. "Declaration by the Group of Likeminded Megadiverse Countries (LMMC) at the Fifteenth Meeting of the Conference of Parties of the Convention for Biological Diversity (CBD COP15)." https://www.cbd.int/doc/interventions/6390f53947bf6d0001ecc414/Final%20-%20%20LMMC%20Declaration%2007%20December%202022.pdf?utm_campaign=COP15+daily+briefing+-+9+D&utm_medium=email&utm_source=autopilot.

4.2. On the Defensive: Military Cooperation

Defense is another area in which Sino-Brazilian cooperation falls short of expectations, as shown in Table 2. There is only a brief mention of it in the Strategic Plan (2022-2031)⁵⁷¹ and no mention whatsoever in the Executive Plan (2022-2026). Defense authorities are not involved in COSBAN: they do not send delegates to the Plenary Sessions nor participate in any of the subcommittees. Only two bilateral acts concerning defense have been signed: the Framework Agreement on Defense Cooperation (2011) and its Additional Protocol on Remote Sensing, Telecommunications, and Information Technology (2014), none of which have been ratified. There have been just three official visits of Brazilian ministers of Defense to China in the last two decades (2003, 2009, and 2015).

Ambassador Clodoaldo Hugueneu Filho, who commanded the Brazilian Embassy in Beijing from 2008 to 2013, pointed out that the Sino-Brazilian defense relationship has been cordial, but “a more profound dialogue” has not taken place⁵⁷². While, as it will be later discussed, there is a defense cooperation mechanism in place, collaboration in this field is still limited, focusing chiefly on military officer training. As a consequence, the relationship’s level of maturity in this sector is lower than in other areas (Barbosa 2019, p. 31). The visit of Nelson Jobim, Brazil’s Minister of Defense, to China in October 2009 indicated the will to strengthen military cooperation⁵⁷³. After the visit, a moment of deepening military cooperation followed, involving initiatives such as the negotiation for technical training of Chinese aircraft carrier personnel by Brazilian officers, the dispatching of Brazil’s training ship to China twice, the participation of a Brazilian military vessel in the 60th anniversary of the Chinese

⁵⁷¹ “13. The Parties will continue to support dialogue and cooperation between their legislative bodies and political parties, as well as in the areas of defense and justice”.

⁵⁷² Interview with Clodoaldo Hugueneu Filho, Brazilian Ambassador to China (2008-2013). 2014, p. 33. Clodoaldo Hugueneu Filho (depoimento, 2014). CPDOC. Kelly de Souza Ferreira; Oliver Stuenkel.

<https://www18.fgv.br/cpdoc/acervo/historia-oral/entrevista-tematica/clodoaldo-hugueneu-filho>.

⁵⁷³ Interview with Clodoaldo Hugueneu Filho, Brazilian Ambassador to China (2008-2013). 2014, p. 32. Clodoaldo Hugueneu Filho (depoimento, 2014). CPDOC. Kelly de Souza Ferreira; Oliver Stuenkel.

<https://www18.fgv.br/cpdoc/acervo/historia-oral/entrevista-tematica/clodoaldo-hugueneu-filho>.

Navy, and the offering of flight safety courses to Chinese officials by Brazil's Air Force⁵⁷⁴. However, the impulse was short-lived.

Official documents regarding Sino-Brazilian relations presented before the Committee on Foreign Relations and Defense of Brazil's Senate, such as the Embassy's Management Reports and China's "Basic Pack" ("maço básico", the official summary of bilateral relations), do not touch upon defense cooperation whatsoever. This contrasts with official documents concerning Brazil's relations with developed countries, such as the US⁵⁷⁵, the UK⁵⁷⁶, and France⁵⁷⁷, as well as with other BRICS partners, such as Russia⁵⁷⁸ and South Africa⁵⁷⁹, all of which have full sections dedicated to the subject. Moreover, the bilateral mechanisms (equivalent to COSBAN) Brazil has with the US⁵⁸⁰ and Russia⁵⁸¹ have defense subcommittees. Brazil does have a defense dialogue

⁵⁷⁴ Ibid.

⁵⁷⁵ Presidente da República. 2023. "Mensagem Senado Federal. Indicação de Chefe de Missão Diplomática em Washington."

https://legis.senado.leg.br/sdleg-getter/documento?dm=9298153&ts=1686861781400&dispositon=inline&_gl=1*1pfn3ik*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMjMxNzY5Mi4zLjEuMTcwMjMyMDQ3My4wLjAuMA..

⁵⁷⁶ Presidente da República. 2023. "Mensagem Senado Federal. Indicação de Chefe de Missão Diplomática em Londres."

https://legis.senado.leg.br/sdleg-getter/documento?dm=9298159&ts=1687556185495&dispositon=inline&_gl=1*lwczzi*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMjMxNzY5Mi4zLjEuMTcwMjMyMTI0MS4wLjAuMA..

⁵⁷⁷ Presidente da República. 2023. "Mensagem Senado Federal. Indicação de Chefe de Missão Diplomática em Paris."

https://legis.senado.leg.br/sdleg-getter/documento?dm=9298141&ts=1686861777829&dispositon=inline&_gl=1*16otywz*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMjMxNzY5Mi4zLjEuMTcwMjMyMTA3My4wLjAuMA..

⁵⁷⁸ Presidente da República. 2021. "Mensagem Senado Federal. Indicação de Chefe de Missão Diplomática em Moscou."

https://legis.senado.leg.br/sdleg-getter/documento?dm=8971853&ts=1627305007466&dispositon=inline&_gl=1*2dl2rc*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMjMxNzY5Mi4zLjEuMTcwMjMxOTAyOC4wLjAuMA..

⁵⁷⁹ Presidente da República. 2022. "Mensagem Senado Federal. Indicação de Chefe de Missão Diplomática em Pretrória."

https://legis.senado.leg.br/sdleg-getter/documento?dm=9194894&ts=1675255335236&dispositon=inline&_gl=1*14kkw81*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMjMxNzY5Mi4zLjEuMTcwMjMyMDcxMC4wLjAuMA..

⁵⁸⁰ The 10 sectoral dialogues are: Global Partnership Dialogue; Economic and Financial Dialogue; Strategic Dialogue on Energy; Cooperation in Biofuels; **Defense Cooperation Dialogue**; Joint Commission on Cooperation in Science and Technology; Dialogue on Economic Partnership; Commercial Dialogue; Dialogue on Bilateral Investment; Homeland Security Dialogue.

Embaixada dos EUA em Brasilia. 2023. "Mecanismos bilaterais." Embaixada e Consulados dos EUA no Brasil. 2023.

<https://br.usembassy.gov/pt/our-relationship-pt/politicas-e-historia/bilateral-mechanisms-pr/>.

⁵⁸¹ The Brazil-Russia Intergovernmental Commission on Economic, Commercial, Scientific and Technological Cooperation (CIC) is subdivided into ten subcommittees: a) Economic,

with China, the Joint Commission for Exchange and Cooperation (JCEC), but it is outside the institutional framework of COSBAN. The JCEC was conceived in 2004, as part of China's Defense Minister Cao Gangchuan's visit to Brazil, but was only officially installed in 2009, as a result of Brazil's Defense Minister Nelson Jobim's visit to China. Nevertheless, most of JCEC's initiatives primarily focus on education and training for personnel, exchange of doctrines, and knowledge sharing (Marcondes and Barbosa 2018, p. 148). More concrete results failed to materialize. COSBAN is co-chaired over by the parties' Vice-Presidents and has Brazil's Foreign Affairs General-Secretary and China's Vice-Minister of Trade as Executive Secretaries, ensuring all subcommittees strictly follow the guidelines directed by the Presidents of Brazil and China. Therefore, the fact that the JCEC is not within the COSBAN framework can hinder bilateral defense cooperation, since the dialogue occurs beyond the direct political influence of Planalto and Itamaraty, and results do not have to be presented before COSBAN's Plenary Sessions, which are held periodically.

Yet another evidence of the weak defense dialogue is that the only two bilateral defense treaties signed by Brazil and China – including the Framework Agreement on Defense Cooperation of 2011 – have never been ratified. Brazil has framework agreements on defense cooperation in force with most of its strategic partners, including all BRICS nations (Russia⁵⁸², India⁵⁸³, and South

Commercial and Industrial Cooperation; b) Science and Technology; c) Space Cooperation; d) **Technical-Military Cooperation**; e) Customs Cooperation; f) Interbank and Financial Cooperation; g) Energy and Peaceful Uses of Nuclear Energy; h) Sports and Tourism; i) Education and Culture and j) Agrarian Committee.

Presidente de República. 2021, p. 7. "Mensagem Senado Federal. Indicação de Chefe de Missão Diplomática em Moscou."

https://legis.senado.leg.br/sdleg-getter/documento?dm=8971853&ts=1627305007466&dispositivo=inline&_gl=1*2dl2rc*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMK*MTcwMjMxNzY5Mi4zLjEuMTcwMjMxOTAyOC4wLjAuMA..

⁵⁸² *Acordo Entre o Governo Da República Federativa Do Brasil e o Governo Da Federação Da Rússia Sobre Cooperação Técnico-Militar*. 2015.

https://www.planalto.gov.br/ccivil_03/_ato2015-2018/2015/decreto/D8482.htm.

⁵⁸³ *Acordo Entre O Governo Da República Federativa Do Brasil E O Governo Da República Da Índia Sobre Cooperação Em Assuntos Relativos À Defesa*. 2007.

https://www.planalto.gov.br/ccivil_03/_ato2007-2010/2007/decreto/d6111.htm.

Africa⁵⁸⁴), as well as with other strategic partners, such as the US⁵⁸⁵, the UK⁵⁸⁶, and France⁵⁸⁷. The Framework Agreement, signed in April 2011, was never ratified arguably because its Article 6 (Protection of Classified Information) was not compatible with Brazil's Information Access Act, which was enacted a few months later, in November of the same year (Marcondes and Barbosa 2018, p. 157). To comply with Brazil's Information Access Law, the Brazilian government proposed modifications to the agreement's text, which China seemingly did not accept. The fact that Brazil and China do not have a framework agreement on defense cooperation in effect hinders all further defense cooperation, limiting how much the two countries can collaborate on this topic. However, the absence of a formal defense framework agreement is not the primary cause of weak cooperation in the defense sector. The main factor behind the limited bilateral cooperation is a lack of trust, especially from the Brazilian armed forces toward their Chinese counterparts.

Recent episodes illustrate the mistrust of Brazil's high-rank military officers towards China. The involvement of Brazil's Armed Forces in the country's foreign policy, specifically in organizing events and conducting military training, has sparked controversy among Itamaraty officials and President Lula's advisors from the Workers' Party. The primary concern revolves around the detachment of military diplomacy from the foreign policy guidelines outlined by the Lula administration. For some of President Lula's advisors, the Armed Forces seek to align Brazil with NATO, in opposition to the president's stance⁵⁸⁸.

⁵⁸⁴ *Acordo Entre o Governo Da República Federativa Do Brasil e o Governo Da República Da África Do Sul Sobre Cooperação Em Assuntos Relativos a Defesa*. 2005. <https://www2.camara.leg.br/legin/fed/decleg/2005/decretolegislativo-784-8-julho-2005-537755-acordo-30565-pl.html>.

⁵⁸⁵ *Acordo Entre o Governo Da República Federativa Do Brasil e o Governo Dos Estados Unidos Da América Sobre Cooperação Em Matéria de Defesa*,. 2015. https://www.planalto.gov.br/ccivil_03/_ato2015-2018/2015/decreto/D8609.htm.

⁵⁸⁶ *Acordo Entre o Governo Da República Federativa Do Brasil e o Governo Do Reino Unido Da Grã-Bretanha e Irlanda Do Norte Sobre Cooperação Em Matéria de Defesa*. 2019. https://www.planalto.gov.br/ccivil_03/_ato2019-2022/2019/decreto/d10089.htm.

⁵⁸⁷ *Acordo Entre o Governo Da República Federativa Do Brasil e o Governo Da República Francesa Relativo à Cooperação No Domínio Da Defesa e Ao Estatuto de Suas Forças*. 2016. https://www.planalto.gov.br/ccivil_03/_ato2015-2018/2016/decreto/d8838.htm.

⁵⁸⁸ Feitoza, César. 2023. "Atuação de militares na diplomacia causa mal-estar, e Planalto busca freio de arrumação." *Folha de S. Paulo*, May 31, 2023, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2023/05/atuacao-de-militares-na-diplomacia-causa-mal-estar-e-planalto-busca-freio-de-arrumacao.shtml>.

One notable incident was sparked by the invitation by General Estevam Theophilo, head of the Army's Land Operations Command, to 34 countries to participate in the 1st International Seminar on Land Military Doctrine in May 2023, notably excluding China, despite President Lula's visit to Beijing in the previous month. General Teophilo, former member of the Army High Command, was seen as closely aligned with former President Bolsonaro, a vocal critic of China. The general is under investigation for allegedly being one of the orchestrators of an attempted coup against President Lula, which ultimately led to the anti-democratic attacks on January 8, 2021⁵⁸⁹. In the face of China's exclusion, Lula's Minister of Defense José Múcio Monteiro was then tasked by the president to pressure the Army to extend an invitation to the Chinese for the seminar. Minister Mucio relayed the directive to Army Commander General Tomás Paiva, who then instructed Theophilo to send the invitation to China's military attaché in Brazil⁵⁹⁰. Against this backdrop, the US government sent a military mission to Brazil headed by General Laura Richardson in May 2023 to counter the "China threat". On the occasion, the American and Brazilian armies concluded various agreements on personnel exchanges, joint exercises, and other military engagements⁵⁹¹.

As a consequence, a bureaucratic conflict arose: on one side, Itamaraty, the Special Advisor to the Presidency Celso Amorim, and the Workers' Party; on the other, the Ministry of Defense and military leaders. The friction followed the suspicions against Brazil's Armed Forces raised by the January 8th coup attempt against the newly inaugurated Lula administration. Critics believed that the Ministry of Defense was pursuing its own foreign policy, seeking to align Brazil with the US and NATO. This inter-bureaucratic battle was echoed in Parliament in the 17th meeting of the House of Representatives' Committee on Foreign Relations and National Defense. After the non-invitation of Chinese

⁵⁸⁹ O Globo. 2024. "Quem é Estevam Theophilo, o general que foi do Alto Comando do Exército e estava preparado para o golpe." *O Globo*, February 9, 2024, sec. Política.

<https://oglobo.globo.com/politica/noticia/2024/02/09/quem-e-estevam-theophilo-o-coronel-que-foi-do-alto-comando-do-exercito-e-estava-preparado-para-o-golpe.ghtml>.

⁵⁹⁰ Ibid.

⁵⁹¹ Marcelo Godoy. 2023. "EUA Mandam Generais Ao Brasil Conversar Com Governo Lula Para Deter a 'Ameaça Chinesa.'" *Estado de São Paulo*, May 29, 2023.

<https://www.estadao.com.br/politica/marcelo-godoy/eua-mandam-generais-ao-brasil-conversar-com-governo-lula-para-deter-a-ameaca-chinesa/>.

officials to the Seminar, Deputy Carlos Zarattini, vice leader of the Lula government in the National Congress, stated that Brazil's national defense strategy should be closely aligned with the country's diplomatic efforts⁵⁹². His colleague, Deputy Arlindo Chinaglia also from the Workers' Party condemned the defense cooperation with the US, criticizing "Brazil's involvement in the Southern Command, effectively under the United States' leadership"⁵⁹³. The critiques were made in the presence of the Minister of Defense and the commanders of the Armed Forces.

Santoro (2022, pp. 139-140) sheds light on some reasons why defense cooperation with China has been faltering. Brazilian military officers typically hold a more conservative foreign policy perspective compared to the diplomatic consensus of recent decades in Brazil. While they generally support the strategic partnership with China, recognizing its significance for Brazilian agribusiness, oil, and mining sectors, they also harbor concerns about the Communist Party's influence and potential ideological propagation by Beijing. The military is perturbed by the fact that China's People's Liberation Army (PLA) answers to the Communist Party rather than the State, diverging from the Western tradition of unified command. Moreover, Brazilian military leaders are wary of Chinese investments in critical infrastructure, fearing potential Chinese control over strategic resources, energy and telecommunication infrastructure. They admire China's economic accomplishments but oppose Chinese control over key Brazilian sectors. This sentiment aligns with President Bolsonaro's assertion that "China is not buying from Brazil. China is buying Brazil", an opinion echoed by officers in the Armed Forces. This view stems in part from the Military Regime's nationalist economic policies from 1964 to 1985, aimed at promoting Brazilian industrialization through state intervention and the protection of the domestic market, contrasting with the liberal reforms of the 1990s that opened the country to foreign direct investment. Military leaders believe there is a legislative gap in Brazil that became problematic when China

⁵⁹² Marcelo Godoy. 2023. "Petistas e Itamaraty pressionam Lula para enquadrar os militares na política externa." *Estadão*, May 22, 2023. <https://www.estadao.com.br/politica/marcelo-godoy/petistas-e-itamaraty-pressionam-lula-para-enquadrar-os-militares-na-politica-externa/>.

⁵⁹³ Ibid.

heavily invested in the country in the 2010s, since Brazilian law lacks investment screening mechanisms to limit foreign firms' presence based on their governments' ideologies.

This is to say that Brazilian military officers do not always rigorously follow the foreign policy guidelines put forth by the President. Although it may seem counterintuitive, this is exactly what FPA theory posits. While government organizations are intended as instruments of a higher-level elected executive, they often wield far more influence than the executive itself in numerous aspects. Consequently, it is common for many governmental agencies to assume an autonomous role, almost resembling self-sustaining entities or empires⁵⁹⁴. They tend to prioritize negotiating directives that serve the interests of their organization rather than simply obeying orders (Hudson and Day 2019, p. 85).

According to one of President Lula's advisors, the Military Seminar incident represents a singular episode attributed largely to the inertia of the Bolsonaro administration, marked by fears of internal backlash⁵⁹⁵. They posit that the oversight was promptly corrected following directives from the Presidency. The Brazilian Armed Forces have historically maintained strong institutional ties and a worldview heavily influenced by the United States and Europe, shaped by training and educational experiences in these regions. This established perspective contributes to the complexities of deepening military cooperation with China, exacerbated by practical challenges such as language barriers and geographical distance. The perception of China as a regional threat in Latin America is largely construed⁵⁹⁶. Brazil's historical defense engagements prominently feature traditional Western partners such as France (submarines), Sweden (Gripen aircraft), and Germany (armored vehicles). Relationships with

⁵⁹⁴ The following account from President Franklin D. Roosevelt illustrates this: "The Treasury is so large and far-flung and ingrained in its practices that I find it is almost impossible to get the action and results I want. . . . But the Treasury is not to be compared with the State Department. You should go through the experience of trying to get any changes in the thinking, policy, and action of the career diplomats and then you'd know what a real problem was. But the Treasury and the State Department put together are nothing as compared with the Na-a-vy. . . . To change anything in the Na-a-vy is like punching a feather bed. You punch it with your right and you punch it with your left until you are finally exhausted, and then you find the damn bed just as it was before you started punching" (Eccles and Hyman 1951, p. 336).

⁵⁹⁵ interview with Ambassador no. 3. Brasilia, April 2024.

⁵⁹⁶ Ibid.

these long-standing allies are entrenched, making shifts in military cooperation patterns challenging.

In sharp contrast to initiatives taken during the Bolsonaro administration, General Tomás Ribeiro Paiva, Commander of the Brazilian Army in the President Lula's third term, called for strengthening Brazil's strategic partnerships with China and other BRICS nations, emphasizing the importance of military and technological cooperation⁵⁹⁷. Paiva highlighted the significance of his official visit to China in July 2024, which focused on science, technology, and defense capabilities. He underscored the need for pragmatic diplomacy, pointing out that Brazil's strong commercial and diplomatic ties with China would not harm its relationships with other allies, such as the United States, despite ongoing tensions between the two global powers. Paiva noted that China's advancements in defense technology, particularly in areas like missile systems, cybersecurity, and sustainable military equipment, are of particular interest to Brazil. Collaboration in these areas could help Brazil enhance its military capabilities and protect its sovereignty with more advanced technology. China's expertise in renewable energy and anti-access/area-denial systems offers potential for military applications that align with Brazil's strategic goals. The general's stance reflects Brazil's universalist and non-aligned foreign policy approach under President Lula, which seeks to balance relationships with multiple global powers, including China and the US. Paiva also highlighted the existing military exchanges between Brazil and China, including training programs and academic cooperation. While avoiding Russia due to the conflict with Ukraine, Paiva reaffirmed the importance of maintaining strong ties with BRICS countries. His statements may signal a growing alignment between Brazil and China in defense and technology sectors in the future, amid a shifting global geopolitical landscape.

⁵⁹⁷ Gugliano, Monica. 2024. "Comandante do Exército defende parceria com a China: 'Um país que está no foco de nossos interesses.'" *Estadão*, July 6, 2024. <https://www.estadao.com.br/politica/comandante-do-exercito-defende-parceria-com-a-china-um-pais-que-esta-no-foco-de-nossos-interesses/>.

4.3. Don't Ask, Don't Tell: The Human Rights Taboo

Of all sectoral dialogues, the one on human rights is one of the weakest, according to Table 2. Human Rights authorities are not mentioned in the Strategic Plan (2022-2031), whereas the Executive Plan (2022-2026) does provide that the Parties' Foreign Ministers will discuss human rights – among ten other topics – as part of their Global Strategic Dialogue (GED) annually. However, as the Plan itself acknowledges, GED is a broad political dialogue, not a specific technical one, thus limiting possibilities for cooperation. In fact, there has been a setback at this point. Previous bilateral plans did touch upon specific Human Rights cooperation, as was the case of the JAP (2010-2014), which established that “both Ministries of Foreign Affairs will promote bilateral dialogue in the area of human rights to exchange experiences and best practices” (Article 4, iv). Human rights authorities are also excluded from the COSBAN framework and thus do not send any delegates to the Plenary Sessions nor to any technical Subcommittee or Working Group⁵⁹⁸. This contrasts with Brazil's strategic dialogues with other partners, such as the US⁵⁹⁹ and EU⁶⁰⁰, which have well-developed human rights sectoral dialogues. Brazil's strategic partnerships with other developing, non-western countries are also more advanced in this area. According to the Concordia Platform, in the last two decades Brazil has signed three bilateral acts under the tag “human rights” with India⁶⁰¹ and one

⁵⁹⁸ COSBAN. 2024. “Delegações à VII Sessão Plenária Da COSBAN.”

<https://aplicacao.itamaraty.gov.br/ApiConcordia/Documento/download/32524>.

⁵⁹⁹ The dialogue between the US-Brazil Global Human Rights Working Group addresses multilateral and bilateral concerns, maintaining continual communication on these issues. In May 2023, the Brazilian and United States governments convened the initial meeting to revive the US-Brazil Joint Action Plan to Eliminate Racial and Ethnic Discrimination and Promote Equality (JAPER).

Source: United States Government. 2023. “US Relations With Brazil.” United States Department of State. August 21, 2023. <https://www.state.gov/u-s-relations-with-brazil/>.

⁶⁰⁰ In their 2008 Joint Action Plan (JAP-I), Brazil and the European Union aimed to strengthen human rights implementation domestically and globally. Their commitments included regular consultations, fostering a civil society forum, identifying cooperation projects, safeguarding the integrity of the International Criminal Court's Rome Statute, and enhancing its credibility and effectiveness. Source: União Europeia. 2023. “Diálogos Setoriais. Direitos Humanos.” 2023. <https://eubrdialogues.com/dialogos-setoriais/direitos-humanos>.

⁶⁰¹ MoU between Brazil and India in the Area of Civil Defense and Humanitarian Assistance (04/16/2008, in force); MoU between Brazil and India for the Fight Against Hunger and Poverty (02/18/2008, in force); Declaration of Intent for the Promotion of Gender Equality and the Promotion of Women's and Children's Rights (03/30/2012, in force).

with South Africa⁶⁰², all of which are in force. With China, the only bilateral treaty signed in the last two decades under the “human rights” tag (Cooperation Agreement to Combat Transnational Organized Crime and Other Criminal Modalities, April 12, 2004,)⁶⁰³ has been ratified by Brazil, but not by China, and thus is not in force. Yet another evidence of the weak dialogue is the fact that human rights are not mentioned in China’s “Basic Pack”⁶⁰⁴ (“*maço básico*”) presented before the Committee on Foreign Relations and Defense of Brazil’s Senate. Finally, no Brazilian Human Rights Minister has ever visited China (see Annex I).

Human rights have indeed long been one of the “sorrows” of the strategic partnership (Biato Junior 2010, p. 22). After the end of Military Regime in Brazil (1964-1985), a period during which the country was distant from the Human Rights international agenda, Brazil’s civilian governments adhered to human rights conventions⁶⁰⁵. It did not take long until this new posture affected Brazil’s relations with China. Roughly at the same time, the Chinese government became acutely concerned with human rights, after the Tiananmen incident in 1989 in a context of intense international pressure. This led Beijing to believe suppressing domestic dissent was vital for the regime’s survival. China considered allegations of political human rights violations a serious menace and perceived external pressures, notably from the US, as politically driven (Ibid, p. 95). During a 1997 visit to Brazil, the Chinese Vice Minister of Justice, Mr. Zhang Xiufu, conveyed China’s stance on human rights: China recognizes universal and indivisible human rights principles but aligns universality with each country’s reality. It opposes imposing ideas and believes nations have

⁶⁰² MoU between Brazil and South Africa in the Field of Social Development (08/24/2010, in force).

⁶⁰³ See Annex II for details.

⁶⁰⁴ Itamaraty. 2021. “Maço Básico: China.”

https://legis.senado.leg.br/sdleg-getter/documento?dm=9034118&ts=1655120856254&dispositivo=inline&_gl=1*1ysv47z*_ga*Mjl3NTczNjMwLjE3MDE5OTgyMDA.*_ga_CW3ZH25XMk*MTcwMzAxNDMyNC41LjAuMTcwMzAxNDMyNC4wLjAuMA..

⁶⁰⁵ After the promulgation of Brazil’s democratic Constitution of 1988, the country adhered to: a) the Inter-American Convention to Prevent and Punish Torture, on July 20, 1989; b) the Convention on the Rights of the Child, on September 24, 1990; c) the International Covenant on Civil and Political Rights, on January 24, 1992; d) the International Covenant on Economic, Social and Cultural Rights, on January 24, 1992; e) the American Convention on Human Rights, on September 25, 1992; f) the Inter-American Convention to Prevent, Punish and Eradicate Violence against Women, on November 27, 1995.

distinct approaches to safeguarding human rights, influenced by their socio-economic evolution. China prioritizes subsistence and development rights, measured by advancements in poverty alleviation and enhanced living standards, which they feel are inadequately acknowledged by the international community⁶⁰⁶. The Chinese stance on human rights has not changed much since then.

Therefore, to understand today's Sino-Brazilian human rights relations it is worth recapitulating an incident that took place in the 1990s. The episode occurred within the scope of the now-defunct UN Human Rights Commission, but it clarifies some of the dynamics currently happening at the UN Human Rights Council (HRC), which has been the Commission's successor since 2006. As of 1990, the US annually presented a resolution condemning China's human rights violations at the Commission. China, for its part, firmly rejected the Western emphasis on civil and political rights, deeming it incompatible with its domestic governance. Seeking to maintain its global reputation, China rallied backing from developing nations to thwart the resolutions censuring its human rights record through "no-action motions". By advocating that social development contributes to human rights⁶⁰⁷, China amassed substantial support from developing countries, systematically countering US resolutions. Numerous democratized Latin American countries – including Brazil from 1990 to 1995 – opted to abstain from voting (Ibid, p. 96).

Changing its course of action, Brazil voted against China's "no-action motion" for the first time on April 23rd, 1996. China found Brazil's vote perplexing⁶⁰⁸ given their strategic partnership and shared visions on global power democratization. Chinese authorities were all the more surprised

⁶⁰⁶ Cable no. 754, from the State Secretariat (Brasilia) to the Brazilian Embassy in Beijing. September 11, 1997, §7.

⁶⁰⁷ Cable no. 73, from the Brazilian Embassy in Beijing to the State Secretariat in Brasilia, Jan 23, 1997, §5.

⁶⁰⁸ "[...] we were seriously disappointed. After all, we all knew that the purpose of that resolution was not to help improve human rights in China, but rather to isolate and publicly humiliate the Chinese government. But, returning to the Brazilian vote, we were indeed surprised. I even proposed at the Embassy that we carry out a new *démarche* with Itamaraty, right before the vote in Geneva, but our capital found this step unnecessary, as weeks before Chancellor Lampreia and President Fernando Henrique Cardoso himself had promised the Party's Secretary-General, Luo Gan, who was visiting Brazil at the time, to support the Chinese position." Interview with Ambassador Gao Kexiang, head of the political section of the Chinese Embassy in Brasilia (1996-2001) in Biato Junior (2010, p. 342).

because Brazilian officials had signaled they would abstain from voting⁶⁰⁹. This made the Chinese government believe Brazil had changed its position due to American pressure⁶¹⁰. A few months later, at a dinner in Brasilia on November 9th, 1996, China's Prime Minister Li Peng personally asked President Fernando Henrique Cardoso about the Brazilian position concerning human rights in China, implying that Brazil followed the US stance on the matter. President Cardoso assured him that Brazil's position was autonomous and a consequence of human rights violations experienced during Brazil's Military Regime (1964-1985)⁶¹¹.

