



**The Chinese Investment Wave in Brazil's Technology Market:
Internalization of China's Firms in the Light of Governmental Strategic Planning**

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Abstract

The Sino-Brazilian partnership reached another level during the first decade of the 21st century. As a matter of fact, in 2009, China overtook the United States as Brazil's first trading partner - The U.S had held that position for nearly eighty years, and now China has been holding that position for over ten years in a row². Equally important, it is worth mentioning that Brazil has faced an economic crisis since 2014 and, yet, China established itself as one of the few countries that has gathered financial availability with the willingness to invest in Brazil's current risk, thus helping to ease the Brazilian economic crisis³.

Based on a study from 2007 until 2017⁴, Chinese companies invested over US\$ 55 billion in Brazil. Corporations like State Grid and China Railway Group have invested heavily in energy and infrastructure projects, bringing standard Chinese technology to Brazil. Besides that, these groups developed successful implementations, such as the Belo Monte Power Plant Transmission Project and the West- East Integration Railroad in Bahia.

Recently, a new wave of Chinese investments in Brazil was initiated in January 2018 when Didi Chuxing – the leading company in the transportation market - bought Brazilian startup 99 for R\$960 million. Later, Chinese Tencent – one of the world's most valuable companies - invested almost US\$200 million in Brazil's fintech Nubank. Also, Alibaba invested US\$100 million in Stone Pagamentos. These are only few examples of how China and Brazil have been cooperating in the technology field⁵.

China is the country that has advanced the most in the global ranking of innovation. According to President Xi Jinping, "China should establish itself as one of the most innovative countries by 2020 and as a leading innovator by 2030, and then become a world-leading science

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² The Telegraph, 2009. <<https://www.telegraph.co.uk/finance/economics/5296515/China-overtakes-the-US-as-Brazils-largest-trading-partner.html>>

³ Tang, 2018.

⁴ Conselho Empresarial Brasil-China, 2018. <<https://cebc.org.br/2018/12/11/investimentos-chineses-no-brasil-2017/>>

⁵ StartSe, 2018.

and technology power by the centenary anniversary of the founding of the People's Republic of China in 2049”⁶.

In this sense, Brazil is an important market for China to achieve its goal of becoming a global reference in the technological innovation field. This research aims to analyze the results of the internationalization of Chinese firms in the Brazilian market in the light of Chinese governmental strategies. The preliminary conclusion comes from a perspective that the Chinese strategic plan can justify investments in Brazilian technological companies, as it provides incentives to internalization of both state-owned and private firms, besides of providing financial tools in research and development, expansion of patents and others key sectors.

Key-words: China-Brazil Cooperation; Technology Market; Chinese investments in Brazil; Chinese foreign policy; International Political Economy.

⁶ CGTN, 2018. <https://news.cgtn.com/news/3d3d414d79517a4e77457a6333566d54/share_p.html>