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# Diversifying Channels in China-Brazil Relations: The Multilateralization of the Bilateral Relationship

Carmen Amado Mendes\* and Daniel Cardoso\*\*

**Abstract:** Sino-Brazilian political and economic relations have evolved both at the bilateral and multilateral levels. Partners in the international system, for instance within the BRICS and G20, as they share common views challenging the current hierarchy of power, China and Brazil face some constraints in their bilateral relations. China's demand for the market economy status has been a point of discord, and Brazilian companies suffer from Chinese competition, not only in the domestic market but also in Latin America and in the Portuguese-speaking Africa. In this context, the role of Macau as a platform to facilitate the Chinese presence in the Lusophone world might affect Brazilian interests in areas of strategic interest. The Forum for Economic and Trade Cooperation between China and the

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Portuguese-speaking Africa, with a Permanent Secretariat based in Macau, is perceived as a Chinese instrument to gain space in those areas and has not been welcomed with enthusiasm by Brazil. The strategic partnership, which was established in 1993 and was considered “comprehensive” since 2012, has been mainly developed through the bilateral channel, benefiting from the institutional framework provided by COSBAN.

**Keywords:** China; Brazil; Macau; Lusophony; Forum for Economic and Trade Cooperation between China and the Portuguese Speaking Countries

## I Introduction

During the past years, China and Brazil have drastically strengthened their strategic partnership, established in 1993. Currently, Brazil is China’s most important partner in Latin America and among the Portuguese-speaking countries (PSC) and China is Brazil’s largest trading partner – in 2009 it surpassed the United States of America (U.S.) that had held this position for more than eighty years.<sup>1</sup> The increase in trade was followed by growing Chinese investments in Brazil, which reached its peak in 2010.

The two partners not only intensified economic relations, but also strengthened their political ties. They have been working together in several international *fora* and international institutions, such as the BRICS (Brazil, Russia, India, China and South Africa), G77 – the largest intergovernmental group of developing states within the UN (United Nations), the G20 and the WTO (World Trade Organization). The underlying goal of this cooperation at the multilateral level is the reform of the financial and political system, to guarantee developing countries a stronger voice and more power in the international institutions’ decision-making process. Bilaterally, the relationship between the two countries evolved also within the institutional framework of COSBAN (China-Brazil High-Level Coordination and Cooperation Commission), set up in 2004.

In spite of strong economic ties and political common goals, Sino-Brazilian cooperation faces some constraints. Besides the geographical distance and many cultural differences, the relationship is undermined by currency and trade disputes, failed joint investments and different approaches towards the US and the UN reform. After analyzing the evolution of Sino-Brazilian relations and how China's global expansion substantially changed them, the next section focuses on the period from 2000 onwards, paying special attention to the economic, political, scientific and cultural dimensions of the bilateral relationship. The following section considers interactions at the multilateral level, selecting the Macau Forum as a case study.

## II Beyond Distance and Neglect: Building Up a Strategic Relationship

### The Historical Background

Brazil and China established diplomatic relations in 1974, when Brazil was still under an anti-communist military regime.<sup>5</sup> Despite the ideological differences, the bilateral relationship slowly evolved during the terms of Ernesto Geisel and João Figueiredo (1974–1985), the last two<sup>6</sup> presidents of the military regime. During the first half of the 1980s, bilateral trade reached high values, but it decreased from the late 1980s through to the early 1990s. The downturn in trade was offset by one of the most important achievements in Sino-Brazilian relations in this period: the launch of the China-Brazil Earth Resources Satellite (CBERS), in 1988.

The (re)intensification of the relationship in economic and political terms came in 1993 with the establishment of the strategic partnership.<sup>7</sup> China, internationally isolated because of the Tiananmen disturbance in 1989, found in Brazil a country willing to maintain economic and political cooperation.