To address the perceived betrayal, on voting day, Brazil's Undersecretary of Political Affairs explained to the Chinese Ambassador Brazil's intent to seek a fair solution by voting against China's "non-action motion", but abstaining from the substantive US resolution (Ibid, p. 97). Brazil cited reasons such as holding the Commission's presidency, commitments to transparency, dialogue with civil society, and consistency in its human rights stance even concerning friendly nations such as China⁶¹². Despite attributing Brazil's change to American pressure, China avoided reprisals and instead engaged in persistent lobbying to sway Brazil's future voting. In view of China's narrow victory in the 1996 voting and Brazil's significant influence as a developing country, China tried to persuade Brazil to realign its position with the Sino-Brazilian strategic partnership (Ibid, p. 98). Pressure intensified with Brazil's new Ambassador to Beijing, Sérgio Duarte (1996-1999), facing discontent from senior Chinese officials⁶¹³.

⁶⁰⁹ Cable no. 360, from the State Secretariat (Brasilia) to the Brazilian Embassy in Beijing. April 2, 1996.

⁶¹⁰ Cable no. 458, from the Brazilian Embassy in Beijing to the State Secretariat in Brasilia. May 1, 1996, §7.

⁶¹¹ President Cardoso narrates the conversation in his memoirs: "I had long conversations with Li Peng, the Prime Minister of China, at our dinner. It was a very good meeting, the rapprochement with Brazil is great. Li Peng's obsession is that the Americans are disturbing China. [...] On the issue of human rights, I argued that the Brazilian position was not offensive to China, that we do not wish to interfere in China's game, that our dynamics are favorable to human rights because of our authoritarian experience. At one point he insinuated that there was a possibility that we were following the Americans. I said no, we do this on our own." Cardoso (2015, 5-13 November 1996)

⁶¹² Cable no. 431, from the State Secretariat (Brasilia) to the Brazilian Embassy in Beijing. April 23, 1996, §4

⁶¹³ "I was specifically approached by the Vice Minister of Foreign Affairs, who offered me dinner, at the end of which he told me: 'We are friends, Brazil and China. And the truth must be told

As part of its strategy, the Chinese government invited a Brazilian delegation led by the Secretary of Human Rights, Dr. José Gregori, who was then Brazil's highest human rights authority⁶¹⁴, for a dialogue in February 1997. In his final report, Dr. Gregori suggested a shift in Brazil's stance, as China indicated to be willing to enact domestic human rights laws and sign international pacts. Dr. Gregori proposed suspending the US resolution in 1997 to the US Ambassador in Beijing, as a positive gesture to China⁶¹⁵. Furthermore, the report highlighted China's interest in enhancing cooperation with Brazil on human rights, proposing a bilateral mechanism and criticizing the politicization of the issue in international fora⁶¹⁶. The dialogue spurred Brazil's change in voting during the 1997 session of the Human Rights Commission. In response, China sent a high-level human rights mission to Brazil, signing its first Joint Declaration of Human Rights (1999)⁶¹⁷ with a developing country, in which "[b]oth parties noted, with satisfaction, *the absence of points of controversy regarding human rights* in bilateral relations" (Article 6, emphasis added). Furthermore, they "emphasized the importance of dialogue between the two countries in the area of human rights, not only for exchanging views on the matter, but also for identifying areas susceptible to bilateral cooperation" (Article 7). Nevertheless, subsequent bilateral efforts dwindled. China valued the credibility gained through bilateral human rights collaboration with a sizable and Western-oriented nation like Brazil. However, Brazil found this collaboration ineffective due to China's unwillingness to address politically sensitive issues,

between friends. We do not like your vote at the Human Rights Commission at all". Interview with Sergio Duarte, Brazilian Ambassador in Beijing (1996-1999), in Biato Junior (2010, pp. 292-294).

⁶¹⁴ President Cardoso had just created the Secretariat of Human Rights, as part of Brazil's Ministry of Justice. Only in 2003, under the Lula administration, the Secretariat gained ministerial status with the creation of Brazil's Ministry of Human Rights. For more information, see IPEA. 2009. "História - Direitos Humanos, 60 Anos Depois." April 6, 2009.

https://www.ipea.gov.br/desafios/index.php?option=com_content&view=article&id=1222:reportagens-materias&Itemid=39.

⁶¹⁵ Cable no. 145, from the Brazilian Embassy in Beijing to the State Secretariat (Brasilia). Feb 21, 1997, §§ 4-5.

⁶¹⁶ Cable no. 152, from the Brazilian Embassy in Beijing to the State Secretariat (Brasilia). Feb 24, 1997.

⁶¹⁷ "Declaração Conjunta Brasil-China Sobre Direito Humanos." 1999.

<https://aplicacao.itamaraty.gov.br/ApiConcordia/Documento/download/15257>.

including protecting minorities, landless peasants, combating child prostitution, and other taboo topics (Ibid, p. 99).

From 1997 to 2001, Brazil abstained from China's "no-action motions", which nevertheless had enough votes to block the American resolution⁶¹⁸. With the end of the Cardoso administration (1995-2002), President Lula took office (2003-2010) seeking to strengthen South-South relations, which meant closer ties with China. As a result, Brazil voted for China's "no-action motion" for the first time in 2004. Not long after, in May 2005, President Lula visited China. At the private meeting with President Hu and other authorities, President Lula reiterated that the visit was a "historic milestone in bilateral relations"⁶¹⁹. He recalled Brazil's firm position in favor of the One-China policy and the change of vote in the Human Rights Commission as expressions of the political consolidation of the Strategic Partnership, further strengthened by decisions such as granting China the market economy status⁶²⁰. In the Joint Declaration signed at the end of President Lula's visit, both parties expressed "their non-compliance with the politicization of the issue of human rights and the adoption of selective criteria". They also mentioned "their intention to strengthen exchanges and cooperation in the field of human rights". Finally, the Chinese government expressed "gratitude to the Brazilian government for its support at the Human Rights Commission in Geneva"⁶²¹.

In the 2010s, the question of human rights violations in China regained momentum. At least since 2012, the Embassy in Beijing has alerted the State Secretariat about the human rights situation in China's western province of Xinjiang against the Uighur Muslim minority⁶²². Over the years, stories of

⁶¹⁸ Resolutions denouncing human rights in China were brought forth by the US in 1990, 1992, 1993, 1994, 1995, 1996, 1997, 1999, 2000, and 2001. However, from 2002 to 2003, the US ceased presenting these resolutions to secure China's support in the war on terror. They resumed sponsoring a new resolution in 2004, which was the last time such a resolution was presented before the Human Rights Commission Biato Junior (2010, p. 95).

⁶¹⁹ Cable no. 1077 (Secret, very urgent), from the State Secretariat to the Brazilian Embassy in Beijing. Nov 24, 2004, §16.

⁶²⁰ Ibid.

⁶²¹ See Lima (2016, pp. 279-285) for the full declaration.

⁶²² Cable no. 1108 (Confidential), from the Brazilian Embassy in Beijing to the State Secretariat (Brasilia), August 8, 2012.

massive human rights violations in the region started to spread⁶²³. China vehemently denies it and maintains that it only carries out counter-terrorism and de-radicalization efforts in the region, which are furthermore conducted according to the rule of law and by no means add up to the suppression of ethnic minorities⁶²⁴. However, considering the extensive and serious nature of the accusations and the details of the information received, the Office of the High Commissioner for Human Rights (OHCHR) tried to gain access to the Xinjiang Uyghur Autonomous Region (XUAR) since 2018 to authenticate the claims⁶²⁵.

Ms. Bachelet, then UN High Commissioner for Human Rights (2018-2022), conducted a visit to XUAR in May 2022 invited by the Chinese Government. During her mission, Ms. Bachelet engaged with various stakeholders, including government officials, civil society organizations, academics, and community leaders. She also held online meetings with organizations discussing issues concerning Xinjiang and other parts of China. While expressing concerns regarding Xinjiang, Tibet, Hong Kong, human rights defenders, and labor rights, she acknowledged China's significant accomplishments in poverty reduction, achieving this goal a decade ahead of schedule. Ms. Bachelet commended certain positive developments in China, such as legislation enhancing women's rights protection and the efforts of NGOs in advocating for the rights of LGBTI individuals, people with disabilities, and the elderly⁶²⁶.

The report titled "OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China" was

⁶²³ Human Rights Watch. 2017. "China: Free Xinjiang 'Political Education' Detainees." September 10, 2017.

<https://www.hrw.org/news/2017/09/10/china-free-xinjiang-political-education-detainees>.

⁶²⁴ Permanent Mission of the People's Republic of China to the United Nations Office at Geneva. 2022. "Fight against Terrorism and Extremism in Xinjiang: Truth and Facts." No.GJ/56/2022.

https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/ANNEX_A.pdf.

⁶²⁵ OHCHR. 2022. "OHCHR Assessment of Human Rights Concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China.", §3

<https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/22-08-31-final-assesment.pdf>.

⁶²⁶ UN News. 2022. "China Responsible for 'Serious Human Rights Violations' in Xinjiang Province: UN Human Rights Report," August 31, 2022.

<https://news.un.org/en/story/2022/08/1125932>.

released in August 2022, few hours before the end of Ms. Bachelet's mandate, amid a protracted campaign from Chinese authorities to prevent the publication of the report⁶²⁷. The findings indicate that "allegations of patterns of torture, or ill-treatment, including forced medical treatment and adverse conditions of detention, are credible, as are allegations of individual incidents of sexual and gender-based violence"⁶²⁸ (§145), including torture, sex and gender-based violence, forced sterilizations, severe restrictions on freedom of religion and belief, and forced disappearances on a massive scale. The report concluded that "[t]he extent of arbitrary and discriminatory detention of members of Uyghur and other predominantly Muslim groups, pursuant to law and policy, in context of restrictions and deprivation more generally of fundamental rights enjoyed individually and collectively, may constitute international crimes, in particular crimes against humanity" (§148). The UN rights office recommended several actions in the report (§151). It urged the Chinese Government to promptly release all arbitrarily detained individuals, disclose the whereabouts of detainees to their families, establish secure communication channels for families to reunite, conduct a comprehensive legal review of national security and counter-terrorism policies to align with international human rights law, repeal laws not meeting global standards, and initiate swift investigations into reported human rights violations within camps and detention facilities, including claims of torture, sexual violence, ill-treatment, forced medical procedures, forced labor, and alleged deaths in custody.

In response to the critical report, the Chinese Government issued a detailed statement⁶²⁹. China asserted that its policies in Xinjiang operate on the principle of equality before the law, dismissing accusations of discrimination. It

⁶²⁷ Farge, Emma. 2022. "China Seeks to Stop UN Rights Chief from Releasing Xinjiang Report - Document." *Reuters*, July 20, 2022, sec. China. <https://www.reuters.com/world/china/exclusive-china-seeks-stop-un-rights-chief-releasing-xinjiang-report-document-2022-07-19/>.

⁶²⁸ OHCHR. 2022. "OHCHR Assessment of Human Rights Concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China.", §3 <https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/22-08-31-final-assesment.pdf>.

⁶²⁹ Permanent Mission of the People's Republic of China to the United Nations Office at Geneva. 2022. "Fight against Terrorism and Extremism in Xinjiang: Truth and Facts." No.GJ/56/2022. https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/ANNEX_A.pdf.

defended its counter-terrorism and de-radicalization efforts as lawful, denying any intent to suppress ethnic minorities. Regarding the detention camps, Beijing clarified them as educational facilities for de-radicalization, rejecting the term “concentration camps”. China refuted claims of forced labor and massive rights violations, emphasizing the protection of workers’ rights in Xinjiang. The statement urged the international community to perceive the truth behind China’s counter-terrorism initiatives, highlighting alleged attempts by anti-China forces in the US and the West to use Xinjiang to curb China’s influence. Rather than focusing on Xinjiang, China called for investigations into alleged human rights abuses by the US and Western nations, both domestically and internationally, urging the UN and other global bodies to scrutinize these actions.

As a consequence of the report’s findings, the US, Canada, Denmark, Finland, Iceland, Norway, Sweden, United Kingdom presented a draft resolution before the HRC titled ‘Debate on the situation of human rights in the Xinjiang Uyghur Autonomous Region, China’ (A/HRC/51/L.6). The draft resolution did not propose any substantial measure, but a debate of the human rights situation in Xinjiang at the following session of the HRC. The resolution narrowly failed to pass (No 19, Yes 17, 11 Abstentions)⁶³⁰. This was only the second time that a country-specific HRC resolution was not approved, representing an important victory for Beijing at the Council. Moreover, it would be the first time that a resolution on one of the five permanent members of the Security Council would be approved. The result was considered by many as a failure of the principle of non-selectivity of the multilateral system⁶³¹.

Brazil was among those who abstained, along with countries such as Argentina, India, and Mexico. Considering that the vote was very close, Brazil’s abstention was consequential. Brazil is a frequent member of the HRC and

⁶³⁰ United Nations Human Rights Officer of the High Commissioner. 2022. “A/HRC/51/L.6 - Debate on the Situation of Human Rights in the Xinjiang Uyghur Autonomous Region, China.” https://hrcmeetings.ohchr.org/HRCSessions/RegularSessions/51/DL_Resolutions/A_HRC_51_L.6/Voting%20Results.pdf.

⁶³¹ Duchade, André. 2022. “Com Abstenção Do Brasil, China Vence Votação Na ONU e Impede Debate Sobre Violação de Direitos Humanos.” *O Globo*, October 6, 2022. <https://oglobo.globo.com/mundo/noticia/2022/10/com-abstencao-do-brasil-china-vence-votacao-na-onu-e-impede-debate-sobre-possiveis-abusos-de-direitos-humanos.ghtml>.

usually engages in the Council's discussions as a speaker seeking to justify its positions and votes, especially considering that the "prevalence of human rights" is one of the country's international relations tenets, according to Article 4 (ii) of its Constitution⁶³². Moreover, Brazil is a strong defender of the principle of "non-selectivity", which is mentioned as one of its voluntary commitments for the Brazilian candidacy for the HRC (2024-2026)⁶³³. However, Brazilian representatives chose simply to abstain from voting. They did not sign up to speak nor justified the reasons that led to this decision⁶³⁴. At the time, Brazil was still governed by President Bolsonaro (2019-2022). His government's anti-China rhetoric and defense of freedom of religion were not enough to outweigh the pragmatism of Brazil's burgeoning ties with China. In fact, after President Lula shifted the Brazilian position in 2004 and started to treat China's human rights domestic policies exclusively as internal affairs, and thus not subject to external interference, subsequent Brazilian administrations did not change this course of action. Despite some pressure behind closed doors, human rights have publicly become a "non-issue" in the strategic partnership, as the results of Table 2 indicate.

Efforts by Brazil's Embassy in Beijing concerning human rights focus on three main aspects: collecting information and generating reports on the local situation, evaluating the alignment between Brasilia and Beijing in multilateral fora (such as the Human Rights Council and the UN General Assembly Third Committee), and fostering a deeper bilateral dialogue⁶³⁵. Monitoring China's domestic human rights policies is important for Brazil because of China's significant transformations, particularly in economic and social rights, since the reform era. However, reports recognize that there are still "challenges in civil and political rights", regarding which Brazil is occasionally called upon to speak out, as is the case of the approval of China's Universal Periodic Review report,

⁶³² Brazil. 1988. *Constituição Da República Federativa Do Brasil*.

https://www.planalto.gov.br/ccivil_03/Constituicao/ConstituicaoCompilado.htm.

⁶³³ Brazil. 2023. "Candidacy for the Human Rights Council (2024-2026)."

https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/compromissos-voluntarios-brasil.pdf.

⁶³⁴ Human Rights Council. 2022. *A/HRC/51/L.6 Vote Item 2 - 40th Meeting, 51st Regular Session Human Rights Council*. <https://webtv.un.org/en/asset/k1w/k1w9tube8v>.

⁶³⁵ Management Report, Ambassador Valdemar Carneiro Leão Neto (2013-2015). Brazilian Embassy in Beijing, 2015, §38.

at the UN Human Rights Council⁶³⁶. In China's 2018 Universal Periodic Review, Brazil was very succinct in its recommendations and did not touch upon any delicate issue. It only suggested the Chinese government to "ratify the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled" (item 28.314) and to "take steps to establish a moratorium on the death penalty, while guaranteeing that those who may be subjected to this penalty are entitled to adequate legal representation and to a fair trial" (item 28.164)⁶³⁷.

In his management report, Ambassador Huguency (2008-2013) pointed out that Brazil and China had discussions about human rights in the 1990s, but the interaction did not continue. He observed that the attitudes of Chinese public security authorities towards Brazilian correspondents and requests for Brazil not to attend the Nobel Peace Prize award ceremony to Liu Xiaobo in 2010 highlight the distinct views of the two countries regarding respect for freedom of expression⁶³⁸. In multilateral fora, Brazil and China's alignment centers on developing country interests and the Arab-Israeli conflict. Conversely, resolutions on specific countries usually do not unite them, as they differ in most votes at the HRC and General Assembly's Third Committee regarding specific situations other than the Arab-Israeli dossier.⁶³⁹

Nevertheless, after the aforementioned short-lived dialogue on human rights in the 1990s, Brazil pushed China to institutionalize talks in this area. The most significant attempt took place before President Rousseff visited China in 2011. Brazil's State Secretariat instructed the Embassy in Beijing to present to China's Ministry of Foreign Affairs and Ministry of Commerce (MOFCOM) a proposal for the creation of a Subcommittee on Human Rights and Social Issues within the scope of COSBAN, "in accordance with the guidelines established in the Brazil-China Joint Action Plan [2010-2014] for deepening dialogue and bilateral cooperation in those areas (Article 4.3 (iv) and Article

⁶³⁶ Ibid, §39.

⁶³⁷ OHCHR. 2018. "Universal Periodic Review - China." OHCHR. Accessed December 19, 2023. <https://www.ohchr.org/en/hr-bodies/upr/cn-index>.

⁶³⁸ Management Report, Ambassador Clodoaldo Huguency (2008-2013). Brazilian Embassy in Beijing, 2013, §5.

⁶³⁹ Ibid, §40.

4.10, respectively)⁶⁴⁰. Brazil's State Secretariat also instructed the Embassy in Beijing to propose the adoption of a MoU on the topic, which should be signed during the presidential visit of that year⁶⁴¹. China rejected Brazil's proposal, inasmuch as the MoU was not signed⁶⁴² and a Subcommittee on Human Rights and Social Issues was never created. However, the Joint Communiqué of the State Visit does mention the parties decided "to create a Working Group on Social Issues and Poverty Alleviation, to be conducted, on the Brazilian side, by the Ministry of Social Development and Hunger Alleviation, and, on the Chinese side, by the State Council Office for Poverty Alleviation Policies", and "to examine the convenience of creating a cooperation mechanism dedicated to social issues". This leads to some conclusions. Brazil treats human rights as indivisible, associating civil and political rights (so-called "first generation" rights) with economic and social (so-called "second generation" rights) and thus proposing a COSBAN Subcommittee encompassing human rights as a whole. China sees things differently. It rejected the MoU on the creation of a COSBAN Subcommittee on Human Rights and Social Issues – which would incorporate first- and second-generation rights – and opted for the establishment of a Working Group, which is hierarchically inferior to a Subcommittee within COSBAN's framework, concerning only "social issues and poverty alleviation", that is, economic and social rights (second generation). A COSBAN Subcommittee is typically administered by the bureaucracy directly responsible for the sector concerned. Hence, a Human Rights Subcommittee would probably be headed by Brazil's Ministry of Human Rights and China's Human Rights Affairs Bureau (Bureau No. 7) of the State Council Information Office. The Working Group on Social Issues and Poverty Alleviation, in turn, was not run by typical Human Rights authorities, but by those specifically in charge of poverty alleviation (Brazil's Ministry of Social Development and Hunger

⁶⁴⁰ Cable no 368 (Confidential, very urgent), from the State Secretariat to the Brazilian embassy in Beijing, Mar 25, 2011.

⁶⁴¹ Ibid.

⁶⁴² Itamaraty. 2011. "Atos assinados por ocasião da Visita da Presidenta Dilma Rousseff à República Popular da China." Ministério das Relações Exteriores. April 12, 2011. https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/atos-assinados-por-ocasio-da-visita-da-presidenta-dilma-rousseff-a-republica-popular-da-china-pequim-12-de-abril-de-2011.

Alleviation and China's State Council Office for Poverty Alleviation). The Chinese position resonates with the human rights stance espoused by China's former Vice Minister of Justice, Mr. Zhang Xiufu, during his visit to Brazil in 1997, as was discussed at the beginning of this section.

Despite the decision to create a Working Group on Social Issues and Poverty Alleviation announced in the 2011 Joint Communiqué, there are no records of any activities (meetings, minutes, reports, press releases, diplomatic cables, etc.) of this Working Group. This probably means that it never got off the ground. Brazil's effort to re-establish a human rights dialogue was not completely fruitless, however. Documents from the Brazilian Embassy in Beijing reveal that a bilateral dialogue on human rights had been planned since 2011, and after being dormant for four years, its first meeting was held in 2015⁶⁴³. This means that although China did not accept the creation of a permanent COSBAN Subcommittee on Human Rights, which would entail periodic meetings and some public scrutiny, it did accept to enter into less formal human rights talks with Brazil. Nonetheless, Beijing did not agree to discuss domestic human rights policies with Brasilia, only topics of the international human rights agenda. According to Brazilian documents, this was the case because "human rights are a topic of great sensitivity in China"⁶⁴⁴. The first meeting of the Brazil-China Dialogue on Human Rights took place in Brasilia, on January 19, 2015. The dialogue concentrated on second-generation rights, because this is where there is more bilateral convergence⁶⁴⁵. Indeed, Brazil and China have had difficulties discussing civil and political rights since the inaugural attempt in the 1990s, given their different views on the topic. Still, the meeting was considered an important step in building mutual trust by identifying points on the international agenda in which there is bilateral agreement⁶⁴⁶. As a result of the first edition of the dialogue, Brazil and China agreed to support each other in

⁶⁴³ Management Report, Ambassador Valdemar Carneiro Leão Neto (2013-2015). Brazilian Embassy in Beijing, 2015, §41.

⁶⁴⁴ Ibid.

⁶⁴⁵ Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, § 27.

⁶⁴⁶ Ibid.

their candidacies for the HRC for the period 2017-2019⁶⁴⁷. The Brazilian strategy has been to first consolidate mutual trust, and then try to include the discussion of domestic human rights challenges faced by them both. Brasilia expected to be able to do so already in the second edition of the Dialogue⁶⁴⁸.

Recent years were marked by significant legislative actions concerning human rights in China. The Embassy closely monitored these developments, gathering information from key stakeholders. The focus was especially on the establishment of regulatory frameworks for both national and foreign NGOs, with the Philanthropy Law, targeting Chinese ONGs, passed in March 2016 and the NGO Management Law, aimed at foreign NGOs, approved in April of the same year⁶⁴⁹. While the new legislation puts foreign NGOs under the supervision of the Ministry of Public Security, Chinese NGOs remain under the Ministry of Civil Affairs. This change in approach drew criticism from various governments, sections of civil society, and international press groups. Concerns were raised over the increased arrest of human rights defenders, notably following the crackdown in July 2015, during which over 100 specialized lawyers in this field were detained⁶⁵⁰. However, there have been positive advancements that were welcomed even by critics of China's human rights records. A significant instance was the implementation of China's first domestic violence law in 2016, which prohibits all forms of physical and psychological violence and sets up a system for restraining orders⁶⁵¹. Such a development was prized by the Brazilian Embassy in Beijing, which saw in it a potential topic for bilateral cooperation, since domestic violence has also been a priority in Brazil since the approval of "Maria da Penha Law" (Law 11.340/2006)⁶⁵².

Biato Junior (2010, p. 22) classified human rights as one of the "sorrows" of the partnership in the 1990s, especially due to Brazil's vote against China's

⁶⁴⁷ Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, § 28.

⁶⁴⁸ Management Report, Ambassador Valdemar Carneiro Leão Neto (2013-2015). Brazilian Embassy in Beijing, 2015, §42.

⁶⁴⁹ Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, § 24.

⁶⁵⁰ Ibid, §25.

⁶⁵¹ Ibid, §26.

⁶⁵² Management Report, Ambassador Roberto Jaguaribe (2015-2016). Brazilian Embassy in Beijing, 2016, § 28.

“no-action motion” in the UN Human Rights Commission in 1996, which provoked a strong reaction from Chinese authorities. After President Lula changed Brazil’s position on the topic and voted for China’s “no-action motion” for the first time in 2004, Brazil has shied away from discussing – let alone criticizing – China’s human rights policies, even in the face of potential crimes against humanity, as pointed out by the OHCHR. Evidence of that was Brazil’s abstention, under the Bolsonaro administration (2019-2022), in the HRC voting in October 2022 to discuss the human rights situation in Xinjiang, after the release of the OHCHR report. The beginning of the Brazilian silence on China’s human rights record coincided with the deepening of economic ties in the 21st century, and not even the Bolsonaro administration, known for its anti-China rhetoric, voted against Chinese human rights interests⁶⁵³. In part, this is because trade and investment have made Brazil dependent on China and vulnerable to economic retaliations⁶⁵⁴, which have been widely used by China against countries disturbing its interests, such as Australia⁶⁵⁵. There is also a geopolitical component to the Brazilian stance, since BRICS has brought Brasilia and Beijing closer together.

President Lula’s most recent visit to China in April 2023 serves as an epilogue of Sino-Brazilian human rights relations. At the last minute, President Lula canceled the press conference where he would take stock of the visit, after having avoided talking to the press throughout the whole visit. Within Brazilian newsrooms, the president’s atypical distancing from the press was perceived as an effort to sidestep uncomfortable questions associated with the Xi Jinping administration, chiefly concerning human rights⁶⁵⁶. A few days later, during a

⁶⁵³ Chade, Jamil. 2023. “Governo Lula repete silêncio de Bolsonaro sobre violações na China.” March 24, 2023.

<https://noticias.uol.com.br/colunas/jamil-chade/2023/03/24/governo-lula-repete-silencio-de-bolsonaro-sobre-violacoes-na-china.htm>.

⁶⁵⁴ Cable no. 923 (Confidential), from the Brazilian Embassy in Beijing to the State Secretariat (Brasilia), July 6, 2012.

⁶⁵⁵ Wilson, Jeffrey. 2023. “Australia Shows the World What Decoupling From China Looks Like.” *Foreign Policy* (blog). December 27, 2023.
<https://foreignpolicy.com/2021/11/09/australia-china-decoupling-trade-sanctions-coronavirus-geopolitics/>.

⁶⁵⁶ Benício, Jeff. 2023. “Lula faz graça ao explicar por que não atendeu a imprensa brasileira na China.” Terra. April 15, 2023.
<https://www.terra.com.br/diversao/tv/lula-faz-graca-ao-explicar-por-que-nao-atendeu-a-imprensa-brasileira-na-china,0fe3723e519ef71ce76386b5da1571f2d3l30l5k.html>.

visit to Portugal, President Lula was asked about China's human rights record in an interview. He maintained that "every country in the world has problems. We need to learn to respect the self-determination of peoples. China found a way to solve its problems and a way that allowed it to soon become the world's leading economy"⁶⁵⁷. This statement by the president highlights Brazil's approach to China since the early 21st century: Brazil is not willing to risk its robust economic exchange and political dialogue with China over issues considered secondary, such as human rights.

⁶⁵⁷President Lula. 2023. Entrevista do presidente da República, Luiz Inácio Lula da Silva, à emissora RTP, em 24 de abril de 2023.
<https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/entrevistas/entrevista-do-presidente-da-republica-luiz-inacio-lula-da-silva-a-emissora-rtp-em-24-de-abril-de-2023>.

4.4. To Veto, or Not to Veto: 5G, Vaccines, and High-Tech Cooperation

The 5G auction in Brazil represented a critical juncture in the country's domestic politics and its relations with China. Initially scheduled for March 2020, it was ultimately conducted in November 2021, due to the Covid-19 pandemic and to political controversies, as it will be discussed here. As Brazil faced the complexities of integrating next-generation telecommunications infrastructure, the decision-making process surrounding the 5G network emerged as a central issue, shaping both political and economic decision-making process. The auction underscored the strategic importance of 5G technology for Brazil's future development, while highlighting the balance the country had to maintain between its relationship with China and broader geopolitical tensions involving other global powers, especially the United States. Since the beginning of the Bolsonaro administration (2019-2021), the auction was at the center of public debate, not least because the President would have to decide whether Huawei, a Chinese telecom 5G provider, would be allowed to take part in the auction. Brazil's foreign policy, driven by Minister Ernesto Araújo (2019-2021), took a sharply anti-China stance while closely aligning with the Trump administration, which exerted significant pressure on Brasilia to exclude Huawei from the auction process. Declarations from President Bolsonaro and some of his aides in the first two years of the administration indicated that Huawei would indeed be banned from the auction. However, as of late 2020 the political context dramatically changed with the non-reelection of President Trump. Relations between Bolsonaro and the newly inaugurated Biden administration deteriorated rapidly. Brasilia took long 38 days to formally acknowledge Biden's victory – an extended delay in a period where every day was critical, particularly as Trump was contesting the election results and preparing for the Capitol Hill insurrection on January 6, 2021. With this new political landscape, the Brazilian government faced once again an existential decision: it would have to pick sides between its two most powerful international partners, China and the United States. Within the broader context of Sino-Brazilian cooperation, the 5G auction served as an essential indicator of bilateral relations, reflecting the depth and

complexity of technological and economic collaboration between the two nations. As I will argue in the next pages, should Brazil veto Huawei from the 5G auction, relations with China – including agricultural exports and vaccines imports amid the pandemic – could be hindered, bringing serious consequences to Brazilian society.

