

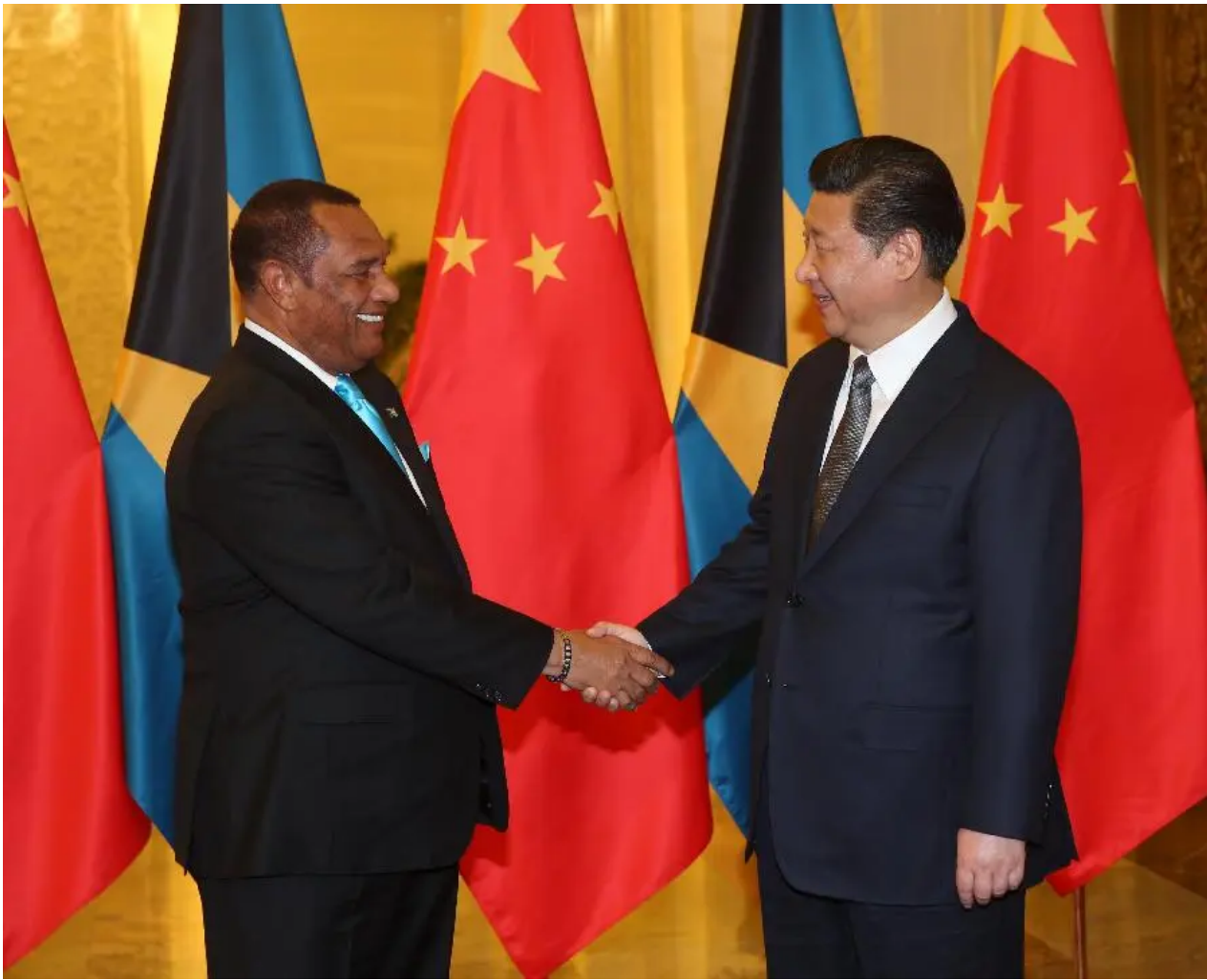


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Understanding PRC Commercial Engagement and People-to-People Relations in the Caribbean



Evan Ellis | February 17, 2023
Global Americans Contributor



Source: CARICOM.

Although in absolute terms, the People's Republic of China's (PRC) commerce with and investment in the Caribbean is less than that in other parts of the Western Hemisphere, the size of its commercial, political, and military engagement relative to the populations of the Caribbean is significant. PRC engagement in the Caribbean is broad-based, including an array of investments and commercial projects, political engagement, people-to-people interaction, and security engagement.

