

Latin America

Latin American leaders target economic prizes during Beijing Winter Olympics

Argentina and Ecuador's presidents to meet Xi Jinping to discuss debt and investments



Argentina's Alberto Fernández, left, and Ecuador's Guillermo Lasso, right, will attend the Winter Olympics opening ceremony in Beijing on Friday © FT Montage/AFP

Lucinda Elliott in Montevideo and **Gideon Long** in Bogotá 6 HOURS AGO

The opening pageantry of the Beijing Olympics at the Bird's Nest stadium on Friday marks the start of serious business for two Latin American presidents making their own unusual bids for success during the Winter Games.

Argentina's [Alberto Fernández](#) and Ecuador's [Guillermo Lasso](#) are in China seeking support for national economic priorities — a sign of how Beijing's [influence is growing](#) in Latin America.

Fernández will meet China's president Xi Jinping on Sunday, where he is expected to sign [Argentina](#) up to the [Belt and Road Initiative](#). Argentina will become the largest Latin American nation to join China's flagship investment and infrastructure project so far.

Lasso, who will also meet Xi as well as China's premier Li Keqiang, is on a two-pronged mission. He wants to renegotiate the terms of \$4bn of Ecuadorean debt, while launching talks with China on a free trade agreement (FTA).

The 2022 Winter Olympics has been surrounded by controversy, with countries such as the US, UK and Australia launching [diplomatic boycotts](#) and refusing to send their representatives to the Games because of China's human rights record.

The two Latin American leaders will join leaders from the likes of Russia, Qatar and

[restructure \\$44.5bn of debt](#), but a final staff-level agreement is still pending and the IMF has said it was still working with its counterparts in Buenos Aires.

Some observers are worried that by going to Beijing now and meeting Xi, Fernández is sending the wrong message to the fund and its principal shareholder — the US.

“This is not the time to go,” said Patricio Giusto, director of the Sino-Argentina Observatory, a think-tank in Buenos Aires. He said the trip could potentially deal “a big blow” to Argentina’s hopes of wrapping up the IMF deal.

But the leftwing Peronist government has shrugged off those concerns, saying the trip had been in the works since Fernández took office in early 2020. Its purpose “is not to offend anyone”, but to promote Argentina’s national interests, a source close to the president told the Financial Times.

As well as signing up to Belt and Road, the Argentines may seek more lending from China. The two countries have a \$19bn currency swap arrangement in place that dates from 2009 and Buenos Aires wants to expand it by around \$3bn.

Argentina’s net foreign reserves are almost exhausted and estimates suggest that they fell below \$6bn in December, while the country must make a \$2.8bn payment to the IMF next month. If the agreement with the fund falls through or is blocked by Argentina’s congress, Fernández might need a back-up plan to avert a debt crisis.

Debt is also an issue for Ecuador. During the leftwing government of Rafael Correa from 2007 to 2017, the Andean nation became heavily indebted to China and agreed to repay many loans with oil. Lasso has said Correa agreed unfavourable terms for Ecuador and wants to repay in cash instead, freeing up more oil to sell on the spot market, where prices are high.

Lasso’s other stated aim is an FTA, after years of steadily rising Ecuadorean trade with China. China absorbed 15.8 per cent of Ecuador’s exports in 2020, up from just 3.9 per cent in 2015. The Chinese buy oil, shrimp, bananas, cut flowers, cacao and timber from Quito.

The shrimp industry has grown particularly quickly and [Ecuador](#), a nation of fewer than 18mn people, is now the largest exporter of shrimp in the world. Half of those exports go to China, where an expanding middle class is acquiring a taste for a



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important partner in the region.

With [Peru](#) and [Chile](#) having turned leftward in recent elections and Colombia possibly about to do the same later this year, Lasso's government could be only right-leaning administration in the Andes by the end of 2022.

"Ecuador is in an interesting position geopolitically at the moment," Hurtado said. "It has some leverage with the US."

agreement signed within a year," said Gustavo Cáceres, head of the Ecuadorian-China Chamber of Commerce. "It's a very ambitious goal, but China is really important for us. It's our second biggest trade partner after the US."

Sebastián Hurtado, head of Ecuadorean political risk consultancy Prófitas, said Lasso's trip to China could act as "a pressure mechanism" to remind the Biden administration that Quito wants an FTA with Washington too and that it was a small but