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14. ABSTRACT For much of the nation's history, the United States' geographical location and isolation in the Western Hemisphere have enabled relative national security. Since the Mexican-American War from 1846-1848, no nation has attacked the Continental United States. Much of this security is because the United States is bordered to the north and south by friendly nations and to the east and west by two vast oceans. The United States has also sought to maintain close ties with nearby nations in Latin America and the Caribbean (LAC). By strengthening relationships with LAC countries, the United States has enhanced security at home and established a hegemony in the Western Hemisphere. However, the United States' position as the most influential partner in the Western Hemisphere is weakening. Over the past twenty years, China has skillfully built a presence in LAC. While China's presence in LAC may seem non-threatening on the surface, increased Chinese presence in Latin America and the Caribbean since the beginning of the 21st century is a strategic threat in the Western Hemisphere that the United States must counter.					
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Chinese Presence in Latin America and the Caribbean: A Strategic Threat?



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Introduction

For much of the nation's history, the United States' geographical location and isolation in the Western Hemisphere have enabled relative national security. Since the Mexican-American War from 1846-1848, no nation has attacked the Continental United States. Much of this security is because the United States is bordered to the north and south by friendly nations and to the east and west by two vast oceans. The United States has also sought to maintain close ties with nearby nations in Latin America and the Caribbean (LAC). By strengthening relationships with LAC countries, the United States has enhanced security at home and established a hegemony in the Western Hemisphere. However, the United States' position as the most influential partner in the Western Hemisphere is weakening. Over the past twenty years, China has skillfully built a presence in LAC. While China's presence in LAC may seem non-threatening on the surface, increased Chinese presence in Latin America and the Caribbean since the beginning of the 21st century is a strategic threat in the Western Hemisphere that the United States must counter.

China has primarily exerted influence in LAC countries in two ways. First, there has been a significant increase in investments, loans, and trade to and from LAC since 2000.¹ This increased interconnectivity has made some countries dependent on the Chinese economy, allowing China to increase its presence and potentially influence countries like Panama, Brazil, and Venezuela. Second, China has utilized the increase of investments, loans, and trade from its Belt and Road Initiative (BRI) to justify constructing and modifying dual-use infrastructure such

¹ "Latin America & Caribbean Product Exports to China in US\$ Thousand 2000-2020"; "Latin America & Caribbean Product Imports from China in US\$ Thousand 2000-2020," World Bank, accessed 19 January 2023, <https://wits.worldbank.org/CountryProfile/en/Country/LCN/StartYear/2000/EndYear/2020/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/CHN/Product/all-groups>; <https://wits.worldbank.org/CountryProfile/en/Country/LCN/StartYear/2000/EndYear/2020/TradeFlow/Import/Indicator/MPRT-TRD-VL/Partner/CHN/Product/all-groups>.

as deep-water ports and space stations. China can utilize this infrastructure for civil and military purposes should the opportunity present itself. Left unchecked, these influences could threaten the United States in the Western Hemisphere.

Some critics may argue that increased Chinese presence in LAC is insignificant and does not threaten the United States as the U.S. remains the top trading partner with LAC. Some researchers suggest that “China’s driving interest in Latin America’s energy and mineral resources [...] is not in direct competition with the increasingly energy-rich and agriculturally-wealthy United States.”² Instead, agreements between China and LAC countries are business transactions that benefit LAC while not threatening the United States’ interest in the region. However, such an interpretation fails to address real-world evidence that a Chinese presence has already influenced some LAC countries’ views and policies. Examples include political positions on Taiwan’s independence and LAC nations’ increasingly permissive stances on allowing questionable Chinese companies, like Huawei, to establish a presence in their countries following trade agreements and investments. As China’s presence grows in LAC, its regional influence will likely continue.

To lessen Chinese influence in LAC, the United States should focus on strengthening its relationships with its Western Hemisphere neighbors by demonstrating that it is the partner of choice both economically and militarily. One way the United States could appeal to LAC countries economically is by increasing investments in future commodities such as lithium and copper. These investments would provide revenue to LAC countries, enhance LAC-U.S. relationships, and enable the United States to remain competitive as the world transitions from

² Ted Piccone, “The Geopolitics of China’s Rise in Latin America,” *The Order from Chaos Project*, (Washington, D.C.: Brookings Institution, 2016), 21.

oil. The United States can also demonstrate its commitment to LAC partners militarily through increased joint military exercises and training like Joint Combined Exchange Training (JCET). Increased funding for these opportunities would strengthen international military relationships and enable the United States to signal its presence throughout the Western Hemisphere. By prioritizing relationships with LAC countries, the United States can strengthen its position in the region and lessen the Chinese influence that could threaten the nation.