PRC Commercial Engagement in the Caribbean

In the commercial realm, engagement by PRC-based companies is larger than commonly recognized. The Mexico-based academic network Red China-ALC identifies [40 major projects](#) by PRC based companies in the Caribbean from 2001 through 2021, [totaling \\$11.4 billion](#). These included activities in the hotel and other tourism sectors, in ports and infrastructure, in petroleum, in mining (including bauxite projects), in the electricity generation and transmission sector, in telecommunications and other “digital” sectors, as well as in agriculture.

In tourism, the PRC has made a number of significant equity investments, including Hilton and Marriott Hotel properties across the region, as well as major signature projects like the \$4.2 billion [Baja Mar resort](#) in the Bahamas. Those investments also include some projects by lesser-known Chinese investor groups, including many in citizenship for investment countries such as Saint Kitts, St. Lucia, and Saint Vincent and the Grenadines.

With respect to ports and infrastructure, PRC-based Hutchinson Port Holdings (HPH) has had multiple operations [in Freeport, the Bahamas](#), since the late 1990s. In addition, China Merchants Port (CMPort) has a holding of just under 50 percent in the [port of Kingston](#). PRC investor groups are also behind other port projects such as a new [\\$100 million deepwater port](#) in Antigua and Barbuda. Chinese construction companies such as [China Harbor Engineering Company \(CHEC\)](#), [China Construction Americas \(CCA\)](#), and [China Civil Engineering Construction Company \(CCECC\)](#)—have come to dominate major

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facilities, like a proposed drydock in la Brea, Trinidad and Tobago. Many of these projects built on the PRC's business presence established when Caribbean governments recognized the PRC, such as cricket and other stadiums, government buildings, clinics, and other infrastructure work done by PRC-based firms, as gifts of thanks for their diplomatic switch.

In the petroleum sector, PRC-based companies are active in that portion of the Caribbean where petroleum is a factor. This includes the role of the China National Offshore Oil Corporation (CNOOC) as a 25 percent partner in the Exxon lead consortium developing the Stabroek oil block, as well as a 10 percent stake in Atlantic LNG in Trinidad and Tobago, the largest natural gas field in the Caribbean. Chinese firms are reportedly also interested in emerging new petroleum potential offshore in Suriname, where Chinese firms are already established in other areas.

With respect to bauxite, critical for the production of aluminum, the PRC-based firm Bosai has been operating in Linden Guyana for over a decade, albeit with problems with the local population in 2012 over its provisioning of electricity. In 2016, the Jiuquan Iron and Steel Company (JISCO) acquired the Alpart Bauxite facility in Jamaica from RusAl for \$299 million, although a promised \$3 billion industrial park to be built around the facility, promised at the time the Chinese were securing permission from the Jamaican government for the deal, has not yet gone forward.

In the electricity sector, Chinese firms have been involved in generation facilities, mostly involving renewable energies. Examples include investment by Triana Solar to build the largest photovoltaic array in the Dominican Republic, a biomass facility in Cuba operated by Shanghai Electric, and most recently, the renewed initiative to develop the 165 Megawatt Amaila Falls hydroelectric facility in Guyana.

In the telecom sector, Chinese companies such as Huawei have made progress in marketing their telephones, as well as infrastructure, including construction of offshore fiber optic cables along the southeast coast of Latin America, and into the interior of Guyana, among others. The Chinese are also working towards an “e-Government” smart city project with the government of Guyana.

In the agricultural sector, which has received less visibility than others, PRC-based firms have been active in the interior of Guyana and Suriname in timber projects, including the Greenheart group in Suriname, and for a time, Bai Shan Lin in Guyana. Chinese firms have also gotten involved in the region’s sugar production infrastructure, including the Complant sugar production complex in Jamaica, whose operations ran into problems with local sugar producers, as well as ill-fated attempt to produce a modern sugar processing facility called Skeldon, in Guyana.

By contrast to Chinese engagement in South America and other parts of the world, in general terms, PRC engagement in the Caribbean has tended to focus more on obligating de-recognition of Taiwan, as well as construction projects involving resorts, roads, ports, and public buildings. PRC engagement in the Caribbean has been, by contrast, relatively less about securing access to commodities, or access to markets, although those pursuits by PRC-based companies have not been absent.

