

Testimony before the U.S.-China Economic and Security Review Commission

Mitch Hayes – Political Risk Advisor & Founder of [The China Signal](#)

May 20, 2021

Hearing on China in Latin America and the Caribbean

Introduction

Good morning and thank you to the Commission for inviting me to testify today. It's an honour. I write a weekly newsletter called [The China Signal](#), which analyses China's growing involvement in Latin America. I have intentionally referred to it as the *China Signal* to present to my readers what is consequential, and what they should be monitoring, against a background of noise.

I see the defining characteristics of the China-Latin America relationship as one of *economic necessity* and *political validation*. From Beijing's perspective, this has long centred on securing traditional natural resources from the region to fuel China's economic growth. This is grounded in the Chinese Communist Party (CCP) retaining political control, which they see to be anchored in providing reliable domestic economic growth, fostering a strong sense of national identity – linked to the identity of the Chinese Communist Party, and providing a relatively comfortable and healthy living environment.

Economic necessity

Beijing's interest in Latin America has been growing since the early 2000s, and particularly since the 2008 global financial crisis. When Beijing looks at Latin America, they have been particularly attracted to the continent's commodities, ranging from Chilean copper; Brazilian grains, beef, and iron ore; and Venezuelan oil.

As the world transitions to cleaner fuels and technologies, China is increasingly looking beyond these traditional commodities to the region's potential in areas such as critical minerals required for electric vehicles. China does have large known reserves of critical and rare earth minerals. Yet extracting these without proper safeguards and environmental regulations can cause heavy environmental damage in the area, and long-term public health consequences for local communities. By partnering with countries rich in these resources such as Argentina, Bolivia, and Chile, they're able to offshore some of that environmental cost, and with it, some domestic political risk.

Political validation

The region serves Beijing's political objectives too. Firstly, as a region beset with high rates of poverty, Latin America is susceptible to the CCP's narrative of economic development. Under certain governments in the region, Beijing's method of promoting economic growth under authoritarian political control is particularly appealing. The attraction of China's political-economic model is enabled by the short history between China and Latin America. With little historical interaction, there is limited first-hand experience of Beijing's economic and political coercion, compared to longer histories elsewhere.

Secondly, Latin America and the Caribbean is home to 9 of the 15 countries that recognise Taiwan at the expense of Beijing. Beijing maintains a long-term interest in reunification with Taiwan, and peeling off Taiwan's diplomatic supporters is key to that. The region, therefore, is highly relevant to those aims.

Latin America's perspective

For Latin America, China serves the region's hunger for economic development, and as an actor to validate and further the region's leaders' own political objectives.

Latin America has a real need for infrastructure. Beijing has shown itself to be a willing investor, independent of whether countries are members of its Belt and Road Initiative. They've also stepped in to meet a demand for urban planning with bus fleets, metro lines, car sharing platforms such as DiDi that compete with Uber, and even controversial "smart city" surveillance technology.

With a growing middle class – prior to the pandemic – the region is an enormous market for Chinese technology and products, much of which is offered at lower price points than U.S. competitors. China has tried to position itself as an alternative funder and provider of technology to the United States. This not only meets growing consumer demand and satiates the region's demand for infrastructure investment, but it creates space for political ends.

For countries such as Argentina, Ecuador, and at a more extreme end Venezuela, engaging with China provides an alternative against what they often portray as an overbearing United States with a checkered regional history. Other countries such as Brazil and Colombia are leveraging China's growing interests in the region against a backdrop of U.S.-China "strategic competition" to bid up assistance and commitments from the United States.

The remainder of this testimony will focus on the impact of the COVID-19 pandemic on China-Latin America relations, with a particular focus on China's diplomacy during this period.

The COVID-19 pandemic

The COVID-19 pandemic hasn't altered the defining characteristics of the China-Latin America relationship, nor Beijing's strategic economic and political objectives. However, the pandemic's deep shock to the region's public health, its economies, and social stability has drastically increased the domestic political pressure on Latin America's leaders for social and economic stability. This stability hinges on the region's ability to arrest the horrific toll of the pandemic on its citizens. Consequently, Beijing's broader strategy hasn't changed, but its tactics have evolved to current macroeconomic conditions in both China and Latin America, to China's maturing economic footprint in the region, and to a more complex geopolitical operating environment.

