

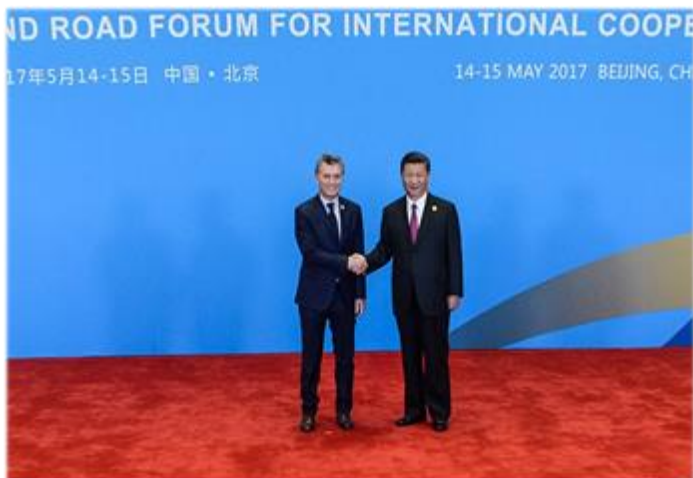
## Argentina, Chile and the 21st Century Maritime Silk Road

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**During his state visit to Beijing last May, Argentine President Mauricio Macri was given a strong definition from his counterpart, Xi Jinping: “Latin America is the natural extension of the 21st Century Maritime Silk Road”. Coincidentally, during those days, Xi hosted an international forum on the “One Belt, One Road” (OBOR) initiative, an event that successfully brought together 29 heads of State and about 1,000 delegates from more than 100 countries.**



*Macri greets Xi during the OBOR forum in Beijing.*

Macri had a very opportune participation in the forum, as the OBOR represents the largest infrastructure plan in world history and is one of the milestones of Xi’s administration. This megaproject, which involves several trillion dollars in investments over the next few decades, will radically transform the infrastructure and boost the economic flows of large parts of Asia, Africa and Europe, consolidating China as the 21st-century emerging superpower.

Latin America has acquired greater economic and geopolitical significance for China. Much of this revaluation has to do with the progressive withdrawal of the United States from its former “backyard”. As expected, China is filling that gap through the expansion and diversification of trade, investment and financial cooperation, among other fields. This appears to be a great opportunity for the region, although there are many who perceive this scenario as a sort of new neocolonialist threat, not from the North, but from the East.

Besides Macri, the other Latin American head of state present in the forum was the Chilean Michelle Bachelet, something not at all casual. It should be pointed that Chile was the first of three countries in the region to have signed a Free Trade Agreement (FTA) with China. In addition, Chile is a member of the Pacific Alliance, a bloc that has become the regional antithesis of the stagnant Southern Common Market (Mercosur).

The new Silk Road has already arrived in Chile. Proof of this is that, for some time, wines and other finished trans-Andean products can be found in supermarkets

throughout China. Macri visited Chile some weeks ago. Both countries advanced in an economic complementation agreement which would represent one of the greatest Argentine foreign policy's achievements in recent years. In addition, joint work will continue on improving energy interconnection, scientific research plans and building new border crossings, such as the projected "Agua Negra" new tunnel.

The course proposed by Macri, to go with the Mercosur towards convergence with the Pacific Alliance, is correct. However, perhaps Argentina should move towards the Pacific outside of Mercosur, prioritizing the good relationship with Chile. Moreover, if the center-right presidential candidate Sebastián Piñera wins the upcoming election in November, it is expected that the relation between Argentina and Chile will continue to deepen and expand.

From now on it would be better to seek convergence with our partners of the Mercosur. But with Brazil and Venezuela plunged into serious crises, today it sounds utopian. In the case of Uruguay, the smallest Mercosur member have opted for the pragmatic approach of bilateral agreements and could become the next Latin American country to sign a FTA with China. Thus, Mercosur is either redefined towards convergence, or will only continue to increase its internal tensions and decay.

The imminent agreement between Mercosur and the European Union (EU), after almost twenty years of frustrations, is very good news. However, it will only mean the beginning of another long road, with the EU

going through an identity crisis of unpredictable consequences and becoming increasingly peripheral in the new global scenario.

It is time for Argentina to replace the historical view of foreign policy, preeminently Western oriented. Argentina should focus on opening more embassies as well as trade and investment promotion agencies in Central and Southeast Asia. In that respect, the recent decision to reopen the embassy in Singapore was a great success. May it be only the beginning of a necessary expansion of Argentina's political and commercial presence in Asia.

If Xi's OBOR mega-initiative succeeds, in the coming years Asia, with China at the top, could provide a potential for cooperation with Argentina equivalent to several Europes. However, as Chile's experience shows, a consistent strategy is needed to take advantage of it. Without it, then it will be very easy to victimize us in the face of "Chinese neo-imperialism". The 21st Century Maritime Silk Road could offer a historic opportunity for Argentina and Latin America. From the Atlantic, this battered European Union is so far providing a totally different prospect.

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