Belt and Road Initiative Background

Since its inception in 2013 by Xi Jinping, China has advertised the Belt and Road Initiative as a new “Silk Road.”³ This “road” depends primarily “on major ports to jointly build unimpeded, safe, and efficient logistics routes.”⁴ However, in the early 2000s, many LAC countries did not have the ports necessary to anchor large cargo ships that could carry increasing trade goods. The BRI is an attractive opportunity to LAC countries because it brings with it infrastructure, which many LAC nations severely need. While not initially included in 2018, China formally invited LAC countries to the BRI during the China-Community of Latin American and Caribbean States (CELAC) Ministerial Forum.⁵ Since the invitation, many LAC countries have decided to participate in the BRI. As of March 2022, 20 of the 33 LAC countries were members of China’s BRI.⁶ While the BRI would appear to be a “win-win” scenario, nations that have joined the BRI have curiously changed diplomatic stances to align with China’s positions.

³ Rhys Jenkins, “China’s Belt and Road Initiative in Latin America: What has Changed?,” *Journal of Current Chinese Affairs* 51, no. 1 (2022): 13-14, doi:10.1177/18681026211047871.

⁴ Yiping Huang, “Understanding China’s Belt & Road Initiative: Motivation, framework and assessment,” *China Economic Review*, 40 (2016), <https://doi.org/10.1016/j.chieco.2016.07.007>.

⁵ Jenkins, “China’s Belt and Road Initiative in Latin America,” 13-20.

⁶ Christoph Nedophil, “Countries of the Belt and Road Initiative (BRI),” Green Finance and Development Center, accessed 19 January 2023, <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri>.

Since 2000, seven LAC countries have reversed their political stance and now recognize China's claim over Taiwan. All these countries are currently BRI participants.⁷ In addition, numerous LAC countries that previously opposed the controversial Chinese company Huawei have now allowed access after becoming BRI members.⁸ This access is especially concerning for nations like Panama, where "Huawei is seeking to install a system of security cameras (that could divert) the feeds and associated data (to the PRC)."⁹ This would allow the PRC to monitor ongoing events in a sovereign nation. The recognition of China's claim over Taiwan and access to Huawei after becoming a BRI participant is likely, not coincidental for these LAC nations. Investments, loans, and trade come with the BRI, a vital lifeline for nations.

Chinese Influence in LAC

Investments, Loans, and Trade

Investments, loans, and trade between China and LAC countries have steadily increased since 2000. From 2000-2020, trade between LAC and China increased from \$12 billion to over \$300 billion annually.¹⁰ The United States is still the top trading partner to LAC countries, with a trade of more than \$680 billion in 2020. However, on the current trajectory, China will likely

⁷ Diana Roy, "China's Growing Influence in Latin America," *Council of Foreign Relations*, 12 April 2022, accessed 18 January 2023, <https://www.cfr.org/backgrounder/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri>; Ryan Berg, Statement before the U.S.-China Economic and Security Review Commission: China in Latin America and the Caribbean, 20 May 2021, *Center for Strategic and International Studies*, 4.

⁸ Roy, "China's Growing Influence in Latin America," 2022.

⁹ Evan Ellis, "The evolution of Panama-PRC relations since recognition, and their strategic implications for the U.S. and the region," *Global Americans*, 21 September 2018, accessed 18 January 2023, <https://theglobalamericans.org/2018/09/the-evolution-of-panama-prc-relations-since-recognition-and-their-strategic-implications-for-the-u-s-and-the-region/>.

¹⁰ "Latin America & Caribbean Product Exports to China in US\$ Thousand 2000-2020"; "Latin America & Caribbean Product Imports from China in US\$ Thousand 2000-2020," World Bank, accessed 19 January 2023, <https://wits.worldbank.org/CountryProfile/en/Country/LCN/StartYear/2000/EndYear/2020/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/CHN/Product/all-groups>; <https://wits.worldbank.org/CountryProfile/en/Country/LCN/StartYear/2000/EndYear/2020/TradeFlow/Import/Indicator/MPRT-TRD-VL/Partner/CHN/Product/all-groups>.

surpass the U.S. as the LAC region's top trade partner in the next few decades (Figure 1).¹¹ China has focused this increase of trade on powerful and strategic nations in LAC like Panama, Brazil, and Venezuela. These nations offer access to vital trade routes, strengthening economies, and growing military power. With this increase in investments, loans, and trade, China will continue to be able to influence the region and leverage LAC governments as these countries grow more dependent on Chinese capital.

Over the past twenty years, financial partnerships between Panama and China have increased significantly. For example, trade between Panama and China increased from around \$22 million to \$3.6 billion from 2000 to 2020. Of note, \$3.4 billion of the Panama-China trade in 2020 was in the form of imports to Panama.¹² This \$3.4 billion eclipses the United States' \$2.7 billion of imports to Panama, making China the leading importer to Panama.¹³ The significant increase in trade is undoubtedly due to the Panamanian Government's desire to "attract more investment from China," especially since 2017 when Panama renounced its recognition of Taiwan and joined the Belt and Road Initiative.¹⁴ Since then, infrastructure investment and development by China has increased dramatically across the country, specifically around Panama Canal.¹⁵ These projects

¹¹ Tatiana Prazeres, David Bohl, and Pepe Zhang, "China-LAC Trade: Four Scenarios in 2035," *Atlantic Council*, 12 May 2021, accessed 18 January 2023, <https://www.atlanticcouncil.org/in-depth-research-reports/china-lac-trade-four-scenarios-in-2035/>.