One might wonder why a subchapter on the regulations of a 5G auction appears under the chapter on cooperation rather than the economy. While it may initially seem like an economic issue, the reality is that the debate was never primarily economic. From a purely economic perspective, vetoing Huawei was irrational: its equipment was cheaper, especially considering long-term maintenance, partly because, albeit Huawei denies it⁶⁵⁸, it is a Chinese national champion (Melnik 2019) benefiting from government subsidies⁶⁵⁹. Moreover, there were significant sunk costs, as Huawei's equipment was already in use for 3G and 4G networks in Brazil. The real question was whether Brazil and China trusted one another and were willing to cooperate in the high-tech sector – a question central to 5G and the procurement of Chinese vaccines during the pandemic. These issues unfolded simultaneously and were closely linked.

This subchapter will thus critically examine the implications of the 5G auction – and consequently of vaccine procurement – on Brazil's internal dynamics and its external diplomatic engagements, situating it as an essential element in the evolving technological cooperation between China and Brazil. To veto, or not to veto: that was the question.

Beyond the Great Firewall: Huawei's Inroads into Brazil's Telecom Market

Huawei was established in 1987 in Shenzhen, China, and in a few decades developed into a major global provider of information and communications technology infrastructure. The company operates in over 170 countries, offering services related to telecommunications, cloud computing,

⁶⁵⁸ Song Karl. 2024. "No Huawei isn't built on Chinese state funding." Huawei. 2024. <https://www.huawei.com/jp/facts/voices-of-huawei/no-huawei-isnt-built-on-chinese-state-funding>.

⁶⁵⁹ Pan, Che. 2024. "China Pumps up State Subsidies as Chip War with US Intensifies." *South China Morning Post*, August 16, 2024, sec. Tech. <https://www.scmp.com/tech/tech-war/article/3274599/tech-war-china-pumps-state-subsidies-chip-industry-counter-us-sanctions>.

and artificial intelligence⁶⁶⁰. However, as of the 2010s its expansion has been accompanied by significant geopolitical challenges, particularly from the United States, where concerns have been raised about potential security risks associated with its technologies. As digital infrastructure becomes increasingly integral to global operations, Huawei's influence on the development and governance of these systems has been subject to growing scrutiny around the world, including in Brazil.

In Brazil, Huawei operates a factory in Sorocaba, São Paulo, where it produces a significant portion of the infrastructure for mobile broadband and fixed networks, as well as products for the enterprise segment. It also has a manufacturing unit in the city of Manaus, in the state of Amazonas, which focuses on fixed broadband and fiber optic connections used in network segments up to the customer's home⁶⁶¹. However, it does not produce smartphones domestically, not least because Huawei's Brazilian clients are mostly telecom enterprises and internet providers. More than 90% of the 4G mobile network installations in the Brazilian market are nearly evenly split between Huawei and the Swedish company Ericsson⁶⁶².

Chinese lobbying efforts for Huawei in Brazil have been met with both support and skepticism within the Brazilian political landscape. Olavo de Carvalho, a key ideological figure within the Bolsonaro administration and a vocal critic of Chinese influence, publicly criticized Senator Flávio Bolsonaro, the son of President Jair Bolsonaro, for his trip to China in September 2019, suggesting that the senator was being coerced by Chinese lobbyists in Brasilia⁶⁶³. This trip, organized by the Chinese Embassy, included a visit to Huawei. Despite the controversy, Flávio Bolsonaro framed the visit as an opportunity to explore business prospects, particularly in the oil and gas sector,

⁶⁶⁰ Huawei. 2024. "Corporate Information." Huawei. September 2024.
<https://www.huawei.com/en/corporate-information>.

⁶⁶¹ Santana, Ivone. 2021. "Pivô em disputa, Huawei cresce 10%." *Valor Econômico*, April 1, 2021.
<https://valor.globo.com/empresas/noticia/2021/04/01/pivo-em-disputa-huawei-cresce-10.ghtml>.

⁶⁶² Ibid.

⁶⁶³ Jubé, Andrea. 2019. "Olavo de Carvalho ironiza viagem de Flávio Bolsonaro à China." *Valor Econômico*, September 16, 2019.
<https://valor.globo.com/politica/noticia/2019/09/16/olavo-de-carvalho-ironiza-viagem-de-flavio-bolsonaro-a-china.ghtml>.

without directly addressing the meeting with Huawei. Conversely, Vice-President Hamilton Mourão (2019-2022) indicated his willingness to maintain engagement with Huawei, emphasizing the importance of trust in their dealings⁶⁶⁴. As the 5G auction approached, the inter-bureaucratic conflict between different Brazilian institutions intensified over whether to veto or not to veto Chinese participation in the process.

In November 2019, following a meeting with Chinese President Xi Jinping during the BRICS summit in Brasília, President Bolsonaro held discussions with Wei Yao, the CEO of Huawei in Brazil⁶⁶⁵. The meeting, requested by the Chinese enterprise, occurred amid escalating tensions between the United States and China over 5G technology. The presence of Brazil's Minister of Science and Technology, Marcos Pontes (2019-2022), underscored the importance of the discussions to Sino-Brazilian science and technology cooperation. After the meeting, President Bolsonaro indicated that Brazil would await the best offer in its upcoming 5G auction, in a move indicating a softening of his anti-China policy⁶⁶⁶. He also admitted that his criticisms of China during his 2018 presidential campaign were exaggerated. In response, the Chinese government offered Brazil over US\$ 100 billion in investments from five state funds and signaled an expansion of credit through Chinese banks in Brazil, particularly targeting the agribusiness and industrial sectors⁶⁶⁷.

In that same month, the decision-making process of the 5G auction in Brazil was moved from the technical offices of Brazil's National Telecommunications Agency (Anatel), linked to the Ministry of Communications, to the direct oversight of President Jair Bolsonaro⁶⁶⁸. The auction was included

⁶⁶⁴ Ibid.

⁶⁶⁵ Folhapress. 2019. "Depois de afagar a China, Bolsonaro recebe presidente da Huawei." *Valor Econômico*, November 16, 2019. <https://valor.globo.com/brasil/noticia/2019/11/16/depois-de-afagar-a-china-bolsonaro-recebe-presidente-da-huawei.ghtml>.

⁶⁶⁶ Murakawa, Fabio. 2019. "Após se encontrar com Huawei, Bolsonaro cita interesse de coreanos no 5G." *Valor Econômico*, November 18, 2019. <https://valor.globo.com/politica/noticia/2019/11/18/apos-se-encontrar-com-huawei-bolsonaro-cita-interesse-de-coreanos-no-5g.ghtml>.

⁶⁶⁷ Ibid.

⁶⁶⁸ Schuch, Matheus. 2019. "Leilão de 5G será incluído no PPI e será monitorado pelo Planalto." *Valor Econômico*, November 19, 2019.

in Brazil's Investment Partnership Program (PPI), within the office of the President's Chief of Staff (*Casa Civil*), meaning that each step of the process was closely monitored by President Bolsonaro's inner circle⁶⁶⁹. This action enhanced the visibility of the auction, placing the sensitive geopolitical decision of permitting Chinese companies to supply the new technology under direct presidential oversight, thus politicizing the decision.

Meanwhile, the US pressured its allies to ban Huawei from 5G networks, citing security concerns. Huawei's CEO, Ren Zhengfei, responded to US pressure against the company's expansion in Latin America by criticizing the country's approach. Ren stated that the US treated the region as its backyard and emphasized Huawei's goal of helping the continent escape this dynamic while preserving the sovereignty of its countries⁶⁷⁰. As it became clear that the initial guidelines from the Ministry of Science, Technology, Innovations, and Communications did not include barriers to Chinese participation in the auction, American pressure increased⁶⁷¹. US pressure specifically targeted the Institutional Security Bureau (GSI), a government body responsible for providing direct assistance to the President in advisory matters related to military and security issues. The GSI plays a key role in Brazil's national cybersecurity policy, having devised the country's National Cybersecurity Strategy, known as E-Ciber, in 2020⁶⁷². US officials emphasized to their counterparts in the GSI the risks posed by Chinese equipment to the integrity of sensitive data, particularly in defense sectors⁶⁷³. The US feared that allowing Huawei to participate in

<https://valor.globo.com/brasil/noticia/2019/11/19/leilao-de-5g-sera-incluido-no-ppi-e-sera-monitorado-pelo-planalto.ghtml>.

⁶⁶⁹ Ibid.

⁶⁷⁰ Fernandes, Marina Cristina. 2019. "'EUA tratam a América Latina como seu quintal', diz CEO da Huawei." *Valor Econômico*, December 11, 2019.

<https://valor.globo.com/empresas/noticia/2019/12/11/eua-tratam-a-america-latina-como-seu-quintal-diz-ceo-da-huawei.ghtml>.

⁶⁷¹ On June 10, 2020, President Jair Bolsonaro would reestablish the Ministry of Communications, appointing Federal Deputy Fábio Faria (PSD/RN) as the minister. The former Ministry of Science, Technology, Innovations, and Communications was divided into two separate entities, with Marcos Pontes continuing as the Minister of Science, Technology, and Innovations.

⁶⁷² GSI. 2020. "Estratégia Nacional de Segurança Cibernética (E-Ciber)." Decreto nº 10.222, de 5 de fevereiro de 2020.

<https://www.gov.br/gsi/pt-br/ssic/estrategia-nacional-de-seguranca-cibernetica-e-ciber/e-ciber.pdf>.

⁶⁷³ Wiziack, Julio. 2020. "EUA ampliam ofensiva sobre Bolsonaro contra Huawei no 5G." *Valor Econômico*, February 8, 2020.

Brazil's 5G network could lead to significant security vulnerabilities, enabling China to collect vast amounts of data that could be used to bolster its technological capabilities.

Huawei, as a manufacturer, was not permitted to participate directly in the 5G auction and could only supply equipment to telecom operators, who were the actual participants in the auction. However, if Huawei were vetoed, Brazilian telecom operators would be barred from sourcing their equipment from the company. Operators like Claro, focused on expanding their networks, opposed excluding Huawei due to the higher costs it would impose. Huawei's equipment is up to 40% cheaper than competitors like Ericsson and Nokia, thanks to large-scale production and Chinese government subsidies⁶⁷⁴. Anatel reports that about 40% of the equipment used in Brazil's 3G and 4G networks is made by Huawei, with no past concerns of espionage. Telecom operators feared that excluding Huawei would lead to costly equipment replacements. Even Ericsson, wary of retaliation in China, opposed the ban and maintained its stance in Brazil, advocating for Huawei's inclusion in the 5G rollout⁶⁷⁵.

Uncle Sam Arrives in Brazil: The Clean Network and JUSBE

To dissuade the Brazilian government from allowing Huawei's participation in Brazil's 5G infrastructure, the US government sent high-level delegations to Brasilia. As this section will explore, these efforts yielded two key outcomes: Brazil's endorsement of the Clean Network Initiative and the establishment of the Japan-United States-Brazil Exchange (JUSBE).

In one of these visits, Joshua Hodges, the Acting Senior Director for the Western Hemisphere at the US National Security Council, emphasized that the United States did not engage in "predatory diplomacy" with Brazil, unlike China, which he accused of using threats to influence Brazil's decisions⁶⁷⁶. Hodges's

<https://valor.globo.com/empresas/noticia/2020/02/08/eua-ampliam-ofensiva-sobre-bolsonaro-contra-huawei-no-5g.ghtml>.

⁶⁷⁴ Costa, Ana Clara. 2021. "Lição Das Bravatas." *Revista Piauí*, November 1, 2021.

<https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

⁶⁷⁵ Ibid.

⁶⁷⁶ Ribeiro, Mariana. 2020. "EUA dizem não fazer ameaças em diplomacia com Brasil, 'diferentemente da China.'" *Valor Econômico*, October 20, 2020.

<https://valor.globo.com/brasil/noticia/2020/10/20/eua-dizem-nao-fazer-ameacas-em-diplomacia-com-brasil-diferentemente-da-china.ghtml>.

remarks came in the context of US Secretary of State Mike Pompeo's strong declaration, underscoring the broader strategic discussions between the US and Brazil aimed at reducing the region's dependence on Chinese strategic components⁶⁷⁷. Pompeo's statement highlighted the US commitment to offering alternatives to Chinese technology, particularly in the sensitive area of 5G infrastructure, due to concerns of Chinese espionage. Hodges reiterated that while the US was not telling Brazil to avoid business with China, it was providing competitive alternatives and financial backing to support Brazil's strategic decisions. He further noted that the long-standing relationship between Brazil and the US, built on shared history, values, and culture, should guide the deepening of their partnership⁶⁷⁸.

In response to criticism from the US delegation, Huawei defended its security record, asserting that it had never experienced a "major cybersecurity incident" in the 170 countries where it had operated over the past three decades⁶⁷⁹. The Chinese company emphasized its 22-year history in Brazil, highlighting its reputation for high-quality products and robust cybersecurity. As Brazil prepared for its 5G auction, Huawei reaffirmed its commitment to Brazil's digital transformation and expressed openness to dialogue with all stakeholders. Meanwhile, US National Security Advisor Robert O'Brien, who led the American delegation, warned that the inclusion of Huawei could lead to security vulnerabilities, including potential "backdoors" that could compromise sensitive government and private sector data. O'Brien strongly recommended that Brazil and other partners rely solely on trusted suppliers for their 5G networks, stressing that the protection of intellectual property was crucial for the economic success of both Brazil and the United States⁶⁸⁰.

⁶⁷⁷ Boadle, Anthony. 2020. "U.S. and Brazil Must Reduce Dependence on China Imports - Pompeo." *Reuters*, October 20, 2020, sec. World. <https://www.reuters.com/article/world/us-and-brazil-must-reduce-dependence-on-china-imports-pompeo-idUSKBN27500M/>.

⁶⁷⁸ Ibid.

⁶⁷⁹ Fernandes, Anaïs. 2020. "Huawei diz que nunca teve grande incidente com segurança e defende histórico no Brasil." *Valor Econômico*, October 20, 2020. <https://valor.globo.com/brasil/noticia/2020/10/20/huawei-diz-que-nunca-teve-grande-incidente-com-seguranca-e-defende-historico-no-brasil.ghtml>.

⁶⁸⁰ Estadão Conteúdo. 2020. "Se for escolhida para 5G, Huawei terá dados do país, diz conselheiro dos EUA." *CNN Brasil*, October 20, 2020. <https://www.cnnbrasil.com.br/economia/macroeconomia/se-for-escolhida-para-5g-huawei-tera-dados-do-pais-diz-conselheiro-dos-eua/>.

Also part of the US delegation in Brasilia, Kimberly Reed, President of the Export-Import Bank of the United States (EximBank), and Sabrina T. Teichman, Director of the US International Development Finance Corporation (DFC), highlighted the potential for their institutions to allocate resources towards financing the telecommunications sector in Brazil⁶⁸¹. On the same occasion, the Brazilian Ministry of Economy and the US EximBank signed a MoU, committing up to US\$ 1 billion in investments in Brazil, primarily targeting telecommunications. US National Security Advisor Robert O'Brien emphasized that this agreement would strengthen investments in key areas like 5G, reflecting the close relationship between the US and Brazil, which he described as stronger than ever. Brazilian Ambassador to the US, Nestor Forster Jr., reiterated Brazil's commitment to making a careful and well-founded decision regarding the potential ban on Chinese suppliers for 5G infrastructure, considering economic factors, data privacy, and security⁶⁸². For his part, President Bolsonaro expressed hope for Donald Trump's re-election⁶⁸³, while Economy Minister Paulo Guedes noted that, after focusing on fiscal discipline, the Brazilian government would prioritize the opening of investment borders, with future agreements with the US. Guedes also mentioned ongoing trade negotiations with Japan, South Korea, and Canada as part of Brazil's broader strategy to integrate into the global economy with a keen sense of geopolitical awareness⁶⁸⁴.

In the same week of the US presidential election in November 2020, Washington sent another high-level delegation to Brasilia, this time headed by

⁶⁸¹ Ribeiro, Mariana. 2020. "EUA prometem financiar rivais para breca China no 5G." *Valor Econômico*, October 21, 2020. <https://valor.globo.com/brasil/noticia/2020/10/21/eua-prometem-financiar-rivais-para-breca-china-no-5g.ghtml>.

⁶⁸² Orte, Paola de. 2020. "Decisão sobre 5G deve sair só no ano que vem, diz embaixador do Brasil nos EUA." *O Globo*, October 20, 2020, sec. Economia. <https://oglobo.globo.com/economia/decisao-sobre-5g-deve-sair-so-no-ano-que-vem-diz-embaixador-do-brasil-nos-eua-1-24702399>.

⁶⁸³ Coletta, Ricardo Della. 2020. "'Espero comparecer à posse de Trump', diz Bolsonaro mesmo com Biden à frente nas pesquisas." *Folha de S.Paulo*, October 20, 2020, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2020/10/espero-comparecer-a-posse-de-trump-diz-bolsonaro-mesmo-com-biden-a-frente-nas-pesquisas.shtml>.

⁶⁸⁴ Ribeiro, Mariana. 2020. "EUA prometem financiar rivais para breca China no 5G." *Valor Econômico*, October 21, 2020. <https://valor.globo.com/brasil/noticia/2020/10/21/eua-prometem-financiar-rivais-para-breca-china-no-5g.ghtml>.

Keith Krach, Under Secretary of State for Economic Growth, Energy, and the Environment. The American delegation sought to engage Brazilian telecom operators, including Vivo, Claro, TIM, and Oi, in a private meeting to discuss 5G technology⁶⁸⁵. However, the operators, represented by the industry association Conexis, declined the invitation, questioning the relevance of engaging in business discussions with foreign officials who were not directly involved in Brazilian governance or as shareholders. The telecom companies, which depended heavily on Huawei and Ericsson for 90% of their mobile network infrastructure, perceived the issue as a geopolitical matter rather than a business concern and asserted that such discussions should be conducted with the Brazilian government⁶⁸⁶. The operators' refusal to attend the meeting underscored their reluctance to eliminate a significant supplier such as Huawei, recognizing the potential economic and operational implications. The incident also generated discomfort among Brazilian authorities responsible for telecom regulation, who preferred to address such matters through technical channels rather than through political influence⁶⁸⁷. Meanwhile, the government leadership at the Planalto Palace and Itamaraty was not bothered by the aggressive US approach⁶⁸⁸. Despite US efforts, including an offer of financial support to smaller regional providers to deter them from using Huawei technology, the Brazilian telecom sector remained cautious about aligning with external pressures that could disrupt their existing investments and operations.

As one of the results of Under Secretary Keith Krach's mission to Brasilia, the Bolsonaro administration expressed support for the Clean Network,

⁶⁸⁵ Coletta, Ricardo Della. 2020. "Diplomacia americana faz lobby junto a operadoras contra Huawei no 5G." *Folha de S.Paulo*, November 5, 2020, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2020/11/diplomacia-americana-faz-lobby-junto-a-operadoras-contrahuawei-no-5g.shtml>.

⁶⁸⁶ Santana, Ivone. 2020. "Com Biden, Huawei segue na mira dos EUA por 5G." *Valor Econômico*, November 9, 2020. <https://valor.globo.com/empresas/noticia/2020/11/09/com-biden-huawei-segue-na-mira-dos-eua.ghtml>.

⁶⁸⁷ Coletta, Ricardo Della. 2020. "Diplomacia americana faz lobby junto a operadoras contra Huawei no 5G." *Folha de S.Paulo*, November 5, 2020, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2020/11/diplomacia-americana-faz-lobby-junto-a-operadoras-contrahuawei-no-5g.shtml>.

⁶⁸⁸ Santana, Ivone. 2020. "Com Biden, Huawei segue na mira dos EUA por 5G." *Valor Econômico*, November 9, 2020. <https://valor.globo.com/empresas/noticia/2020/11/09/com-biden-huawei-segue-na-mira-dos-eua.ghtml>.

a US-led initiative focused on network security and designed to limit Chinese influence in the sector⁶⁸⁹. The Clean Network plan sought to exclude Huawei from 5G infrastructure in various countries. While Brazil's endorsement of the Clean Network did not explicitly ban Huawei, it signaled the government's potential intention to move in that direction. The US Department of State articulated its objectives describing the Clean Network as a strategy to protect citizens' privacy and sensitive business information from "aggressive intrusions by malign actors", specifically targeting the Chinese Communist Party⁶⁹⁰. The primary goal of the US was to either ban or significantly restrict Huawei's participation in Brazil's 5G frequency auction, arguing that the company's technology posed a threat to Brazil's data security and its cooperation with the United States.

Before heading back to Washington, Under Secretary Keith Krach negotiated the launch of JUSBE with its counterparts in the Brazilian and the Japanese governments. JUSBE was a strategic initiative targeting China, particularly amid concerns over Huawei's potential participation in providing 5G equipment in Brazil. JUSBE aimed for coordination among Brazil, the US, and Japan to establish shared guidelines for disruptive technologies central to the fourth industrial revolution. Launched in the same week Joe Biden defeated Donald Trump in the US presidential election, the trilateral dialogue was expected to proceed irrespective of the electoral outcome, as both Trump and Biden were anticipated to maintain a firm stance towards China⁶⁹¹. Two months earlier, in September 2020, the three nations had previously signaled their alignment against Beijing by jointly advocating for free market principles within the World Trade Organization, emphasizing the importance of competition and

⁶⁸⁹ Corrêa, Marcello. 2020. "Governo brasileiro decide apoiar os EUA em iniciativa contra a China na disputa sobre 5G." *O Globo*, November 10, 2020, sec. Economia. <https://oglobo.globo.com/economia/governo-brasileiro-decide-apoiar-os-eua-em-iniciativa-contr-a-china-na-disputa-sobre-5g-1-24739329>.

⁶⁹⁰ Pompeo, Michael R. 2020. "The Clean Network." *United States Department of State* (blog). December 29, 2020. <https://2017-2021.state.gov/the-clean-network/>.

⁶⁹¹ Oliveira, Eliane. 2020. "Brasil, EUA e Japão Costuram Acordo Para Coordenar Questões Globais Na Tecnologia." *O Globo*, April 11, 2020. <https://oglobo.globo.com/economia/brasil-eua-japao-costuram-acordo-para-coordenar-questoes-globais-na-tecnologia-24727477>.

the autonomy of business decisions⁶⁹². JUSBE strategically targeted China by emphasizing shared values such as democracy, fundamental liberties, and a rule-based international order. By promoting free and fair competition, transparency, and the rule of law, JUSBE sought to establish a cooperative framework that directly contrasted with China's governance and market practices. This trilateral initiative aimed to fortify democratic governance, enhance cybersecurity, and support an open and secure 5G network, positioning itself as a counterpoint to Chinese influence, particularly in the technological domain⁶⁹³. JUSBE's alignment on these principles underscored a collective effort to advance an international order grounded in democratic values, thereby implicitly challenging China's model of state control and market dominance. In reality, JUSBE functioned more as an anti-China pressure group than as a defender of noble values like democracy, good governance, and cybersecurity. This stance was particularly evident as both the Bolsonaro and Trump administrations were actively undermining democratic institutions in their respective countries. This erosion ultimately culminated in coup attempts following electoral defeats, with the events of January 6, 2021, in the US and January 8, 2023, in Brazil.

Crossed Wires: The Bureaucratic Rift Over Huawei

The period leading to the 5G auction was characterized by an unprecedented level of interbureaucratic discord within the Brazilian government regarding its relationship with China. This moment of heightened bureaucratic tension revealed the deep-seated divisions among various governmental entities, each with its own distinct perspectives and vested interests, reflecting the increasing systemic and domestic significance of China to Brazil. As China emerged as an indispensable actor across nearly the entire

⁶⁹² Brazil, Japan, And The United States. 2020. "Importance of Market-Oriented Conditions To The World Trading System." WTO. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/GC/W803R1.pdf&Open=True>.

⁶⁹³ Brazil's Ministry of Foreign Affairs. 2020. "Launch of the Japan-United States-Brazil Exchange (JUSBE)." *Ministério Das Relações Exteriores* (blog). November 10, 2020. <https://www.gov.br/mre/en/contact-us/press-area/press-releases/launch-of-the-japan-united-states-brazil-exchange-jusbe>.

Brazilian national agenda, domestic dynamics to form Brazil's China policy became more politicized. Concerning the 5G auction, such politicization led to the establishment of two distinct groups: those opposing a veto against China included the Ministry of Science, Technology, and Innovation (MCTI), the Ministry of Agriculture (MAPA), the Ministry of Defense (MD), the Ministry of Communications (MCOM), the Ministry of the Economy (ME), the Vice Presidency, and most of Parliament. This first group, dubbed "pragmatic wing", adopted a more technical and pragmatic approach regarding the auction, although each bureaucracy within it embraced a particular reasoning and specific discourse to justify its position. In contrast, advocates for a veto were found in the Ministry of Foreign Affairs, the President's Special Advisory Office, and the Institutional Security Office (GSI), led by Ernesto Araújo, Filipe Martins, and Augusto Heleno, respectively. These three key figures from the Bolsonaro administration's inner circle became known as the government's "ideological wing" due to their positions on this and other issues. The terms "pragmatic wing" and "ideological wing" were widely used by political analysts to describe the internal dynamics of the Bolsonaro government in relation to its stances on foreign policy and domestic affairs alike. The next subsection will delve into the so-called "pragmatic wing", and the following will cover the "ideological wing".

The Pragmatic Wing

The effort to ban Huawei encountered resistance within the Brazilian government, where various officials and technical experts cautioned against such a move. They highlighted concerns about potential legal challenges, the economic repercussions of excluding a key technology provider such as China, and the negative impact on Brazil's reputation as a proponent of free market principles. These arguments reflected a broader debate over balancing national security considerations with economic and diplomatic interests. As mentioned, the Pragmatic Wing included ministers from the MCTI, MAPA, MD, MCOM, ME, as well as the Vice-President and most of Parliament.

As Vice President of Brazil, Hamilton Mourão co-versed over COSBAN, making him one of the most prominent figures in Brazil's China

policy. Mourão's approach to China often stood out as a voice of reason within Brazil's China policy, which was otherwise marked by frequent inconsistencies and irrational stances. His balanced and pragmatic views provided a stabilizing influence, particularly during periods of heightened tension in Brazil-China relations, as was the case of the debates leading up to the 5G auction. The Vice President positioned himself as a proponent of deepening Brazil's commercial relationship with China, advocating for an expansion of trade beyond the agribusiness sector⁶⁹⁴. In a speech at the opening of a Brazil-China Business Council (CEBC) seminar in November 2020, Mourão emphasized the importance of Brazil adapting to the evolving global supply and consumption chains, changes accelerated by the pandemic. He underscored that "opportunity and strategy go hand in hand" in Brazil's relationship with China, highlighting that China had been Brazil's largest trading partner for over a decade, with imports of Brazilian products expected to reach record levels in 2020. Mourão asserted that the Brazilian government must work collaboratively and objectively with China, focusing on future opportunities to diversify and expand the existing relationship across various sectors of the economy and society⁶⁹⁵.

In December 2020, Vice President Hamilton Mourão indicated that the government's stance on allowing Huawei's participation in Brazil's 5G auction had begun to take shape, despite opposition from the ideological wing of the Bolsonaro administration favoring the ban on Huawei⁶⁹⁶. His comments were made during a speech at the São Paulo Commercial Association, about a month after President Biden's election in the US, which weakened the ideological wing of Bolsonaro's government. This faction had relied heavily on its close alliance with the Trump administration, even delaying recognition of Biden's victory for 38 days while President Trump contested the election results

⁶⁹⁴ Interview with Ambassador no. 8. Online. February 2022.

⁶⁹⁵ Ibid.

⁶⁹⁶ Schuch, Matheus. 2020. "Entrada da Huawei no leilão de 5G 'começa a tomar forma' no governo, diz Mourão." *Valor Econômico*, December 7, 2020. <https://valor.globo.com/politica/noticia/2020/12/07/entrada-da-huawei-no-leilao-de-5g-comeca-a-tomar-forma-no-governo-diz-mourao.ghtml>.

and his supporters prepared to storm Capitol Hill on January 6⁶⁹⁷. Mourão argued that excluding the Chinese company would result in higher costs for consumers, noting that Huawei and ZTE, another Chinese telecom company, were among the top global providers of 5G infrastructure. He emphasized that any company meeting the criteria of respecting Brazilian sovereignty, data privacy, and economic efficiency should be eligible to participate⁶⁹⁸. Mourão also highlighted that a significant portion of Brazil's existing 3G and 4G infrastructure was already reliant on Huawei, and replacing it would have significantly increased costs for consumers⁶⁹⁹.