However, the expectations created by the strategic partnership were not fulfilled during the 1990s, as suggested by the low levels of bilateral trade, foreign investment and cooperation. Relations between China and Brazil during the 1980's and 1990's were never a priority for none of the parties. Trade remained below US\$1 billion and FDI (Foreign Direct Investment) was negligible. Cooperation within multilateral institutions was limited and the institutionalization of the relationship only involved ministries, not high-level governmental leaders. Another characteristic of this period was the lack of mutual knowledge, highlighted by the lack of research done within academia and by the governments of the two countries, a persistent feature of Sino-Brazilian relations still visible today.<sup>5</sup>

From the beginning of the 2000s, the Sino-Brazilian relationship gained a new relevance, with the intensification of bilateral trade, investments and political exchanges. This was partly the result of China's global expansion, which reached out to Latin America for the first time in large scale. This was driven, to a great extent, by China's transformation into a global trade player, to which its accession to the WTO 2001.<sup>9</sup> Several factors propelled China's growing reliance on global trade. First of all, as a result of higher income levels in China, domestic demand for food stuff increased. Secondly, the expansion of an industry-based economy, the rapid urbanization and large infrastructure projects required more natural resources and primary goods. China's interest in securing a stable supply of raw materials from diversified sources led it to expand its global links. This goal was included in the 10th five-year plan (2001-2005), which stated the need for a "going out" strategy. The essence of this strategy was to promote international operations of Chinese companies, mostly large State-owned enterprises (SOE), in order to provide global supply chains of resources to sustain China's economic activity.<sup>10</sup>

In Latin America, Brazil stands out as one of the countries most heavily influenced by China's expansion. Brazil became relevant for China, because of its economic and political features: large resource endowments,

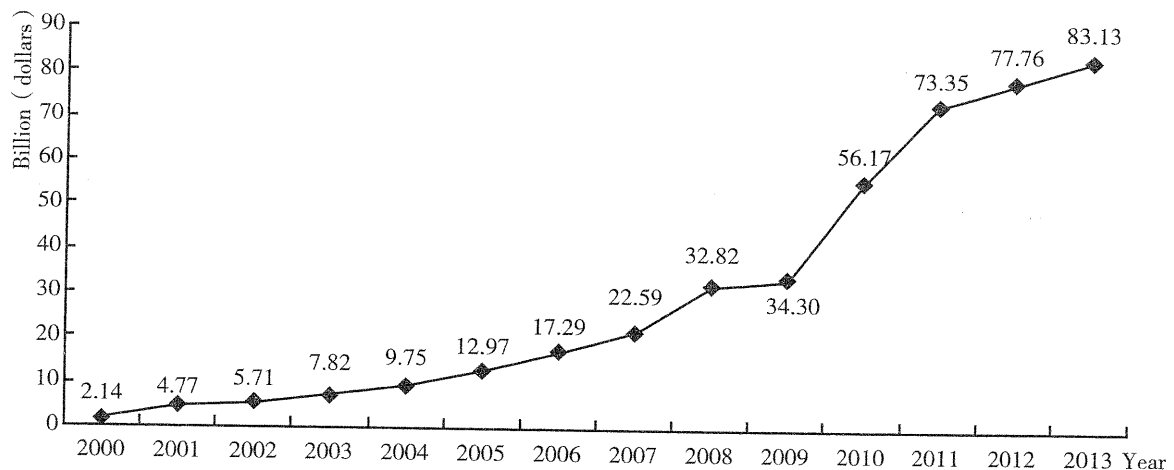
agricultural powerhouse, large domestic market and significant regional influence.<sup>6</sup> Regarding this last point, the fact that Brazil shares territorial borders with almost all South American countries and it is part of dynamic bilateral and regional blocks like the Southern Common Market (MERCOSUL) or the Union of South American Nations (UNASUL), naturally makes the country a focal point for China's diplomatic and economic access to Latin America.<sup>11</sup>

### Sino-Brazilian Relations Today

Trade has been one of the main drivers of the Sino-Brazilian relationship. As figure 1 shows, between 2001 and 2013, there was over seventeen fold increase in bilateral trade, from US\$ 4.77 billion to US\$ 83, 13 billion. As a result, China topped the US as Brazil's major trade partner in 2009.