¹² "Panama Product exports and imports to China 2000"; "Panama Product exports and imports to China 2020," World Bank, accessed 19 January 2023, <https://wits.worldbank.org/CountryProfile/en/Country/PAN/Year/2000/TradeFlow/EXPIMP/Partner/CHN/Product/all-groups>; <https://wits.worldbank.org/CountryProfile/en/Country/PAN/Year/2020/TradeFlow/EXPIMP/Partner/CHN/Product/all-groups>.

¹³ "Panama Product Exports, Imports, Tariffs by country 2020," World Bank, <https://wits.worldbank.org/CountryProfile/en/Country/PAN/Year/2020/TradeFlow/EXPIMP/Partner/all/Product/Total>.

¹⁴ Mark Sullivan, *Panama: An Overview* (Washington, DC: Congressional Research Service, 2020), 2.

¹⁵ Daniel Runde, "Key Decision Point Coming for the Panama Canal," *Center for Strategic and International Studies*, 21 May 2021, accessed 18 January 2023, <https://www.csis.org/analysis/key-decision-point-coming-panama-canal>.

have included the development of bridges over the canal and power plants at its entrance.¹⁶ Although these investments and projects may appear as no more than simple business agreements between nations, investment in “infrastructure on both sides of the Panama Canal could enable the Chinese military to threaten sea lanes vital to global commerce and the movement of U.S. forces.”¹⁷ This increased investment, combined with increased trade, has made Panama dependent on China as a partner, a fact that the PRC could use to leverage influence over a strategic geographic location like the Panama Canal.

The United States heavily depends on the unrestricted movement of container ships through the Panama Canal, with over 2/3 of all U.S. containers traveling through this vital choke point. Any restriction imposed on this U.S. shipping would have dramatic effects on the U.S. economy.¹⁸ Used as a political tool, China could inflict significant harm on the U.S. economy should it pressure the Panamanian Government into restricting U.S. access. Furthermore, China could leverage its position in Panama to allow the movement of People’s Liberation Army Navy (PLAN) ships through the Panama Canal, shortening the required time to travel between the Pacific and Atlantic Oceans. Although radical, this movement of PLAN ships could threaten the Atlantic Ocean and eastern United States should relationships between the U.S. and China sour. However, China has not limited its ambitions in LAC to Panama and the Panama Canal. Since 2000, China has significantly increased its presence in South America’s powerhouse, Brazil.

Although not a formal member of China’s BRI, Brazil has more and more steadily intertwined itself with China. In 2000, China-Brazil trade made up around 2% of Brazil’s total trade at around \$2.42 billion. In contrast, U.S.-Brazil trade was around 23% at nearly \$27 billion.

¹⁶ Ellis, *The evolution of Panama-PRC relations*, 2018.

¹⁷ Sullivan, *Panama: An Overview*, 2.

¹⁸ Berg, *Statement before the U.S.-China Economic and Security Review Commission*, 5.

By 2020, U.S.-Brazil trade had almost doubled to around \$51.3 billion but accounted for less than it had in 2000, only 13%. In 2009 China surpassed the United States as Brazil's top trade partner (Figure 2). By 2020, China-Brazil trade increased nearly fifty-fold as trade between the two nations exceeded \$104 billion, accounting for 28% of Brazil's total trade market.¹⁹ This interwoven economy has led to Brazil drawing closer to China since 2000, as demonstrated in 2006 when Brazil, Russia, India, and China (BRIC) met at the first BRIC Foreign Ministers' Meeting.²⁰ Since South Africa joined in 2009 (forming BRICS), the group has met at multiple summits to discuss economic opportunities and cooperation.²¹ Brookings Institute researcher Ted Piccone noted, "[...] even pro-U.S. governments in the region have come to depend on Beijing for important trade and investment deals."²² BRICS demonstrates the close bond developed between China and Brazil, which China could leverage for strategic uses should the opportunity present itself. While Brazil has not traditionally been an antagonist to the United States, its northwestern neighbor, Venezuela, has created worry in the region as it has drawn closer to China.