Broadly speaking, the COVID-19 pandemic is accelerating the region's pre-existing economic trends with China, and normalising Beijing's presence in the region beyond what was previously a narrow trade and investment relationship.

As some of my fellow colleagues testifying today have found through their own excellent research, regional exports to China increased relative to other export destinations in 2020, driven by Beijing's efforts to stimulate its own economic recovery. China's official lending to the region was non-existent in 2020¹, driven by Beijing's domestic economic focus, coupled with poor local economic conditions and supply chain disruptions in Latin America. Although Beijing's official lending is expected to rebound, 2020 appears to signal a maturation of China's presence in Latin America, as China's specialised regional funds, commercial lenders, and co-financing arrangements evolve to supply capital.²

Yet China's regional diplomacy accelerated in response to the pandemic via a blend of private actors with a regional presence, and the Chinese state. I will focus on China's pandemic diplomacy for the remainder of my testimony.

¹ [China-Latin America Economic Bulletin, 2021 | Global Development Policy Center – February 22, 2021](#)

² [Shifting Gears: Chinese Finance in LAC, 2020 - The Dialogue – February 22, 2021](#)

China's COVID-19 diplomacy

China's COVID-19 diplomacy can be divided into three phases. Initially it was "mask diplomacy" triggered by an urgency to defend Beijing's deteriorating reputation, followed by "vaccine diplomacy", characterised by agile opportunism. Currently, we are seeing the beginning of a third phase, with efforts to consolidate vaccine relationships and production in the region, as COVID-19 slowly evolves from a public health crisis to a manageable burden.

The evolving objectives of Beijing's COVID-19 diplomacy in the region can be characterised as follows:

- Generate favourable views of China's leadership in fighting the pandemic, both to Latin American governments and their citizens
- Leverage the health emergency of the pandemic to cement commercial relationships between Chinese pharmaceutical companies and local pharmaceutical firms, manufacturers, and distributors that can evolve to broader commercial activities
- Increase scientific collaboration amongst the region's academic and scientific communities for ongoing research and development
- Normalise China's presence in Latin American society beyond trade and investment
- Note supply chain dependencies between China and their Latin American partners for vaccine inputs, using it as a punitive "sharp power" tool if necessary
- Opportunistically advance Beijing's broader foreign policy objectives, such as fostering domestic political pressure on Taiwan's regional allies to form a closer relationship with Beijing

As some select examples demonstrate in the following sections, Beijing's methods to achieve this are largely opportunistic, and are equally driven by growing outreach from Latin American leaders as it is from China's approaches. In cohort with Beijing, the blend of state-owned enterprises and Chinese private firms conscious of Beijing's attention add a layer of distance and "plausible deniability" to some of Beijing's sharper objectives.

Phase I: "Mask diplomacy"

China's initial response to the pandemic in the region was to provide Personal Protective Equipment, nicknamed by the media as "mask diplomacy". This was driven partly by Beijing, China's provincial governments, Chinese businesses

with commercial interests in the region, universities and foundations. As my fellow panellist Francisco Urdinez notes in his research³, the channels of China's mask diplomacy in the region varied greatly, correlating with the depth of China's political relationship, commercial presence, university and people-to-people ties.

These efforts can be characterised as an exercise of "soft power diplomacy", where Chinese diplomats and businesses staged donation ceremonies, and rarely missed a photo opportunity with local officials receiving donations. However, Beijing's efforts were largely a defensive response to their damaged reputation through the region. Many people I spoke to in the region during this period lamented Beijing's tardy response in controlling the virus within China, and their reluctance to notify international authorities of the initial outbreak in a timely manner. This form of public diplomacy is "damage control", and not necessarily reputation building.

Phase II – "Vaccine diplomacy"

By mid 2020, China's pandemic engagement with the region began to evolve to vaccine provision. As one of the first vaccines available at scale, China's Sinovac, Sinopharm and CanSino vaccines were in high demand, alongside direct offers from western and Russian pharmaceutical firms, and vaccines through the World Health Organisation's Covax mechanism.⁴

A number of factors saw China's vaccines dominate Latin America's inoculation drive in the first months of 2021. This includes a longer than anticipated delivery of vaccines through the Covax program, the United States' decision not to export vaccines to the region (with the exception of Mexico), uncertainty over the side-effects of the AstraZeneca vaccine, and a growing network effect through the region as political pressure for *any* vaccine escalated, and connections and understanding of procuring Chinese vaccines grew.