Vice President Hamilton Mourão's independent approach towards China prompted President Bolsonaro to centralize the 5G decision-making process solely under Communications Minister Fábio Faria, as a way to sideline the Vice President⁷⁰⁰. Also in December 2020, Bolsonaro stated "No one discusses 5G with me, and my schedule is not open to anyone unless they are accompanied by Minister Fábio Faria"⁷⁰¹. Mourão's 2019 visit to China, during which he was received by President Xi Jinping with the honors of a head of state, had already sparked jealousy in Bolsonaro. In Brazil, Mourão continued to engage with China, hosting the Chinese ambassador at least twice and publicly opposing the veto on Huawei, arguing that it would increase 5G costs. This stance created tensions within the administration, as Fábio Faria felt sidelined, leading Bolsonaro to take steps to limit Mourão's influence on the 5G issue⁷⁰².

The Ministry of Economy, for its part, expressed worry that banning Huawei could deter foreign investment and signal a departure from Brazil's commitment to economic liberalization and legal security⁷⁰³. Minister Paulo

⁶⁹⁷ Carvalho, Daniel. 2020. "Bolsonaro reconhece vitória de Biden mais de um mês após eleição nos EUA." *Folha de S.Paulo*, December 15, 2020, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2020/12/bolsonaro-reconhece-vitoria-de-biden-mais-de-um-mes-apos-eleicao-nos-eua.shtml>.

⁶⁹⁸ Interview with Ambassador no. 8. Online. February 2022.

⁶⁹⁹ Schuch, Matheus. 2020. "Entrada da Huawei no leilão de 5G 'começa a tomar forma' no governo, diz Mourão." *Valor Econômico*, December 7, 2020. <https://valor.globo.com/politica/noticia/2020/12/07/entrada-da-huawei-no-leilao-de-5g-comeca-a-tomar-forma-no-governo-diz-mourao.ghtml>.

⁷⁰⁰ Interview with Ambassador. no 8. Online. February 2022.

⁷⁰¹ Costa, Ana Clara. 2021. "Lição Das Bravatas." *Revista Piauí*, November 1, 2021. <https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

⁷⁰² Ibid.

⁷⁰³ Interview with economic authority no. 4. Online. April 2024.

Guedes, who did not shy away from making harsh criticisms of China on other occasions⁷⁰⁴, took a stance in favor of free competition in the 5G auction. “When [the] 5G [auction] arrives, it would be interesting to let competition play out. Let Ericsson be on one side, Huawei on the other, let the Chinese compete with the Americans, and the Nordics, and see who serves us best”, stated the Minister of the Economy in an interview to CNN Brasil⁷⁰⁵. However, the Ministry adopted a more critical stance after the Special Secretariat for Productivity, Employment, and Competitiveness, under the leadership of Carlos da Costa, launched a study into the practices of these companies in Brazil. In a meeting with Minister Paulo Guedes and his team, Huawei representatives were questioned about their auditing procedures and ownership structure to assess whether Chinese companies were potentially breaching free market standards⁷⁰⁶. Despite this scrutiny, the study’s findings did not alter the Ministry of the Economy’s overall position, which continued to support free competition without imposing bans on any specific country or company⁷⁰⁷. While Economy Minister Paulo Guedes acknowledged that geopolitical suspicion towards China, heightened by the pandemic, was influencing the 5G rollout in Brazil, he nonetheless advocated for free competition among suppliers⁷⁰⁸.

The growing tension over 5G was also closely monitored by Agriculture Minister Tereza Cristina, one of the most vocal members of the pragmatic wing of the Bolsonaro government (see chapter 3.3, “Agricultural Minister (At-Large): The Acting Foreign Minister”). She clearly understood that 5G negotiations

⁷⁰⁴ Barbosa, Marina. 2021. “Guedes Diz Que ‘Chinês Inventou o Vírus’ e Cria Novo Embate Diplomático.” *Correio Braziliense*, April 27, 2021. <https://www.correio braziliense.com.br/politica/2021/04/4920588-guedes-diz-que-chines-invento-u-o-virus-e-cria-novo-embate-diplomatico.html>.

⁷⁰⁵ Waack, William, dir. 2020. “Minister Paulo Guedes’ interview to CNN Brasil.” *O Brasil Pós-Pandemia: a Retomada*. CNN Brasil. <https://www.cnnbrasil.com.br/economia/macroeconomia/governo-vai-ajudar-empresas-aereas-e-pode-ter-lucro-de-ate-100-na-operacao/>.

⁷⁰⁶ Wiziack, Julio. 2021. “Governo Biden deve reduzir pressão sobre o 5G no Brasil.” *Folha de S.Paulo*, January 1, 2021, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2021/01/governo-biden-deve-reduzir-pressao-sobre-o-5g-no-brasil.shtml>.

⁷⁰⁷ Interview with economic authority. Online. April 2024.

⁷⁰⁸ Carro, Rodrigo. 2020. “Viés ideológico pode dificultar leilão de 5G.” *Valor Econômico*, July 13, 2020. <https://valor.globo.com/empresas/noticia/2020/07/13/vies-ideologico-pode-dificultar-leilao-de-5g.ghtml>.

involved significant issue linkages, and she made this clear to her colleagues during a ministerial meeting in January 2021, at the height of the pandemic: “If we don’t compromise on 5G, there will be no ventilators or vaccines [imported from China],” stated the minister⁷⁰⁹. As Minister of Agriculture, her primary concern was that any restrictions on Huawei could provoke China to reduce its agricultural commodity purchases from Brazil⁷¹⁰. The economic stakes were significant: in the first four months of 2020 alone, the year marked by the highest tension in the 5G debate, Brazil’s agricultural exports to China reached a record US \$31.4 billion, accounting for nearly 47% of the country’s total exports during that period. China’s purchases alone surpassed those of nine other countries combined, with the European Union and the United States trailing behind (MDIC 2024). China’s over-reliance on Brazil for agricultural imports emboldened Foreign Minister Araújo to propose restrictions on 5G⁷¹¹ and to support the US stance at the WTO, which sought to revoke China’s status as a market economy⁷¹². Araújo believed that even if China were forced out of the WTO, it would continue to purchase Brazilian goods out of necessity⁷¹³. However, experts from the Agriculture Ministry disagreed, warning that China could easily turn to other markets, leading to potentially devastating losses for Brazilian producers⁷¹⁴. Simulations estimated that a 10% reduction in Chinese purchases could result in a loss of at least US\$ 8 billion in sales and the elimination of approximately 800,000 direct jobs⁷¹⁵. Despite Araújo’s confidence in finding alternative markets, such a shift would be challenging and

⁷⁰⁹ Costa, Ana Clara. 2021. “Lição Das Bravatas.” *Revista Piauí*, November 1, 2021. <https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

⁷¹⁰ Wiziack, Julio. 2020. “Brasil cria travas que dificultam investimento chinês no país.” *Valor Econômico*, August 9, 2020. <https://valor.globo.com/brasil/noticia/2020/08/09/brasil-cria-travas-que-dificultam-investimento-chins-no-pas.ghtml>.

⁷¹¹ Interview with Ambassador no. 11. Online. April 2024.

⁷¹² Brazil, Japan, And The United States. 2020. “Importance of Market-Oriented Conditions To The World Trading System.” WTO. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/GC/W803R1.pdf&Open=True>.

⁷¹³ Wiziack, Julio. 2020. “Brasil cria travas que dificultam investimento chinês no país.” *Valor Econômico*, August 9, 2020. <https://valor.globo.com/brasil/noticia/2020/08/09/brasil-cria-travas-que-dificultam-investimento-chins-no-pas.ghtml>.

⁷¹⁴ Interview with diplomat no. 4. Brasilia. April 2024.

⁷¹⁵ Ibid.

could not fully compensate for the loss of the Chinese market, even with potential support from the US and Australia⁷¹⁶.

In fact, the trade conflict between China and Australia served as a cautionary tale for Brazil, highlighting the potential repercussions of strained relations with the world's second-largest economy. China's aggressive response to Australia's calls for an investigation into the origins of the coronavirus, along with its criticism of Chinese policies on Taiwan, Hong Kong, and Huawei, had led to significant economic disruptions⁷¹⁷. Although China officially attributed the partial interruption of trade to sanitary and environmental concerns, the timing suggested a more strategic response to what Beijing perceived as provocations. For the pragmatic wing within the Bolsonaro administration, the Australian experience underscored the importance of maintaining a balanced and cautious approach in its diplomatic and economic interactions with China, particularly as the Brazilian government prepared for the 5G auction. While China's posture in Latin America appeared more conciliatory than in its dealings with Australia, the situation served as a reminder that Brazil needed to carefully manage its relationship with China to avoid similar tensions and potential economic fallout.

The Ministry of Defense also adopted a technical approach concerning the 5G auction notice. Brazil's General Guido Amin, head of the Brazilian Army's Cyber Defense Command (ComDCiber), stated that banning a 5G provider, such as Huawei, would not eliminate the risk of espionage, as other suppliers could have posed similar threats⁷¹⁸. Amin emphasized that rather than focusing on blocking specific companies, Brazil should have prepared to counteract any potential threats through stringent legal and contractual measures. He also warned that an overly aggressive stance against Huawei could have dragged Brazil into the ongoing US-China trade war, noting that both China and the US were important partners for Brazil. During a technical mission

⁷¹⁶ Interview with Ambassador. Online. April 2024.

⁷¹⁷ Moreira, Assis. 2020. "Os alertas que a guerra comercial entre China e Austrália trazem para o Brasil." *Valor Econômico*, December 1, 2020. <https://valor.globo.com/brasil/noticia/2020/12/01/os-alertas-que-a-guerra-comercial-entre-china-e-australia-trazem-para-o-brasil.ghtml>.

⁷¹⁸ Bitencourt, Rafael. 2020. "Para Exército, barrar fornecedor de 5G não elimina risco de espionagem." *Valor Econômico*, February 19, 2020. <https://valor.globo.com/empresas/noticia/2020/02/19/para-exercito-barrar-fornecedor-de-5g-nao-elimina-risco-de-espionagem.ghtml>.

to China in February 2021 in preparation for the 5G auction, a Brazilian delegation, which included military personnel, toured Huawei's technology campus. The delegation received hours of demonstrations on 5G technology and visited a cybersecurity and data protection laboratory – a specific request made by the Ministry of Defense⁷¹⁹. When called to testify before the Chamber of Deputies about the potential dangers of the 5G auction, the military presented no evidence of any illicit data breaches⁷²⁰.

Recalling the espionage scandal involving the US National Security Agency (NSA) during Barack Obama's administration, military officials at the Planalto Palace believed that the risks associated with 5G technology were not exclusive to Huawei, and that caution was equally warranted when dealing with the United States⁷²¹. In contrast to the unproven American allegations of Chinese espionage, the confirmed espionage operation by the NSA against Brazil revealed the surveillance of high-ranking officials, including the President, ministers, ambassadors, senior military officers, as well as Petrobras, Brazil's largest enterprise⁷²². These revelations, brought to light in 2015 by leaks from former NSA contractor Edward Snowden, exposed the vast scope of US surveillance activities in Brazil, underscoring the double standards in American narratives on cybersecurity and state espionage. While accusations against China largely remained speculative, the NSA's actions constituted a direct violation of Brazil's sovereignty, demonstrating that even allies are not immune from US spying.

Against this backdrop, Minister of Science and Technology Marcos Pontes advocated for an open and fair competition for the new network⁷²³.

⁷¹⁹ Costa, Ana Clara. 2021. "Lição Das Bravatas." *Revista Piauí*, November 1, 2021. <https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

⁷²⁰ Ibid.

⁷²¹ Zaia, Cristiano. 2020. "Governo Já Admite Rever Veto à Huawei." *Valor Econômico*, November 19, 2020. <https://valor.globo.com/empresas/noticia/2020/11/19/governo-ja-admite-rever-veto-a-huawei.ghtml>.

⁷²² G1. 2015. "EUA grampearam Dilma, ex-ministros e avião presidencial, revela WikiLeaks." *G1*, July 4, 2015, sec. Política. <https://g1.globo.com/politica/noticia/2015/07/lista-revela-29-integrantes-do-governo-dilma-espionados-pelos-eua.html>.

⁷²³ Adghirni, Samy. 2020. "Bolsonaro avalia proibir Huawei na rede 5G do Brasil, diz fonte." *Valor Econômico*, October 16, 2020.

Pontes took a stance against imposing restrictions on Huawei or any other foreign companies in Brazil's 5G auction. He argued that the Brazilian government's role was to regulate and oversee the market rather than intervene, allowing telecommunications companies the autonomy to select their technology providers. He likened the exclusion of Huawei to a hypothetical ban on a major automaker such as Volkswagen, emphasizing that such drastic measures would require compelling evidence⁷²⁴. Pontes noted that companies like Cisco, Huawei, and Qualcomm were already deeply embedded in Brazil's telecommunications infrastructure, and the introduction of 5G represented an evolution rather than a fundamentally new threat. To address potential cybersecurity concerns, he highlighted the government's initiative to establish artificial intelligence laboratories in partnership with the Army, focused on monitoring technological risks rather than outright banning specific technologies. Pontes underscored Brazil's commitment to a scientific and data-driven approach, and reaffirmed Brazil's sovereignty in making decisions that aligned with its national interests⁷²⁵.

On June 10, 2020, President Jair Bolsonaro announced, through a provisional measure, the reestablishment of the Ministry of Communications, appointing Federal Deputy Fábio Faria as the minister. The former Ministry of Science, Technology, Innovations, and Communications was divided into two separate entities, with Marcos Pontes continuing as the Minister of Science, Technology, and Innovations. Bolsonaro's new Communications Minister, Fabio Faria, played an important role in ensuring Huawei's participation in the Brazilian market. According to him, banning Huawei was not reasonable, not least because the US offered no incentives in exchange for imposing a veto on Huawei⁷²⁶. Fábio Faria asserted that the Ministry of Communications would not

<https://valor.globo.com/brasil/noticia/2020/10/16/bolsonaro-avalia-proibir-huawei-na-rede-5g-do-brasil-diz-fonte.ghtml>.

⁷²⁴ Agência Estado. 2019. "Leilão de 5G não vetará nenhuma das tecnologias", diz Marcos Pontes." *Correio Braziliense*, November 29, 2019, sec. Economia. https://www.correio braziliense.com.br/app/noticia/economia/2019/11/29/internas_economia,810227/leilao-de-5g-nao-vetara-nenhuma-das-tecnologias-diz-marcos-pontes.shtml.

⁷²⁵ Ibid.

⁷²⁶ Pearson, Samantha. 2023. "Uruguai reflete reorientação latino-americana dos EUA à China." *Valor Econômico*, November 12, 2023. <https://valor.globo.com/mundo/noticia/2023/11/12/uruguai-reflete-reorientao-latino-americana-dos-eua-china.ghtml>.

serve as a battleground for geopolitical disputes and pledged to provide President Bolsonaro with informed guidance. However, he acknowledged that technical considerations might ultimately be outweighed by ideological pressures⁷²⁷. Nevertheless, he and Economy Minister Paulo Guedes – both favoring a pragmatic approach to the auction notice – clashed over the auction model. Faria advocated for a balanced approach, prioritizing investments in internet infrastructure, while Guedes favored a revenue-focused auction to maximize government income. Faria argued that 5G represented a transformative opportunity, not just a technological upgrade, emphasizing the need to expand connectivity in Brazil⁷²⁸. Faria also observed that the auction’s delay – caused by interbureaucratic conflict – proved beneficial, as it allowed Brazil to monitor how other countries navigated negotiations and potential bans before reaching its own decision.

Although they were the majority, players of the Pragmatic Wing had to contend with highly influential figures within the government who enjoyed the President’s closest trust, as will be discussed in the next section.

The Ideological Wing

In the interbureaucratic split over the potential veto of Huawei in the 5G auction, the ideological wing was a minority; however, its members were close advisors to the president and enjoyed his full confidence. This group included the Minister of the Institutional Security Office (GSI), General Augusto Heleno, the Minister of Foreign Affairs, Ernesto Araújo, the Special Advisor for International Affairs to the Presidency, Filipe Martins, and the President of the Foreign Affairs and National Defense Committee of the Chamber of Deputies — and the President’s son — Eduardo Bolsonaro. Despite being part of the same ideological faction, their roles in the interbureaucratic battle differed according to their governmental responsibilities. As I will argue, while the GSI Minister took direct action, seeking to block Huawei through legal and technical means, the

⁷²⁷ Carvalho, Daniel. 2020. “Fábio Faria discorda do modelo para leilão de 5G defendido por Guedes.” *Folha de S.Paulo*, August 6, 2020, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2020/08/ministros-da-economia-e-de-comunicacoes-divergem-sobre-leilao-de-5g.shtml>.

⁷²⁸ Ibid.

Foreign Minister and Special Advisor played more political roles, largely behind the scenes. Their efforts focused on strengthening Brazil's alignment with the US and distancing it from China, always with the understanding that the 5G issue was pivotal to this broader strategy. Eduardo Bolsonaro, for his part, adopted a more overt approach, actively seeking to damage Brazil-China relations through provocative social media posts aimed directly at China. This section will address the actions taken by the heads of the GSI, the Special Advisory Office of the Presidency, and the Foreign Affairs Committee of the Chamber of Deputies. The role of the Minister of Foreign Affairs will be examined in a separate section, as his involvement in the 5G dispute not only triggered a crisis in Brazil-China relations but also strained relations between the Executive and Legislative branches, ultimately leading to his dismissal due to intense pressure from Parliament.

Let's begin with the GSI, which played a pivotal role in the internal government debates over the potential ban on Huawei from Brazil's 5G market⁷²⁹. It was headed by Minister Augusto Heleno, a General who was part of the hardline faction that resisted democratization during Brazil's Military Regime (1964-1985). As of 2024, he has been under investigation, along with other former members of the Bolsonaro administration, for suspected involvement in a coup plot that culminated in the attempt to overthrow President Lula on January 8, 2023, just one week after his inauguration⁷³⁰. As part of the Ideological Wing advocating for stricter controls on Chinese companies, the GSI emphasized the security risks associated with allowing Huawei's involvement in the 5G infrastructure. The GSI's influence was especially evident in its push for a presidential decree that would establish stringent security requirements for the implementation of 5G technology in Brazil, effectively limiting Huawei's

⁷²⁹ Bitencourt, Rafael. 2020. "Ala do governo interessada em banir Huawei prepara decreto." *Valor Econômico*, December 6, 2020.

<https://valor.globo.com/empresas/noticia/2020/12/06/ala-do-governo-interessada-em-banir-huawei-prepara-decreto.ghtml>.

⁷³⁰ Jornal Nacional. 2024. "Entre os investigados pela PF por tentativa de golpe de Estado estão nomes que ocuparam cargos de destaque no governo Bolsonaro." *G1*, February 8, 2024.

<https://g1.globo.com/jornal-nacional/noticia/2024/02/08/entre-os-investigados-pela-pf-por-tentativa-de-golpe-de-estado-estao-nomes-que-ocuparam-cargos-de-destaque-no-governo-bolsonaro.ghtml>.

participation without an outright ban⁷³¹. This proposed decree aimed to align with the GSI's Normative Instruction No. 4, which outlined cybersecurity measures for 5G networks, despite criticisms regarding its constitutionality and overreach into the regulatory domain of Anatel, Brazil's telecommunications agency. The GSI's strategy sought to impose conditions on Huawei that the company might find difficult to meet, thereby reducing its role in the 5G rollout while maintaining the appearance of a neutral, security-driven approach⁷³². In late November 2020, Huawei executives met with cybersecurity experts from the GSI. Heleno did not attend; a cybersecurity specialist represented the GSI. Huawei emphasized its adherence to international security standards and invited GSI members to visit their global cybersecurity labs. They highlighted their role as the sole provider of equipment for Brazil's government data systems, including the Federal Revenue Service, Caixa Econômica, and the Central Bank, stressing the absence of data breaches involving their equipment⁷³³.

Around the same time, on November 24, 2020, a highly anticipated meeting unfolded, reflecting the tense political environment surrounding the 5G auction. Communications Minister Fábio Faria brought members of Anatel to meet with President Bolsonaro and General Augusto Heleno⁷³⁴. This was the first time a Brazilian president summoned Anatel advisors, raising concerns about the independence of the agency. The tension escalated when, on the eve of the meeting, Congressman Eduardo Bolsonaro tweeted in support of the US stance against Huawei, accusing China of espionage⁷³⁵. Despite the

⁷³¹ Paraguassu, Lisandra. 2020. "Apesar de custo e risco jurídico, governo tenta decreto para barrar Huawei no 5G." *CNN Brasil*, August 12, 2020. <https://www.cnnbrasil.com.br/tecnologia/apesar-de-custo-e-risco-juridico-governo-tenta-decreto-para-barrar-huawei-no-5g/>.

⁷³² Ibid.

⁷³³ Wiziack, Julio. 2021. "Governo Biden deve reduzir pressão sobre o 5G no Brasil." *Folha de S. Paulo*, January 1, 2021, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2021/01/governo-biden-deve-reduzir-pressao-sobre-o-5g-no-brasil.shtml>.

⁷³⁴ Coletta, Ricardo Della. 2020. "Ministro Das Comunicações Diz Que 5G é Tema de Segurança Nacional." *Folha de S. Paulo*, November 24, 2020. <https://www1.folha.uol.com.br/mercado/2020/11/ministro-das-comunicacoes-diz-que-5g-e-tema-de-seguranca-nacional.shtml>.

⁷³⁵ Behnke, Emilly. 2020. "Eduardo Bolsonaro apaga publicação em que fala sobre 5G e 'espionagem chinesa.'" *Estadão*, November 24, 2020.

apprehension, the meeting concluded without direct comments from Bolsonaro on the issue. However, the existence of the aforementioned draft decree intended to ban Huawei alarmed Anatel's president, Leonardo Euler, who emphasized the agency's technical, not political, mandate, stressing that geopolitical decisions laid beyond Anatel's legal purview⁷³⁶. Euler was perceived by Communications Minister Fábio Faria and his aides as having a pro-China bias due to his friendship with Daniel Vilela, a former congressman and key Huawei interlocutor in Brasília, who had recommended Euler for the presidency of Anatel in 2018 during the final months of the Michel Temer administration (2016-2018)⁷³⁷. This perception fueled Faria's mistrust, leading him to withhold the draft during the meeting, fearing that Euler passed the information to Huawei⁷³⁸.

Felipe Martins, the Special Advisor for International Affairs to President Jair Bolsonaro, was another prominent advocate for banning Huawei from Brazil's 5G auction. His stance was deeply influenced by his alignment with the broader ideological agenda of the Bolsonaro administration, which closely mirrored the geopolitical priorities of the United States, particularly during the Trump presidency. Martins consistently framed the Huawei issue not merely as a technical or economic decision but as a critical matter of national security and strategic alignment, positioning it within the larger context of a global struggle between democratic nations and authoritarian regimes⁷³⁹. Martins argued that allowing Huawei to participate in Brazil's 5G infrastructure posed significant risks to national sovereignty, data security, and the integrity of Brazil's communication networks⁷⁴⁰. He echoed concerns frequently raised by US officials, who accused Huawei of being an extension of the Chinese state and a potential tool for espionage. Through social media, public statements, and private consultations with government officials, Martins pushed for a policy that

<https://www.estadao.com.br/economia/eduardo-bolsonaro-apaga-publicacao-em-que-fala-sobre-5g-e-espionagem-chinesa/>.

⁷³⁶ Costa, Ana Clara. 2021. "Lição Das Bravatas." *Revista Piauí*, November 1, 2021.

<https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

⁷³⁷ Ibid.

⁷³⁸ Ibid.

⁷³⁹ Interview with Ambassador no. 6. Brasília. April 2024.

⁷⁴⁰ *Live Da Semana Com Presidente Jair Bolsonaro*. 2020.

<https://www.youtube.com/watch?v=WLd2HmL3Ua0>.

would align Brazil with Western allies, particularly the United States, and distance the country from Chinese technological influence. His efforts were part of a broader strategy to redefine Brazil's foreign policy orientation towards stronger ties with the West and a more confrontational stance against China⁷⁴¹.

Filipe Martins' role in shaping Brazil's foreign policy, particularly in the 5G debate, drew significant opposition from China, ultimately leading Chinese Ambassador Yang Wanming to seek his dismissal⁷⁴². Martins was viewed by Beijing as a key obstacle to improving Brazil-China relations. His influence in the discussions around whether to ban Huawei from Brazil's 5G network was seen as exacerbating tensions. Ambassador Yang, typically forthright in his public statements, took the unusual step of privately communicating his dissatisfaction through Brazilian parliamentarians and Itamaraty representatives⁷⁴³. Yang conveyed that China believed bilateral relations would benefit from Martins' removal, citing his continued influence over President Bolsonaro and the Ministry of Foreign Affairs as a hindrance to any meaningful change in Brazil's foreign policy towards China⁷⁴⁴. Martins' alignment with an ideologically driven foreign policy, combined with his interference in strategic decisions like 5G, placed him at the center of diplomatic tensions between the Bolsonaro administration and China.

Eduardo Bolsonaro, for his part, played a controversial and vocal role in the 5G debate in Brazil, particularly in advocating against the inclusion of Huawei in the country's 5G infrastructure. His stance aligned closely with the United States' Clean Network initiative, as previously discussed. In November 2020, Eduardo published a series of tweets highlighting Brazil's adherence to the Clean Network program and criticizing China for alleged espionage. One tweet, in particular, directly accused China of engaging in surveillance activities and framed Brazil's alignment with the Clean Network as a necessary step to protect national security. However, this post was later deleted, suggesting

⁷⁴¹ Interview with Ambassador. no 1. Brasilia. April 2024.

⁷⁴² Tahan, Lilian. 2021. "Embaixador Chinês Pedu a Emissários de Bolsonaro a Cabeça de Filipe Martins." *Metrópoles*, March 5, 2021. <https://www.metropoles.com/colunas/grande-angular/embaixador-chines-pede-a-emissarios-de-bolsonaro-a-cabeca-de-filipe-martins>.

⁷⁴³ Interview with Parliamentarian no. 2. Brasilia. April 2024.

⁷⁴⁴ Ibid.

potential internal pressure or diplomatic concerns about the overtly hostile language toward China. Despite the deletion, Eduardo continued to emphasize the geopolitical risks associated with Chinese technology in his subsequent tweets, framing the 5G debate as a broader struggle for freedom against authoritarian regimes, particularly the Chinese Communist Party. “The program that Brazil has joined [the Clean Network] aims to protect its participants from invasions and violations of citizens’ and companies’ private information. This is done with a rejection of entities classified as aggressive and enemies of freedom, such as the Chinese Communist Party”, wrote Eduardo. His active participation in this debate reflected his ideological alignment with the US and his broader role in promoting an anti-China stance within Brazil’s foreign policy discussions⁷⁴⁵.

In response to his remarks, the Chinese Embassy in Brazil issued a statement condemning his alignment with US rhetoric against China and warned of potential “negative consequences” if such actions continued⁷⁴⁶. Eduardo’s comments were met with strong disapproval from the Chinese diplomatic mission, which emphasized that such unfounded claims were damaging to the bilateral relationship between Brazil and China⁷⁴⁷. In a series of 17 tweets, the Embassy stated that Eduardo “and certain figures have made a series of infamous remarks that [...] undermine the friendly relations between the two countries and tarnish Brazil’s image”⁷⁴⁸. The embassy highlighted China’s status as Brazil’s largest trading partner, accounting for 33% of Brazilian exports, and urged Brazilian officials to abandon US-inspired rhetoric that could harm the Sino-Brazilian partnership. The statement underscored the gravity of the situation, warning that continued antagonism could lead to serious repercussions and place responsibility for any resulting disruption in the bilateral

⁷⁴⁵ Interview with Parliamentarian no. 2. Brasilia. April 2024.

⁷⁴⁶ Folhapress. 2020. “Embaixada chinesa reage a Eduardo Bolsonaro e fala em ‘consequências negativas.’” *Valor Econômico*, November 24, 2020. <https://valor.globo.com/brasil/noticia/2020/11/24/embaixada-chinesa-reage-a-eduardo-bolsonaro-e-fala-em-consequencias-negativas.ghtml>.

⁷⁴⁷ Interview with Parliamentarian no. 2. Brasilia. April 2024.

⁷⁴⁸ Murakawa, Fabio. 2020. “Aliados tentam convencer Bolsonaro a autorizar Huawei em pool no 5G.” *Valor Econômico*, November 25, 2020. <https://valor.globo.com/empresas/noticia/2020/11/25/aliados-tentam-convencer-bolsonaro-a-autorizar-huawei-em-pool-no-5g.ghtml>.

relationship on those who perpetuate these tensions⁷⁴⁹. Against this backdrop, Foreign Minister Ernesto Araújo further strained relations by implicitly attributing responsibility for the COVID-19 pandemic to China, suggesting in a ministerial meeting and on his personal blog that the virus had revived the “communist nightmare”⁷⁵⁰.

