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INVIRTIENDO LA HISTORIA

20 años: de promesa a potencia



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IDEA

The New Geopolitical Context: Trends and Implications

Margaret Myers

Faculty, Johns Hopkins SAIS
Senior Advisor, Inter-American Dialogue



A Theory of the Case

The U.S.-China relationship is undergoing a structural transformation, unfolding alongside significant domestic transformations within each country.

Together, these forces are reshaping the incentives, constraints, and opportunities facing third countries.

The region cannot afford to treat this moment as business as usual, nor can they afford to disengage from either power. Its task is to maximize near-term opportunity while building resilience against the challenges still to come.

Five Things to Know

A changing global landscape is reshaping the choices available to Argentina.





The U.S.-China relationship has shifted from managed competition to “structural rivalry.”



For the time being, domestic conditions in both countries are amplifying this rivalry.



These shifts are globalizing—and Latin America, including Argentina, is not a bystander.



These new dynamics create a narrow window of opportunity, but alongside real structural risk.



Argentina’s strategy should be defined by a well-informed and "wide-eyed" engagement strategy.

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#1: The U.S.-China relationship has shifted from managed competition to “structural rivalry.”



The New Core Tenets of U.S.-China Relations

- What began as trade friction has evolved into a contest over technological supremacy, financial architecture, and the rules governing global commerce.
- Leader-level diplomacy continues, but the underlying trajectory is toward selective decoupling in strategic sectors.
- In the near-term, the relationship will continue to oscillate between cooperation and confrontation.

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#2: Domestic conditions in both countries are amplifying the rivalry.





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- March 2023: “Now is the moment of change unseen in a century.” – Xi Jinping
- March 2026: Xi called for "the integrated advancement of education, technology and talent“, with a strategy of optimizing traditional industries and expanding emerging sectors..

15th Five-Year Plan is set to prioritize AI as a productivity driver

China wants to dominate complete industrial chains, with AI boosting productivity across sectors

TRADITIONAL INDUSTRIES	EMERGING INDUSTRIES	FUTURE INDUSTRIES	KEY CORE TECHNOLOGIES FOR DECISIVE BREAKTHROUGHS
Mining	New energy	Quantum technology	Integrated circuits
Metallurgy	New materials	Biomanufacturing	Industrial machine tools
Chemicals	Aerospace	Hydrogen	High-end instruments
Light industry	Low-altitude economy	Nuclear fusion	Foundational software
Textiles		Brain-computer interfaces	Advanced materials
Machinery		Embodied intelligence	Biomanufacturing
Shipbuilding		6G	
Construction			

Source: CCP Central Committee’s proposal for the 15th Five-Year Plan, released at the Fourth Plenum in October 2025

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China’s top priorities: Boosting consumption ranks third after strengthening industry and innovation

Chapter order of Five-Year Plans

FIVE-YEAR PLAN (FYP) PERIOD	ORDER OF CHAPTERS AFTER THE INTRODUCTION
15th FYP (2026-2030)*	1. Develop a **modern industrial system** 2. Accelerate **technological self-reliance and leadership** 3. Build a strong **domestic market**
14th FYP (2021-2025)	1. Pursue **innovation-driven development** 2. Develop a **modern industrial system** 3. Build a strong **domestic market**
13th FYP (2016-2020)	1. Pursue **innovation-driven development** 2. Establish a **new development system** 3. Advance **agricultural modernization**
12th FYP (2011-2015)	1. Strengthen **agriculture** and **rural areas** 2. Upgrade and transform the **industrial sector** 3. Develop the **service sector**
11th FYP (2006-2010)	1. Develop **rural areas** 2. Upgrade and transform the **industrial sector** 3. Develop the **service sector**

*Based on the proposals released in October 2025.

