China Explores Bolivia Lithium Investments

Carlos Valdez, Associated Press

LA PAZ, Bolivia (AP) — China is exploring possible investments to help develop Bolivia's reserves of lithium and other minerals, the Chinese ambassador said.

Ambassador Shen Zhi Liang said that many Chinese companies are considering investments. He noted that state company CITIC Guoan Group Corp. already signed an agreement with Bolivia last year to quantify reserves of lithium and potassium in the country's salt flats.

"We're at the start of Chinese investments in Bolivia, and one possibility is the lithium project, and other minerals," the diplomat said in an interview.

China already buys tin, zinc and silver from Bolivia.

Lithium is used in the production of batteries for many types of electronics and electric vehicles. Bolivia's government says the country possesses more than 70 percent of the world's reserves of lithium.

The ambassador said China doesn't intend to buy rights to minerals but rather to cooperate with Bolivia in developing its reserves.

He noted that so far much of China's investments in Latin America have gone to other countries such as Venezuela, Ecuador, Peru, Argentina and Brazil. Direct Chinese investments totaled more than $15 billion in Latin America and the Caribbean in 2010, according to a report last year by the U.N. Economic Commission for Latin America and the Caribbean.

"There are many Chinese companies that are studying and are going to carry out investments soon. I think there's a big opportunity in Bolivia," the diplomat said in the interview on Friday.

CITIC Guoan Group is participating in initial work to develop the country's lithium along with other companies from Japan, France, South Korea and Australia. Bolivian officials haven't yet announced plans to partner with any particular company or country to produce lithium batteries in the country.

China's trade with Bolivia has soared in recent years.

Last year, China sold $385 million in exports to Bolivia and bought $275 million in goods from Bolivia, mainly minerals, the ambassador said, citing official Chinese government figures.

The Chinese government has granted a $108 million loan to Bolivia's government for the purchase of six helicopters.

With another loan for $251 million, Bolivia is paying for its first satellite, which is being built by the Chinese company Great Wall Industry Corp. The communications satellite is to be launched in late 2013 or early 2014.

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