As a reflection of the relatively recent independence and decolonization of Caribbean nations, China’s engagement with Caribbean states bears certain similarities to its engagement with Africa, whose decolonization was also relatively recent. This includes significant interactions between the PRC and Caribbean political parties, whose dominance in their countries is a legacy of their independence movements.

By contrast to the larger nations of South America, the small size of Caribbean states, and the more limited capabilities of their governments, has created greater opportunities for the PRC and its companies to influence government and business elites through large projects, and in the process, rest significant influence.

PRC relations with the Caribbean are generally positive, even by comparison to PRC relationships with other parts of the Western Hemisphere. The PRC arguably has particularly strong relationships with and commercial influence in Jamaica, Barbados, Dominica, Grenada, and Antigua and Barbuda, among others. One manifestation of this influence has been PRC “enclave projects,” such as the massive [2,000 acre Yida development in Antigua and Barbuda](#), where Chinese construction company CCECC chose to locate [its regional headquarters in 2020](#). The project which contemplates establishment of a [special economic zone](#) giving tax exemptions and other special legal rights to Chinese investors, and encompassing the creation of factories, luxury houses, resorts, [a medical university](#), [a financial center](#), port facilities, and highways, across a large geography in compassing a significant portion of the island of Antigua.

People-to-People Relations

With respect to people-to-people relations, the PRC currently has [eight Confucius institutes for the official teaching of Chinese language and culture in the region](#). These include facilities in Cuba, Guyana, the Bahamas, Jamaica, Trinidad and Tobago, Barbados, Suriname, and Antigua and Barbuda. With respect to shaping Caribbean perceptions of the PRC more broadly, in April 2018, the PRC opened a [Caribbean press center](#) which conducts [outreach programs](#)—bringing journalists from Caribbean and other developing countries—to the PRC.

Although there is a substantial diaspora of ethnic Chinese people in the Caribbean, its relationship with the mainland China government and PRC-based companies is complex, as is the relationship between that Chinese diaspora, and the governments and societies of the Caribbean countries in which they live.

Most Chinese people who have lived in the Caribbean for multiple generations no longer speak a Chinese dialect, or if they do, they speak the dialect of the province of their ancestors, such as Hakka or Cantonese, rather than Mandarin, which is the official language of the PRC, and the language in which its company representatives communicate, when not using English or the language of the territory in which they are operating.

The Chinese community itself in the Caribbean is often respected by the surrounding society for their perceived characteristics as hard workers, yet sometimes also regarded as culturally distant or mysterious. Nonetheless, ethnic Chinese people in the Caribbean have generally integrated into the societies in which they live. In some cases, however, the economic position of ethnic Chinese people within their societies, including as shop owners, have led to tensions as they have engaged with non-locals. This included anti-Chinese ethnic violence in [Papitiam, Suriname in 2009](#), and in [Maripaston, Suriname in 2011](#). It also included protests against Chinese business owners in [Santo Domingo, the Dominican Republic in 2013](#). In addition, non-Chinese businesspersons in sectors such as construction sometimes seek to exploit anti-Chinese prejudices as a tool to mobilize the public against projects to Chinese companies against which they are competing.

For more than a century, Chinese communities in the Caribbean, as elsewhere, have maintained beneficence societies and other community self-help organizations. Such organizations include helping Chinese people in establishing themselves economically, conducting relations with the

gray line however, between such self-help and groups which run extortion or human trafficking rackets within relatively closed Chinese communities. In addition, some Chinese shops which rely heavily on cash transactions, have used [gambling](#) and illicit business to build a nexus between Chinese communities and organized crime in the Caribbean.

The Path Forward for U.S. Policymakers

U.S. proximity to the Caribbean, its shared bonds of language, commerce, and family, give the United States unique opportunities to strengthen its relationships with the region and fortify its position vis-a-vis the PRC. The United States must not only present the countries of the Caribbean with viable alternatives to China's often predatory offerings, but should also work with willing governments in the region to strengthen their institutions—increasing their capabilities to better plan and conduct engagements with the PRC and others involving public spending and regulating companies. More broadly, the United States should look to show the people of the Caribbean that the path of democracy, an economy dominated by the private sector, prevalence of the rule of law, and the protection of individual rights are in their long-term interest.

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