Between 2005 and 2020, Chinese-based banks loaned around \$137 billion to LAC governments "to fund energy and infrastructure projects."²³ Nearly half of these loans, \$62 billion, have been to Venezuela.²⁴ China has primarily expected these loans to be "repaid in oil at below-market value," providing an economic advantage for China as oil availability diminishes

¹⁹ "Brazil Imports by country in US\$ Thousand 2000-2020"; "Brazil Exports by country in US\$ Thousand 2000-2020," World Bank, accessed 19 January 2023, <https://wits.worldbank.org/CountryProfile/en/Country/BRA/StartYear/2000/EndYear/2020/TradeFlow/Import/Partner/BY-COUNTRY/Indicator/MPRT-TRD-VL>; <https://wits.worldbank.org/CountryProfile/en/Country/BRA/StartYear/2000/EndYear/2020/TradeFlow/Export/Partner/BY-COUNTRY/Indicator/XPRT-TRD-VL>.

²⁰ "Evolution of BRICS," *BRICS India*, accessed 18 January 2023, <https://brics2021.gov.in/about-brics#:~:text=After%20a%20series%20of%20high.New%20York%20in%20September%202010>.

²¹ "XIV BRICS Summit," *BRICS 2022 China*, accessed 18 January 2023, <http://brics2022.mfa.gov.cn/eng/>.

²² Ted Piccone, "China and Latin America: A Pragmatic Embrace," in *Global China: Assessing China's Growing Role in the World*, ed. Tarun Chhabra et al. (Washington, D.C.: Brookings Institution Press, 2021), 238.

²³ Roy, "China's Growing Influence in Latin America," 2022.

²⁴ Ibid.

globally.²⁵ Unfortunately, due to the unstable nature of Venezuela's economy, many critics fear Venezuela could fall into a "debt-trap" and default on its loans to China.²⁶ Should Venezuela default, China could use its position to influence the Venezuelan Government. In addition to loans, Venezuela has become more dependent on China for trade. Between 2000-2013, imports from China to Venezuela increased seven-fold from \$184 million to \$7.6 billion.²⁷ Although this dramatic increase in imports signals an enhanced dependency on China, it is more concerning when coupled with the fact that some of these imports are in the form of weapons. Diana Roy from the *Council of Foreign Relations* noted that "Venezuela became the region's top purchaser of Chinese military hardware after the U.S. Government prohibited all commercial arms sales to the country beginning in 2006."²⁸ Although Russia is still the top provider of weaponry to Venezuela, China sold around \$615 million worth of arms to Venezuela between 2009 and 2019.²⁹ Due to the unstable political relationship between Venezuela and the United States increasing Venezuelan dependence on China has the potential to threaten the United States. The increasing influence China has gained in LAC through investments, loans, and trade will continue to allow China to leverage its position in the Western Hemisphere, or LAC countries risk losing one of their largest partners.

²⁵ Jorge Heine, Cynthia J Arson, and Christine Zaino, *Reaching Across the Pacific: Latin America and Asia in the New Century*, (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2014), 13.

²⁶ Roy, "China's Growing Influence in Latin America," 2022.

²⁷ "Venezuela Product Imports from China in US\$ Thousand 2000-2013," World Bank, accessed 19 January 2023, <https://wits.worldbank.org/CountryProfile/en/Country/VEN/StartYear/2000/EndYear/2013/TradeFlow/Import/Indicator/MPRT-TRD-VL/Partner/CHN/Product/all-groups>.

²⁸ Roy, "China's Growing Influence in Latin America," 2022.

²⁹ Ibid; China Power Team, "How Dominant is China in the Global Arms Trade?," *China Power*, 26 April 2018, updated 27 May 2021, accessed 06 January 2023, <https://chinapower.csis.org/china-global-arms-trade/>.