Trade with China has been, in general terms, beneficial for Brazil since it enjoyed trade surpluses in most of the years between 2001 and 2012. As stated by the Brazilian Ministry of Foreign Affairs in 2012, "trade surplus with China represented almost one third of Brazil's total trade surplus."<sup>2</sup> The government has largely adopted a pro-China agenda, promoting several trade missions and heavily supporting big Brazilian companies interested in exporting to the Chinese market. It also developed a policy of creating "national champions": "specific firms judged able to compete with the largest transnational [companies] in global markets."<sup>3</sup> Thus, companies like Vale (mining), Embraer (airplanes maker), EBX (oil and mining) and BR Foods (agribusiness) benefited from subsidized credit and direct investment from BNDES (the Brazilian Development Bank).<sup>4</sup> In this context, EBX's plan to build a large port called Açusuperport, in order to increase the exports of oil and iron ore to China, was a very welcomed project. For the construction of the port, BNDES gave LLX (subsidiary of EBX) a R\$ 1.3 billion (US\$ 554 million) loan and became one of its shareholders by buying R\$ 150 million (US\$ 63 million) in stocks in 2009.<sup>5,6</sup>





Source: International Trade Centre

Figure 1 Sino-Brazilian Bilateral Trade

However, Brazilian authorities have been concerned with the overall quality of bilateral trade: whereas Brazil mostly exports soybeans, iron ore and oil, it imports manufactured goods.<sup>5</sup> Trade figures highlight, on one hand, China's need for raw materials, oil and natural resources in order to feed its hungry booming economy, on the other hand, Brazil's growing middle class demands of more affordable consumer goods. The calls for trade diversification have been more intense since 2009, mentioned both by former president Lula da Silva and the current one, Dilma Rousseff.<sup>7, 8</sup>

Concerns about trade have been articulated more openly by the industrial sector in Brazil. Considering China mostly a "threat", FIESP (Federation of Industries of S. Paulo) and CNI (Confederation of National Industry) demanded more governmental measures to stop what they considered to be an "imminent invasion of Chinese products in Brazil."<sup>9</sup> This pressure grew in late 2005 as FIESP started suggesting that China was contributing to Brazil's "deindustrialization."<sup>10</sup> Even though several studies showed that Brazil's deindustrialization was a myth<sup>11-13</sup>, this narrative became stronger and influenced, to some extent, governmental policies. On one hand, the government became more protectionist towards China starting

more anti-dumping investigations.<sup>①</sup> On the other hand, Brazilian authorities did not regulate and put into effect the recognition of China as a market economy as it had been agreed upon with China in 2004.<sup>②</sup>

This was a strong request from China who was hoping that the support of Latin American countries like Brazil and Argentina would create incentives for other countries to grant this status to the Chinese economy. Due to the pressure of the industrial sector, the Brazilian government is unlikely to regulate on this issue until 2016, the deadline established by China's WTO access agreement for every member to grant this status to China. According to the Brazilian former Foreign Minister, Antônio Patriota, the regulation of the recognition "[was] not a priority as there [were] more important matters within the scope of the bilateral relations."<sup>14</sup> The pressure from the industries lightly decreased as the perception of the "China effect" changed. By 2007, China started to be considered a "wicked problem" which had to be tackled in a more comprehensive way, not only with protectionism.<sup>4</sup> This frame brought CNI and FIESP closer to the government and to other actors with a clear pro-China agenda, like the CEBC (China-Brazil Business Council).

However, in 2011, occurred one of the most sensitive episodes in terms of bilateral trade. Vale, the Brazilian mining company and Brazil's main exporter to China, after securing credit lines from Chinese banks, placed in 2008 an order to Chinese and South Korean shipbuilders for 35 valemax, the largest bulk-carriers with a single vessel capacity ranging from 380, 000 tons to 400, 000 tons.<sup>15, 16</sup> The goal was to increase the amount of iron ore transported to China and better compete with Australia, another large exporter of iron ore to China. After the first delivery of iron ore in December

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① According to the department of trade defense of the Brazilian ministry of trade (DECOM), in 2006, 62.5% of all anti-dumping investigations started by the government were against China.

② This decision had to be made by the Brazilian Foreign Trade Chamber, but it was constantly postponed. The influence of the industry in this government body was high, since CNI was one of the members of the board that advised CONEX (Advisory Council of the Private Sector).

