

# A Chinese beachhead?

PORT OF SPAIN

## New investors on America's doorstep

A CROWD of 17,000, almost 5% of the population of the Bahamas, turned up to watch the firework display when a new national stadium opened in Nassau, the capital, on February 25th. A celebration of "our Bahamian identity and nationhood", said the prime minister, Hubert Ingraham. In fact the stadium was designed and paid for by China, and built mainly by migrant Chinese labourers.

China's investment and aid looms increasingly large in the English-speaking Caribbean. Not far from the stadium, Chi-



na State Construction is deploying hundreds of Chinese workers at Baha Mar, a \$2.6 billion resort financed by the Export-Import Bank of China. On Grand Bahama, 80 miles off Florida, Hong Kong's Hutchison Port Holdings runs a giant container port; a sister company owns a clutch of hotels and casinos. Norwegian Cruise Line, whose ships tower over Nassau, is half-owned by Genting Hong Kong.

Jamaica is benefitting from \$400m in Chinese aid. In Guyana Chinese companies mine bauxite and want to build a hydroelectric plant and a hotel and to modernise the main airport. Chinese firms are helping to lay fibre-optic cables linking Cuba, Jamaica and Venezuela, as well as Guyana and Brazil. Work is due to start next month on a \$150m Chinese-funded children's hospital in Trinidad.

Most of these investments are business ventures on commercial terms. They are welcomed by local politicians, as is the aid. Many English-speaking Caribbean coun-

tries are heavily indebted, and their economies are stagnant. But local businesses fret over competition from state-funded Chinese rivals. "Chinese construction has been a disaster for national development, for the local construction sector and for local labour, and no money has been saved," says Emile Elias, a Trinidadian contractor. Many projects, he claims, have been awarded with no public tender and end up over-budget, late or poorly built.

Some see a political agenda in China's involvement in the Caribbean. A decade ago this involved wooing islands which recognised Taiwan. Dominica switched to Beijing in 2004 in return for grants of \$122m (a third of its GDP at the time). Grenada has done the same. But most of the recent investment has been in countries that already recognised China.

Some locals wonder why Complant, a Chinese company, has bought into Jamaica's high-cost, struggling sugar industry. American diplomatic cables released by ▶▶

- WikiLeaks speculate that China may be investing in the Bahamas as a "strategic move" in preparation for the demise of the Castros in Cuba. China's interest in the region has good "business logic" but also reflects a recognition of the "strategic value" of the Caribbean, says Evan Ellis, a China-watcher at the Centre for Hemispheric Defence Studies in Washington. That motive may lie behind China's aid programme in the area, which includes small amounts of money for the police and armed forces. Jamaica's police chief has studied in Beijing as well as the United States.

Yet it is hard to see the Caribbean becoming a Chinese beachhead on America's doorstep—a mirror image of Taiwan. Despite the presence of small ethnic Chinese communities in many islands, the Caribbean continues to look north. China keeps promising a stream of tourists, but few come. Baha Mar will be managed by Hyatt and other American companies. ■

## Matéria

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