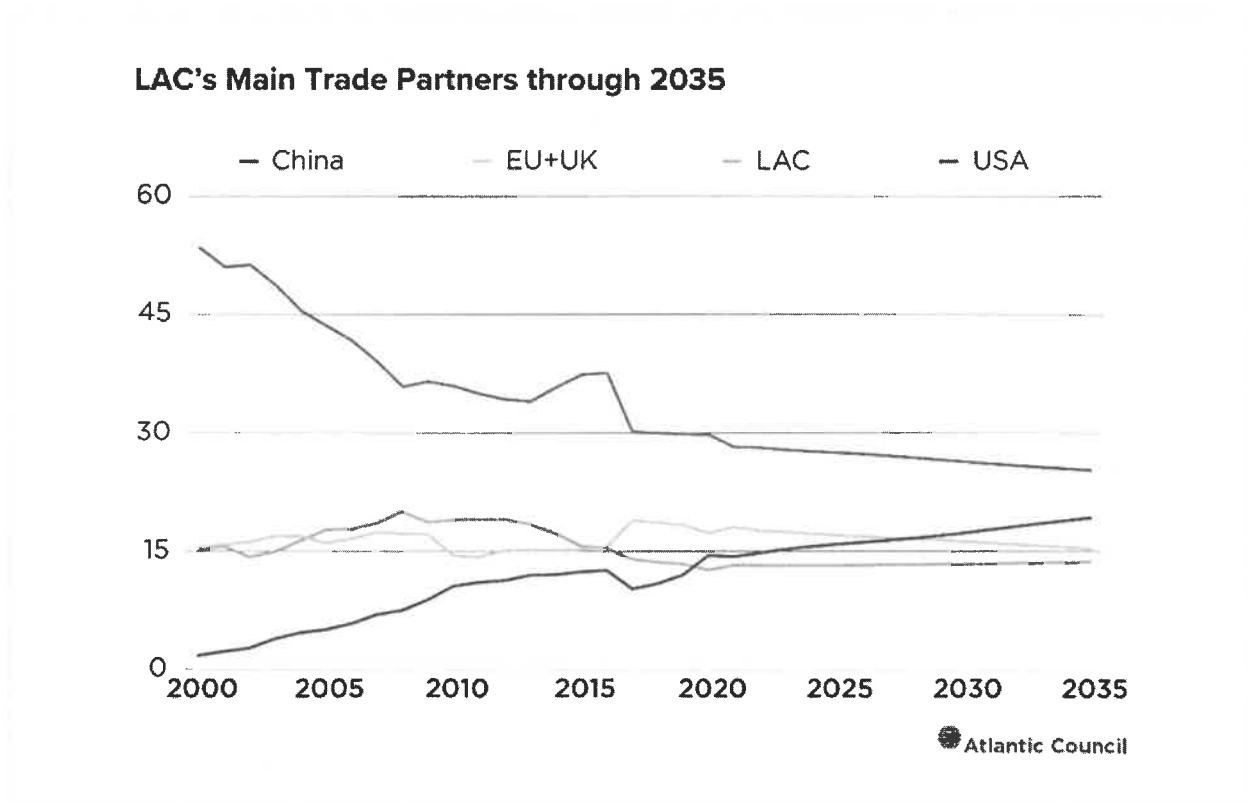


Image: LAC's Main Trade Partners through 2035 (Percent Participation, Goods and Services), Scenario: Current Path

Figure 1. LAC Trade Partners by Percentage³⁰

³⁰ Pepe Zhang and Taitiana Prazeres, "China's trade with Latin America is bound to keep growing. Here's why that matters," *World Economic Forum*, 17 June 2021, accessed 18 January 2023, <https://www.weforum.org/agenda/2021/06/china-trade-latin-america-caribbean/>.

