

## **Director Zhou's Address to the World Economic Forum on Latin America**

Firstly I am greatly honored to have been invited here by the organizing committee to the World Economic Forum on Latin America as co-chairman. Here I want to discuss the developing trend of the world and some problems confronting us with all the guests from different countries. While sharing with you the experience of China's fast and lasting economic development and the business operation of China Minmetals Corporation in recent years, I hope we can all hold a high expectation of the developing relationship between China and Latin America.

According to the predictions of the United Nations Economic Committee for Latin America and the International Monetary Fund, in 2006 the economic growth rate in Latin America is 5% and 4.8% respectively. It not only indicates that Latin America has kept four years of high growth, but also shows that the GDP in Latin America from 2003 to 2006 has increased by 17.6% with an average annual growth rate of 4.3%, and the average per capita GDP has increased by 12 % with an average annual growth rate of 2.8%. This achievement has been made for the second time in the past 25 years.

Since 1990s, China has made great stride in its total economic strength and per capita GDP with an average annual growth rate of 9%. In 2006, China's GDP exceeds 2,094 billion Yuan, scoring an increase of 10.7%. The Chinese government has expressly proposed in the Eleventh Five-year Plan that China aims to double the per capita GDP for the year 2000 within five years and quadruple it in 2020.

China's great change from a poor country into a rich one has aroused a "passion for China" in Latin America. At the same time, China's rapid economic development has enabled China to expand the market in Latin America. In recent years, the relationship between China and Latin American countries has been greatly promoted. According to the customs statistics, the trade volume between China and Latin America was 2.29

billion dollars in 1990, and this figure has increased by 26 times within 15 year and exceeds 60 billion dollars in 2006.

The fast development of China's economy has resulted in a great demand for fuels, and the Latin American countries possess abundant natural resources. Besides forests, this area is rich in mineral resources with deposits of some minerals ranking among the first in the world.

For example, the "Bird's Nest" being erected in China for the 2008 Olympics is a stadium under construction, and its steel structural elements interweave into a grid-like formation like a bird's nest. During its construction, 42,000 tons of steel has been used, most of which may be smelted from iron ores exported by Brazil.

Together with the developing economic and political relationship between China and Latin American countries, main suppliers of steel, metal, and oil in China now flock across the Pacific Ocean into Latin America, among which is China Minmetals Corporation.

Established in 1950, China Minmetals Corporation is the biggest multi-national enterprise group in China specializing in exploration, smelting, production and distribution of basic metals and large volume of raw materials. In recent years, to adapt to the trend of economic globalization and grasp the opportunity of the expansion of the international mineral market, we put forward a plan to build a multi-national metal & mineral corporation with international competitiveness, and has been dedicated to becoming an enterprise capable of exploration of rare resources, production of important metals, and supply of comprehensive services. And we have made great progress in the aspects of completing the industry chain, grasping critical resources, perfecting sales network, providing value-added services, and conducting strategic transformation.

Recently China Minmetals Corporation has strengthened the economic cooperation with Latin America. Besides traditional trade, we have successfully exported sets of metal smelting equipment to Gerdau Acominas Steel Plant in Brazil with a contract worth of 200 million dollars to help the Brazilian steel plant to implement technology innovation. At the same time, we have signed an agreement with Chili National Copper Corporation to invest 550 million dollars to jointly explore the copper resources. We have also cooperated with Bolivia, Venezuela, Jamaica in mineral business and has become an important economic link between China and Latin America.

China and the Latin American countries are all developing countries, and to realize sustainable growth is our common task. In the recent decades, both China and Latin American countries have accumulated quite a lot experience and lessons on how to sustain the growth. Through the World Economic Forum on Latin America, we can summarize the past, exchange our experience, and learn from each other, which is surely beneficial for us to overcome great challenges in pursuing a sustainable growth and bring fortune to our people. After the “election year” in Latin America in 2006, we are now facing a new situation, and I believe there will be a great progress in the relationship between China and Latin American countries.