2011, which occurred at Dalian port, Chinese authorities, under pressure from local shipping companies, did not authorize further deliveries in 2012.<sup>①</sup> This was a massive setback for the Brazilian company, which had heavily and strategically invested in these ships. Despite the two governments' mediation and Chinese steelmakers lobby in favor of Vale, no solution has been found yet to this dispute between the Chinese government and Vale. This episode is relevant because it harms Brazil's government and companies trust on China, making it more difficult to develop a truly strategic partnership.

The government is also concerned about the competition Chinese SOE pose to Brazilian companies in Portuguese-Speaking countries in Africa. Companies like Vale (mining), Odebrecht and Camargo Corrêa (construction), with the government's support, have been investing heavily in Angola and Mozambique. Competition from China can compromise the influence of these companies in a region that both state and private sectors deem strategic.

Regarding bilateral investment, it only became relevant after 2010.<sup>17</sup> Until then, several projects were announced but only one came into fruition: the cooperation between Gasene (Petrobrás' subsidiary), Sinopec and China Development Bank for the construction of the gas pipeline linking Brazil's southeastern and northeastern parts.<sup>②</sup> Other major projects like the joint-ventures between Vale and Baosteel and between EBX and Wisco failed. In 2010, China's FDI in Brazil totaled US\$12 billion, as Chinese companies started investing more heavily there, opening a new phase in Sino-Brazilian bilateral relations.<sup>17</sup> While in the beginning investments from Chinese companies focused mostly on energy and agriculture, from 2011 onwards it started to be diversified, covering areas like car making, electronics, and banking.<sup>19</sup>

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① The Chinese government tightened port regulations that prevented ships with capacity exceeding 350 thousand tons from docking at ports in the country. The official reason was that Chinese ports were not prepared to receive such large ships.

② For an analysis of this project, see 18.

In order to add more value to their relationship and to make it more sustainable, China and Brazil have been cooperating in innovation, science, and technology. The first relevant achievement was the creation, in 2009, of the Brazil China Center for Climate Change and Energy Technology Innovation, a partnership between the Federal University of Rio de Janeiro/COPPE and the University of Tsinghua. By the same token, within the scope of the 10-year plan signed in 2012, China and Brazil agreed to create new research centres such as: Centre for Biotechnology Brazil-China and the Centre for Nanotechnology Brazil-China. Cooperation in this area was the main point of that document, suggesting the joint intention of making science and technology a priority in the partnership.

Besides the boost in bilateral trade and the cooperation in terms of technology and innovation, one of the most important characteristics of the evolution of Sino-Brazilian relations is the growing level of institutionalization. The most important mechanism for bilateral cooperation is the COSBAN. Made up of thirteen sub-commissions, COSBAN is coordinated at the highest level in both countries: by the Brazilian Vice-President and by one of the Chinese Vice-Premiers. The Commission met three times so far. In the 2006 meeting in Beijing, Brazil was represented by Vice-President José Alencar and China by Vice-Premier Wu Yi. In 2012, the meeting was held in Brasilia and was headed by Brazilian Vice-President Michel Temer and Chinese Vice Premier Wang Qishan. In 2013, COSBAN returned to China and took place in Guangzhou. Wang Yang, Vice Premier, represented China and Michel Temer, Vice-President, represented, for the second time, Brazil.

In 2010, during Hu Jintao's state visit to Brazil, a document setting out mid-term goals for bilateral relations was signed for the first time. It was called "Joint Action Plan" and aimed at guiding cooperation between the two countries in more than thirteen areas, including economy, culture and science, until 2014.<sup>20</sup> The Plan was updated in 2012, during Wen Jiabao's

state visit to Brazil, to become a 10-year cooperation plan. Given its scope and goals, these documents are the most important tools of cooperation created by the two governments since the establishment of their strategic partnership in 1993.<sup>21</sup> In 2012, the two countries added a new frame to define their relationship: “comprehensive strategic partnership.”<sup>22</sup>