³ [China's Improvised Mask Diplomacy in Chile - Carnegie Endowment for International Peace – April 6, 2021](#)

⁴ [Timeline: Tracking Latin America's Road to Vaccination | AS/COA – May 17, 2021](#)

Select examples of China's strategic successes

Colombia – leveraging U.S.-China strategic competition to pursue their own objectives

Despite Colombia's strong relationship with the United States, steps to secure the perceived benefits of deeper engagement with China are being taken at their face value, and as a signal to the United States for greater attention. Under a crushing pandemic toll and rising social and political pressure, the Colombian government's actions aren't driven by ideology, but as a rational response to their immediate needs and interests.

Following a phone call on February 25⁵ between President Xi Jinping and President Iván Duque when additional shipments of Sinovac vaccines were secured, Colombia's Ambassador to the United Nations in Geneva Alicia Arango caught the attention of observers for praising Beijing's human rights record.⁶ Ambassador Arango's comments were made on March 15 during a meeting of the United Nations Human Rights Council. On March 20 following the arrival of the third batch of Sinovac vaccines, President Duque allowed President Xi Jinping to deliver a recorded address to the Colombian people⁷, shown on news networks and promoted through President Duque's social media channels.

These actions, taken by one of the United States' strongest partners in the region reflects three things:

1. Material necessities and political self-interests trump preferences, especially in a pandemic environment. Colombian President Iván Duque was under significant political pressure to procure vaccines earlier this year, as it became apparent that the WHO's Covax vaccine program was moving slowly, putting Colombia well behind the region's vaccine roll-out. China was available to provide vaccines quickly.
2. While the U.S.-Colombia relationship isn't in doubt, it is undergoing a frosty patch in the first months of the Biden Administration, following perceptions that the Duque Administration overtly campaigned in favour of Donald Trump's re-election in the 2020 presidential elections.

⁵ [Xi Jinping Speaks with Colombian President Ivan Duque on the Phone – February 25, 2021](#)

⁶ [Colombia aplaude los avances en derechos humanos de China - Gobierno - Política - ELTIEMPO.COM – March 24, 2021](#)

⁷ [Xi Jinping Delivers Video Speech to Colombian People – March 21, 2021](#)

3. Despite the strong Colombia-U.S. bi-lateral history, even Colombia is following a rational hedging strategy, playing the U.S.-China rivalry to get what the country needs. The most pressing priority remains securing a rapid and adequate supplies of vaccines, but in the medium term it will increasingly transition to foreign investment to drive economic development.

Brazil – the allure of vaccines weighs on domestic politics

The unconventional steps Brazil's Bolsonaro administration took to secure Chinese vaccines demonstrates the creativity and desperation present in many Latin American countries. The government's reversal of 5G auction regulations to allow Huawei's participation shortly after the successful procurement of Chinese vaccines shows a willingness of Latin American governments to make concessions in Beijing's favour.

According to reporting from the New York Times⁸, Brazil's communications minister Fábio Faria met with Huawei executives in Beijing in February. At that meeting, he asked Huawei executives for assistance in procuring vaccines. Two weeks later, Brazilian authorities announced 5G auction rules, reversing their initial suggestions that Huawei would be barred from participating. With the 5G auction scheduled to occur in June, this doesn't guarantee Huawei's participation in the network. And while it's difficult to ascertain whether these actions were prompted by the Bolsonaro government at their own volition, or at the request of Beijing, it does indicate a willingness of the Brazilian authorities to adjust to Beijing's favour.

Uruguay - Leveraging connections with Sinovac to facilitate vaccines for the Copa América for football tournament

As China's vaccines became more widespread through the region, understanding of their procurement, and the personal networks needed for this began to spread. A prime example of this is the procurement of Sinovac vaccines for CONMEBOL, South America's football federation. With their regional "Copa América" football tournament due to occur this coming June in Colombia and Argentina, the tournament's viability was plagued by the pandemic's

⁸ [Brazil Needs Coronavirus Vaccines. China Is Benefiting. - The New York Times – March 15, 2021](#)

uncertainty. According to media reports, introductions to Sinovac representatives via China's ambassador to Uruguay were made following a call between CONMEBOL head Alejandro Dominguez and Uruguay's President Louise Lacalle.⁹ Shortly afterwards, Sinovac announced a donation of 50,000 vaccine doses to CONMEBOL for distribution to the tournament's participating football teams.

