



Countering CCP Global Influence: China's Growing Influence in Latin America and the Caribbean

Bottom Line Up Front:

The CCP is rapidly expanding its commercial and geopolitical footprint in Latin America. Through its predatory economic engagement practices and strategic security sector relationships, the CCP is rapidly eroding the U.S.'s influence.

- China is now South America's top trading partner. Its economic investments have focused on strategic sectors such as telecommunications, mining, and related commodities. These commercial ties have fueled China's rapid rise and undermined longstanding U.S. influence in the region.
- Many of Beijing's investments in seemingly benign infrastructure investments or donations to security service pose key threats to U.S. interests. By design, facilities can be dual purposed to advance China's military-civilian fusion strategy, providing the CCP with an additional capability against the U.S. and provisions of security materials undermine interoperability between the U.S. and that respective entity.
- The CCP also serves as the lender of last resort for regional authoritarians and plays a critical role in fueling the U.S. fentanyl crisis.

Context Background:

Over the last twenty years and in particular under Xi Jinping, the CCP has aggressively expanded its outreach and influence in the region. Driven by an economic need for commodities and its geostrategic objective of reorienting the world toward Beijing's interests, the CCP with Latin America and consolidate relationships the broader Global South. Over the last ten years, China has also expanded its regional efforts to weaken Taiwan, successfully flipping the bulk of their regional diplomatic allies. has [worked to strengthen ties](#) with Latin America and consolidate relationships the broader Global South. Over the last ten years the CCP has also expanded its regional efforts to weaken Taiwan, successfully flipping the bulk of Taipei's regional diplomatic allies.

While the PRC markets its commercial arrangements with the region as "win-win," China's economic engagement with Latin America is demonstrably predatory, [creating dependency for economically vulnerable nations](#) and enabling deeply corrupt business practices. This brand of "debt-trap diplomacy" limits the economic sovereignty of Latin American nations.

Key Issues:

- **Critical Minerals:** China controls key critical mineral supply chains and is heavily involved in commodity resource extraction throughout the region. Much of this is through partnerships between Chinese state-owned enterprises and Latin American companies. Beijing has systematically consolidated its position across all supply chain elements—from extraction and refining to export—and signaled its willingness to weaponize this monopoly. China's mineral dominance leaves America vulnerable and highly exposed to CCP-controlled decision making. For example, Beijing could cut off U.S. access to gallium, which is used to produce high-performance microchips that power advanced military technologies.
- **Military Presence:** China's People's Liberation Army (PLA) has expanded its presence in the Americas primarily through arms sales, joint training programs, commercial facilities, and the deployment of advanced technologies. China's intelligence gathering capabilities are steadily advancing, weakening the U.S.'s military edge in our hemisphere. China's military also maintains strong ties with local military institutions in the region, offering [PLA military education programs](#) to Latin American and Caribbean military officers. Worse, the CCP has positioned itself to potentially disrupt regional trade routes with [investments near the Panama Canal and Strait of Magellan](#) and operates a [military-run space station](#) in Argentina.
- **Digital Authoritarianism:** Many Latin American countries have embraced the use of CCP technology for "safe city" programs, accepting donations of surveillance cameras and facial recognition technology to assist regional law enforcement in public security efforts. Using technology providers like Huawei and Hikvision, countries have given Beijing the ability to export its surveillance state and allowed Beijing to spy on sensitive government and personal data. The consequences are compounded by [Huawei's dominance in the region's telecommunications infrastructure](#). These



developments, along with the proliferation of Chinese fintech, grants the CCP access to sensitive intellectual property and exposes Latin American states, citizens, and corporations to future intimidation.

- **Public Diplomacy Battle:** Following the COVID-19 pandemic, many in Latin America [regarded China favorably](#) for its provision of financial support and vaccine diplomacy, despite the CCP's weaponization of life saving vaccines. These perceptions have coincided with the ascendance of leftist leaders across the continent. Washington has struggled to credibly communicate the nature of the China threat and adapt to the less favorable political terrain.