### III Cooperation within Multilateral *Fora*: the Challenge of Finding Common Ground

#### China and Brazil in International Fora

The first decade of the 21st century witnessed an increase in interest from large developing countries, like Brazil and China, to articulate policies within international institutions. Their economic growth has subsequently raised their political leverage, and consequently their wish to further influence the decisions within international organisations, and global conferences or forums. The fundamental goal of this shared work is to reform the financial and political international system so that developing countries have a greater international voice, more power in the decision-making processes of these global organisations. The work that Brazil and China have been doing together in this realm is an example of such a trend. China and Brazil are both members of the G20, the group of developing countries created in 2003 in the WTO Ministerial Conference, held in Cancún, Mexico.<sup>23</sup> The group was created in order to derail a proposal from the US and the EU (European Union) that aimed at changing the conclusions of the previous round of negotiations in Doha.<sup>24</sup> The work put in by the G20 was enough to reject the proposals formulated here, and to lock the negotiations in order to put more pressure on the most developed countries.

Cooperation between large developing countries gained more relevance after the 2008 economic crisis.<sup>25</sup> Brazil, China, India and Russia had been talking about deepening cooperation, however they only held their first heads

of state meetings after the crisis. Together these countries launched formally the “BRIC” mechanism in 2009, giving a material dimension to the acronym “BRIC,” coined by Jim O’Neill in a 2001 Goldman Sachs report.<sup>26</sup> In 2011, South Africa was included and the acronym “BRICS” was updated.<sup>①</sup> The first summit of this group of countries took place in Russia in 2009, and since then five other summits were arranged: in Brazil (2010 and 2014), China (2011), India (2012) and South Africa (2013).

Until now, the BRICS grouping has been mostly a consultation mechanism without major progress towards deeper institutionalization. One of the most interesting steps in this direction is the intention of setting up a joint development bank. The proposal, which was first formally discussed during the fourth summit in India, was approved in the fifth summit in South Africa. The establishment of the bank is, according to BRICS’ officials, expected to occur during the sixth summit, which will take place in Brazil.<sup>28</sup>

The lack of institutionalization of the grouping did not derail cooperation amongst its members. In fact, the BRICS have been working together in important international negotiations. As part of the Climate Change Conference 2009 in Copenhagen, the coordination of strategies between China and Brazil (along with India and South Africa) was crucial in counterbalancing the goals of the US. The final deal was a direct result of this: a compromise between these countries and the US<sup>29</sup>. The same happened in the United Nations Conference on Sustainable Development, held in Rio de Janeiro in 2012, known as Rio+20: Brazil (supported by China and India) managed to block the developed countries’ proposal to remove the principle of “Common, but Differentiated Responsibility”<sup>②</sup> from the final text.<sup>30, 31</sup>

① For a discussion of the evolution of the BRICS grouping see references 27.

② This principle, adopted in the 1992 Rio Earth Summit, defines states’ international responsibility according to their level of development, and it is therefore one of the most important achievements of the developing countries in the sphere of discussions around sustainable development.

During the crisis in Ukraine in 2014, the BRICS issued a statement rejecting the sanctions that the EU and the US wanted to impose on Russia and condemning the “hostile language” that both used towards Russia over the annexation of Crimea in March.<sup>① 32</sup> This tacit support from the BRICS compromised the EU and the US strategy to isolate Russia. These episodes show that, despite the fact that the agendas are not harmonious, these countries have been able to find common ground and to articulate from time to time their policies. What brings them together is the acknowledgment that they are still on the margins of the international system, which is, by many accounts, largely dominated by the EU and the US. In this sense, the only way to increase their international leverage is by joining forces. Since the BRICS mechanism does not constitute an alliance, a complete alignment of interests among the partners is not expected: there are disagreements in topics regarding currency warfare, the future of the Doha Round and Copenhagen, human rights and the reform of the UN.<sup>② 33</sup>

However, this should not overshadow three aspects: firstly, there is a clear intention of these countries to work together; secondly, they are all uncomfortable with US hegemony and aim at having a greater impact on the world order; thirdly, the increased leverage of the large developing countries, and their impact on international politics, gave a new meaning to South-South cooperation, which moved from only mutual development to strategic.<sup>③ 35</sup> By strategic we mean the potential to impact the organization of the international political structure. In order to be able to shape international politics, actors need power, purpose and practice.<sup>36</sup> The increase in material power, the common purpose (reform of the world

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① The full statement is available at <http://www.dirco.gov.za/docs/2014/brics0324.html>

② In April 2005, China publicly declared its intention to reject any proposals to change the composition of the permanent seats in the United Nations Security Council.<sup>34</sup> This position conflicted with Brazil’s and India’s ambition to get permanent seats.

