

**Xinhua. 2006. "China, Chile set up joint venture to mine copper". Xinhua, February 23**

BEIJING, Feb. 22 (Xinhua) -- China Minmetals Corporation and Nacional del Cobre de Chile (Codelco) signed a 2 billion U.S. dollar deal on Wednesday on a joint venture to mine copper resources in Chile.

The deal represents the first major copper mining project between firms from China, the world's biggest copper consumer, and Chile, the world's No. 1 copper producer.

According to the deal, the first-phase of investment in the project involves 550 million dollars, and the total investment will reach 2 billion dollars in the final phase of the cooperation.

Among those attending the signing ceremony at the Great Hall of the People in downtown Beijing were Zhou Zhongshu, president of China Minmetals, Juan Villarzu, president of Codelco, and Chen Yuan, president of the China Development Bank.

Codelco, the world's largest copper producer, will provide, through the joint venture, 836,250 tons of copper to China Minmetals Non-ferrous Metals Co., which is controlled by China Minmetals, in the coming 15 years.

Accordingly, China Minmetals has the right to buy, in around 2009, a 25 percent stake in GABY, a copper mine newly exploited by Codelco.

The joint venture, known as Copper Partners Investment Co. (CuPIC), will be split down the middle.

CuPIC will buy copper from Codelco under a long term supply contract in 55,750 tons of copper cathodes per year for the next 15 years, according to a statement.

CuPIC will pay Codelco 550 million U.S. dollars up-front and has agreed to pay towards shipments during the contract, says the statement.

"CuPIC will sell the copper to Minmetals, at market prices, under a long term sale agreement," it reads.

The China Development Bank will provide a loan of 330 million U.S. dollars for a term of 11 years for the initial phase of the cooperation.

Zhou Zhongshu, president of China Minmetals Non-ferrous Metals Co., said his company and Codelco enjoy a history of long-term

cooperation, and the deal has brought the two companies closer still.

He said the deal will have a positive impact on economic and trade cooperation between the corporate worlds of the two countries, and promote political and economic ties between the two countries.

Juan Villarzu, president of Codelco, said a stable supply of refined copper to the Chinese market will help his company lower production costs and increase investment in technological innovation.

It is evident that the two parties complement each other and the choice of the Chinese partner will bring both technology and capital with no competition risks, said the president.

Codelco, the world's biggest copper producer and the biggest state-owned firm in Chile, produced 1.724 million tons of copper last year, 11 percent of the world's total.

China Minmetals Corp, China's biggest metal and mineral product giant, registered a total of 17.78 billion U.S. dollars in business volume in 2005.

The deal reflects an understanding reached in 2004 by the leaders of China and Chile. Chinese President Hu Jintao and Chilean President Ricardo Lagos signed an agreement for the project on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Chile in 2004. Enditem