

## **Xinhua Insight: China, Latin America solidify cooperation with premier's visit**

BEIJING, May 19 (Xinhua) -- Chinese Premier Li Keqiang's visit to Latin America, highly anticipated for a raft of business deals, is expected to put China's cooperation with the region on firm footing.

Li, making his first Latin America visit since taking office as premier, arrived in Brasilia on Monday for the first leg of his four-nation tour that will also take him to Colombia, Peru and Chile through May 26.

The four countries are China's closest economic and trade partners in Latin America, accounting for 57 percent of China's total trade with the region in 2014. Brazil is China's largest trading partner in Latin America. Chile and Peru have free trade pacts with China while Colombia and China are also looking at reaching an agreement.

During Li's visit, analysts predict China will sign wide-ranging agreements in trade, finance, energy, science and technology, agriculture, and manufacturing with the four nations.

Cooperation in these fields will enrich China's economic and trade ties with Latin America, which in the past have focused on mineral resources, bulk commodities and farm produce, according to analysts.

China's Ministry of Foreign Affairs revealed that one of Li's key agenda items for this visit is to deepen industrial cooperation. Infrastructure and free trade zone construction, economic and technological cooperation, human resources training and financial support will also be discussed by Li and local leaders.

Industrial cooperation has become a new growth engine for China and Latin America. The value of China's contracts in the region, including projects in natural gas, pipelines, power plants, roads, sea ports, housing, telecommunications and railways, topped 110 billion U.S. dollars as of the end of 2014, official data showed.

Wang Zhen, former ambassador to Uruguay and Venezuela told Xinhua that China-built water pipes, railways, bridges, and irrigation facilities have benefited Venezuela. Valdemar Carneiro Leao, Brazilian ambassador to China, said the Brazilian government appreciates China's investment in the country and looks forward to more Chinese investment projects that combine both construction and services.

During Li's visit, China, Brazil, and Peru are expected to sign an agreement on feasibility research for a 4,000-km-long railway linking Brazil's Atlantic coast to Peru's Pacific coast.

The three countries first revealed the project in July last year when Chinese President Xi Jinping made his second visit to Latin America since taking office in 2013.

"The railway link will be a significant deal between China, Brazil and Peru in that it will boost local economic development, improve infrastructure, and also benefit China-LatinAmerica trade. China hopes the project will progress based on the feasibility study," Tong said.

The Chinese government has been promoting industrial and equipment cooperation with overseas markets as it seeks to upgrade its industries and bolster a slowing economy.

Over the weekend, the government named more than a dozen priority sectors targeted for strengthened cooperation, including steel, construction, non-ferrous metals, railways, electric power, chemicals, textiles, automobiles, telecommunications, machinery, aviation and aerospace, ship building, and maritime engineering.

China is taking into account other countries' actual needs and concerns while advancing industrial cooperation, according to analysts.

Chen Fengying, a researcher at the China Institute of Contemporary International Relations, said Chinese technology and equipment will boost Latin America's industrial upgrades in sectors such as manufacturing, e-commerce, industrial park construction, and high-speed rail.

Cooperation in these areas is expected to strengthen bilateral ties as China and the Latin American and Caribbean countries aim to double trade to 500 billion U.S. dollars annually in ten years.

Bilateral trade in 2014 stood at 263.6 billion U.S. dollars, up 0.8 percent year on year, Ministry of Commerce data showed.

China and Brazil's roles in emerging institutions such as the Asian Infrastructure Investment Bank and the BRICS Development Bank have indicated increasing interest in cooperation.

In the latest gesture toward pragmatic cooperation in infrastructure projects and trade, the China Development Bank has set up a targeted loan worth 20 billion U.S. dollars to support Chinese companies' infrastructure projects in Latin America. The Export-Import Bank of China has also offered 10 billion U.S. dollars of preferential loans to Latin American nations to boost trade with China.