③ The changes in the dimensions of South-South cooperation are not relevant in the case of Russia because it has not been considered to be a developing country either now or during the Cold War.

order) and the work to put this purpose into practice through the BRICS mechanism, all made it possible for Brazil and China (along with India and South Africa) to meet the criteria mentioned above. This indicates the possibility of having these countries together influencing, for the first time, the agenda of international politics.

### Brazil and the Macau Forum

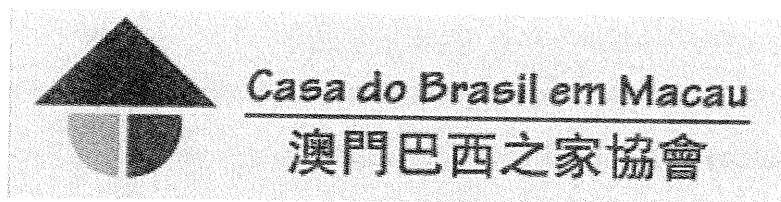
Brazil is also one of the member states of the Forum for Economic and Trade Cooperation between China and the Portuguese-speaking Countries, established in 2003, known as the Macau Forum for having its Permanent Secretariat based in this Chinese Special Administrative Region. Few years after the retrocession<sup>①</sup> to Mainland China in 1999, Macau officially became a platform in connecting Beijing with the Portuguese-speaking world. The Region hosts associations of friendship from these countries and all kind of events with that purpose, as the first Lusophony Games (in 2006), the Lusophone Festival and several meetings in different areas with participants from those countries, including international conferences – of the Association of Universities of Portuguese Language, for instance. The Lusophone Festival, which was launched under the Portuguese administration in 1998, is now supported by the Chinese government, bringing every year, in October, Lusophone artists to Macau. The House of Brazil is very active, not only during the Festival but also in other events in the Region that help promoting the Brazilian culture.

Besides supporting some of the above-mentioned meetings and giving a new dimension to this Festival, which became the “Cultural Week of China and Portuguese Speaking Countries,” the Permanent Secretariat organizes businessmen meetings in the Forum member states, in coordination with local investment agencies. It also promotes regular activities, including trade

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① The concept of retrocession, applied to the cases of Macau and Hong Kong, is further developed in references 44.





Source: <http://casadobrasilemmacau.com/>

Figure 2 The Logo of the House of Brazil in Macau



Source: <http://www.deltabridges.com/event/macau-events/lusofonia-festival-macau>

Figure 3 Brazil in the Lusophone Festival, Macau

fairs, and is in charge of organizing training sessions for individuals selected from all member states. This was formalized in 2011, through the creation of the Training Center of the Forum, which delivers courses on commercial matters suggested by the Portuguese-speaking governments. The fact that East Timor and African countries are eager in proposing areas in which they lack training, result in programs that are not so attractive to Brazilians, which show a low rate of attendance in the courses.

In terms of investments, the role of Macau has also been negligible in Sino-Brazilian relations. Geocapital, the only company that evokes “the

spirit of the Forum” in its public statements,<sup>45</sup> gathers investors from Macau, China and the Portuguese-speaking countries but does not include Brazilian participants. Moreover, the only investment that this company made in Brazil was short-lived. In 2007, Geocapital bought from Varig, the former Brazilian airline company, two of its subsidiaries, VARIGLOG and VEM,<sup>46</sup> but they were sold shortly afterwards. Geocapital’s short-term goals and lack of strategic interest towards the Brazilian market is highlighted by one of the company’s representatives:

[...] Geocapital had a partnership with TAP (Portuguese airline company) when there was that issue of Varig. This was actually the first deal that generated several millions of profit for us [...] We sold with profit Variglog e a Varig Manutenção two years after the purchase [...] Do you see the type of marriage of Chinese and Portuguese interests in this case? <sup>①</sup>