Brazil – China's soft power with sharp edges

While Beijing has made efforts to further its vaccine diplomacy objectives through a narrative of soft power, when faced with criticism, its approach has rapidly hardened. Brazil was recently the recipient of this approach, following critical remarks from Brazil's President Jair Bolsonaro and his economic minister Paulo Guedes. In the following days, Sao Paulo's Butantan Institute was forced to slow its production of Sinovac vaccines, due to an apparent delay in supply of raw ingredients from China. According to media reports¹⁰, the Institute's director believes the delay isn't due to production constraints, but state-sanctioned retaliation through Sinovac in response to Bolsonaro and Guedes' comments. Given these actions were channelled through Sinovac, Beijing has officially maintained distance from the matter, providing them with plausible deniability.

Paraguay, Honduras, Guyana – coercion and opportunism over Taiwan

The prospect of Chinese vaccines is also being used to build political pressure on countries who recognise Taiwan. In April, Paraguayan officials claimed to have been approached by Beijing with an offer of vaccines, with a tacit understanding that they sever their diplomatic relationship with Taiwan.¹¹ In response, Taiwan subsequently secured an initial shipment of 100,000 vaccine doses from India, with another 100,000 reportedly in process.¹²

More recently, Honduras indicated a willingness to deepen their diplomatic engagement with Beijing in exchange for vaccines. To reaffirm the urgency the Honduran government has for vaccines against a growing diplomatic

⁹ [Conmebol agradeció a Lacalle Pou, Delgado, Bauzá y Alonso por donación de vacunas | Diario La República – April 14, 2021](#)

¹⁰ [Brazil's Butantan expects less COVID-19 vaccine input from China | Reuters – May 6, 2021](#)

¹¹ [Paraguay Says Offers of Chinese Vaccine Tied to Dumping Taiwan - Bloomberg – March 24, 2021](#)

¹² [Taiwan says India helped Paraguay get vaccines after China pressure | Reuters – April 7, 2021](#)

agnosticism, Honduras' president also called on Taiwan to pressure the United States for vaccines.¹³

Conversely, efforts in Guyana to allow Taiwan to establish a diplomatic office in country in early February were swiftly condemned by Beijing, who Guyana maintains diplomatic relations with. The office would have stopped short of establishing diplomatic ties with Taiwan, however the Guyanese government swiftly reversed their position upon Beijing's criticism. In the following weeks, Georgetown received 20,000 doses of the Sinopharm vaccine, President's Xi Jinping and his Guyanese counterpart Irfaan Ali exchanged a phone call, and President Ali reiterated his country's commitment to the one-China policy.¹⁴

The China-Latin America vaccine relationship is a dynamic interaction of the region's acute public health and political pressures, and Beijing's diplomatic opportunism

These examples underscore the caution in assuming China's vaccine diplomacy as purely a top-down directive from Beijing, as part of a broader "grand plan". The success of China's vaccines in Latin America are more the result of pragmatism and opportunism, where domestic political motives in the region are just as significant as Beijing's. It's crucial to keep in mind the severe need for vaccines in the region, that Latin America's political leaders are facing a lot of pressure to secure supply for their citizens, and that in Latin America, Beijing has been the most willing and agile provider.

Combined, these factors contributed to an improved perception of China in the region, which helped normalise China's presence in the region beyond trade and investment. In this sense, it's best to view Beijing's soft power in the region as "iterative", reverberating off the region's material needs. Deeper engagement with Beijing may not have been the preference of many of Latin America's leaders. However, the circumstances of the pandemic left them with few alternatives. Having received and utilised their vaccines, concerns over the efficacy of their vaccines have somewhat subsided, and appreciation for their availability grew.

¹³ [Honduran president, in diplomatic shift, says he may open China office | Reuters – May 11, 2021](#)

¹⁴ [Lessons from Paraguay and Guyana's brushes with Chinese vaccine diplomacy – May 11, 2021](#)

Phase III – Efforts to consolidate

Beijing's perceived gains from "vaccine diplomacy" are not irreversible. Their improved public perception, nascent commercial and scientific relationships, and the normalisation of their presence depends on a number of factors:

- Beijing's ability to secure long-term vaccine production contracts as COVID-19 transitions from a public health emergency to longer term management
- The perceived success of countries in region who rely heavily on Chinese vaccines
- Perceptions of the evolving efficacy of Chinese vaccines – against available alternatives
- The ongoing risk of scandals and misuse involving Chinese vaccines

Beijing's ability to secure long-term vaccine production contracts

From Beijing's perspective, it appears both Sinopharm and Sinovac are seeking to consolidate and expand their productive capacity in the region. Currently, Brazil's Butantan Institute produces Sinovac vaccines as part of a collaboration between the two. However as discussed above, Sinovac's supply of raw materials to Butantan is evidently exposed to diplomatic rifts and punitive actions from Beijing.