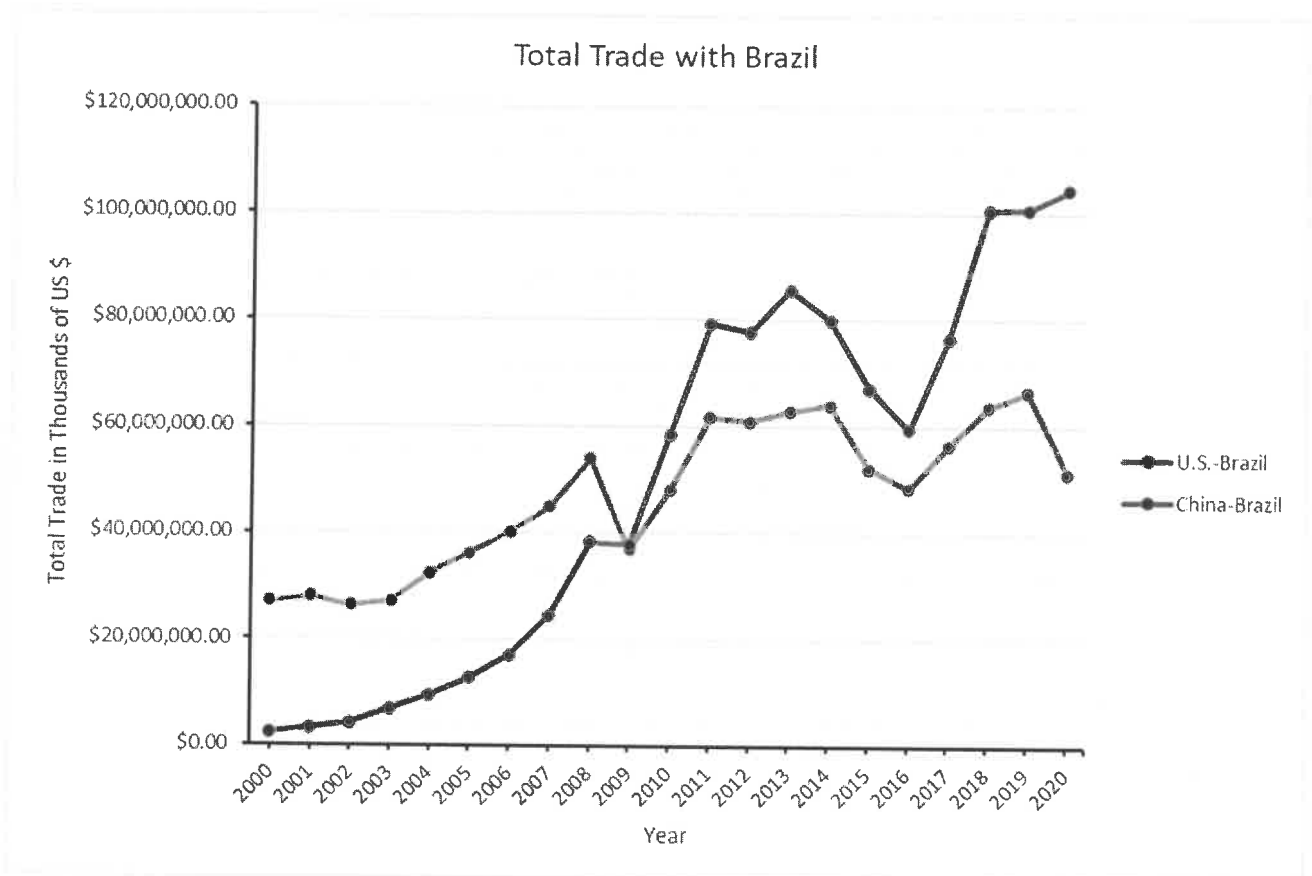


Figure 2. U.S./China Trade with Brazil³¹

³¹ "Brazil Imports by country in US\$ Thousand 2000-2020"; "Brazil Exports by country in US\$ Thousand 2000-2020," World Bank, accessed 19 January 2023, <https://wits.worldbank.org/CountryProfile/en/Country/BRA/StartYear/2000/EndYear/2020/TradeFlow/Import/Partner/BY-COUNTRY/Indicator/MPRT-TRD-VL>; <https://wits.worldbank.org/CountryProfile/en/Country/BRA/StartYear/2000/EndYear/2020/TradeFlow/Export/Partner/BY-COUNTRY/Indicator/XPRT-TRD-VL>.

Dual-use Infrastructure

In addition to investments, loans, and trade that China could use to influence nations and strategic geographic locations like the Panama Canal, China has also used increasing investments to develop physical infrastructure they could utilize for civil and military operations. In 2016, Chinese owned Landbridge Group Company purchased Margarita Island Port, also called the Panamá Colón Container Port, on the Atlantic side of the Panama Canal. The purchase by Landbridge also included over a \$1 billion investment to expand and deepen the port.³² This purchase is concerning because, as Australian Prime Minister Anthony Albanese points out, the company is “connected very directly with the government of the People's Republic of China.”³³ Although officially designed to support large cargo ships, the port’s 150,000-ton berth and 14-meter (45 feet) draft capacity could easily accommodate naval vessels, allowing the staging of PLAN ships in the port.³⁴ Staging these ships next to the Panama Canal would enable the PLAN to contest access and restrict the movement of ships, significantly impacting economies that rely on this transit route. However, the Margarita Island Port is just one example of a deep-water port Chinese companies have purchased and modified to allow dual use.

In 2021, Chinese-based companies leased the La Unión Port, located on the southeastern edge of El Salvador in the Gulf of Fonesca.³⁵ Much like Margarita Island Port, La Unión

³² Li Xiaoxiao and Chen Xiaowei, “Chinese-invested Panamanian port expansion project in smooth progress,” *ChinaDaily.com.cn*, 30 November 2018, accessed 18 January 2023, <https://www.chinadaily.com.cn/a/201811/30/WS5c0097ada310eff30328bfc5.html>.

³³ Jano Gibson, “Chinese-owned company Landbridge rejects 'myths and mistruths' about Darwin Port lease,” *ABC.net.au*, 28 August 2022, accessed 18 January 2023, <https://www.abc.net.au/news/2022-08-29/darwin-port-nt-landbridge-rejects-chinese-influence-claims/101379670>.

³⁴ Xiaoxiao and Xiaowei, “Chinese-invested Panamanian port expansion project in smooth progress,” 2018; “The Shipping Platform,” *ShipNext*, <https://shipnext.com/port/582206a22fb0950f14a74859>.