Signals and Shots: The Crossroads of 5G and Vaccine Cooperation

In international relations, issue linkages refer to the strategic connection of separate, often unrelated, issues in diplomatic negotiations, with the goal of leveraging one issue to influence outcomes in another. This concept is often employed by states to increase their bargaining power or to address complex, multi-dimensional challenges (Poast 2013). Issue linkages can manifest as either positive, where cooperation in one area is rewarded with concessions in another, or negative, where a party may threaten non-cooperation in one domain to extract concessions in another. In the context of Brazil-China relations during the 5G auction and the Covid-19 pandemic, issue linkages became a critical negotiation tool. As China was a key supplier of inputs for Covid-19 vaccine production in Brazil, Brazilian officials were aware that decisions surrounding the inclusion of Huawei in Brazil's 5G infrastructure could affect China's willingness to cooperate on vaccine procurement⁷⁵¹. As previously mentioned, at the height of the Covid-19 pandemic, Agriculture Minister Tereza Cristina bluntly remarked: “If we don't make concessions on 5G, there will be no ventilators or vaccines [from China].”⁷⁵² The overlap between these two issues created a high-stakes diplomatic environment, where Brazil had to balance its relationship with the US, which strongly opposed Huawei's involvement, against its urgent need for Chinese vaccines. This situation illustrates how issue

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⁷⁵⁰ Adghirni, Samy. 2020. “Bolsonaro avalia proibir Huawei na rede 5G do Brasil, diz fonte.” *Valor Econômico*, October 16, 2020. <https://valor.globo.com/brasil/noticia/2020/10/16/bolsonaro-avalia-proibir-huawei-na-rede-5g-do-brasil-diz-fonte.ghtml>.

⁷⁵¹ Interview with Parliamentarian no. 1. Brasilia. April 2024.

⁷⁵² Costa, Ana Clara. 2021. “Lição Das Bravatas.” *Revista Piauí*, November 1, 2021. <https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

linkages can blur the boundaries between distinct policy areas, compelling states to manage interdependencies on a dynamic geopolitical chessboard.

The Covid-19 pandemic forced President Bolsonaro to reconsider his Sinophobic foreign policy, as Brazil faced a critical need for health products largely produced by China⁷⁵³. At the height of the pandemic, Brazil experienced thousands of deaths per day, and essential supplies such as ventilators, masks, and, most crucially, vaccines, were urgently required to control the crisis. China, among the world's largest producers of many of these items, became an indispensable partner in Brazil's pandemic response. As the death toll climbed, domestic pressure grew against the Bolsonaro administration's anti-China stance, which had been strongly influenced by Foreign Minister Ernesto Araújo's ideological opposition to China. This Sinophobic posture, increasingly seen as incompatible with Brazil's urgent public health needs, faced intense criticism from within the government, the business community, and the public to the point that a Parliamentary Inquiry Commission (CPI) would be installed in Brazil's Federal Senate in April 2021 to investigate alleged omissions and irregularities in federal government actions during the Covid-19 pandemic⁷⁵⁴. As a result, Bolsonaro was compelled to soften his approach towards China, recognizing the country's pivotal role in Brazil's pandemic management.

Against this backdrop, tensions between Foreign Minister Ernesto Araújo and Chinese Ambassador Yang Wanming became more pronounced. The Brazilian government had initially attempted to secure vaccines from the Oxford/AstraZeneca laboratory in India, but negotiations ultimately failed⁷⁵⁵. This setback allowed São Paulo Governor João Doria – one of President Bolsonaro's main political opponents – to take the lead, as he successfully negotiated directly with a Chinese laboratory to purchase the CoronaVac

⁷⁵³ Interview with Ambassador no. 11. Online. April 2024.

⁷⁵⁴ Senado Federal. 2021. "CPI Da Pandemia. Relatório Final." <https://legis.senado.leg.br/sdleg-getter/documento/download/72c805d3-888b-4228-8682-260175471243>.

⁷⁵⁵ Redação. 2021. "China ignora pedidos de Bolsonaro por troca de embaixador no Brasil." *Metrópoles*, February 15, 2021, sec. Política. <https://www.metropoles.com/brasil/politica-brasil/china-ignora-pedidos-de-bolsonaro-por-troca-de-embaixador-no-brasil>.

vaccine⁷⁵⁶. Despite publicly praising Ernesto Araújo's efforts, several other ministers, including Eduardo Pazuello (Health), Tereza Cristina (Agriculture), and Fábio Faria (Communications), stepped in to salvage Brazil's relationship with its primary trade partner, China⁷⁵⁷. However, Vice President Hamilton Mourão, who chaired COSBAN and was close to the Chinese ambassador, was not invited to participate in these efforts⁷⁵⁸, reflecting the strained relationship between Bolsonaro and his vice president at that time.

In early February 2021, Communications Minister Fábio Faria led a high-profile delegation, dubbed the "5G mission", to visit key equipment suppliers for Brazil's upcoming 5G network auction⁷⁵⁹. The group visited factories in Sweden, Finland, South Korea, Japan, and China, underscoring the significance of this mission in Brazil's decision-making process regarding 5G infrastructure. Initially, only Sweden and Finland were on the itinerary, as Brazil aimed to negotiate with these suppliers, but escalating tensions with China over vaccine inputs prompted the inclusion of Asian destinations⁷⁶⁰. Minister Fábio Faria was accompanied by ministers from the Brazilian Federal Audit Court (TCU), responsible for approving the 5G auction notice, and by high-level military officers, responsible for strategic affairs⁷⁶¹. The inclusion of these officials highlighted the importance of technical and security evaluations of the 5G proposals.

Upon arriving in Shenzhen on February 10, the Brazilian delegation received a special waiver from China's strict 21-day quarantine policy, an exemption arranged by Chinese Ambassador Yang Wanming⁷⁶². This gesture

⁷⁵⁶ G1. 2020. "Veja a Cronologia Da Disputa Entre Bolsonaro e Doria Em Torno Da Vacina Contra a Covid-19." *G1*, December 12, 2020. <https://g1.globo.com/bemestar/vacina/noticia/2020/12/12/veja-a-cronologia-da-disputa-entre-bolsonaro-e-doria-em-torno-da-vacina-contra-a-covid-19.ghtml>.

⁷⁵⁷ Interview with Parliamentarian no. 1. Brasília. April 2024.

⁷⁵⁸ Interview with Ambassador no. 8 Online. February 2022.

⁷⁵⁹ Gov.BR. 2021. "Missão Brasileira Visitará Cinco Países Para Obter Mais Informações Sobre 5G." February 2, 2021. <https://www.gov.br/pt-br/noticias/transito-e-transportes/2021/02/missao-brasileira-visitara-cinco-paises-para-obter-mais-informacoes-sobre-5g>.

⁷⁶⁰ Interview with Ambassador. no 11. Online. February 2022.

⁷⁶¹ Ministério das Comunicações. 2021. "Nota Oficial - Missão Oficial Interministerial." January 2, 2021. <https://www.gov.br/mcom/pt-br/noticias/2021/janeiro/nota-oficial-2>.

⁷⁶² Costa, Ana Clara. 2021. "Lição Das Bravatas." *Revista Piauí*, November 1, 2021. <https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

demonstrated China's vested interest in maintaining diplomatic and commercial relations with Brazil, particularly concerning the sensitive 5G issue. Despite the waiver, the delegation was required to remain confined to a designated residence and only permitted to move in vans provided by Huawei. During their brief stay, the delegation held a virtual meeting with Huawei founder and president Ren Zhengfei, who had been largely absent from public view since the start of the pandemic. Following this meeting, the group toured Huawei's technology campus, where they received detailed demonstrations of 5G technology and visited a cybersecurity and data protection lab, an arrangement specifically requested by Brazil's Ministry of Defense⁷⁶³.

The trip was also used to request vaccines, including a letter to Marcus Wallenberg, shareholder of Ericsson and AstraZeneca, in Sweden, and a message to Ambassador Wanming in China⁷⁶⁴. Amid speculation of a possible trade-off between vaccine procurement and 5G decisions, Faria denied any issue linkage between the two negotiations. He tweeted, "The auction will be conducted in June by Anatel. The TCU oversees it, and President Bolsonaro decides. We requested vaccines in Sweden and China, and this has NOTHING to do with 5G. 5G is non-negotiable"⁷⁶⁵. Back in Brazil, the minister insisted that his trip abroad was not an attempt to "sell 5G in exchange for vaccines". He expressed frustration with the speculation surrounding his visit to countries with advanced 5G technology, clarifying that while he did engage in discussions with vaccine manufacturers, the primary purpose of the trip was related to 5G negotiations⁷⁶⁶. Faria also consistently denied that the trip had any political motivations, arguing that if it were a political mission, the delegation would have gone to Beijing and met with China's Foreign Minister, Wang Yi. However, the

⁷⁶³ Ibid.

⁷⁶⁴ Funke, Martha. 2021. "Geopolítica envolve o licenciamento compulsório." *Valor Econômico*, February 25, 2021. <https://valor.globo.com/publicacoes/suplementos/noticia/2021/02/25/geopolitica-envolve-o-licenciamento-compulsorio.ghtml>.

⁷⁶⁵ Funke, Martha. 2021. "Geopolítica envolve o licenciamento compulsório." *Valor Econômico*, February 25, 2021. <https://valor.globo.com/publicacoes/suplementos/noticia/2021/02/25/geopolitica-envolve-o-licenciamento-compulsorio.ghtml>.

⁷⁶⁶ Bitencourt, Rafael. 2021. "Governo não foi ao exterior vender 5G em troca de vacina, diz Faria." *Valor Econômico*, February 26, 2021. <https://valor.globo.com/empresas/noticia/2021/02/26/leilao-do-5g-e-um-marco-para-o-desenvolvimento-do-pais-diz-faria.ghtml>.

trip did help ease diplomatic tensions between the two countries⁷⁶⁷. In early March, a videoconference between Chinese and Brazilian diplomats reinforced the positive reception of the Brazilian delegation, with Chinese officials expressing optimism that no company would be excluded from Brazil's 5G auction.

Adjusting the Frequency: Brazil's 5G Policy Realigned by Global Pressures

Brazil's stance on Huawei shifted after two key events: Trump's defeat in the 2020 US election and the global push for COVID-19 vaccines⁷⁶⁸. While Biden continued a tough China policy, US support for Brazil waned, creating uncertainty about American backing against potential Chinese retaliation. The pandemic's resurgence in 2021 deepened Brazil's dependence on Chinese vaccine supplies, making a 5G ban on Huawei politically and economically untenable⁷⁶⁹. The chance to restrict Chinese technology had passed, and maintaining such a stance had become too costly for Brazil.

In light of Joe Biden's victory in the US presidential election, the Bolsonaro administration began to reconsider its stance on potentially banning Huawei from participating in the construction of Brazil's 5G infrastructure⁷⁷⁰. This shift, still tentative within the president's inner circle, reflected the uncertainty surrounding the future of US-Brazil relations under the incoming Biden administration. However, with the changing political landscape in the United States, Brazilian officials began to reassess the risks of maintaining such a confrontational stance toward China.

Revisiting the Brazilian government's stance on Huawei and the 5G network created a more favorable environment for the pragmatic faction within the administration⁷⁷¹. Allies of President Bolsonaro urged him to consider a

⁷⁶⁷ Interview with Parliamentarian no. 2. Brasilia. April 2024.

⁷⁶⁸ Interview with Ambassador no. 11. Online. February 2022.

⁷⁶⁹ Interview with Parliamentarian no. 1. Brasilia. April 2024.

⁷⁷⁰ Zaia, Cristiano. 2020. "Governo reavalia 5G com Biden e cogita recuo em posição pró-EUA." *Valor Econômico*, November 18, 2020.

<https://valor.globo.com/brasil/noticia/2020/11/18/governo-reavalia-5g-com-biden-e-cogita-recuo-em-posicao-pro-eua.ghtml>.

⁷⁷¹ Zaia, Cristiano. 2020. "Governo reavalia 5G com Biden e cogita recuo em posição pró-EUA." *Valor Econômico*, November 18, 2020.

“hybrid solution” that would have allowed for limited participation of the Chinese company Huawei in Brazil’s 5G networks⁷⁷². By allowing Huawei limited participation, the government would have imposed some restrictions without fully excluding the company from the market. Despite the growing support for this compromise, President Bolsonaro still maintained a stance closely aligned with the United States and his son Eduardo Bolsonaro, who were radically opposed to Chinese involvement⁷⁷³.

The diplomatic tensions between the United States and China over Brazil's 5G infrastructure persisted even after President Joe Biden assumed office. Following a visit by US National Security Advisor Jake Sullivan to President Jair Bolsonaro, the US embassy in Brazil reiterated Washington’s concerns regarding the potential involvement of Huawei in Brazil’s 5G network⁷⁷⁴. The United States continued its efforts to pressure Brazil and other nations to prevent Huawei from providing 5G equipment. In response, the Chinese embassy in Brazil issued a firm rebuttal, condemning the US accusations as unfounded and motivated by a desire to undermine Chinese high-tech companies while maintaining American dominance. The Chinese embassy highlighted Huawei's global accomplishments, noting that the company had built over 1,500 telecommunications networks in more than 170 countries, including extensive partnerships with Brazilian firms. Furthermore, the Chinese embassy characterized the United States as the “world's largest hacker empire”, accusing it of conducting large-scale cyber espionage against governments, corporations, and individuals worldwide. The Chinese embassy expressed confidence that Brazil would adhere to market rules based on transparency, impartiality, and non-discrimination, thereby ensuring a fair business environment for Chinese companies.

<https://valor.globo.com/brasil/noticia/2020/11/18/governo-reavalia-5g-com-biden-e-cogita-recuo-em-posicao-pro-eua.ghtml>.

⁷⁷² Murakawa, Fabio. 2020. “Aliados tentam convencer Bolsonaro a autorizar Huawei em pool no 5G.” *Valor Econômico*, November 25, 2020.

<https://valor.globo.com/empresas/noticia/2020/11/25/aliados-tentam-convencer-bolsonaro-a-autorizar-huawei-em-pool-no-5g.ghtml>.

⁷⁷³ Interview with Ambassador no. 11. Online. April 2022.

⁷⁷⁴ Pupo, Fabio. 2021. “China diz que EUA são ‘império de hackers’ e rebate ofensiva de assessor de Biden a Huawei no 5G.” *Valor Econômico*, August 7, 2021.

<https://valor.globo.com/brasil/noticia/2021/08/07/china-diz-que-eua-so-imprio-de-hackers-e-rebate-ofensiva-de-assessor-de-biden-a-huawei-no-5g.ghtml>.

The draft decree potentially banning Huawei mobilized telecom operators in Congress and sparked pressure from China on Brazilian agribusiness partners⁷⁷⁵. Chinese importers warned that Brazil's access to the Chinese meat market could be at risk if Huawei were excluded, prompting key industry groups like the Brazilian Beef Exporters Association (Abiec) and the Brazilian Association of Meat Packers (Abrafrigo) to seek support from Agriculture Minister Tereza Cristina. Chinese officials, including Minister Tang Renjian and Ambassador Yang Wanming, also intervened, stressing the need for fair competition. Politicians like Senator Kátia Abreu and Congressman Fausto Pinato openly cautioned that excluding China could lead to retaliatory measures⁷⁷⁶.

Despite facing a more resistant environment within the Palácio do Planalto, Huawei successfully persuaded Brazilian lawmakers to establish commissions to explore legislative alternatives in case President Bolsonaro decided to ban the company from the 5G auction. In Congress, party leaders argued that Brazil should avoid entangling itself in a “great power rivalry”, reflecting concerns about the potential consequences of a Huawei ban⁷⁷⁷. Telecommunications companies warned that such a decision could not only increase the costs of implementing 5G but also delay its rollout⁷⁷⁸. This is because a ban would necessitate the replacement of all Huawei equipment currently in use for 3G and 4G networks, as it is incompatible with 5G infrastructure from other suppliers. Party leaders in Congress, thus, recognized the economic and technical challenges that could arise from aligning with the US-led efforts to exclude Huawei, particularly given the company's entrenched role in Brazil's existing network infrastructure.

In the debate over Brazil's 5G auction, members of the Brazilian Parliament increasingly called for decisive action to prevent political and

⁷⁷⁵ Interview with Parliamentarian no. 2. Brasília. April 2024.

⁷⁷⁶ Ibid.

⁷⁷⁷ Ibid.

⁷⁷⁸ Wiziack, Julio. 2021. “Governo Biden deve reduzir pressão sobre o 5G no Brasil.” *Folha de S.Paulo*, January 1, 2021, sec. Mercado. <https://www1.folha.uol.com.br/mercado/2021/01/governo-biden-deve-reduzir-pressao-sobre-o-5g-no-brasil.shtml>.

ideological interference from overshadowing technical criteria⁷⁷⁹. Concerns were raised about the government's potential alignment with US demands to exclude Chinese companies, particularly Huawei, from supplying 5G infrastructure due to espionage allegations. Federal deputies, such as Perpétua Almeida and Marcelo Ramos, urged the National Congress to ensure that decisions regarding the 5G auction prioritize national interests, focusing on price and service quality rather than ideological biases⁷⁸⁰. Almeida supported the initiative by the President of the Chamber of Deputies, Rodrigo Maia, to establish a working group to oversee the government's actions related to the 5G auction. Rodrigo Maia, President of the Chamber of Deputies, signaled his intention to create a working group after Deputy Eduardo Bolsonaro, son of President Jair Bolsonaro, accused China of espionage and expressed support for the Brazilian government's alignment with US commercial and defense strategies⁷⁸¹. This parliamentary push reflected a broader effort to safeguard the integrity of Brazil's telecommunications infrastructure decisions from becoming politicized.

Meanwhile, amid vaccine negotiations, the Chinese government sought a “gesture” from President Jair Bolsonaro’s administration to improve relations between Brasilia and Beijing⁷⁸². Two actions were viewed as favorable: one involved a public acknowledgment by Brazilian authorities, or even by Bolsonaro himself, that previous attacks on China had been excessive; the other was an indication that Huawei would not face restrictions in building 5G networks in Brazil. Although the Chinese did not publicly express these concerns, they were deeply upset⁷⁸³. Congressman Fausto Pinato, who chaired the Brazil-China Parliamentary Front, suggested that dismissing Foreign

⁷⁷⁹ Bitencourt, Rafael. 2020. “Na Câmara, deputados cobram ação para evitar ‘carimbo ideológico’ no leilão 5G.” *Valor Econômico*, December 2, 2020. <https://valor.globo.com/politica/noticia/2020/12/02/na-camara-deputados-cobram-acao-para-evitar-carimbo-ideologico-no-leilao-5g.ghtml>.

⁷⁸⁰ Interview with Parliamentarian no. 2 Brasilia. April 2024.

⁷⁸¹ Bitencourt, Rafael. 2020. “Na Câmara, deputados cobram ação para evitar ‘carimbo ideológico’ no leilão 5G.” *Valor Econômico*, December 2, 2020. <https://valor.globo.com/politica/noticia/2020/12/02/na-camara-deputados-cobram-acao-para-evitar-carimbo-ideologico-no-leilao-5g.ghtml>.

⁷⁸² Interview with Parliamentarian no. 1. Brasilia. April 2024.

⁷⁸³ Ritter, Daniel. 2021. “Pequim aguarda gesto de Bolsonaro para melhorar relação.” *Valor Econômico*, January 21, 2021. <https://valor.globo.com/brasil/noticia/2021/01/21/pequim-aguarda-gesto-de-bolsonaro-para-melhorar-relacao.ghtml>.

Minister Ernesto Araújo could have been a strategic move, emphasizing that President Bolsonaro had the opportunity to make this change⁷⁸⁴.

A confidential cable from the Brazilian Embassy in Beijing to Brasilia in May 2021 reported that the Chinese pharmaceutical company SinoVac demanded a shift in Brazil's political stance to secure the supply of inputs for the production of the CoronaVac vaccine at the Instituto Butantan⁷⁸⁵. The cable details a meeting held in Beijing on May 19 between Brazilian diplomats and SinoVac executives, where Yan highlighted the need for a more fluid bilateral relationship and advised that Brazil should issue a formal political request regarding the vaccine supply schedule. The document reveals that SinoVac's president, Weidong Yan, emphasized the importance of political support to facilitate exports and suggested the possibility of preferential treatment for certain countries with good relations with Beijing⁷⁸⁶.

Diplomatic Tug-of-War: the Araújo-Yang rivalry

In March 2020, another tweet by Eduardo Bolsonaro, who, as mentioned, chaired the Chamber of Deputies' Foreign Relations Commission, generated another diplomatic spat with China⁷⁸⁷. In the post, Eduardo blamed China for the COVID-19 pandemic. He drew a parallel between the pandemic and the Chernobyl disaster implying misconduct by Chinese authorities in handling the virus outbreak. This comparison sparked a sharp rebuke from the Chinese Ambassador in Brasilia, Yang Wanming, who demanded an apology from Eduardo Bolsonaro, labeling his comments as a malicious insult to China and the Chinese people, and inconsistent with his status as a public figure and federal deputy. Ambassador Yang's response was not limited to direct

⁷⁸⁴ Interview with Parliamentarian. Brasilia. April 2024.

⁷⁸⁵ Senado Federal. 2021, p. 225. "CPI Da Pandemia. Relatório Final." <https://legis.senado.leg.br/sdleg-getter/documento/download/72c805d3-888b-4228-8682-260175471243>.

⁷⁸⁶ Portinari, Natália. 2021. "Executivo Da SinoVac Pediu Fim de Ataques Do Governo Bolsonaro à China Para Não Atrasar Insumos Da Vacina CoronaVac." *O Globo*, September 6, 2021. <https://oglobo.globo.com/politica/exclusivo-executivo-da-sinovac-pediu-fim-de-ataques-do-governo-bolsonaro-china-para-nao-atrasar-insumos-da-vacina-coronavac-25052462>.

⁷⁸⁷ Balago, Rafael. 2020. "'I Never Wanted to Offend Chinese People,' Says Eduardo Bolsonaro." *Folha de S.Paulo*, March 20, 2020, sec. World. <https://www1.folha.uol.com.br/internacional/en/world/2020/03/i-never-wanted-to-offend-chinese-people-says-eduardo-bolsonaro.shtml>.

communication; he extended his protest to key Brazilian officials, including the Foreign Minister, the President of the Chamber of Deputies, and institutional twitter accounts, emphasizing the gravity of the situation⁷⁸⁸. The Chinese Embassy echoed Yang's sentiments, as it retweeted a post suggesting that Eduardo Bolsonaro had contracted a "mental virus" in a visit to Miami, which was harming the friendship between China and Brazil⁷⁸⁹. In response to the growing diplomatic tension, Rodrigo Maia, the President of the Brazilian Chamber of Deputies, issued a public apology to China and Ambassador Yang, distancing the legislative body from Eduardo Bolsonaro's remarks and underscoring the significance of maintaining strong diplomatic and economic ties with China⁷⁹⁰.

In a notable instance of diplomatic friction, Brazilian Foreign Minister Ernesto Araújo publicly demanded an apology from the Chinese Ambassador for his critical response to Eduardo Bolsonaro's comment⁷⁹¹. Araújo's demand was predicated on the assertion that the ambassador's endorsement and sharing of a post deemed offensive to the Brazilian Head of State and his electorate were unacceptable. Minister Araújo emphasized that the remarks made by Eduardo Bolsonaro did not reflect the Brazilian government's stance and highlighted that at no point did he offend the Chinese Head of State. Araújo communicated the Brazilian government's dissatisfaction to the Chinese ambassador, labeling his reaction as disproportionate and contrary to good diplomatic practice⁷⁹². As a consequence, relations between Araújo and Yang seriously deteriorated, and Yang lost access to Itamaraty's Asia and Pacific

⁷⁸⁸ Interview with Parliamentarian no. 1. Brasília. April 2024.

⁷⁸⁹ *UOL*. 2020. "Coronavírus: 'Contraíu Vírus Mental', Diz Embaixada Da China Sobre Eduardo Bolsonaro," March 18, 2020. <https://noticias.uol.com.br/politica/ultimas-noticias/2020/03/18/embaixada-da-china-rebate-eduardo-bolsonaro-contraiu-virus-mental.htm>.

⁷⁹⁰ *O Globo*. 2020. "Maia Pede Desculpas à China Por 'palavras Irrefletidas' de Eduardo Bolsonaro - Jornal O Globo," March 19, 2020. <https://oglobo.globo.com/mundo/maia-pede-desculpas-china-por-palavras-irrefletidas-de-eduardo-bolsonaro-24314200>.

⁷⁹¹ *G1*. 2020. "Ernesto Araújo pede que embaixador da China se retrate por resposta a Eduardo Bolsonaro," March 19, 2020. <https://g1.globo.com/mundo/noticia/2020/03/19/ernesto-araujo-quer-que-embaixador-da-china-se-retrate-por-resposta-a-eduardo-bolsonaro.ghtml>.

⁷⁹² *Ibid*.

Secretariat⁷⁹³. The severing of relations between Itamaraty – namely the Minister’s Cabinet and the Asia Pacific Secretariat, of which the China Department is part – and the Chinese Embassy in Brasilia significantly undermined Sino-Brazilian relations at that time⁷⁹⁴.

Considering the severed relations between Araújo and Yang and the fact that Yang did not respond to Araújo’s apology demand, President Jair Bolsonaro, influenced by Araújo, requested the Chinese government to replace Yang and appoint another ambassador to Brazil⁷⁹⁵. At the end of March 2020, Araújo initiated a formal request for Yang’s replacement with a diplomatic cable sent to Paulo Estivallet de Mesquita, Brazil’s ambassador in Beijing at the time, instructing him to deliver a formal document to the Chinese government⁷⁹⁶. Despite this official action taken in early April, the request was ultimately ignored by Beijing. In November of the same year, amid heightened scrutiny of Huawei and accusations by Eduardo Bolsonaro of industrial espionage facilitated by the Chinese telecom 5G equipment company, Itamaraty made another attempt to have Yang replaced. This tension was underscored by a letter Araújo sent to the Chinese embassy in Brasilia, expressing the Brazilian government’s dissatisfaction with Yang’s handling of Brazil-China relations via social media and urging the use of established diplomatic channels⁷⁹⁷. Despite Araújo’s repeated formal requests for Yang’s replacement, there was no official response from the Chinese government⁷⁹⁸. However, Beijing informally communicated to Brazilian authorities that its ambassador in Brazil was a distinguished member of the Chinese public service⁷⁹⁹.

⁷⁹³ Wiziack, Julio. 2021. “China ignora pedidos de Bolsonaro por troca de embaixador no Brasil.” *Folha de S.Paulo*, February 14, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/02/china-ignora-pedidos-de-bolsonaro-por-troca-de-embaixador-no-brasil.shtml>.

⁷⁹⁴ Interview with Ambassador no. 5. Online. April 2024.

⁷⁹⁵ Wiziack, Julio. 2021. “China ignora pedidos de Bolsonaro por troca de embaixador no Brasil.” *Folha de S.Paulo*, February 14, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/02/china-ignora-pedidos-de-bolsonaro-por-troca-de-embaixador-no-brasil.shtml>.

⁷⁹⁶ Ibid.

⁷⁹⁷ Ibid.

⁷⁹⁸ Ibid.

⁷⁹⁹ Interview with Parliamentarian no. 2. Brasilia. April 2024.

In response, Ambassador Yang himself started to pressure for Ernesto Araújo's dismissal as Foreign Minister⁸⁰⁰. Amid a deadlock over the procurement of Active Pharmaceutical Ingredients (API) – crucial for COVID-19 vaccine production – in January 2021, Yang called on Brazilian President Jair Bolsonaro to publicly affirm Brazil's commitment to maintaining favorable relations with China⁸⁰¹. This signal was sought either through a formal apology to the Chinese or via “administrative measures aimed at enhancing the diplomatic relationship” between the two nations, as articulated by Wanming himself. The administrative measure demanded by Yang was, in other words, Araújo's dismissal. During vaccine procurement negotiations, Yang went as far as to say “we no longer talk to Ernesto”⁸⁰². Indeed, Chinese representatives participated in video conference meetings with various counterparts from the Brazilian government to negotiate a resolution to the impasse regarding vaccine inputs. Joining the negotiations were the President of the Chamber of Deputies, Rodrigo Maia, as well as the Ministers of Agriculture, Tereza Cristina, and Health, Eduardo Pazuello⁸⁰³. Foreign Minister Araújo was not included, not least because Yang would not talk to him. Officials from the Chinese Embassy also met with Brazilian parliamentarians from the Brazil-China parliamentary front several times, who saw Brazil's China policy under Araujo as unacceptable and started articulations to topple Araujo⁸⁰⁴.

In reply, Bolsonaro and Araújo discussed relations with China during the president's weekly live stream⁸⁰⁵. President Bolsonaro reaffirmed his authority in ministerial appointments, asserting “I am the one who dismisses ministers. No one has approached me, nor would they dare to approach me regarding this matter. Just as we would not do as any other country in the world, to say that

⁸⁰⁰ Interview with Ambassador no. 5. Online. April 2024.

⁸⁰¹ Lima, Wilson. 2021. “China pressiona por demissão de Ernesto Araújo para liberar insumos das vacinas.” *Gazeta do Povo*, January 21, 2021, sec. republica. <https://www.gazetadopovo.com.br/republica/china-pressiona-demissao-ernesto-araujo-vacinas-covid/>.

⁸⁰² Ibid.

⁸⁰³ Interview with a Brazilian authority involved in the negotiations. Brasilia, April 2024.

⁸⁰⁴ Interview with a Brazilian parliamentarian. Brasilia. April 2024.