In Argentina, discussions are underway between the Argentine government, the Chinese Embassy, and Sinopharm to determine local manufacturers of the vaccine, after an agreement for domestic production of the vaccine was recently reached.¹⁵ Similarly, Sinovac is said to be exploring domestic production in Chile via a partnership with the Pontifical Catholic University. Foreshadowing Beijing's broader objectives of increased scientific collaboration, the university's Rector Ignacio Sánchez indicated to the media that the collaboration would likely also include local production of Sinovac's influenza and hepatitis vaccines.¹⁶ According to media reports, the Chilean government currently has an arrangement to receive 20 million doses of the Sinovac vaccine per year, for the following three years.¹⁷

¹⁵ [Quiénes fabricarían la vacuna china Sinopharm en la Argentina tras el acuerdo | Perfil – May 5, 2021](#)

¹⁶ [Chinese vaccine developer eyes production in Chile — MercoPress – May 5, 2021](#)

¹⁷ [Vacunas sinovac, nueva apuesta del 'soft power' de China | Internacional | Portafolio – March 23, 2021](#)

It's uncertain whether vaccine inputs will be sourced locally under these proposals, or via Beijing. The latter would still expose Argentina and Chile to supply disruptions should Beijing need to re-prioritise vaccine production and inoculation of their own citizens, which is a growing priority. Although it's unclear whether it's intentional or not, China's ongoing control of vaccine inputs for Butantan's Sinovac vaccine production does provide Beijing with a sharp tool for political coercion to shape Brazil's China relationship.

The ongoing efficacy of Beijing's vaccines, and the perceived success of vaccine campaigns using these vaccines

Looking ahead, the success of Beijing's vaccine diplomacy in Latin America will depend on the perceived success of inoculation campaigns of those countries who rely heavily on these vaccines, such as Brazil and Chile. The perceived success of these campaigns depends largely on these government's effective use of resources, health care infrastructure, and clear and consistent messaging. However, the success of these campaigns in actually reducing COVID-19 cases is also a function of the effectiveness of the vaccines that they're using. With the current efficacy of the Sinovac, Sinopharm and CanSino vaccines, vaccination rates must be higher than vaccines with greater efficacy to achieve "herd immunity". In other words, in a continent with varied health infrastructure, the threshold to pandemic recovery is even higher. For those countries where Chinese vaccines have taken a high-profile role, any shortcomings or perceived failures could negatively impact the perception of Chinese vaccines.

However, the efficacy of China's vaccines will continue to evolve. For example, Chinese state media reported Phase III clinical trials were due to begin in Latin America and other regions in May 2021 for a mRNA vaccine developed by Suzhou Abogen Biosciences.¹⁸ Its founder claims his firm will have a production capacity of 120 million doses by year's end. Such mRNA vaccines are typically more effective, although they often require more stringent temperature controls, complicating their distribution. Suzhou Abogen Biosciences claims its vaccine won't require the same stringent temperature controls as its Pfizer-BioNTech and Moderna counterparts.

The risk of scandals and misuse involving Chinese vaccines

Vaccines of Chinese origin will always remain exposed to negative perception from any local scandals or misuse. The risks of negative publicity apply for any

¹⁸ [China's first mRNA vaccine expected to enter Phase III trials in LatAm, paves way for mixed jabs against variants - Global Times – April 13, 2021](#)

vaccine provider – as AstraZeneca has learnt – however an undercurrent of negative perceptions of China in Latin America suggest the downside of scandals involving their vaccines could be greater.

Sinopharm experienced this first-hand in March 2021, after being found to have sent “VIP” vaccines and gifts to Peru’s Ministry of Health, in what was dubbed by Peruvian media as the “vacunagate” scandal. According to media reports¹⁹, Sinopharm sent the Peruvian government an additional batch of vaccines outside of those sent as part of experimental Phase III trials. These “VIP” vaccines were then administered to then President Martín Vizcarra and other elites, alongside the Peruvian government’s vaccine negotiators. While negotiations were still underway, the Peruvian government received over \$860,000 in medical supplies from Sinopharm. After Peru’s Minister of Health initially announced an agreement with Pfizer in December 2020, the agreement fell apart. On January 7, President Francisco Sagasti announced an agreement with Sinopharm for 38 million doses.