³⁵ Ken Dilanian, Joel Seidman, and Gabriel Sanchez, “A project in El Salvador shows how China is exerting growing power in America's backyard,” *NBCnews.com*, 04 September 2021, accessed 18 January 2023, <https://www.nbcnews.com/politics/national-security/project-el-salvador-shows-how-china-exerting-growing-power-america-n1278464>.

modifications involved the expansion and deepening of the harbor to accommodate larger vessels.³⁶ In addition, to aid in the port expansion, Chinese investors have been purchasing parts of Isla Perico, which is situated next to the La Unión Port.³⁷ La Unión Port and the Gulf of Fonesca are strategically important as the gulf borders El Salvador, Honduras, and Nicaragua. Military use of this infrastructure in the gulf would once again allow the PLAN to dictate access and impact trade for multiple nations throughout the region. Increased access and control of ports like La Unión and Margarita Island have received concern from even the Southern Command (SOUTHCOM) Commander, Admiral Craig S. Faller. In his 2021 posture statement, Admiral Faller observed that in other regions, the PRC “consistently abuses commercial arrangements at host country ports to support military functions and obfuscate the true purpose of its overseas installations.”³⁸ He further assessed, “the PRC is also seeking to establish global logistics and basing infrastructure in our hemisphere (the Western Hemisphere) in order to project and sustain military power at greater distances.”³⁹ The United States Government should take these assessments seriously, as logistics infrastructure, such as ports, are just one investment strategy by the PRC.

In 2012, China and Argentina agreed to a 50-year lease on land in the Patagonian Desert. China intended to utilize this land to create a ground-based space station that they would use for space exploration.⁴⁰ By 2015, China had invested over \$300 million to create the Espacio Lejano

³⁶ Michael Mazza, “China Is on the March in Central America,” *Newsweek*, 21 December 2021, accessed 18 January 2023, <https://www.newsweek.com/china-march-central-america-opinion-1660723>.

³⁷ Evan Ellis, “China and El Salvador: An Update,” *Center for Strategic and International Studies*, 22 March 2021, accessed 18 January 2023, <https://www.csis.org/analysis/china-and-el-salvador-update>.

³⁸ Craig Faller, *US SOUTHCOM 2021 Posture Statement*, 117th Cong., Senate Armed Services Committee, 2021, 7.

³⁹ Faller, *US SOUTHCOM 2021 Posture Statement*, 7.

⁴⁰ Patrick Gillespie, “China and Argentina Resume Joint Venture for Space Exploration,” *Bloomberg*, 07 August 2020, accessed 18 January 2023, <https://web.archive.org/web/20200817093350/https://www.bloomberg.com/news/articles/2020-08-07/china-and-argentina-resume-joint-venture-for-space-exploration>.

Station.⁴¹ Chinese media and the Argentine Government were adamant that the Chinese were only using the station for civilian purposes such as “peaceful space observation and exploration.”⁴² However, reports have noted minimal Argentine supervision and “no enforcement mechanism for authorities to ensure it is not being used for military purposes.”⁴³ This revelation is highly concerning since the PRC military runs China’s space program.⁴⁴ The dual-use capability of the space station and minimal oversight by the Argentine Government would easily enable the PRC to use the space station for espionage activities against other nations, like the United States. This space station in Argentina and the deep-water ports in Panama and El Salvador are just three of numerous examples of dual-use infrastructure that China has been investing in and creating that could threaten the U.S. To lessen the strategic threat of China’s growing presence in the Western Hemisphere, the United States needs to focus on strengthening U.S. relationships with LAC countries.

Recommendations

To strengthen U.S.-LAC relations, the United States should consider reinvigorating President Kennedy’s “Alliance for Progress.”⁴⁵ Although the Alliance for Progress was ultimately unsuccessful, the United States could modify and tailor the initiative to counter China during an age of great power competition. This new plan should have two approaches: economic and military. One economical approach the United States could take to enhance relations is to

⁴¹ Victoria Vogrincic, “China’s Heightened Space Presence in the Heart of Argentina’s Patagonian Desert,” *China Focus*, 19 November 2020, accessed 18 January 2023, <https://chinafocus.ucsd.edu/2020/11/19/chinas-heightened-space-presence-in-the-heart-of-argentinas-patagonian-desert/>.

⁴² Cassandra Garrison, “China’s military-run space station in Argentina is a ‘black box,’” *Reuters*, 31 January 2019, accessed 18 January 2023, <https://www.reuters.com/article/us-space-argentina-china-insight/chinas-military-run-space-station-in-argentina-is-a-black-box-idUSKCN1PP012>.

⁴³ Garrison, “China’s military-run space station,” 2019.

⁴⁴ *Ibid.*

⁴⁵ “Alliance for Progress (Alianza para el Progreso)”, John F. Kennedy Presidential Library and Museum, accessed 20 January 2023, <https://www.jfklibrary.org/learn/about-jfk/jfk-in-history/alliance-for-progress>.

increase U.S. investments in future commodities originating in LAC. These future commodities include raw materials and minerals, which industries use in many electronics and batteries. As the world becomes less dependent on oil and transitions to clean energy alternatives, these future commodities will likely become more and more valuable. One specific investment option the United States could consider is in the copper mining industry and trade.