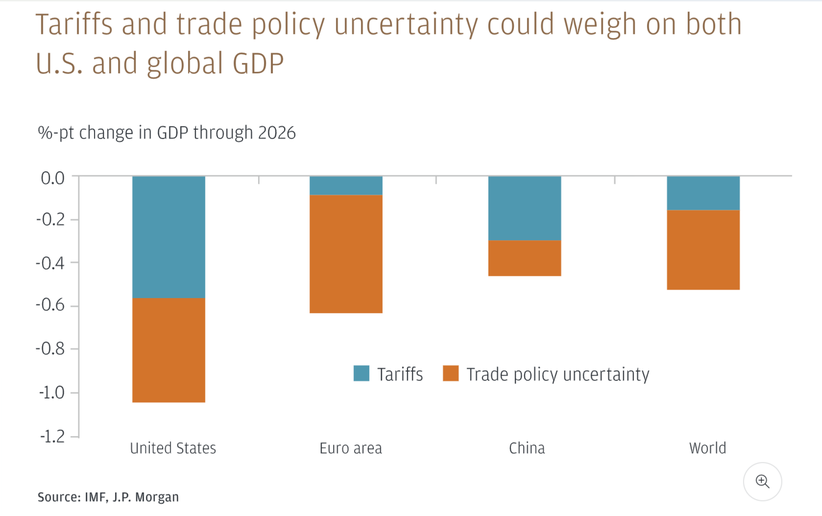
Source: MERICS

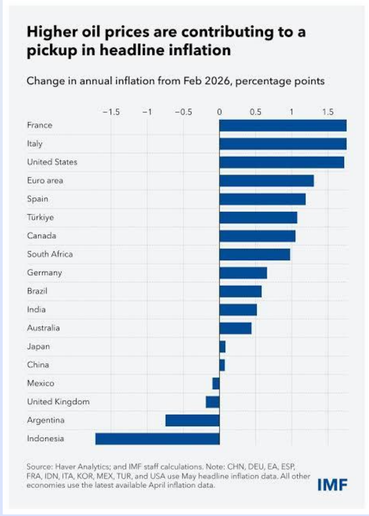
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#3: These effects of these new conditions are globalizing.”

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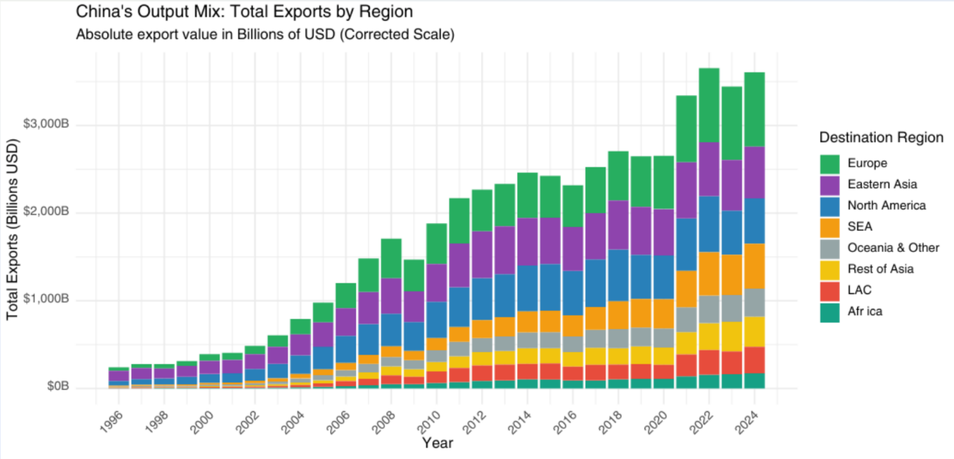

Tariffs and trade policy uncertainty could weigh on both U.S. and global GDP
%-pt change in GDP through 2026
0.0
-0.2
-0.4
-0.6
-0.8
-1.0
-1.2
Tariffs
Trade policy uncertainty
United States
Euro area
China
World
Source: IMF, J.P. Morgan


Higher oil prices are contributing to a pickup in headline inflation
Change in annual inflation from Feb 2026, percentage points
−1.5
−1
−0.5
0
0.5
1
1.5
France
Italy
United States
Euro area
Spain
Türkiye
Canada
South Africa
Germany
Brazil
India
Australia
Japan
China
Mexico
United Kingdom
Argentina
Indonesia
Source: Haver Analytics; and IMF staff calculations. Note: CHN, DEU, EA, ESP, FRA, IDN, ITA, KOR, MEX, TUR, and USA use May headline inflation data. All other economies use the latest available April inflation data.
IMF

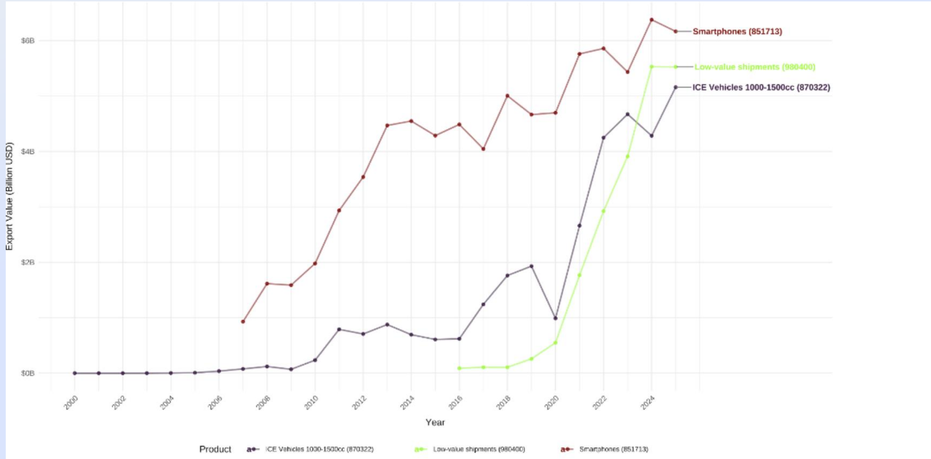
The global effects of China's industrial strategy:

- Exports are surging with few signs of abating; this continues to alarm industrialized countries. Many have already taken measures to address the effects.
- Beijing is deliberately accepting slower growth in exchange for higher-tech dominance.
- Despite deflationary effects at home; the net global effect of China's policy is expanding market share and economic influence.
- Industries, including in Latin America, are being affected unevenly. China's economic impact in the region defies blanket assessment.

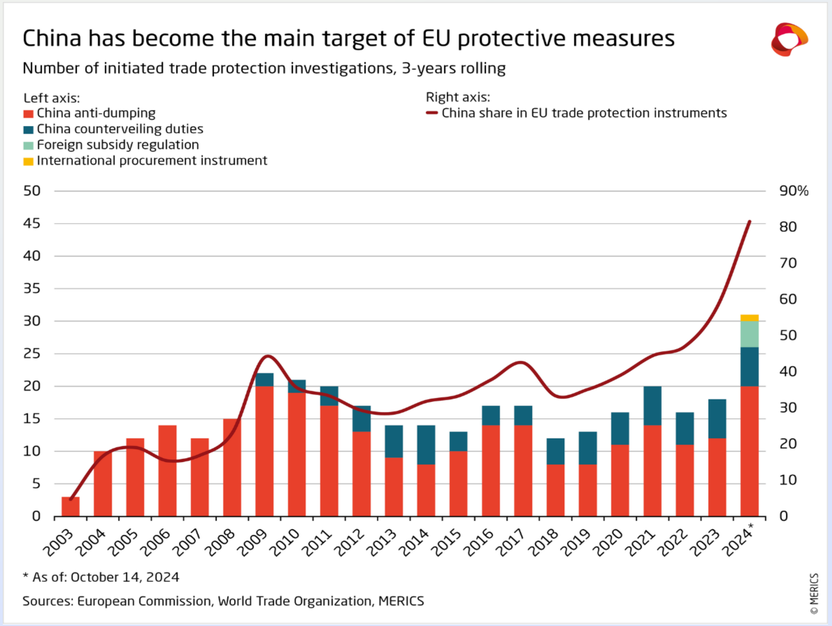
China Total Exports by Destination, 1996-2024 (USD billions)



The Top Three Chinese Export to Latin America and the Caribbean by Value, 2000-2025 (USD billions)



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Country	Year	Action
Mexico	2023	Imposed temporary import tariffs (5%–25%) on 392 HS codes, applying to non-FTA countries and disproportionately affecting Chinese imports.
Mexico	2024	Expanded temporary tariffs to 544 tariff items with rates ranging from 5% to 50%, covering steel, textiles, footwear, plastics, and chemicals.
Mexico	2025	Approved broad tariff increases on thousands of products from non-FTA countries, including autos, steel, plastics, and textiles; China most affected in practice.
Brazil	2025	Initiated an anti-dumping investigation into imports of hot-rolled flat steel products from China.
Colombia	2025	Imposed definitive anti-dumping duties on certain galvanized and galvalume flat-rolled steel products from China for five years.
Colombia	2025	Renewed anti-dumping duties on certain steel profiles imported from China for an additional five-year period.
Chile	2025	Applied provisional anti-dumping tariffs on imports of steel balls and steel bars from China for a six-month period.
Peru	2025	Imposed a provisional anti-dumping duty on certain steel wire rods imported from China, effective mid-2025.
Peru	2025	Terminated the provisional anti-dumping duty on Chinese steel wire rods following the expiration of the temporary measure.

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Recommendations for Argentina

Toward a nuanced approach to international partnership.



The geopolitical risks are greater now than ever, requiring a more scientific approach to trade and investment. Price cannot be the only criteria used to make trade and investment-related decisions.

Stay competitive by pursuing nearshoring opportunities and trade and other diversification strategies.

Study and monitor the strategies employed by other countries across the globe.

Employ early-warning indicators and put rules in place to address any market-distorting practices.

For Argentina, a specific strategy is needed when dealing with China.

Consider applying selective de-risking strategies, as others have—but focused on Argentina's strategic sectors and related value chains.

¡Muchas Gracias!