From a political point of view, although it was officially created for “Economic and Trade Cooperation” in the Chinese Ministry of Commerce, the Forum provides an opportunity for high-level meetings during the Ministerial Conferences, which take place in Macau every three years. Vice-President Michel Temer participated in the last Conference in November 2013, but he was the highest Brazilian representative ever sent to a Forum event. Almost a “stop over” in Macau before he attended the COSBAN meeting in Guangzhou, this was probably an attempt to contain negative reactions to previous declarations of Ambassador Waldemar Neto in Beijing, on the lack of importance of the Forum for Sino-Brazilian relations.<sup>47</sup> In the previous Ministerial Conferences, the fact that Brazil sent secretaries of the government instead of leading politicians was very much noted. In the Permanent Secretariat, Brazil is not represented by a delegate in a daily

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① Interview with Geocapital’s representative, Macau, November 2011.

basis, sending the Consul in Hong Kong to attend the most relevant meetings in Macau. One of the reasons may be to avoid dependency on the Chinese government, as delegates are financially supported by the Secretariat and the post of Secretary-General is always occupied by Beijing, challenging the basic principles of multilateralism. The way that Brazil is represented at the Ministerial Conferences, in the Permanent Secretariat and in the activities of the Forum suggests the lack of interest in this mechanism. On one hand, it is perceived as harmful for Brazilian interests as it is controlled by Beijing and aims at strengthening the Chinese presence in Africa. On the other hand, it is considered irrelevant for the well-established bilateral relations between the two partners.

#### IV Conclusion

The intensification of the Sino-Brazilian relationship has been promoted mainly by the central governments of both countries, proving its political relevance. For this reason, the two actors do not perceive Macau as a useful platform for the development of their relations. Brazil is part of the Forum not for considering it a useful complement to the bilateral channel but to maintain the good bilateral relation with China; had it refused to join the Forum and the Chinese government would certainly lose face. There are few references to the importance of Macau in official documents signed by the two countries. The Joint Action Plan only mentions the Macau Forum once, under the topic “economy and finance”, merely encouraging both sides to strengthen dialogue within that mechanism. In the document, the political or cultural relevance of the Macau Special Administrative Region is not addressed. Furthermore, in the Ministerial Conferences, usually Brazil is not represented by leading politicians. The role of Macau in the rapprochement between municipalities in both countries, and between Chinese provinces and Brazilian federated states, has also been very modest.

However, in the context of a growing Sino-Brazilian cooperation and the need to overcome trade disputes, Macau could play a greater role, considering the lack of knowledge that they have about each other and the cultural and geographical distances. Macau can give an important contribution to overcome those deep cultural differences providing mutual understanding. Through the cultural mix of Chinese and Lusophone heritages, Macau can be a hub for Sino-Brazilian sports and entertainment activities' institutions, offering people-to-people contact; and for cultural centres and joint research institutes, not only providing general knowledge about both countries and their bilateral relations but also focusing in specific areas like biotechnology, engineering and medicine. The Chinese Special Administrative Region could also become a crucial point for Brazil to attract tourists, not only from Macau and Hong Kong but also from Mainland China.

In political terms, the local government could offer parallel channels of communication and negotiation between the Chinese central government and Brazil. The role of informal mediator could prove very helpful in cases like the Valemax or when long gaps in high level bilateral dialogue occur, as happened between two meetings of the COSBAN (2006-2012). Regarding investments and trade, Macau could host institutions to foster Sino-Brazilian exchanges, serving as a gateway to Mainland China and Brazil. As a service platform, Macau could help both countries' companies in the process of getting access to markets and provide legal, accounting, financial, training and trade intelligence services. At the moment, Brazilian companies and banks are using Hong Kong. The opening of Brazil's general consulate in Guangzhou in 2011 may reinforce Brazilian attention in the region.

Finally, Sino-Brazilian joint investments focusing on the development of the Lusophone world could be negotiated in Macau, building mutual trust and softening competition in Africa. For this idea to come fully into fruition, the Special Administrative Region, the Chinese central government and Brazil would need to play a more active role in order to make the most of the

political and institutional frameworks that already exist, such as the Macau Forum. Macau could then become the platform between China and the Portuguese-speaking countries that its leaders envisioned.

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