⁸⁰⁵ Lima, Wilson. 2021. “China pressiona por demissão de Ernesto Araújo para liberar insumos das vacinas.” *Gazeta do Povo*, January 21, 2021, sec. republica. <https://www.gazetadopovo.com.br/republica/china-pressiona-demissao-ernesto-araujo-vacinas-covid/>.

this or that person should be dismissed”⁸⁰⁶. However, less than two months later, in March 2021, Bolsonaro would find himself compelled to dismiss his Foreign Minister due to acute pressure from the Brazilian Congress, which deemed Araújo’s handling of relations with China during the pandemic context as disastrous. This mismanagement was believed to be contributing to the unnecessary deaths of Brazilians, according to parliamentarians⁸⁰⁷. Araujo’s dismissal due to parliamentary pressure will be thoroughly examined in the coming section about the role of the Parliament.

The Great Fall: How Anti-China Rhetoric Toppled a Brazilian Foreign Minister

The resignation of Ernesto Araújo from his position as Brazil’s Minister of Foreign Affairs exemplifies the significant role Parliament, particularly the Senate, can play in foreign policy and governmental accountability in general. As mentioned, Araújo’s tenure was marked by controversies and criticisms over his handling of foreign relations during the COVID-19 pandemic, especially concerning vaccine acquisition and relations with China. In an attempt to salvage his position, Ernesto Araújo engaged in a series of meetings aimed at addressing concerns about his handling of the COVID-19 pandemic. Araújo met with Arthur Lira, the President of the Chamber of Deputies, at Lira’s official residence to justify the actions taken by Itamaraty in combating the pandemic⁸⁰⁸. This meeting followed intense scrutiny from both the legislative and executive branches regarding Araújo’s effectiveness and diplomacy, particularly his approach to international cooperation in securing vaccines and medical supplies. Lira, representing legislative concerns, reiterated the need for enhanced diplomatic efforts and greater dialogue with key countries, notably China, to improve Brazil’s pandemic response. This dialogue was part of a

⁸⁰⁶ Ibid.

⁸⁰⁷ Machado, Renato. 2021. “Senadores pedem a saída de Ernesto Araújo para ‘salvar vidas.’” *Folha de S.Paulo*, March 24, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/03/senadores-pedem-a-saida-de-ernesto-araujo-para-a-salvar-vidas.shtml>.

⁸⁰⁸ Uribe, Gustavo. 2021. “Ernesto Araújo busca Lira para prestar contas e tentar se manter no cargo.” *Folha de S.Paulo*, March 25, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/03/ernesto-araujo-busca-lira-para-prestar-contas-e-entantar-se-manter-no-cargo.shtml>.

broader call from various political and economic leaders for Itamaraty to adopt a more proactive and cooperative stance in the international arena, especially concerning the monopolistic practices in vaccine production and distribution. The criticism peaked during a session in the Chamber of Deputies and continued in the Senate, where Rodrigo Pacheco, the President of the Senate, expressed dissatisfaction with the inadequate vaccine supply, underscoring the urgency of reevaluating Brazil's diplomatic engagements under Araújo's stewardship⁸⁰⁹.

The crisis reached a critical moment when Araújo was summoned to officially explain his efforts in securing COVID-19 vaccines before the Senate in March 2021. Before the Commission on Foreign Relations and Defense, senators sharply criticized Araújo for what they perceived as ineffectiveness and lack of diplomatic tact, particularly regarding China, a key player in the global supply chain of vaccine ingredients. The session was characterized by a barrage of criticisms from senators across the political spectrum, who questioned Araújo's capabilities and ultimately called for his resignation to “save lives”, emphasizing the urgent need for competent leadership in the Ministry of Foreign Affairs amid a global health crisis⁸¹⁰. The session was intended for Araújo to elucidate the efforts of his ministry in securing coronavirus vaccines. However, it turned into a critical evaluation of his performance, where his approach to international relations, particularly with China – a vaccine-producing country – was deemed inadequate. Senators accused Araújo of jeopardizing Brazil's international standing and directly impacting the nation's health outcomes due to what they perceived as poor management and prejudiced diplomatic stances, notably towards China⁸¹¹. The Presidents of both Brazil's Senate, Rodrigo Pacheco, and Chamber of Deputies, Arthur Lira, expressed their dissatisfaction with Araújo's performance. Their concerns were mirrored in a high-profile meeting that included President Jair Bolsonaro and

⁸⁰⁹ Ibid.

⁸¹⁰ Machado, Renato. 2021. “Senadores pedem a saída de Ernesto Araújo para ‘salvar vidas.’” *Folha de S.Paulo*, March 24, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/03/senadores-pedem-a-saida-de-ernesto-araujo-para-salvar-vidas.shtml>.

⁸¹¹ Ibid.

other key political figures, where the need for improved diplomatic engagements was stressed, particularly in securing vaccine supplies.

Furthermore, the political dynamics that led to Araújo's resignation were influenced by his controversial public statements and actions, also regarding his reluctance to engage constructively with China over the 5G technology. Araújo publicly linked Chinese pressures for his removal from office to a lobbying effort for 5G technology. On social media, Araújo detailed a conversation with Senator Kátia Abreu, then president of the Senate's Foreign Relations Committee, suggesting that her advocacy for a favorable stance towards 5G technology was tied to Chinese lobby within the Brazilian Congress⁸¹². This assertion pointed to the intense political and diplomatic stakes associated with the 5G rollout in Brazil, a contentious issue due to competing international interests between the US and China. As previously mentioned, Araújo's stance on 5G, advocating a complete ban on Huawei, was influenced by the Trump administration's policies and clashed with the technical assessments within his own ministry and broader industry expectations⁸¹³. Araújo's social media post accusing a Senator of lobbying for China triggered the Parliament's *esprit de corps*, prompting strong backlash from both deputies and senators. Parliamentarians called for his impeachment and threatened to block diplomatic appointments, reflecting a broader discontent with his diplomatic conduct and confrontational approach.

In an unprecedented move mirroring deep-seated concerns within Brazil's diplomatic corps, over 300 diplomats, including at least ten ambassadors, publicly voiced their dissent through a letter demanding the resignation of Foreign Minister Ernesto Araújo⁸¹⁴. The letter circulated among members of Congress further weakening Araújo's position, but kept diplomats anonymous due to legal constraints. It argued that Araújo's leadership has

⁸¹² Zanini, Fábio. 2021. "Painel: Ernesto Araújo revela diálogo com senadora e liga lobby chinês por 5G à pressão para derrubá-lo." *Folha de S.Paulo*, March 28, 2021, sec. Painel. <https://www1.folha.uol.com.br/colunas/painel/2021/03/ernesto-araujo-revela-conversa-privada-com-senadora-e-liga-lobby-chines-por-5g-a-pressao-para-derruba-lo.shtml>.

⁸¹³ Ibid.

⁸¹⁴ Mello, Patrícia Campos. 2021. "Grupo de mais de 300 diplomatas publica carta para pedir saída de Ernesto." *Folha de S.Paulo*, March 27, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/03/grupo-de-mais-de-300-diplomatas-publica-carta-para-pedir-saida-de-ernesto.shtml>.

inflicted “serious damages to international relations and Brazil’s image”. This collective expression of dissent illustrated a significant break from the traditional discretion of Brazilian diplomats and highlighted a broader crisis within Itamaraty under Araújo’s tenure, which was echoed in Parliament. Hence, senators initiated significant political maneuvers to address perceived failures in Araújo’s administration. Senators Alessandro Vieira, Leila Barros, Randolfe Rodrigues, and Simone Tebet drafted an impeachment proposal against Araújo, signaling a profound dissatisfaction with his handling of foreign affairs, particularly during the COVID-19 pandemic⁸¹⁵. This proposal was scheduled to be submitted to the Chamber of Deputies, the legislative body responsible for evaluating the impeachment of government ministers. Concurrently, Senator Jean Paul Prates proposed a resolution to suspend all ambassadorial appointments pending in the Senate, a move aimed at pressuring the government by disrupting normal diplomatic procedures⁸¹⁶. These actions underscored a critical assessment of Araújo’s leadership, described by Prates as disastrously inadequate for representing Brazil’s genuine interests on the global stage. This critique was echoed in public hearings and encapsulated in the legislative proposal. The initiative reflected a broader call to improve bilateral relations with China to enhance Brazil’s access to vaccines.

Araújo’s eventual resignation came after intense legislative scrutiny and public criticism, showing a broader discontent with his approach to foreign policy, which was viewed as overly ideological and misaligned with Brazil’s strategic interests. His departure underscored the legislative power in shaping foreign policy and holding executive officials accountable, particularly when their actions are perceived to jeopardize public health and national interests. This episode illustrated the vital role of parliamentary oversight in influencing high-stakes diplomatic decisions and ensuring that foreign policy aligns with the national welfare and global cooperation imperatives.

⁸¹⁵ Machado, Renato. 2021. “Senadores pedem impeachment de Ernesto e prometem barrar indicações de embaixadores.” *Folha de S.Paulo*, March 29, 2021, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2021/03/senadores-pedem-impeachment-de-ernesto-e-prometem-barrar-indicacoes-de-embaixadores.shtml>.

⁸¹⁶ Ibid.

Still in March 2021, Araújo was replaced by Ambassador Carlos França – also a career diplomat – as Brazil’s Foreign Minister. Under França’s leadership, Brazil’s diplomatic relations with China saw marked improvement. Following a tumultuous two-year period under the stewardship of Araújo, it took only a few days for the new Foreign Minister to earn public praise from Ambassador Yang⁸¹⁷. Yang expressed his congratulations to França via social media, commending the substantial efforts made in less than a week and wishing him future success. He also indicated China’s interest in deepening cooperation and partnership with Brazil. In a parliamentary session before the Chamber of Deputies’ Foreign Affairs Committee, França highlighted the robustness of his diplomatic engagement with China, emphasizing an “excellent relationship” with Ambassador Yang Wanming⁸¹⁸. Illustrative of this enhanced diplomatic rapport, Minister França recounted that his inaugural phone call upon assuming office was to his Chinese counterpart, Wang Yi. This conversation, occurring just three days after França’s induction, extended past midnight, demonstrating the commitment on both sides to foster a positive bilateral relationship. Wang Yi courteously responded to França’s call, which took place early Saturday morning in China. The exchange lasted over an hour, and the Chinese Foreign Minister promised substantial support to Brazil, including a significant shipment of the Sinopharm vaccine⁸¹⁹. França’s account before Congress underscored his efforts to steer a course correction in the relationship with China. During the conversation, Wang assured continued Chinese imports of Brazilian agricultural products and expressed interest in expanding cooperation in telecommunications and 5G. In a subsequent report to the Brazilian embassy in Beijing, França highlighted the success of the “5G

⁸¹⁷ *A Gazeta*. 2021. “Com Ernesto fora, embaixador da China já elogia novo chanceler brasileiro,” de abril de 2021. <https://www.agazeta.com.br/brasil/com-ernesto-fora-embaixador-da-china-ja-elogia-novo-chanceler-brasileiro-0421>.

⁸¹⁸ *O Antagonista*. 2021. “Carlos França diz ter ‘excelente relacionamento’ com o embaixador da China,” April 28, 2021. <https://dev.oantagonista.com.br/brasil/carlos-franca-diz-ter-excelente-relacionamento-com-o-embaixador-da-china/>.

⁸¹⁹ *Ibid.*

mission” in Shenzhen, indicating a positive shift in Brazil-China relations, particularly in the context of 5G technology and trade⁸²⁰.

Compromise Solution: The Government’s Private Network

As a concession to President Bolsonaro, who initially considered an outright ban on Huawei, the Ministry of Communications negotiated a directive requiring the telecommunications companies that won the 5G auction to build a private network exclusively for the Brazilian government⁸²¹. While there would be no explicit ban on Huawei within the government’s private network, the company would effectively be excluded, as it fails to meet the technical criteria outlined in the security requirements of Ordinance 1.924/2021⁸²². These criteria included corporate governance standards compatible with those required in the Brazilian stock market, excluding companies with shareholders linked to political parties⁸²³. The requirement to construct a private network for the government was eventually included in the 5G auction terms as an investment condition for the companies that secured frequency blocks in the auction.

Decree No. 11,299/2022 designated Telebras as the manager of the Federal Government’s private communication network⁸²⁴. Telebras is a Brazilian state-owned mixed-capital company under the Ministry of Communications, responsible for implementing Brazil’s public telecommunications policies. The government’s private network was established as a condition of the 5G auction, with the associated costs covered by the winning operators, Claro, TIM, and Vivo, who acquired the 3.5 GHz frequency band⁸²⁵. When operational, the

⁸²⁰ Costa, Ana Clara. 2021. “Lição Das Bravatas.” *Revista Piauí*, November 1, 2021. <https://piaui.folha.uol.com.br/materia/licao-das-bravatas/>.

⁸²¹ Wiziack, Julio. 2021. “Para liberar Huawei, Bolsonaro obriga teles a construírem uma rede de telefonia só para o governo.” *Valor Econômico*, January 30, 2021. <https://valor.globo.com/brasil/noticia/2021/01/30/para-liberar-huawei-bolsonaro-obriga-teles-a-construirem-uma-rede-de-telefonia-s-para-o-governo.ghtml>.

⁸²² Imprensa Nacional. 2021. *Portaria Nº 1.924/SEI-MCOM*. <https://www.in.gov.br/en/web/dou/-/portaria-n-1.924/sei-mcom-de-29-de-janeiro-de-2021-301396768>.

⁸²³ Bitencourt, Rafael. 2021. “China é questão resolvida, diz ministro.” *Valor Econômico*, July 9, 2021. <https://valor.globo.com/empresas/noticia/2021/07/09/china-e-questao-resolvida-diz-ministro.ghtml>.

⁸²⁴ Presidência da República. 2022. *Decreto Nº 11.299*. https://www.planalto.gov.br/ccivil_03/_ato2019-2022/2022/decreto/D11299.htm.

⁸²⁵ Ministério das Comunicações. 2022. “Telebras será gestora exclusiva da rede privada do Governo Federal.” Ministério das Comunicações. December 22, 2022.

network will feature robust security protocols and encryption, with exclusive management by Telebras, thus enhancing its reliability. Anatel, for its part, will be responsible for issuing service authorizations for the network's mobile services. The private network will have two components: a fixed fiber optic network linking public agencies in the Federal District and state capitals, and a mobile fifth-generation network in the Federal District, which will also support public safety, defense, emergency services, and disaster response activities. The 5G auction notice required the infrastructure to be completed by February 2026 and overseen by the Working Group for Monitoring the Implementation of Solutions for Interference Issues in the 3.5 GHz Band (GAISPI). This group, comprising representatives from Anatel, the Ministry of Communications, the winning telecom companies, and broadcast representatives, manage the R\$ 1.25 billion raised through the auction and may establish additional technical specifications and implementation guidelines for the network.

Securing the Connection: The Future of Tech Cooperation

Huawei did not directly participate in the 5G auction conducted by Anatel due to the nature of the auction, which was specifically designed for telecommunications operators, such as Claro, Vivo, and Tim, rather than for equipment suppliers like Huawei⁸²⁶. Nevertheless, Huawei was not precluded from contributing to the deployment of 5G technology in Brazil. The company retained the ability to sell its equipment to the telecom operators that secured the 5G frequency blocks in the auction. This outcome allowed Huawei to remain involved in Brazil's 5G infrastructure market through its partnerships with telecom operators.

The relationship between Huawei and the Brazilian government showed significant signs of rapprochement, as demonstrated during the Mobile World Congress (MWC) 2022 in Barcelona⁸²⁷. The event featured the presentation of

<https://www.gov.br/mcom/pt-br/noticias/2022/dezembro/telebras-sera-gestora-exclusiva-da-rede-privativa-do-governo-federal>.

⁸²⁶ Tagiaroli, Guilherme. 2021. "Huawei Não Participa de Leilão 5G No Brasil." *UOL*, April 11, 2021. <https://www.uol.com.br/tilt/noticias/redacao/2021/11/04/huawei-leilao-5g.htm>.

⁸²⁷ Carvalho, Lucas. 2022. "Governo brasileiro e Huawei se unem em proposta de 5G e inteligência artificial." *Valor Econômico*, March 1, 2022.

two proposals for the development of 5G and artificial intelligence in Brazil, supported by both the Brazilian government and Huawei. The proposal focused on 5G and artificial intelligence, outlining an agreement that includes initiatives to enhance the training of professionals in the country to work with 5G technology and to increase public and private investments in artificial intelligence⁸²⁸. This collaboration marked a departure from previous tensions between the two parties. The Minister of Science and Technology, Marcos Pontes, and Huawei's CEO in Brazil, Sun Baocheng, both emphasized that any past conflicts had been resolved. Pontes affirmed that the controversies surrounding 5G were in the past.

During his visit to China in April 2023, President Luiz Inácio Lula da Silva, along with a delegation of ministers, parliamentarians, and business leaders, toured the Huawei factory in Shanghai. This visit reflected Brazil's position of non-alignment in the ongoing geopolitical tensions between China and the United States. Lula's visit, which followed an invitation from Huawei, acknowledged the company's longstanding presence in Brazil, where it has operated for over two decades⁸²⁹. During the visit, Lula observed Huawei's technological developments, including trying out virtual reality glasses. Although a photo of this moment was initially shared on President Lula's Twitter account, it was later removed, highlighting the sensitivity of the visit in the context of Brazil's international relations. Lula stated that the visit to Huawei was intended to "send a message to the world that we have no prejudice in our relationship with China". He emphasized that "no one will prevent Brazil from strengthening its ties with China", during his remarks in Beijing⁸³⁰.

<https://valor.globo.com/empresas/noticia/2022/03/01/governo-brasileiro-e-huawei-se-unem-em-proposta-de-5g-e-inteligencia-artificial.ghtml>.

⁸²⁸ Euclides, Cristiana. 2022. "Huawei tem lucro de US\$ 17,9 bilhões em 2021, alta de 76%; mas receita cai 29%." *Valor Econômico*, March 28, 2022.

<https://valor.globo.com/empresas/noticia/2022/03/28/huawei-tem-lucro-de-us-179-bilhoes-em-2021-alta-de-76percent-mas-receita-cai-29percent.ghtml>.

⁸²⁹ Ninio, Marcelo. 2023. "Lula publica, e depois deleta, foto com óculos de realidade virtual da Huawei em visita à China." *O Globo*, April 13, 2023, sec. Mundo.

<https://oglobo.globo.com/mundo/noticia/2023/04/lula-publica-e-depois-deleta-foto-com-oculos-d-e-realidade-virtual-da-huawei-em-visita-a-china.ghtml>.

⁸³⁰ Mello, Patrícia Campos. 2023. "Governo dos EUA vê afronta em declarações de Lula sobre Washington na China." *Valor Econômico*, April 15, 2023.

<https://valor.globo.com/politica/noticia/2023/04/15/governo-dos-eua-v-afronta-em-declaraes-de-lula-sobre-washington-na-china.ghtml>.

While in Shanghai, President Lula delivered a speech at the inauguration of former President Dilma Rousseff, also from the Workers' Party, as head of the New Development Bank (NDB), where he criticized the global reliance on the US dollar as the predominant currency⁸³¹. Lula's remarks underscored the need for reform in the global financial system, advocating for greater space for emerging economies, a position that resonates with China's views. The contrast between President Lula's approach in China and his visit to the United States, two months before in February 2021, is notable. While his US visit focused primarily on defending democracy and did not result in significant economic agreements⁸³², the visit to China has been marked by substantial economic discussions and a robust agenda, including the exploration of technological advancements with Huawei. Lula's call for the use of local currencies in trade among BRICS nations and his push for a BRICS currency highlight his vision for reducing dependency on the US dollar, a move that bothers Washington⁸³³ and may have significant implications for global economic dynamics.

⁸³¹ Ninio, Marcelo. 2023. "Na China, Lula manda recados aos EUA: discursa contra o dólar e visita Huawei, 'inimiga' dos americanos." *Valor Econômico*, April 13, 2023. <https://valor.globo.com/brasil/noticia/2023/04/13/na-china-lula-manda-recados-aos-eua-discursa-contr-o-dlar-e-visita-huawei-inimiga-dos-americanos.ghtml>.

⁸³² Amado, Guilherme. 2023. "Lula Embarca Para o Brasil Após Poucos Resultados Concretos Nos EUA." *Metrópoles*, November 2, 2023. <https://www.metropoles.com/colunas/guilherme-amado/lula-embarca-para-o-brasil-apos-poucos-resultados-concretos-nos-eua>.

⁸³³ Mello, Patricia Campos. 2023. "Governo dos EUA vê afronta em declarações de Lula sobre Washington na China." *Folha de S.Paulo*, April 15, 2023, sec. Mundo. <https://www1.folha.uol.com.br/mundo/2023/04/governo-dos-eua-ve-afronta-em-declaracoes-de-lula-sobre-washington-na-china.shtml>.

4.5. Conclusions

This chapter has underscored the difficulties within the Brazil-China cooperation partnership, especially in strategic sectors that, unlike the political-economic exchange, have not yet achieved its potential. While Brazil and China have forged strong ties in some strategic areas, with CBERS being the greatest example, this chapter has shown that the environment, defense, human rights, and high technology remain challenging realms. The limited engagement between the Ministries of Environment, Defense, and Human Rights of both countries, despite their central role in modern policy-making, reveals an asymmetry in the strategic partnership that is unexpected given the depth of Brazil's dialogue with China in other domains. Furthermore, these bureaucratic gaps are particularly noteworthy, as similar dialogues are present in Brazil's relationships with other strategic partners, both developed and developing.

Furthermore, the faltering sectoral dialogues on human rights, defense, and until recently the environment occurred outside the COSBAN framework. Defense cooperation with China – a country whose Armed Forces primarily answer to the Communist Party rather than the State – remains a sensitive issue for the Brazilian Armed Forces. Conversely, human rights cooperation with Brazil – a Western-oriented nation with a progressive human rights agenda – presents a delicate challenge for Chinese authorities. The weak dialogue in these two sectors largely stems from domestic politics within each country and the fundamental differences between China's and Brazil's political systems. Notably, the solution for conducting talks in these areas has been to establish consultation mechanisms outside the COSBAN framework, where all other dialogues typically occur. This reflects the fact that discussions within COSBAN are more institutionalized, take place periodically, attract greater public attention, and generate public reports on the progress of bilateral cooperation across sectors. The choice of leaving these sectoral dialogues outside COSBAN indicates a weaker disposition for cooperation. Outside COSBAN, there is no need to present public reports on the developments of bilateral cooperation in the sector before the Plenary Sessions, therefore escaping the

parties' Vice Presidents' attention. By the same token, meetings can be indefinitely postponed – as was the case of the first edition of the Human Rights Dialogue, postponed for four years (2011-2015) and of the Defense Dialogue, postponed for 5 years (2004-2009). Moreover, talks can happen far from the spotlight, since COSBAN's Plenary Sessions attract much attention from the media, academia, civil society, and, especially, other governmental bodies.

In the realm of military cooperation, bureaucratic inertia has presented significant institutional hurdles, demanding focused efforts to overcome entrenched resistance. Expanding military cooperation with China holds substantial potential for Brazil, offering strategic advantages to the Brazilian Armed Forces by broadening their global outlook. Encouraging Brazilian military personnel to engage with counterparts in countries like India and China could yield considerable benefits, fostering a deeper understanding of diverse military doctrines and geopolitical perspectives. Such a shift would not only diversify Brazil's international military relations but also enrich its strategic and defense frameworks, reflecting a more pluralistic approach to global security challenges.

In terms of human rights, the softening of Brazil's stance on China's record coincided with the strengthening of bilateral economic and political exchanges, especially after 2004 when Brazil began to emphasize South-South relations. This growing bilateral interdependence limited Brazil's ability to take more autonomous positions. The formation of the BRICS in 2009 further aligned Brazil with China geopolitically, reinforcing Brazil's stance of "non-interference" in China's "internal affairs". Even the significant shift in Brazil's foreign policy under President Bolsonaro – characterized by Sinophobia and a focus on religious freedom – did not alter Brazil's position on the matter. Brazil's abstention under Bolsonaro from the October 2022 vote at the Human Rights Council exemplifies this continuity. The organizational dynamics within COSBAN also shed light on bilateral tensions. Brazil proposed a MoU to establish a Subcommittee on Human Rights and Social Issues within COSBAN. While China rejected this MoU, it agreed to create a Working Group – hierarchically below a Subcommittee – focused on Social Issues and Poverty Alleviation. This group would address social and economic rights, rather than

civil and political ones, and would be led by the parties' poverty alleviation authorities rather than human rights officials. As with defense cooperation, China agreed in 2011 to establish a "Brazil-China Dialogue on Human Rights" outside the COSBAN framework, providing both parties with greater flexibility.

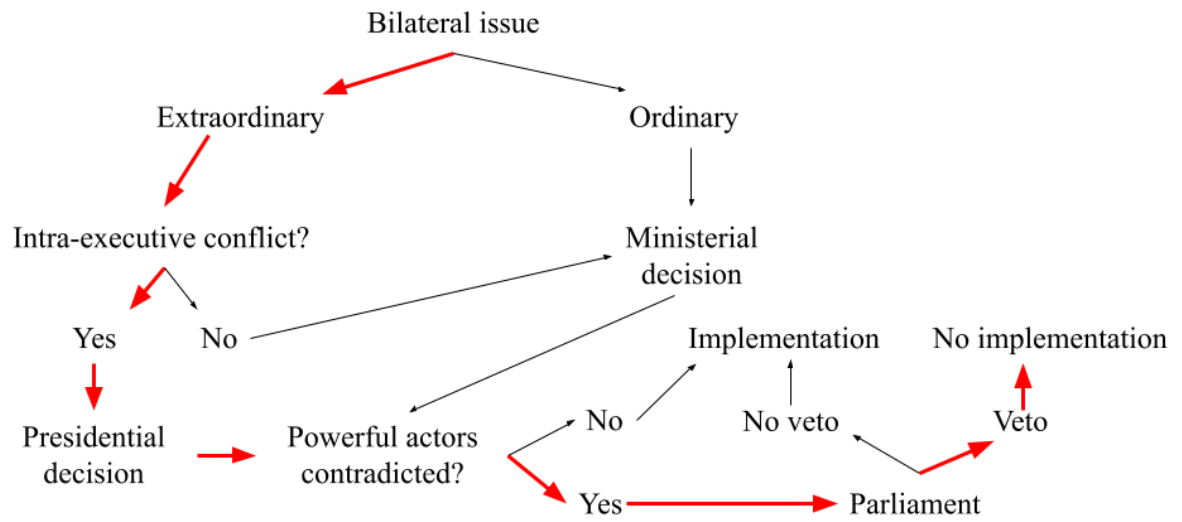
The case study on 5G and vaccine negotiations underscores these challenges while also illustrating a remarkable instance of cooperation in high-tech sectors, despite a climate of political hostility and an administration with an openly anti-China stance. The prolonged, politicized nature of these negotiations reveals the domestic and systemic hurdles that both countries must face to foster strategic collaboration. Nonetheless, the eventual success of these efforts highlights Brazil's and China's roles as indispensable partners for one another, not only in traditional sectors but also in sensitive, high-tech fields crucial to Brazil's and China's development. As the chapter has shown, while barriers to cooperation persist, the potential for a deeper, more diversified partnership between Brazil and China remains substantial, contingent on mutual efforts to bridge these divides in the coming years.

Why is Sino-Brazilian cooperation in strategic sectors so challenging, despite the fluidity of their political-economic dialogue? In this chapter, I have examined instances where bilateral cooperation is either weak – such as in the environment, defense, and human rights – or particularly difficult, as in the high-tech sector, especially with 5G and vaccines. This difficulty stems from a general lack of knowledge that the average Brazilian has about China – and vice versa – leading to hesitancy around sensitive issues. Trust is harder to establish when there is little familiarity, especially on sensitive matters. Geographical distance and historically limited people-to-people exchange between Brazil and China have impeded long-term trust-building. Consequently, in areas considered sensitive, Brazilians are generally more comfortable collaborating with traditional partners, such as the US and European countries, with whom Brazil has a much longer history of diplomatic relations and people-to-people exchange. Furthermore, fundamental differences in political systems also play a role: Brazil aspires to be a liberal democracy and Brazilian society has a deeply rooted anti-communist sentiment, while China operates as

an authoritarian one-party communist state. These differences complicate cooperation in sensitive areas, yet they do not completely preclude it, as demonstrated by the successful collaboration under the CBERS program. To address these challenges, all forms of people-to-people exchange – whether governmental, academic, linguistic, cultural, or otherwise – between Brazil and China play a crucial role in fostering mutual understanding. I also hope that works like mine can contribute to this process, as building familiarity is a fundamental step toward establishing trust.

Regarding my model of analysis (Figure 10), the 5G and the vaccine negotiating processes unfolded under extraordinary circumstances, involving the highest echelons of both the Brazilian and Chinese governments. Within the Bolsonaro administration, an open conflict emerged between the pragmatic and ideological wings. Initially, the president, influenced by his inner circle, decided to veto Huawei's participation in the auction, instructing the GSI to draft a decree banning the Chinese company. However, this move conflicted with powerful interest groups, including telecom companies, which would face significant costs replacing existing Huawei equipment, and agricultural associations, concerned about potential Chinese retaliation. These groups rallied parliamentarians to push back against the anti-China foreign policy that had, until mid-2020, been prevailing in the interbureaucratic struggle. Two major developments in late 2020 altered the bureaucratic landscape. First, the election of President Biden weakened the ideological wing of the Bolsonaro government, which had aligned closely with the Trump administration. Second, Brazil's dire need for COVID-19 vaccines during the second wave of the pandemic shifted the administration's stance towards China. As the situation worsened, with thousands of deaths per day, Parliament intervened, articulating the dismissal of Foreign Minister Ernesto Araújo, the epitome of Brazil's anti-China foreign policy. With Araújo's removal, the ideological wing lost the bureaucratic influence needed to advance its agenda. Consequently, the proposed veto of Huawei was ultimately abandoned, and Brazil was able to import vaccines from China, saving thousands of lives.