Concluding thoughts on China’s vaccine diplomacy

The efficacy of China’s vaccines against Western alternatives has been widely discussed. Yet despite being substantially less effective than other vaccines produced in the United States and Europe, it’s important to remember that Latin America’s leaders have had few alternative options in a reasonable time frame. In the United States, we may criticise the effectiveness of Chinese vaccines against American vaccines, but from a Latin American government’s perspective, the efficacy of Chinese vaccines is still greater than no vaccines at all.

Yet despite the reduced effectiveness of China’s vaccines, Beijing has thus far enjoyed a first mover advantage in the region by reacting to high demand from Latin American governments. As the first wave of vaccine shipments arrived, interest and demand from other countries grew, facilitated by a growing network between the region’s leaders, Chinese diplomats, Chinese pharmaceutical firms, and an improved understanding of the procurement process. Rather than being directed as a grand strategy from Beijing, China’s current share of the Latin American vaccine roll out is demand-driven, supplied

¹⁹ [Sinopharm envió a Perú vacunas VIP y regalos para el Ministerio de Salud | Internacional | EL PAÍS - March 1, 2021](#)

by responsive Chinese pharmaceutical firms, and eagerly facilitated by Chinese government officials.

Despite its success so far, China's vaccine diplomacy hinges on Beijing's ability to secure domestic supply relationships, to improve their vaccines' effectiveness as more American and European vaccines become available in the region, all while countering their reputational risk exposure to local scandals and mismanaged vaccine distributions.

Recommendations

In order to counter the malign aspects of China's COVID-19 diplomacy, I make the following recommendations:

- As soon as possible, release surplus vaccines held by the United States for distribution throughout Latin America.
- Proceed in the United States' support for the World Trade Organization to temporarily waive intellectual property rights to COVID-19 vaccines. This wouldn't result in an immediate boost in vaccine supply, but it would neutralise the geopolitical objectives of Beijing's vaccine diplomacy in the medium term.
- Empower United States embassies in conjunction with the U.S. Commercial Service to broker and deepen relationships between U.S. pharmaceutical and health care firms and pharmaceutical firms and manufacturers in the region.
- Make U.S. aid more tangible, and heavily promote success stories. Focusing on "technical assistance" is valid and has its place, but it rarely receives prominent recognition and the soft power benefits that higher profile projects do. Competing with Beijing on higher profile projects of vaccines and infrastructure will contrast the difference in governance and quality that are the hallmark of U.S. development aid.
- Support U.S. financial and tech companies to enter Latin America, to facilitate private capital and American entrepreneurialism to the region. Infrastructure projects will form a vital part of the economic stimulus to fuel the region's economic recovery. U.S. capital from traditional banks can play a significant role in financing these projects. The U.S. Government should also facilitate American venture capitalists to invest more in Latin American tech ventures, who are most attuned to the enormous commercial potential of Latin America's middle class.
- Liberalise U.S. visa rules, so that more of Latin America's middle class can visit the United States as tourists (including trips to the United States for

“vaccine tourism”) or on temporary work visas. This promotes the United States as a welcoming, open, attractive partner and destination for Latin Americans.

- Sponsor and promote investigative journalism that highlights Beijing’s malign influence in the region. This report has detailed numerous examples of Beijing’s coercion and substandard practices. These and others should be highlighted via local media in the region. However, *this will only be effective* if the United States Government is supplying vaccines, investment and economic development, as detailed in the above recommendations.

Conclusion

Aspects of China’s COVID-19 diplomacy in Latin America are prime examples of “grey zone” economic and political diplomacy, characterised by public utility at face value, but grounded in deeper strategic opportunism. At the United States’ southern doorstep, Beijing is acutely aware of American sensitivities to overt military activity in the region in an era of U.S.-China strategic competition. This is precisely why the United States Congress should be cognizant of China’s regional COVID-19 diplomacy, and creative in countering it in a positive fashion, by leveraging the magnetic attraction to the United States’ open culture, transparent and entrepreneurial business dynamic, and responsible global leadership.