

## **Spotlight: Chinese premier's visit to LatAm to enhance capacity cooperation**

BEIJING, May 17 (Xinhua) -- Chinese Premier Li Keqiang will pay an official visit to Brazil, Colombia, Peru and Chile on May 18-26, aiming to boost traditional friendship, and economic and trade cooperation between China and Latin America.

The visit, China's another significant diplomatic action after Chinese President Xi Jinping's Latin America tour last year, is to promote bilateral industrial capacity cooperation, enhance political trust, and deepen cultural and people-to-people exchanges, among others.

Cooperation in finance, technology, aerospace, infrastructure and other emerging sectors is expected to be highlighted during Li's visit, beyond the traditional spheres of cooperation such as mineral resources, energy and agriculture.

"China and Latin America cooperated mainly in mineral resources, commodities and agricultural products in the past, but with China's economic restructuring, the situation would change, which is conducive to balancing the bilateral economic and trade development," said Xu Shicheng, a senior researcher on Latin America with the Chinese Academy of Social Sciences.

To enhance industrial capacity cooperation mainly involves moving production lines from one country to another or setting up factories and industrial parks with local partners, employing mainly local people.

China is committed to diversifying and optimizing the structure of trade with Latin American countries with a goal to export advanced equipment and technology and import more high value-added products.

Jorge Castro, director of the Strategic Planning Institute and an expert on Sino-Argentine ties, said earlier that Chinese investment in Latin America's manufacturing industry has already begun to increase.

In Brazil, for example, China has invested more than 10 billion U.S. dollars in the sector, he said.

As one of China's biggest train makers, China CNR Corporation Ltd. started market survey in Latin America in 2004, and has secured orders for 100 electric multiple units (EMU), a type of intercity high-speed train, and 34 subway trains for Rio over the past six years.

Among many Chinese companies that have interest in the Brazilian market, BYD, a Chinese electric vehicle and solar panel manufacturer, is set to enter the electric bus market.

In fact, the industrial capacity cooperation, from Rio subway serving the Olympics to ultra-high voltage power transmission program, from hydropower stations to railways along the Pacific and the Atlantic, has already become a new growth point of Sino-Latin American cooperation.

During his visit, Li is expected to ride the Rio subway to experience the Chinese-exported product and visit an expo on Chinese equipment manufacturing industry, among other activities.

Li's visit is also aimed at augmenting economic complementarity with Brazil, Colombia, Peru and Chile, which are important countries in Latin America and major economic trade partners of China in the region.

China is committed to expanding and deepening all-round cooperation with these countries and building China-Latin America community of common destiny.

Since the 2008 financial crisis, Latin America has met some obstacles in economic growth. It is now pressing ahead with industrial adjustments, but faces major challenges in funds, technology and experience.

As China, which owns these resources, has entered a more advanced stage of industrialization under the "new normal," it has found complementarity with Latin American countries.

Such cooperation is a win-win scenario. Latin America needs China's advanced and practical equipment and reliable industrial capacity to promote its infrastructure construction at the present stage, providing China a new driving force.

"For Latin American countries, the entrance of China's high quality equipment and technology with competitive price could help drive their economies and upgrade the industries," said Chen Fengying, a researcher with the China Institute of Contemporary International Relations.

The two sides enjoy great cooperation potential in infrastructure construction, especially in high speed railway, manufacturing industry, electronic business and industrial park construction, she said.

On the other hand, the experience China has gathered in the management of inequality and economic diversification is useful to Latin American countries and can be applied in their development, said Mario Pezzini, director of the the OECD (Organisation for Economic Co-operation and Development) Development Centre.

Such industrial capacity cooperation is widely welcomed by many countries. A recent example is that during Kazakh Prime Minister Karim Masimov's China visit in March, China and Kazakhstan signed 33 deals on industrial capacity cooperation worth 23.6 billion dollars.