Figure 10 - Action channels in Brazil's 5G negotiation



Source: elaborated by the author.

Conclusion

This dissertation was structured into four chapters – History, Politics, Economy, and Cooperation – each addressing a core dimension of Sino-Brazilian relations. Each chapter introduced a secondary research question pertinent to the chapter's main subject and also incorporated a case study that illuminated the dissertation's primary research question. The core research question, which permeated each chapter and case study, was addressed through an analytical model illustrated in visual figures in each chapter's partial conclusion. In this final conclusion, I will first summarize the key findings related to each chapter's secondary research question before revisiting the central research question that underpinned the overall analysis and each case study presented.

Chapter 1, History, mapped the main bureaucratic actors involved in Brazil's China policy, highlighting their roles and the intersections of political, economic, and sectoral interests. It showed Brazil's policy approach to China is not a unified national strategy but rather reflects the priorities of individual bureaucratic entities, especially those focused on political-economic dialogue. Over time, the Ministry of Foreign Affairs and the Ministry of the Economy have become central actors in managing Brazil's China policy. However, this was not always the case. In the 1970s, when diplomatic relations began, Brazil's China policy was politically motivated and driven by the President's office (addressed in Subchapter 2.1) and the Ministry of Foreign Affairs (addressed in Subchapter 2.2). The evolution of this relationship into a multidimensional and economically oriented partnership faced challenges, notably from military figures within Brazil's National Security Council during the Military Regime, who were cautious of ideological alignment with China due to anti-communist influences from the US-backed National Security Doctrine. Although the Brazilian Armed Forces could not act as a veto player in establishing diplomatic relations with China, Brazil's Ministry of Defense (covered in Subchapter 4.2) has nonetheless succeeded in delaying defense cooperation with a country whose military

primarily answers to the Chinese Communist Party rather than the Chinese state.

In the 1980s and 1990s, Brazil-China relations became more institutionalized, particularly through space cooperation projects, which positioned the Ministry of Science and Technology as a key player. By the early 2000s, the emphasis on trade and investment redefined Brazil's China policy as an economic partnership, granting increased influence to the ministries overseeing agriculture, energy, and finance. Initially driven by trade and later by investment – both covered in Subchapter 3.1 – the economic dimension of the relationship began to overshadow other aspects. Over time, finance also emerged as a crucial element, as discussed in Subchapter 3.2, which focused on the roles of BNDES and the Brazil-China Fund. While other areas retained their absolute importance, they became relatively less central as economic indicators reached new peaks year after year. In this context, bureaucracies tied to high-value sectors, such as the Ministry of Agriculture (addressed in Subchapter 3.3) and the Ministry of Mines and Energy (addressed in Subchapter 3.4), rose in prominence and wielded greater influence over Brazil's China policy. This economic focus was reinforced by the establishment of COSBAN in 2004 and the multilateral BRICS platform in 2009, facilitating political dialogue that strategically avoided contentious issues like human rights, defense and environmental concerns. With President Lula's election in 2023, there may be a shift in this dynamic, as seen in the establishment of a COSBAN subcommittee on environmental and climate issues and a renewed military exchange, although human rights dialogue remains limited.

Chapter 1's research question was: Which bureaucracies can most influence Brazil's China policy? This question was answered through the analysis of the bureaucratic actors influencing Brazil's China policy – ministerial visits, bilateral agreements, COSBAN structure and high-level delegations – , summarized by data in Table 2. It demonstrated that ministries with direct economic connections to China are the most involved, emphasizing economic growth over comprehensive developmental issues like environmental sustainability or human rights. Despite shared characteristics, such as

biodiversity and diverse populations, the Brazilian ministries responsible for environmental (examined in Subchapter 4.1) and human rights (examined in Subchapter 4.4) policies have played a smaller role in the strategic partnership with China. The occasional involvement of other entities, like the Brazilian Parliament, typically occurs in response to pressures from specific interest groups. The analysis carried out in Chapter 1 confirmed that Brazil's China policy is shaped by a set of competing bureaucratic interests rather than a single strategic vision, and served as a roadmap for the remainder of the dissertation. Moreover, it showed China established connections across numerous branches of the Brazilian government, frequently forming direct ties with various bureaucracies and, at times, circumventing central institutions like Itamaraty and Planalto, which are responsible for managing the strategic partnership. Chapter 1's findings laid the groundwork for the following chapters, which examined the detailed interactions in specific sectors, providing insight into the political, economic and cooperation dimensions of Brazil-China relations.

Chapter 2, Politics, demonstrated how political bureaucracies – namely the Presidential Offices, the Foreign Ministries, and Parliaments – influence the decision-making process of Sino-Brazilian relations. The chapter demonstrated the dominant role of the Presidential Office, particularly the International Advisory Office, in directing Brazil's China policy especially since 2019. Throughout different administrations, this office has influenced foreign policy directions based on the sitting president's political priorities. During the Bolsonaro administration, presidential advisor Filipe Martins advanced an anti-China stance, aligning Brazil closer to the United States. Conversely, in President Lula's third term, the Presidential Office under Celso Amorim has shifted toward an ambitious engagement with China, dealing with high politics issues, including the Russia-Ukraine war. This variation underscores how the Presidency's ideological orientations and political aims can redirect the country's China policy, often with limited institutional input from other entities.

Despite the Presidential Office's influence, Itamaraty, as Brazil's professional foreign service, plays a substantial role in maintaining continuity

and structure in Brazil's diplomatic engagements. Itamaraty is characterized by a Weberian bureaucracy, which emphasizes consistency and institutional integrity. While it possesses significant expertise in managing diplomatic relations, Itamaraty's autonomy is bound by policies of the Presidential Office. Chapter 2 also compares Itamaraty with China's Ministry of Foreign Affairs, Waijiaobu, revealing notable structural differences. While Itamaraty operates with a high degree of insulation from domestic party politics, Waijiaobu functions within the political framework of the CCP. The comparison also highlights how Brazil's Foreign Ministry exercises broader diplomatic authority relative to its Chinese counterpart, which shares responsibilities – including the control of COSBAN – with other powerful agencies such as MOFCOM. These structural differences shape each country's approach to bilateral relations, illustrating how bureaucratic frameworks influence policy outcomes.

Parliament's role as a veto player in Brazil's China policy also adds complexity to the foreign policy process. Though historically a secondary actor in foreign affairs, Parliament has increasingly exerted its influence when domestic economic interests are at risk. The debate over China's market-economy status exemplifies Parliament's capacity to counteract executive decisions, reflecting its responsiveness to Brazil's manufacturing sector and broader economic concerns. In this case, Parliament's intervention acted as a form of "pocket veto," halting the implementation of a policy that could have adverse effects on domestic industries. The market-economy status issue played a crucial role in amplifying anti-China sentiment within Brazil, beginning with the industrial elites in FIESP and eventually influencing broader public opinion, particularly during the 2018 presidential elections. Jair Bolsonaro, the eventual winner, leveraged a strong anti-China platform with notable support from FIESP, and this sentiment has since persisted as a significant factor in Brazilian politics, impacting electoral dynamics. As a result, the market-economy status debate has become a political challenge for Chinese interests in Brazil.

Parliamentary diplomacy between Brazil and China, though often symbolic and largely ceremonial, plays a crucial role within the broader political

framework of Sino-Brazilian relations. The Brazil-China Parliamentary Group, primarily engaged in protocol-based activities, facilitates dialogue and promotes engagement between prominent Brazilian parliamentarians and Chinese officials. Although formal meetings may not produce substantial policy changes, individual parliamentarians have shown their capacity to impact important bilateral issues, including negotiations in areas such as technology and health. The establishment of the Brazil-Taiwan Parliamentary Group highlights the complex and politically sensitive nature of parliamentary diplomacy. As relations between Brazil and China develop further, the interplay between party-to-party diplomacy and parliamentary engagement reflects an increasing complexity in political alignments that extend beyond the executive's conventional diplomatic channels.

Chapter 2's central question was: how are inter-bureaucratic conflicts among Brazil's China policy stakeholders resolved? The analysis of the roles of the Presidency, the Foreign Ministry, and Parliament – especially through the market-economy case study – suggested that, when conflicts arise among these stakeholders, the president's stance generally prevails at first. However, if the issue conflicts with the interests of groups influential enough to enlist Parliament in the dispute, Parliament may use its veto power to block implementation.

Overall, Chapter 2 further confirmed that Brazil's China policy is the product of diverse, sometimes conflicting, institutional and economic interests. This inter-bureaucratic competition complicates the formulation of a coherent foreign policy. However, it also reflects the dynamic process of policy adaptation within a multipolar global environment, where domestic priorities must continually be balanced against international realities. This chapter set the stage for a deeper exploration of the economic and cooperative dimensions of Brazil-China relations explored in the following chapters, building on the political foundations discussed in it.

The analysis of Sino-Brazilian economic relations in Chapter 3 underscored the multilayered dynamics shaping Brazil's strategic and economic engagement with China across four primary domains: trade and investment,

financial collaboration, agricultural diplomacy, and mining and logistics. This economic relationship reveals both the opportunities and challenges Brazil encounters as it leverages its resources to meet China's demands, managing structural dependencies and diplomatic relations in the process. Subchapter 3.1, "At the Apex: Trade and Investment Policy", highlighted the substantial trade interdependence between Brazil and China. Brazil's reliance on commodity exports to China, primarily soybeans, iron ore, and oil, has boosted its foreign reserves, providing economic stability amidst global volatility. However, this dependency has also raised concerns about "Dutch disease" and deindustrialization, exacerbated by an appreciated currency that limits Brazil's manufacturing competitiveness. Apex-Brasil's strategy for engaging China reflects Brazil's bureaucratic instability and a limited focus on diversifying exports beyond agribusiness. Former president of Apex, Ambassador Roberto Jaguaribe, sought to address these limitations by establishing a "China Group" aimed at providing commercial intelligence and supporting Brazilian businesses in China, but this initiative was later discontinued. Despite efforts to promote higher-value goods like specialty coffee and luxury meat, Apex's primary focus remains on agribusiness, reinforcing Brazil's historical reliance on low value-added exports. Apex's China-specific efforts lack depth and omit high-growth sectors, such as fintech and e-commerce, which could align with China's consumer market trends. The agency's restricted approach, compounded by the discontinuation of strategic China-focused initiatives, highlights missed opportunities to expand Brazil's economic footprint in China's vast market. Against this backdrop, Brazil's cautious stance on China's BRI illustrates its strategic effort to maintain economic autonomy while balancing pragmatic needs for investment in infrastructure, agriculture, and energy. The interplay of these economic and strategic priorities demonstrates Brazil's nuanced approach to maximizing benefits while addressing vulnerabilities in its trade relationship with China.

Subchapter 3.2, "Easier Signed Than Done: Financial Relations and the Brazil-China Fund," examined the limitations and potential of bilateral financial cooperation. The Brazil-China Cooperation Fund, initially envisioned to foster

infrastructure development and industrial collaboration, encountered significant bureaucratic and political obstacles, fully blocking its operation. The Fund's recent revival under the Lula administration, with a renewed focus on sustainable development, suggests a recalibrated approach aimed at aligning with Brazil's infrastructural and environmental priorities. Success will depend on the Fund's capacity to overcome bureaucratic hurdles and sustain bilateral commitment, offering a critical test for both countries' long-term dedication to meaningful, productive investment. The third subchapter, "Roots of Power, Fields of Influence: Sino-Brazilian Agricultural Diplomacy", detailed the essential role of agriculture in the economic relationship. With China as Brazil's largest market for agricultural exports, MAPA and the CNA have played proactive roles in handling China's regulatory frameworks to facilitate trade. Yet, the political challenges in past Brazilian administrations exposed vulnerabilities, as anti-China rhetoric strained diplomatic efforts. The CNA's alignment with agribusiness interests and its active presence in China highlight the importance of sectoral diplomacy in shaping bilateral relations. Nonetheless, the reliance on a narrow range of agricultural exports raises concerns about the resilience of Brazil's economy, which remains vulnerable to fluctuations in Chinese market conditions.

Chapter 3's final subchapter, "From Red Tape to Red Carpet: Valemax Vessels and Iron Trade", illustrated the regulatory and diplomatic challenges faced by Brazilian firms operating in China's tightly controlled market. The Valemax case, involving the Brazilian mining giant Vale, exemplified how Brazilian firms must adjust to China's domestic priorities. The eventual compromise, allowing Valemax ships to operate under specific conditions, reflected Brazil's pragmatic approach to securing access to China's market, revealing the influential role of private actors in shaping foreign policy when their interests align with national economic objectives. Overall, Brazil's economic relationship with China represents a strategic asset, but also a challenge to the country. While China provides a critical market for Brazil's exports, sustaining this partnership will require Brazil to achieve greater diversification, institutional stability, and strategic alignment across sectors. As

Brazil works to strengthen its industrial competitiveness, the Sino-Brazilian partnership remains a cornerstone of its foreign economic policy, necessitating careful policy coordination to foster sustainable growth while mitigating structural dependencies.

Chapter 3's main research question was: How do private actors influence Brazil's China policy? The thematic sections and case study reveal that large non-state actors are the primary influencers of Brazil's China policy, exerting pressure on executive bureaucracies due to their economic significance. Companies like Vale and Embraer leverage direct communication channels with the government, whereas small and medium-sized enterprises (SMEs) rely on collective representation through cooperatives or associations to have their interests considered. Organizations like Apex-Brazil, the CNA, and the CNI play vital roles in this policy landscape, with CNA focusing on expanding agricultural exports to China and CNI engaging in protectionist lobbying efforts, particularly to protect domestic industries.

Chapter 4 outlined the main challenges in Brazil-China cooperation in strategic areas, including the environment, defense, human rights, and high technology. While Brazil and China have established a strong political and economic relationship, collaboration in these sensitive sectors has been difficult due to institutional, political, and ideological differences. The limited engagement between key Brazilian and Chinese institutions, particularly outside the COSBAN framework, reflects an uneven partnership. Sensitive dialogues in defense and human rights have been held outside COSBAN to avoid public scrutiny and structured reporting, indicating a preference for less formal, flexible mechanisms in these areas. Whereas major importers of Brazilian products, such as the EU and the US, especially under President Biden, strongly criticized the environmental policies of Brazil's Bolsonaro administration (2019-2022), China refrained from doing so. Similarly, successive Brazilian administrations have generally avoided raising human rights concerns with China, a sensitive topic for Beijing. Hence, environmental and human rights issues became largely sidelined within the Sino-Brazilian strategic partnership and were not included within the COSBAN framework, much like defense cooperation. Moreover, the

case studies in defense and human rights highlight how domestic political differences influence the scope of collaboration. The Brazilian Armed Forces' concerns about working with a military controlled by the Communist Party of China, and the differing human rights frameworks in both countries, make direct cooperation challenging. While Brazil's human rights policy is rooted in Western liberal values, China's approach is shaped by its authoritarian single-party governance, which complicates alignment on these issues. As a result, the parties have created separate consultation channels for these sectors, outside of COSBAN, to maintain flexibility.

Why is Sino-Brazilian cooperation in strategic sectors so challenging, despite the fluidity of their political-economic dialogue? This was Chapter 4's central question. The main obstacles stem from mutual unfamiliarity, as limited people-to-people exchange has hindered trust-building between Brazil and China. Brazilians often feel more comfortable partnering with traditional allies, such as the US and European countries, due to a longer history of diplomatic and social exchanges with these nations. Additionally, differing political systems add complexity: Brazil's aspiration to be a liberal democracy, alongside societal anti-communist sentiments, contrasts sharply with China's one-party communist system. While these factors complicate cooperation in sensitive sectors, they do not entirely prevent it, as shown by the success of the CBERS space program.

The negotiations around 5G technology and COVID-19 vaccines, however, demonstrate that cooperation is possible when strategic needs align. Brazil's need for vaccines during the pandemic led to a shift in domestic priorities, resulting in successful collaboration despite earlier resistance. This case illustrates that, under specific conditions, pragmatic cooperation can overcome ideological barriers. Chapter 4 suggests that while significant barriers exist, Brazil and China have a foundation for potential growth in their cooperation. Increased people-to-people exchanges, as well as efforts to address institutional and political asymmetries, may help foster greater mutual understanding and support deeper collaboration in the future.

In concluding this dissertation, I turn from the secondary research questions, each corresponding to a chapter, to the central question that directly

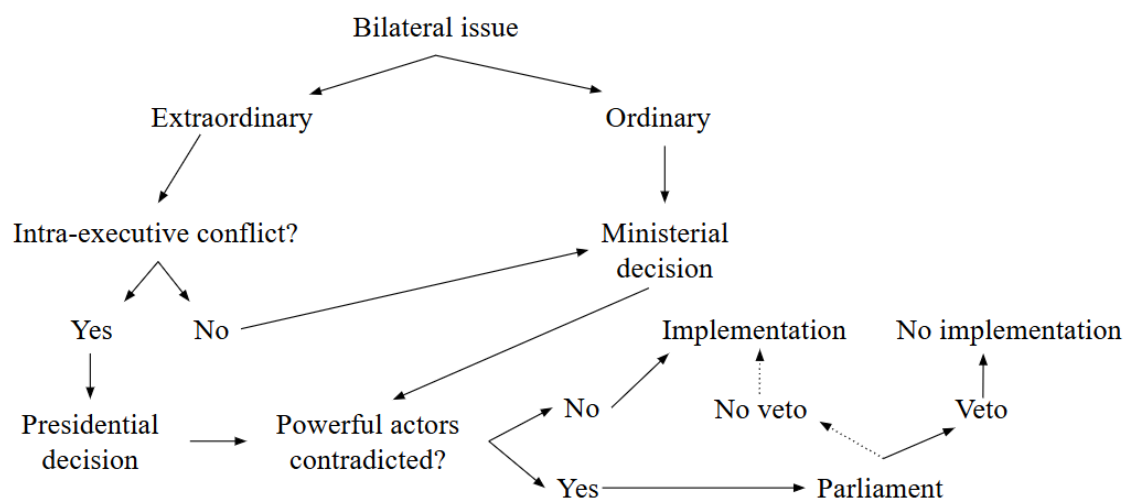
engages with my analytical model – a model that has shaped the dissertation and reappeared in each chapter’s partial conclusions as an illustrative schema of the action channels of Brazil’s China policy. My main research question was: What are the action channels of Brazil’s China policy? As depicted in Figure 2 (Introduction), my main hypothesis posited that the action channels of Brazil’s China policy vary based on whether an issue is routine (diplomatic routine) or exceptional (crises or high-stakes). Routine or extraordinary issues without intra-executive conflict are resolved at the ministerial level. However, when intra-executive conflicts arise on extraordinary matters, presidential arbitration becomes necessary. Regardless of the decision-making level – ministerial or presidential – implementation proceeds only when it aligns with the interests of influential groups. When such groups are opposed, they exert pressure on Parliament, which may block implementation, either formally or informally.

Broadly speaking, my original model presented in the Introduction proved effective in explaining the case studies presented throughout the thesis, notably those examining China’s market economy status (Chapter 2), the Valemax shipping crisis (Chapter 3), and the negotiations over 5G technology and vaccines (Chapter 4). However, the case studies also revealed an unforeseen dynamic: when powerful interest groups press Parliament to become involved in Brazil’s China policy, it is typically to prevent implementation, a phenomenon I have referred to as a veto. I have not found any instance in which Parliament ratified the executive’s original policy. Nevertheless, as argued throughout the dissertation, this parliamentarian veto need not be formalized through legislative votes. Instead, a policy can fail simply because Parliament signals dissatisfaction, thereby imposing political costs on the President and straining executive-legislative relations. Given the rising influence of Parliament, this informal signal– what I called a “pocket veto” – is often sufficient to halt the originally intended policy.

While, in theory, Parliament could endorse an executive decision upon being consulted, no empirical instance of this was observed in the cases analyzed. This means that the President has been unable to mobilize congressional support to ensure Parliament ratifies the executive stance in

Brazil's China policy. Instead, opposition within Parliament to the executive's policy tends to prevail, underscoring a broader empowerment of Parliament in contemporary Brazilian politics and a relative decline in the executive's influence. This finding necessitates a minor adjustment to the proposed analytical model: when Parliament intervenes, the predominant action channel is Parliament > veto > non-implementation. Consequently, the final model, refined to reflect the dissertation's findings, represents the Parliament > non-veto > implementation channel in dashed lines, as no empirical cases of this pathway were found, as shown in Figure 11. This revised model, now adjusted based on the thesis's findings, offers a more accurate depiction of Brazil's China policy action channels, illustrating both the structural constraints and the expanding influence of legislative oversight in shaping foreign policy outcomes.

Figure 11 - Action channels in Brazil's China policy (final version)



Source: Author's elaboration.

Over the past two decades, Brazil's China policy has evolved through an engagement strategy focused on pragmatic political-economic considerations. Brazil's governmental approach has been mostly reactive: as economic ties have grown, largely driven by economic complementarity, state actions and policy frameworks have adapted in response. Brazil's state reactions thus often hinge on economic developments. The growing importance of Brazil's China policy is confirmed by the increased allocation of staff to divisions dealing with

China – in Itamaraty and elsewhere –, signaling a recognition of the need for a more robust and proactive diplomatic framework toward China. With the professionalization of line ministries and their increasing international agendas, the role of the Foreign Ministry has progressively shifted toward coordination rather than direct foreign policy formulation. This trend, emblematic of Brazilian foreign policy more broadly, has had particular implications for Brazil's China policy, within the scope of COSBAN and beyond. Both Itamaraty and the Vice Presidency, which oversee COSBAN, are often not fully informed of the sectoral and technical developments in Brazil's China policy, which are managed by the line ministries.

China, for its part, places great importance on institutional contacts. The Chinese invented bureaucracy, which has been a central thread in its history and helps explain how the country has remained unified for millennia. Hence, bureaucracy plays an extremely important role in China. Chinese actors – both public and private – actively pursue immediate engagement with Brazilian bureaucracies beyond Itamaraty and Planalto. This direct interaction indicates China's preference to bypass traditional diplomatic channels. Such a trend, in turn, highlights a critical issue within Brazil's foreign policy framework: the absence of centralized coordination may lead to fragmented strategies across different ministries, addressing one ministry's priorities while inadvertently creating challenges for others, thereby risking inter-bureaucratic conflicts. In this context, COSBAN potentially has a pivotal role, as its meetings aim to align and streamline Brazil's China policy across sectors, fostering greater coherence. However, COSBAN's coordinating potential for domestic positions on China remains largely underutilized.

COSBAN's technical coordination meetings reveal significant challenges in inter-ministerial coordination. Representatives from various ministries often lack familiarity with each other's policies and demonstrate limited understanding of each other's core issues. At times, even Itamaraty and the Vice-Presidency – responsible for steering coordination efforts – struggle to identify key focal points across the Esplanade. Oftentimes developments in COSBAN occur without the knowledge of the Vice-Presidency. The absence of a permanent

bureaucratic framework and close coordination with Itamaraty and the Vice Presidency has resulted in the limited involvement of Itamaraty's Secretary-General and the Vice President, usually restricted to the period immediately preceding COSBAN's plenary sessions. In part, this is because COSBAN has become a victim of its own success: as its agenda expands, the complexity of coordinating positions increases.

Each Brazilian and Chinese bureaucracy participating in COSBAN has the opportunity to coordinate with the Vice President, presenting a valuable occasion to present initiatives and results. This is a political trump card for political actors in the bureaucratic pulling and hauling game. COSBAN's effectiveness is determined less by the number of its subcommittees and more by the quality of communication channels established between each bureaucracy and its counterparts in Beijing and Brasilia, which significantly expands opportunities for bilateral cooperation. Conversely, ministries without significant roles within COSBAN's structure (see Table 2, footnote no. 70) assign less significance to its meetings. Lacking opportunities for visibility, formal agreements, or inclusion in COSBAN's agenda, these ministries see their leverage reduced, ultimately weakening COSBAN's overall influence.

A defining characteristic of Brazilian bureaucratic politics has been the strategic placement of career diplomats as chief international advisors across a range of government ministries and agencies. In Brazil's China policy, this has historically included the leadership of specialized China-focused groups within key institutions such as Apex-Brasil, Camex, and MAPA, where career diplomats with prior postings at the Brazilian Embassy in Beijing played prominent roles. This practice contributes to harmonizing Brazil's foreign policy by balancing the broader national interests with the agendas of specific ministries. By integrating diplomats into various ministries, the government aims to reduce inter-bureaucratic conflicts, enhance policy coherence, and address the challenges posed by overlapping priorities within its bureaucratic structure. Although coordination issues remain, the placement of diplomats in these strategic advisory roles facilitates a more unified approach, ultimately

supporting Brazil's capacity to manage its China policy effectively within a complex bureaucratic landscape.

The chapters of this dissertation demonstrated that the Sino-Brazilian relationship encompasses both geopolitical and economic interests. As argued in Subchapter 2.1 on presidential advisors, maintaining strong bilateral relations enables Brazil to enhance its international profile while providing China with an avenue to counterbalance isolation from the West. Brazil's willingness to engage in dialogue based on mutual respect offers China a partner whose growing influence on the global stage reinforces the value of collaboration in an increasingly hostile international landscape for China. Subchapter 2.4, on China's market-economy status, has shown that trade restrictions have been a recurrent point of friction in bilateral relations. While Brazil seeks to protect its industry from both fair and unfair Chinese competition, a primary objective for China has been the reduction of Brazil's commercial protection measures, which would enhance market access for Chinese products – an especially pressing goal given the increasing economic pressures China faces from the West. In this context, Brazil has emerged as a vital and receptive market for mutually beneficial Chinese investments in strategic sectors such as electric vehicles and renewable energy equipment – industries where China aims to solidify its position as a global leader, as examined in Subchapter 3.1.

Agriculture represents another area of mutual interest, as shown in Subchapter 3.3. Brazil depends on its agricultural exports to China to maintain its trade surplus and sustain macroeconomic stability. China relies on Brazilian agricultural commodities to ensure food security and diversify supply sources, particularly amid trade restrictions imposed by the United States and the disruptions caused by the Russia-Ukraine war. Furthermore, as evidenced in Subchapter 4.4, China closely monitors Brazil's stance on its leading high-technology companies, including Huawei and Sinovac, which have served as key providers of public goods for Brazilians. Huawei's role in Brazil's telecommunications sector is especially sensitive for the Chinese government, given the geopolitical tensions surrounding the firm in global 5G networks.

Future research on Brazil-China relations could focus on three main areas to further clarify and expand upon this dissertation's findings. First, scholars could investigate Parliament's role, particularly as a veto player, in shaping policy outcomes beyond those analyzed in this dissertation. This includes examining whether similar dynamics are evident in other emerging nations where parliamentary bodies may serve as checks and balances on executive-led China policies and act as barriers to broader Chinese influence. This line of inquiry could offer comparative insights into legislative influence on executive-led China policies across the Global South. Second, an investigation into China's relationships with other emerging powers in areas explicitly recognized as sensitive in Sino-Brazilian relations – notably defense cooperation, environmental issues, human rights, and high technology – could reveal additional patterns of inter-bureaucratic collaboration and conflict across the Global South. Mapping these less visible engagements may help policymakers in the developing world identify coordination barriers and opportunities to strengthen cross-sectoral coherence in managing relations with China. Lastly, as Chinese bureaucracies increasingly engage directly with their global counterparts, often circumventing traditional diplomatic channels, future studies could examine the impact of these decentralized relationships on the foreign policy coherence of emerging powers. Continuing to investigate the roles of traditional and non-traditional actors in these countries' strategies toward China appears to be the best approach to gaining a more comprehensive understanding of the complex, multi-layered strategies shaping their engagement with China in an evolving global landscape.

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List of Brazilian Interviewees⁸³⁴

Amb. Audo Faleiro	Deputy Chief International Advisor to the President (2023-) Special International Advisor to the President (2013-2015) International Advisor to the President (2009-2013)
Amb. Augusto Souto Pestana	Consul General in Shanghai (2023-) President of Apex-Brasil (2021-2023)
Amb. Celso Amorim	Chief International Advisor to the President (2023-) Brazil's Foreign Minister (1993-1995, 2003-2010) Brazil's Defense Minister (2011-2014)
Amb. Gelson Fonseca Junior	President's International Advisor (1990-1992), (1995-1999)
Amb. Gustavo Menezes	Head of the China Division, Itamaraty (2011-2016) Minister-Counselor, Brazilian Embassy in Beijing (2006-2011)
Amb. Juliano Nascimento	Chief Diplomatic Advisor to the Vice-President (2019-2022)
Amb. Luiz Castro Neves	President of CEBC (2011-) Ambassador to China (2004-2008)
Amb. Marcos Caramuru	Ambassador to China (2016-2018) Consul General in Shanghai (2008-2011)
Amb. Marcos Galvão	Ambassador to China (2022-) Secretary-General, Itamaraty (2016-2018)
Amb. Orlando Leite Ribeiro	Head of the Agriculture and Commodities Division (2011-2015) Head of the China Division, Itamaraty (2016) Trade and Investment Department, Itamaraty (2016-2018) Trade Secretary, MAPA (2019-2022)
Amb. Paulo Estivallet	Ambassador to China (2018-2022)
Amb. Pedro Ortega Terra	Director of the China Department, Itamaraty (2023-)
Amb. Tatiana Rosito	Secretary for International Affairs, Finance Ministry (2023-) Consultant for the New Development Bank (2020-2022) Chief Representative of Petrobras in China (2017-2019) Executive Secretary of CAMEX (2014-2017) Minister-Counselor, Brazilian Embassy in Beijing (2009-2014)
Couns. Leônidas Coêlho	Head of the China Division, Itamaraty (2022-) Advisor, China Department, Itamaraty (2021-2022)
Couns. Rodrigo Mendes Araujo	Head of the Political Mechanisms Division for China (2022-) Advisor, Secretariat for Asia-Pacific Negotiations (2020) Technology Sector Head, Embassy in Beijing (2017-2019)
Deputy Fausto Pinato	Chamber of Deputy's Brazil-China Group, President (2015-)
José Eduardo Costas	Embraer's Vice-President for Sales in Asia (2008-2013)

⁸³⁴ Chinese interviewees asked not be identified.

