

Diversifying exports key to China-LatAm trade ties: ECLAC chief

by Xinhua Writers Ye Shuhong, Zhu Qingxiang

BUENOS AIRES, May 27 (Xinhua) -- A new stage in the development of China-Latin America ties has been reached thanks to Chinese Premier Li Keqiang's just-concluded tour of Latin America, with agreements between both countries to join efforts towards common economic growth.

The tour, which took Li to Brazil, Colombia, Peru and Chile, took place at a time when both sides are undergoing a transformation in their economies.

Highlighting industrial capacity cooperation with a focus on logistics, electricity and IT industries, China's commitments dovetail with Latin America's regional development.

Entrepreneurs here believe that China, in restructuring its economy, will find a suitable outlet in Latin America for its overcapacity and rising outward investment. Meanwhile, Latin America is in pressing need of capital and technology to expand its infrastructure, improve its manufacturing capabilities and reduce its heavy dependence on the export of raw materials to maintain its economic growth and sustainable development.

Alicia Barcena, executive secretary of the Economic Commission for Latin America and the Caribbean (ECLAC), noted that the two sides also strongly "complement each other in resources and industrial structure."

She said that a new strategy with new points of growth provides new opportunities for both sides' common development.

She listed infrastructure, automobiles and household appliances among promising sectors for cooperation, with enhanced quality, diversity and output of Latin American products and lowered prices resulting from the synergy between China and Latin America.

Jorge Castro, head of Argentina's Strategic Planning Institute, expected that the industrial capacity cooperation would extend to his country.

He also suggested China set up manufacturing bases in Latin America supported by local resources, industrial systems in countries such as Brazil and Argentina, and an easy access to regional markets, in further using its industrial capacity.

Production capacity cooperation with China, which is now Latin America's second largest trading partner and third largest investor, would "render Latin American exports more value-added, and regional industrialization more rapid," said Matias Carugati, chief economist at the Argentine consulting firm Management & Fit.

From an even broader perspective, China-Latin America cooperation on a new course represents the trend of "a multicentric economic world," as specified by the American couple, authors and futurists John and Doris Naisbitt in their book "Global Game Change: How the Global Southern Belt will Reshape Our World."

In sum, the presence of Chinese investment and technology is being strengthened in Latin America at an opportune time, leading to Latin America's greater involvement in redefining the global value chain.