



Brazil- China Innovation Dialogue 2018
November 13th-14th
Palácio do Itamaraty – Rio de Janeiro

The annual Brazil China Innovation Dialogue is an occasion to discuss trends and challenges to innovation and investment policies with a particular emphasis on responses to national and global challenges. It purports to create the basis for a continuous exchange among policy makers, researchers and firms interested in the drivers and processes to foster investments and innovation.

In 2018 the Dialogues will have its fifth edition and will promote a discussion on current challenges of international relations and decline in multilateral negotiations. It will review policy scenarios concerning investments in infrastructure in Brazil and the Latin American regions and discuss the challenges of the digital and innovation economy in China and Brazil. The Dialogues are organized with keynote addresses on each theme followed by a round table discussion amongst stakeholders.

Supporters:





November 13th

9.30: Welcome and Opening Session

Ambassador Sérgio Moreira Lima (President FUNAG), Ambassador Valdemar Carneiro Leão (President IBRACH), Dr. José Pio Borges (President CEBRI)

9.45 - 12.30: Challenges to Multilateralism: Implications for Emerging Economies

Chair: Prof. Anna Jaguaribe (IBRACH)

Speakers: Minister Qu Yuhui (Embassy of China)

Ambassador Gelson Fonseca (FUNAG/CEBRI)

Prof. Lia Valls (FGV/IBRACH)

Dr. Daniel Poon (UNCTAD)

Commentators: Ambassador José Alfredo Graça Lima (CEBRI) and Prof. Maria Regina Lima (UERJ)

This session will discuss the consequences of the decline of multilateral arrangements for Brazil and other Latin American countries and look into emerging forms of international negotiation and regulatory scenarios.

The deterioration of the multilateral system of institutions and negotiations has given rise to the perspective that asymmetric multipolarity prevents rather than advances the cause of multilateralism. In this context, big powers with capacities to build negotiating structures with a variety of architectures fair better than mid-range powers such as Brazil and other Latin American countries with long reliance in multilateralism.

China's Belt and Road Initiative has led to the creation of new multilateral institutions such as the Silk Road Fund and the Asia Infrastructure Development Bank. These are investment and finance organizations mainly devoted to infrastructure which have a regional basis but global scope. This panel will discuss the implications of the decline in multilateralism and review China's Belt and Road Institutions and how they fit into the development scenario.



14.00 - 15.45: Trends and Directions of Chinese Investments in Latin America

Chair: Ambassador Valdemar Carneiro Leão (IBRACH)

Speakers: Dr. Renato Baumann (Ministry of Planning)

Prof. Chen Taotao (Tsinghua University)

Dr. Adriana Arreaza (CAF)

Ambassador Luiz Augusto de Castro Neves (CEBC)

Commentator: Alexandre Lowenkron (Bocom BBM)

Chinese investments in Latin America and, in particular in Brazil, have been significantly rising. As of 2010, China has become the one of the largest investors in Brazil and in many countries of the Latin American region. A trade relation is being transformed into an investment relation. Increasing investment has also brought about a diversification in firms and sectors. The rise in investments in Latin America is occurring at a time in which Chinese firms are undergoing important transformations through mergers and acquisitions in the international arena and the regrouping of state-owned enterprises.

This session will examine current trends on Chinese investments in Latin America. It will look at the major areas where investments are occurring, new players and modalities of financial and economic cooperation which emerge from this scenario. Participation in this session will be open to Chinese and Brazilian firms as well as financial institutions interested in debating investment scenarios.



16.00 - 18.00: Building an Infrastructure Project Pipeline: Challenges and Policy Lessons

Chair: José Pio Borges (CEBRI)

Speakers: Prof. Ernani Teixeira (UFRJ)

Dr. Luciene Machado (BNDES)

Dr. Izabella Teixeira (CEBRI)

Commentators: Dr. Igor Rocha (ABDIB), Dr. Daniel Poon (UNCTAD) and Dr. Mauro Neto (Concremat/CCCC)

The need for increased investments in infrastructure is significant throughout the Latin American region. In Brazil it has become a crucial determinant for future growth. Estimates of infrastructure investments have been as low as 1,4% of GDP compared to 4% estimated as minimum requirement. Low investments have been associated with regulatory complexities, structure of costs, low savings rate and high interest rates, all of which lead to a cost and credit trap. A combination of all these elements has made it difficult for the private sector to participate in infrastructure investments and have also diminished the opportunities of attracting international investments to fill the gap.

However, the lowering of interest rates, the reorganization of the lending rates of BNDES, and the investment opportunities being opened by new Chinese initiatives could create a new dynamic for investment. Different terms of engagement between private, public and development finance institutions seem to be emerging, thereby dissolving some of the deadlocks for investments in infrastructure.

The transition into a low carbon and digital economy is transforming how we regard the role of infrastructure in economic growth. In areas such as energy, food production, urbanization and health, infrastructure is no longer viewed as a means to an end, but as a space for technological advancement in its own right and a fundamental instrument for a transition to a low carbon economy. Infrastructure has institutional, productive and technological externalities which are key for economic sustainable development. It also brings forth regional complementarities and possible cooperation in regulatory scenarios.

This session will examine the challenges and opportunities of structuring a pipeline of projects in infrastructure which takes into account the transition into a low carbon and digital economy. Participation in this session will be open to Chinese and Brazilian firms as well as financial institutions interested in debating investment scenarios.



November 14th

10.00 - 13.00: Challenges of Upgrading to the Digital Economy: Policy Directions

Chair: Mário Ripper (IBRACH)

Speakers: Dr. Gao Changlin (Embassy of China)

Prof. David Kupfer (UFRJ/IBRACH)

Dr. Zhu Huanhuan (CASTED)

Dr. José Alberto Aranha (ANPROTEC)

Commentator: Prof. Adriano Proença (UFRJ/IBRACH)

The digital economy is the newest challenge for industrial and technology policy at the national and global level. The digital economy sets new competitive standards for manufacturing and services and changes the context in which global value chains operate. Policy in this sector is singular because it unites national objectives of upgrading industry and services through digital and information technologies and the setting of benchmarks in diverse sectors such as semiconductors, artificial intelligence and electric vehicles.

The Chinese experience in the digital economy is of particular interest for Brazil. It targets advancement and upgrading across wide industrial sectors but also aims at retrofitting laggard sectors. Furthermore, energy and telecommunications, key sectors of new digital paradigm are also areas in which Chinese companies are bringing new investments to the Latin American region.

This session will bring an update on implementation of China's industry program and discuss where Brazilian industry stands in this policy scenario.