Panama and Chile are LAC nations that rely heavily on copper ore exports. In 2020, copper ore was Panama's top export at \$1.05 billion, roughly 25% of the country's total export profit. China was the top recipient of this copper ore, paying around \$365 million.⁴⁶ If the United States were to increase investments in Panama's copper mining industry, it would strengthen U.S.-Panama relations, allowing for more U.S. influence over Panamanian diplomatic decisions, which could include actions at the Panama Canal. Similarly, increased investments and trade in Chile's copper industry would benefit the United States. Currently, Chile is the world's top copper producer and exported roughly 5.6 million metric tons in 2021.⁴⁷ If the United States were to focus more investments on Chile's copper industry, it would provide access to this valuable commodity that will only become more valuable over the coming decades. However, copper is not the only future commodity in Chile in which the United States could increase its investments.

Chile, Argentina, and Bolivia make up what is commonly known as the "Lithium Triangle" in South America, which holds over half of the world's known lithium ore reserves.⁴⁸

⁴⁶ "Panama," Observatory of Economic Complexity, accessed 19 January 2023, <https://oec.world/en/profile/country/pan>.

⁴⁷ "Major countries in copper mine production worldwide in 2021," Statista, accessed 19 January 2023, <https://www.statista.com/statistics/264626/copper-production-by-country/>.

⁴⁸ Oscar Hernandez, "Lithium: White Gold for a Region's Development," *Inter-American Development Bank*, accessed 18 January 2023, <https://www.iadb.org/en/improvinglives/lithium-white-gold-regions-development#:~:text=Argentina%2C%20Bolivia%20and%20Chile%20make,to%20the%20U.S.%20Geological%20Survey>.

The demand for lithium ore has increased dramatically as it is “an essential ingredient in electric car batteries and renewable energy.”⁴⁹ Much like the copper industry, investments in the lithium industry in these countries would have the dual benefit of increasing U.S. relations and enabling access to sought-after materials. However, the United States is not solely dependent on enhancing relationships with LAC countries through economic investments.

Another way for the United States to lessen Chinese influence and strengthen relationships with LAC countries is by increasing funding for joint military exercises and training. Currently, the United States participates in the U.S. National Guard’s State Partnership Program (SPP) with 18 U.S. states, Puerto Rico, and the District of Columbia, aligning their National Guard with 24 countries in LAC.⁵⁰ This program allows U.S. forces to train and work alongside LAC partners, creating a bond between the nations’ militaries. Increased funding allowing more training opportunities would significantly enhance these partnerships. Specifically, military commanders could use this funding to finance Joint Combined Exchange Training (JCET) opportunities for Special Operations Forces (SOF) to conduct training in the region under Title 10 of United States Code 2011. JCETs enable SOF the unique opportunity to work alongside foreign partners. These events enhance language skills, build leadership skills, help soldiers understand local logistics challenges, and “provide training opportunities not easily replicated stateside.”⁵¹ JCETs are a crucial tool as they not only strengthen U.S.-LAC military

⁴⁹ Ivan Penn and Eric Lipton, “Lithium Mining Race,” *The New York Times*, 06 May 2021, accessed 11 January 2023, <https://www.nytimes.com/2021/05/06/business/lithium-mining-race.html>.

⁵⁰ United States Southern Command, “State Partnership Program in Latin America and the Caribbean,” *Special Coverage*, accessed 18 January 2023, <https://www.southcom.mil/Media/Special-Coverage/State-Partnership-Program-in-Latin-America-and-the-Caribbean/>.

⁵¹ Osvaldo Equite, “Training boosts US response capabilities in the Americas,” *SOUTHCOM*, 09 March 2018, accessed 18 January 2023, <https://www.southcom.mil/MEDIA/NEWS-ARTICLES/Article/1462426/training-boosts-us-response-capabilities-in-the-americas/>.

relationships but signal an increased U.S. interest and presence in the Western Hemisphere that could deter China.

Conclusion

Since 2000, Chinese presence in Latin America and the Caribbean has increased significantly. While China has used its Belt and Road initiative to boast a “win-win” solution for LAC countries, even non-BRI members like Brazil have seen an increase in Chinese presence. China has primarily demonstrated this presence with an increase in investments, loans, and trade, making LAC countries more dependent on China and thus allowing China to leverage its position. These investments have also enabled the creation of and access to dual-use infrastructure like deep-water ports and space stations. When combined with the leverage from Chinese investments, loans, and trade, China could use this infrastructure for civil and military purposes. This leverage and China’s growing influence in the region is a strategic threat to the United States and jeopardizes the nation’s supremacy in the Western Hemisphere.

The United States must strengthen its position with its LAC neighbors in the region to reduce the threat of Chinese presence in the region. One way to do so is by increasing U.S. investments in nations rich in future commodities, specifically copper and lithium. A second option is to increase funding for joint military exercises and training opportunities like Joint Combined Exchange Training (JCETs). These two recommendations would strengthen U.S.-LAC partnerships, allow U.S. access to the material needed for new technologies, and signal an increased U.S. presence in the region, deterring China. Left unchecked, the strategic threat to the United States in the Western Hemisphere will likely increase as China’s presence continues to expand.