



## **Preliminary Program**

### **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 give an update on the China 2025 program. The Dialogues are organized with keynote addresses on each theme followed by a round table discussion amongst stakeholders.



**November 13<sup>th</sup>**

### **9.30: Welcome and Opening Session**

**Ambassador Sérgio Moreira Lima (President FUNAG), Ambassador Valdemar Carneiro Leão (President IBRACH), Dr. José Pio Borges (President CEBRI), Minister Qu Yuhui (Embassy of China)**

### **10.00 - 12.30: Challenges to multilateralism: implications for emerging economies**

**Speakers: Prof. Lia Valls (FGV/IBRACH)**

**Ambassador Gelson Fonseca (FUNAG/CEBRI)**

**Prof. Maria Regina Lima (UERJ)**

**Commentators: Prof. Anna Jaguaribe (IBRACH)**

**Ambassador José Alfredo Graça Lima (CEBRI)**

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 current US administration has embarked on an output-oriented negotiation model, setting aside the multilateral institutional system, which the US has helped to develop. This turn of events highlights a mismatch between the global nature of the production system and public goods, and the national interests guiding foreign policies.

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 - 15.30: Trends and Directions of Chinese Investments in Latin America**

**Speakers: Dr. Renato Baumann (Ministry of Planning)**

**Prof. Chen Taotao (Tsinghua University)**

**Dr. Adriana Arreaza (CAF)**

**Ambassador Luiz Augusto de Castro Neves (President 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.



## **15.40 - 18.00: Building an Infrastructure Project Pipeline: Challenges and Policy Lessons**

**Speakers: Dr. Daniel Poon (UNCTAD)**

**Prof. Ernani Teixeira (UFRJ)**

**Dr. Carla Primavera (BNDES)**

**Dr. Izabella Teixeira (CEBRI)**

**Commentator: Dr. Igor Rocha (Director of Planning ABDIB)**

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 seems 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 14<sup>th</sup>**

**10.00-12.00: Challenges of the Digital Economy: China 2025 and Policy Directions in Brazil**

**Speaker: Dr. Zhu Huanhuan (CASTED)**

**Dr. Gao Changlin (Scientific Attaché, Embassy of China)**

**Prof. David Kupfer (UFRJ/IBRACH)**

**Dr. Mario Cimoli (CEPAL)**

**Commentator: Dr. José Alberto Aranha (President ANPROTEC)**

**Prof. Adriano Proença (UFRJ/IBRACH)**

China 2025 is the newest policy initiative in a now long tradition of planning science and technology activities in China. It is in line with other industrial upgrading policies such as the Germany 4.0 industrial plan. But China 2025 is also singular because it unites the objectives of upgrading industry and services through digital and information technologies and the setting of benchmarks for China in diverse sectors such as semiconductors, artificial intelligence and electric vehicles.

The Chinese experience in implementing China 2025 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 the China 2025 policy 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 2025 industry program and discuss where Brazilian industry stands in this policy scenario.