Larissa Wachholz	Asia Senior Fellow, CEBRI (2022-) Head of the China Group, MAPA (2019-2021)
Luiz Sérgio Chiessi	Vice-President of Embraer for Market Intelligence (2005-2012)
Paulo Cesar de Souza e Silva	Embraer's CEO (2010-2019)
Prof. Jorge Arbache	Foreign Affairs Secretary, MPO (2016-2018) Executive Secretary, Brazil-China Fund (2016-2018) Senior Economic Advisor, BNDES (2010-2014)
Prof. Renato Baumann	Deputy Foreign Affairs Secretary, MPO (2016-2018)
Prof. Tatiana Prazeres	Secretary for Foreign Trade, MDIC (2011-2013, 2023-)
Roberto Fendt	International Secretary, Ministry of Economy (2019-2022) Executive Secretary CEBC (2015-2018)
Rômulo Tavares Ribeiro	Planning and Institutional Relations Advisor, BNDES (2004-)
Sec. Gustavo Carneiro	Deputy Head, Transnational Illegals Coordination, MRE (2022-)
Sec. Pedro Barbosa	Bilateral and domestic politics desk, Embassy in Beijing (2021-) PhD in International Politics, Renmin University of China (2021)
Sec. Jean Taruhn	Embassy of Brazil in Beijing (2023-2024) Head of the China Group, MAPA (2021-2022) Consulate General of Brazil in Shanghai (2017- 2021) Brazilian Trade Office in Taipei (2013-2017) Division of China, Itamaraty (2010-2013)
Senator Nelsinho Trad	President of the Senate's Brazil-China Group (2023-2027) Senate's Foreign Relations Committee President (2019-2020)

Annex I – Ministerial visits to China (2002-2022)⁸³⁵

Period	Ministry	Minister
April / 2002	Development, Industry and Foreign Trade	Sérgio Amaral
November / 2002	Science and Technology	Ronaldo Sardenberg
November / 2003	Defense	José Viegas Filho
February / 2004	Foreign Relations	Celso Amorim
May / 2004	Science and Technology	Eduardo Campos
May / 2004	Mines and Energy	Dilma Rousseff
May / 2004	Tourism	Walfrido Mares Guia
May / 2004	Development, Industry and Foreign Trade	Luis Fernando Furlan
May / 2004	Agriculture, Livestock and Supply	Roberto Rodrigues
May / 2004	Economy	Antonio Palocci
May / 2004	Planning	Guido Mantega
May / 2004	Sports	Agnelo Queiróz
October / 2005	Environment	Marina Silva
September / 2007	Science and Technology	Sergio Rezende Machado
November / 2007	Foreign Relations	Celso Amorim
November / 2009	Defense	Nelson Jobim
May / 2009	Development	Miguel Jorge
May / 2009	Communications Secretariat	Franklin Martins
May / 2009	Secretariat of Ports	Pedro Brito
June / 2010	Fisheries and Aquaculture	Altemir Gregolin
July / 2010	Mines and Energy	Márcio Zimmermann
March / 2011	Foreign Relations	Antonio de Aguiar Patriota
March / 2011	Development, Industry and Foreign Trade	Fernando Pimentel

⁸³⁵ “The COVID-19 epidemic and the severe restrictions imposed by China on the entry of foreigners into its territory interrupted the exchange of high-level bilateral visits. The only exception, carried out with special health protocols negotiated with the Chinese government, was the visit of the Minister of Communications, Fábio Faria, to Shenzhen, in February 2021, in a mission to keep contact with key producers of equipment for 5G networks”. Management Report. Brazilian Embassy in Beijing (2018-2021). Ambassador Paulo Estivallet de Mesquita, §13, translated by the author.

April / 2011	Agriculture, Livestock and Supply	Wagner Rossi
April / 2011	Mines and Energy	Edison Lobão
April / 2011	Science and Technology	Aloizio Mercadante
April / 2011	Foreign Relations	Antonio de Aguiar Patriota
April / 2011	Development, Industry and Foreign Trade	Fernando Pimentel
July / 2011	Health	Alexandre Padilha
July / 2012	Science, Technology and Innovation	Marco Antonio Raupp
September / 2013	Culture	Marta Suplicy
November / 2013	Civil Aviation Department	Wellington Moreira Franco
January / 2015	Foreign Relations	Mauro Vieira
September / 2015	Defense	Jaques Wagner
November / 2015	Agriculture, Livestock and Supply	Kátia Abreu
February / 2016	Economy	Nelson Barbosa
June / 2016	Agriculture, Livestock and Supply	Blairo Maggi
September / 2016	Agriculture, Livestock and Supply	Blairo Maggi
September / 2016	Foreign Relations	José Serra
June / 2017	Foreign Relations	Aloysio Nunes Ferreira
September / 2017	Mines and Energy	Fernando Coelho Filho
September / 2017	Agriculture, Livestock and Supply	Blairo Maggi
January / 2018	Mines and Energy	Fernando Coelho Filho
May / 2018	Foreign Relations	Aloysio Nunes Ferreira
May / 2018	Agriculture, Livestock and Supply	Blairo Maggi
May / 2018	Industry, Foreign Trade and Services	Marcos Jorge de Lima
May / 2018	Tourism	Vinicius Lummertz
May / 2019	Agriculture, Livestock and Supply	Tereza Cristina Dias
August / 2019	Mines and Energy	Bento Albuquerque
October / 2019	Agriculture, Livestock and Supply	Tereza Cristina Dias
October / 2019	Mines and Energy	Bento Albuquerque
October / 2019	Citizenship	Osmar Terra

October / 2019	Civil House	Onyx Lorenzoni
October / 2019	Foreign Relations	Ernesto Araújo
October / 2019	Institutional Security Office	Augusto Heleno Pereira
December / 2019	Science, Technology, Innovations and Communications	Marcos Pontes
February / 2021	Communications	Fábio Faria

Source: Elaborated by the author, with data obtained through Brazil's Information Access Act.

Annex II – Brazil-China Bilateral Agreements

Title of the Agreement	Subject	Date	Status
Treaty on the Transfer of Convicted Persons between the Federative Republic of Brazil and the People's Republic of China	Criminal Law - Cooperation	13/11/2019	Processing Ministries/Civil House
Memorandum of Understanding for the strengthening of cooperation between the Ministry of Foreign Affairs of the Federative Republic of Brazil and the Ministry of Foreign Affairs of the People's Republic of China	Cooperation	25/10/2019	in force
Minutes of the Fifth Plenary Meeting of the Sino-Brazilian High-Level Commission for Dialogue and Cooperation - COSBAN	Cooperation - Joint Commission	23/05/2019	in force
Memorandum of Understanding between the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Ministry of Industry, Foreign Trade and Services (MDIC) of the Federative Republic of Brazil and the National Institute of Metrology, Quality and Technology of the Republic Federation of Brazil	Business	01/09/2017	in force
Amendment to the Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Visa Facilitation for Businessmen	Visas and Immigration	01/09/2017	in force
Film Co-production Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Artistic-cultural cooperation	01/09/2017	Processing Ministries/Civil House
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the facilitation of tourist visas	Visas and Immigration	01/09/2017	in force
Final Act of the IV Meeting of the Brazil-China Mixed Trade Commission.	Joint Commission - Commerce	30/10/1986	in force
Complementary Protocol for the Joint Development of CBERS - 4A between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China to the "Framework Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Cooperation in Peaceful Applications of Outer Space Science and Technology".	Outer Space - Scientific and Technological Cooperation	19/05/2015	in force
Joint Action Plan between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China 2015-2021	Joint Declaration	19/05/2015	in force
Complementary Protocol to the Cooperation Agreement in Defense Matters between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China, in the Area of Remote Sensing, Telecommunications and Information Technology	Defense and Military Affairs	16/07/2014	special situation
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the Facilitation	Visas and Immigration	16/07/2014	in force

of Granting of Visas for Businessmen			
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Mutual Administrative Assistance in Customs Matters	Customs, Taxes and Fees	21/06/2012	in force
Ten-Year Cooperation Plan between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Scientific and Technological Cooperation - Cooperation	21/06/2012	in force
Memorandum of Understanding between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the Reciprocal Establishment of Cultural Centers	Artistic-cultural cooperation	21/06/2012	in force
Joint Communiqué between the Federative Republic of Brazil and the People's Republic of China	Joint Declaration	12/04/2011	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Cooperation in Defense Matters	Defense and Military Affairs	12/04/2011	special situation
Memorandum of Understanding on Cooperation between the Rio Branco Institute of the Ministry of Foreign Affairs of the Federative Republic of Brazil and the University of Foreign Affairs of China	Diplomatic Academies - Cooperation	14/09/2010	in force
Memorandum of Understanding between the Ministry of Foreign Affairs of the Federative Republic of Brazil and the Ministry of Commerce of the People's Republic of China for the Establishment of a Working Group on Intellectual Property within the Framework of the Economic-Commercial Subcommittee of the Sino-Brazilian High Level Commission Concertation and Cooperation	Intellectual/Industrial Property - Cooperation	16/04/2010	in force
Executive Program for Cultural Cooperation between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China for the Years 2010-2012	Artistic-cultural cooperation	16/04/2010	in force
Joint Action Plan between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China, 2010-2014	Joint Declaration	15/04/2010	Expired
Joint Communiqué between the Republic of Brazil and the People's Republic of China on the Continuous Strengthening of the Strategic Partnership	Joint Declaration	19/05/2009	in force
Memorandum of Understanding between the Government of the Federative Republic of Brazil and the Government of the Republic of China on Petroleum, Equipment and Financing	Petroleum	19/05/2009	in force
Treaty between the Federative Republic of Brazil and the People's Republic of China on Legal Assistance in Civil and Commercial Matters	Civil right	19/05/2009	in force
Protocol between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Cooperation in Energy and Mining	Energy	19/02/2009	in force

Memorandum of Understanding on the Establishment of the Subcommittee on Energy and Mineral Resources of the Sino-Brazilian High Level Commission for Coordination and Cooperation between the Ministry of Mines and Energy of the Federative Republic of Brazil and the Commission for Development and State Reform of the People's Republic of China.	Energy - Natural Resources	05/06/2006	in force
Agreement on Strengthening Cooperation in the Area of Implementation of Construction Infrastructure between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Energy	05/06/2006	in force
Executive Program of the Cultural and Educational Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China for the years 2006 to 2008	Educational and Sports Cooperation - Artistic-cultural cooperation	23/03/2006	in force
Memorandum of Understanding on Cooperation in the Environmental Protection Area between the Ministry of the Environment of the Federative Republic of Brazil and the State Administration of Environmental Protection of the People's Republic of China	Environment	17/08/2005	in force
Protocol between the Ministry of Agriculture, Livestock and Supply of the Federative Republic of Brazil and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China on Quarantine and Sanitary and Veterinary Conditions of Poultry Meat to be Exported from Brazil to the People's Republic of China.	Livestock - Animal and Plant Health	12/11/2004	in force
Complementary Protocol to the Framework Agreement between the Government of the Federative Republic of Brazil and the People's Republic of China on Cooperation in Peaceful Applications of Outer Space Science and Technology for the Joint Development of the CBERS-2B Satellite	Outer space	12/11/2004	in force
Complementary Protocol to the Framework Agreement on Cooperation in Peaceful Applications of Science and Technology in Outer Space for Cooperation in the CBERS Application System.	Outer space	12/11/2004	in force
Memorandum of Understanding between the Ministry of Tourism of the Federative Republic of Brazil and the National Tourism Administration of the People's Republic of China on Facilitation of Travel by Groups of Chinese Tourists to Brazil	Tourism, Fair and Exhibitions	12/11/2004	in force
Memorandum of Understanding between the Federative Republic of Brazil and the People's Republic of China on Cooperation in Trade and Investment.	Economic Cooperation - Investment	12/11/2004	overcome
Memorandum of Understanding between the Ministry of Development, Industry and Commerce of the Federative Republic of Brazil and the National Development and Reform Commission of the People's Republic of China on Industrial Cooperation.	Industrial Cooperation	12/11/2004	Expired
Cooperation Agreement to Combat Transnational Organized Crime and Other Criminal Modalities	Human rights	12/11/2004	Upon ratification by

			the other Party(ies)
Extradition Treaty between the Federative Republic of Brazil and the People's Republic of China	Extradition	12/11/2004	in force
Complementary Adjustment on Health and Medical Sciences to the Scientific and Technological Cooperation Agreement	Health - Scientific and Technological Cooperation	24/05/2004	Expired
Complementary Agreement on Surveillance of Medicines and Health-Related Products to the Scientific and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Health - Scientific and Technological Cooperation	24/05/2004	in force
Sports Cooperation Agreement between the Ministry of Sport of the Federative Republic of Brazil and the General Administration of Sport of the State of the People's Republic of China.	Educational and Sports Cooperation	24/05/2004	in force
Memorandum of Understanding on Cooperation between the Ministry of Planning, Budget and Management of the Federative Republic of Brazil and the Ministry of Commerce of the People's Republic of China.	Rail Transport	24/05/2004	in force
Memorandum of Understanding on Cooperation for the Development of an Application System for the Sino-Brazilian Earth Resources Satellite Program.	Outer space	24/05/2004	in force
Memorandum of Understanding between the Ministry of Agriculture, Livestock and Supply of the Federative Republic of Brazil and the General Administration for Quality Supervision, Inspection and Quarantine of the People's Republic of China in the Area of Sanitary and Phytosanitary Safety of Food Products.	Animal and Plant Health	24/05/2004	in force
Joint Communiqué between the Federative Republic of Brazil and the People's Republic of China	Joint Declaration	24/05/2004	in force
Agreement, by Exchange of Notes, between the Ministry of Foreign Affairs of the Federative Republic of Brazil and the Ministry of Foreign Affairs of the People's Republic of China for the Flexibility of Granting Visas to Entrepreneurs	Visas and Immigration	24/05/2004	Substituted
Memorandum of Understanding between the Federative Republic of Brazil and the People's Republic of China on the Establishment of the Sino-Brazilian High-Level Commission for Dialogue and Cooperation	Administrative Policy - Technical Cooperation	24/05/2004	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Visa Waiver for Holders of Diplomatic, Official and Service Passports	Visas and Immigration	24/05/2004	in force
Treaty between the Federative Republic of Brazil and the People's Republic of China on Mutual Legal Assistance in Criminal Matters	Criminal Law	24/05/2004	in force
Memorandum of Understanding between the Ministry of the Environment of the Federative Republic of Brazil and the Ministry of Water Resources of	Energy - Natural	24/09/2003	Expired

the People's Republic of China on Technical and Scientific Cooperation in the Field of Water Resources	Resources		
Memorandum of Understanding between the Ministry of Development, Industry and Foreign Trade of the Federative Republic of Brazil and the State Commission for Economic Planning of the People's Republic of China on Industrial Cooperation.	Industrial Cooperation	02/12/2002	Expired
Supplementary Protocol to the Framework Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Cooperation in Peaceful Applications of Outer Space Science and Technology for the Continuity of the Joint Development of Earth Resources Satellites.	Outer Space - Scientific and Technological Cooperation	27/11/2002	in force
Cultural Executive Program of the Cultural and Educational Cooperation Agreement between the Government of the Federative Republic of Brazil and the People's Republic of China for the years 2001 to 2004.	Artistic-cultural cooperation - Educational and Sports Cooperation	12/11/2001	in force
Protocol of Cooperation in Space Technology between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Outer Space - Scientific and Technological Cooperation	21/09/2000	in force

Agreement, by Exchange of Notes, on the Granting of Multiple Entry Visas, for the period of the mission, to Brazilians and Chinese holders of diplomatic and official passports.	Visas and Immigration	17/08/2000	Substituted
Agreement, by Exchange of Notes, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the Extension of Jurisdiction of the Consulate General of Brazil in Hong Kong to the Macau Special Administrative Region.	Diplomatic and Consular Relations	15/12/1999	in force
Joint Brazil-China Declaration	Human rights	22/06/1999	in force
Complementary Agreement to the Economic and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Economic Cooperation - Scientific and Technological Cooperation	01/12/1998	in force
Complementary Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China to the Economic and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China to Ensure the Quality of Imported and Exported Products .	Economic Cooperation	01/12/1998	in force

Complementary Agreement to the Scientific and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China in the Areas of Metrology and Industrial Quality.	Industrial Cooperation - Scientific and Technological Cooperation	29/10/1997	in force
Joint Declaration between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the Common Agenda for Sustainable Development.	Joint Declaration	08/11/1996	in force
Joint Declaration between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China Concerning the Peaceful Applications of Space Science and Technology.	Joint Declaration	08/11/1996	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the Maintenance of the Consulate General of Brazil in the Hong Kong Special Administrative Region of the People's Republic of China.	Diplomatic and Consular Relations	08/11/1996	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Cooperation on Quarantine and Animal Health	Animal and Plant Health	08/02/1996	in force
Complementary Agreement between the Federative Republic of Brazil and the People's Republic of China to the Agreement on Scientific and Technological Cooperation and the Agreement on Economic and Technological Cooperation in the Area of Exchange of Experts for Technical Cooperation.	Technical Cooperation	13/12/1995	in force
Memorandum of Understanding on Cooperation in the Fields of Radio and Television between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Artistic-cultural cooperation	13/12/1995	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Technical Security Related to the Joint Development of Satellites and Land Resources.	Outer space	13/12/1995	in force
Plant Quarantine Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Agriculture	13/12/1995	in force
Memorandum of Understanding between the Ministry of Agriculture of the Federative Republic of Brazil and the Ministry of Agriculture of the People's Republic of China.	Understanding - Agriculture	25/07/1995	in force
Framework Agreement on Cooperation in Peaceful Applications of Science and Technology in Outer Space between the Government of the Federative Republic of Brazil and the People's Republic of China	Outer Space - Scientific and Technological Cooperation	08/11/1994	in force
Protocol between the Ministry of Mines and Energy of the Federative Republic of Brazil and the Ministry of Geology and Mineral Resources of the People's Republic of China on Cooperation in the Area of Geosciences and Mineral Resources.	Natural resources	08/09/1994	Expired

Protocol of Intent for Cooperation between the Ministry of Mines and Energy of the Federative Republic of Brazil and the Ministry of Chemical Industry of the People's Republic of China.	Interinstitutional Cooperation	06/09/1994	Expired
Memorandum of Understanding between the Ministry of Mines and Energy of the Federative Republic of Brazil and the Ministry of Electric Energy of the People's Republic of China on Technological Cooperation in Fluidized Coal Combustion.	Natural Resources - Scientific and Technological Cooperation	05/09/1994	in force
Memorandum of Understanding between the Ministry of Mines and Energy of the Federative Republic of Brazil and the Ministry of Water Resources of the People's Republic of China on Economic, Scientific and Technological Cooperation.	Economic Cooperation - Scientific and Technological Cooperation	05/09/1994	in force
Agreement on Air Services Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Air Transport	11/07/1994	in force
Adjustment in the New Materials Sector, Complementary to the Scientific and Technological Cooperation Agreement, of March 25, 1982 between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Interinstitutional Cooperation	04/04/1994	in force
Adjustment in the Biotechnology Sector Applied to Complementary Agriculture to the Scientific and Technological Cooperation Agreement of March 25, 1982 between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Agriculture - Scientific and Technological Cooperation	04/04/1994	in force
Adjustment in the Sector of Traditional Chinese Medicine and Complementary Phytopharmaceuticals to the Scientific and Technological Cooperation Agreement of March 25, 1982 between the Government of the Federative Republic of Brazil and the People's Republic of China	Health - Scientific and Technological Cooperation	04/04/1994	in force
protection of Coop. in the Scope of Higher Education between Fun. coordinate for the Improvement of Higher Education Personnel CAPES of the MEC and the Dep. of As. Ext. DAE of the EEC State Education Commission of China, Complementary to the Coop Agreement. Cult and Educ. of 11/01/85.	Artistic-cultural cooperation - Cooperation	19/01/1994	in force
Protocol between the Ministry of Science and Technology of Rep. Federal of Brazil and the National Space Administration of China, Rep. Pop. of China (CNSA) on Cooperation in Peaceful Applications of Outer Space Science and Technology.	Outer space	23/11/1993	in force
Protocol of Intent between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on the Enhancement of Bilateral Trade in Iron Ore and the Promotion of Joint Exploration of Iron Ore Reserves.	Business	23/11/1993	in force
Supplementary Protocol on the Approval of Earth Resources Satellite Research and Production, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Outer space	05/03/1993	in force

Complementary Agreement to the Economic and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Economic Cooperation - Energy	05/03/1993	in force
Memorandum of Understanding on Exchange and Cooperation in Education Between the Ministry of Education and Sports of the Federative Republic of Brazil and the State Education Commission of the People's Republic of China.	Educational and Sports Cooperation - Educational and Sports Cooperation - Artistic-Cultural Cooperation	25/02/1993	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of Hong Kong relating to Air Services.	Air Transport	06/09/1991	in force
Agreement, by Exchange of Notes, on the Mutual Installation of Consulates General, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Diplomatic and Consular Relations	05/08/1991	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China Aimed at Avoiding Double Taxation and Preventing Tax Evasion on Income Taxes.	Customs, Taxes and Fees	05/08/1991	in force
Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Economic and Technological Cooperation.	Economic Cooperation	18/05/1990	in force
Memorandum of Understanding between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Iron Ore.	Natural Resources - Economic Cooperation	18/05/1990	in force
Agreement, by Exchange of Notes, on the Increase in the Capacity of Consular Offices, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Diplomatic and Consular Relations	06/07/1988	in force
Agreement, by Exchange of Notes, on Multiple Entry Visas on Diplomatic and Service Passports, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Visas and Immigration	06/07/1988	Substituted
Protocol between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China for Cooperation in the Area of Industrial Technology.	Industrial Cooperation	06/07/1988	in force
Agreement for Scientific and Technological Cooperation in the Area of Pharmaceuticals for Combating Major Endemic Diseases between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Health	06/07/1988	Expired
Agreement on Cooperation in the Field of Medicine and Traditional Pharmaceuticals between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Health	06/07/1988	Expired

Complementary Agreement to the Scientific and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China in Electric Energy, including Hydroelectric Energy.	Energy - Scientific and Technological Cooperation	06/07/1988	in force
Complementary Agreement to the Scientific and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China on Cooperation in the Field of Scientific Research and Technological Development in the Transport Sector.	Road Transport - Scientific and Technological Cooperation - Scientific and Technological Cooperation	06/07/1988	in force
Protocol on Approval of Research and Production of Earth Resources Satellite, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Outer space	06/07/1988	in force
Agreement, by Exchange of Notes, on Research and Joint Production of the Sino-Brazilian Remote Sensing Satellite, between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Outer space	30/04/1988	in force
Cultural and Educational Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Artistic-cultural cooperation	01/11/1985	in force
Protocol on Cooperation in Geosciences between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Technical Cooperation	01/11/1985	in force
Protocol of Cooperation in Steel Matters between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Interinstitutional Cooperation	01/11/1985	in force
Memorandum of Understanding Relating to Consultations on Matters of Common Interest between the Federative Republic of Brazil and the People's Republic of China	Diplomatic Consultations	01/11/1985	in force
Protocol of Understanding Brazil - China.	Interinstitutional Cooperation	01/11/1985	in force
Agreement, by Exchange of Notes, for the Creation of Attachments for the Armed Forces between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Defense and Military Affairs	07/12/1984	in force
Memorandum on Cooperation in Steel Matters between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China	Interinstitutional Cooperation	13/11/1984	in force
Agreement for Cooperation in the Peaceful Uses of Nuclear Energy between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Nuclear energy	11/10/1984	in force
Agreement to Create Consulates in São Paulo and Shanghai Brazil - China .	Diplomatic and Consular	15/08/1984	in force

	Relations		
Additional Protocol to the Trade Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Business	29/05/1984	in force
Complementary Arrangement between CNPq and the Chinese Academy of Sciences in the Fields of Pure and Applied Sciences.	Interinstitutional Cooperation	29/05/1984	in force
Memorandum of Understanding on Cooperation in the Peaceful Uses of Nuclear Energy between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Nuclear energy	29/05/1984	in force
Complementary Agreement to the Scientific and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Scientific and Technological Cooperation	29/05/1984	in force
Protocol between the National Council for Scientific and Technological Development and the State Science and Technology Commission in the Field of Scientific and Technological Cooperation between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Scientific and Technological Cooperation	29/05/1984	in force
Scientific and Technological Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Scientific and Technological Cooperation	25/03/1982	in force
Agreement on Maritime Transport between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	River and Maritime Transport	22/05/1979	in force
Trade Agreement between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Business	07/01/1978	in force
Agreement between the Federative Republic of Brazil and the People's Republic of China on the Installation and Operation of the Embassies of Brazil in Beijing and of China in Brasilia.	Diplomatic and Consular Relations	28/11/1974	in force
Joint Communiqué on the Establishment of Diplomatic Relations between the Government of the Federative Republic of Brazil and the Government of the People's Republic of China.	Establishment of Diplomatic Relations	15/08/1974	in force

Source: Elaborated by the author, based on Concórdia⁸³⁶.

⁸³⁶ Available at <https://concordia.itamaraty.gov.br/>

**Annex III – Brazilian delegation to the 6th COSBAN Plenary Session
(2022)**

1. Antônio Hamilton Martins Mourão, Vice-President of the Federative Republic of Brazil
2. Fabio Faria, Minister of Communications;
3. Paulo Alvim, Minister of Science, Technology and Innovations;
4. Antônio Ramirez Lorenzo, Executive Secretary of the Ministry of Justice;
5. Fernando Simas Magalhães, Secretary General for Foreign Affairs;
6. José de Castro Barreto, Executive Secretary of the Ministry of Education;
7. Daniel Meirelles Fernandes Pereira, Executive Secretary of the Ministry of Health;
8. Helio Ferraz de Oliveira, Special Secretary for Culture at the Ministry of Tourism;
9. Alan de Oliveira Lopes, Deputy Executive Secretary of the Ministry of Infrastructure;
10. Márcia Donner Abreu, Secretary for Asia, the Pacific and Russia at the Ministry of Foreign Affairs;
11. Sarquis José Buainain Sarquis, Secretary of Foreign Trade and Economic Affairs at the Ministry of Foreign Affairs;
12. Carla Barroso Carneiro, Special Advisor for International Affairs at the Ministry of Regional Development;
13. Jean Marcel Fernandes, Secretary of Commerce and International Relations of the Ministry of Agriculture, Livestock and Supply;
14. Paulo César Domingues, Secretary of Energy Planning and Development at the Ministry of Mines and Energy;
15. João Luis Rossi, Deputy Special Secretary for Foreign Trade and International Affairs at the Ministry of Economy of Brazil;
16. Christian Vargas, Special Advisor for International Relations at the Ministry of Mines and Energy;
17. George Firmeza, Special Advisor to the Secretariat for Strategic Affairs;
18. Silvio Nascimento, President of Embratur;

19. Letícia Morosino, Acting President of the Brazilian Space Agency;
20. Rodrigo Gedeon, Director of APEX-Brasil Office in China.
21. Ambassador Luiz Augusto de Castro Neves, President of the Brazilian section of the Brazil-China Business Council (CEBC)

Annex IV – COSBAN reformed structure as of May 2022

No	Subcommittees and Working Groups (WG)
1	Political Subcommittee
2	Economic-Commercial and Cooperation Subcommittee Trade Facilitation WG; Service Trade WG; Investment Cooperation WG; Intellectual Property WG; Electronic Trade WG; Customs Themes WG; Education WG; Health WG; Trade Defense Mechanism; and Economic-Commercial Cooperation Mechanism between States and Provinces
3	Agriculture Subcommittee Agricultural Biotechnology and Biosafety WG; Digital Agriculture WG; Crop Conservation WG; and Agrochemicals WG.
4	Subcommittee on Science, Technology and Innovation
5	Subcommittee on Energy and Mining
6	Subcommittee on Industry, Information and Communication Technology Digital Technology and Industrial Transformation WG
7	Space Subcommittee
8	Subcommittee on Sanitary and Phytosanitary Issues
9	Economic-Financial Subcommittee

10	Culture and Tourism Subcommittee Sports WG
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Source: Brazil-China Strategic Plan (2022-2031).