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Jointly Write a New Chapter in the Partnership of Comprehensive Cooperation Between China and Latin America and the Caribbean

Address by Xi Jinping, President of the People's Republic of China

At the Opening Ceremony of the First Ministerial Meeting of

The China-CELAC Forum

(Beijing, January 8, 2015)

Good morning. On behalf of the government and people of China and also in my own name, I want to warmly welcome our friends who have come all the way from your part of the world to be here.

Today, delegates representing member countries of the Community of Latin American and Caribbean States (CELAC) gather in Beijing for the First Ministerial Meeting of the China-CELAC Forum, a grand gathering in the history of China-Latin Amer-

ica and the Caribbean relations. Your presence has brought warmth to Beijing in the depth of winter.

The convening of the First Ministerial Meeting of the China-CELAC Forum marks the translation of our vision for overall cooperation into reality. The theme of the Meeting “New Platform, New Starting Point, New Opportunity---Joint Efforts to Promote China-Latin America and the Caribbean Partnership of Comprehensive Cooperation” well captures the features of the China-CELAC Forum and our shared aspiration for closer overall cooperation.

I am sure this meeting will yield rich results, send to the world a strong message of our commitment to deepening cooperation for common development, and have a major and far-reaching impact on South-South cooperation and the prosperity and progress of the world.

Six months ago, I had a landmark meeting with leaders of Latin American and Caribbean countries in Brasilia. Our two sides decided to establish a partnership of comprehensive cooperation featuring equality, mutual benefit and common development between China and Latin America and the Caribbean and officially launch the China-CELAC Forum. The decision is in keeping with the trend of peace, development and win-win cooperation in our times. It is an innovation in China-Latin America and the Caribbean relations.

Over the last six months, our two sides have followed the guidance of the Joint Statement of the Leaders’ Meeting in Brasilia, and worked together to build a new, five-dimensional relationship characterized by sincerity and mutual trust in the political field, win-win cooperation on the economic front, mutual learning and emulation in the cultural sphere, close coordination in international affairs, as well as synergy between China’s cooperation with the region as a whole and its bilateral relations with individual regional countries. With the deepening of mutually beneficial cooperation in all areas, the relations between China and Latin America and the Caribbean are flourishing.

-Our mutual political trust has been enhanced. We have maintained high-level exchanges and con-

tacts at other levels and carried out candid and in-depth dialogue on development path, governance, foreign policy and other topics concerning our respective core interests and major concerns. As a result, our mutual understanding is deepening and strategic consensus growing.

-Our practical cooperation has been widened. Within the “1+3+6” cooperation framework proposed by China, our two sides have worked hard to develop a cooperation plan for the coming five years and get the three engines of trade, investment and financial cooperation to run at full speed. A group of major cooperation projects in the six areas of energy and resources, infrastructure, agriculture, manufacturing, innovation in science and technology, and information technologies have been decided upon and more are in the pipeline.

-Our people-to-people exchanges have been intensified. There are regular exchanges between our legislatures, political parties and local authorities and robust cooperation in science and technology, education, culture, tourism and other fields, contributing to the deepening friendship between our people and a growing interest in each other.

-Our international coordination has been strengthened. At the United Nations, APEC, G20, G77 and other international organizations and multilateral mechanisms, we have stepped up coordination and cooperation on such major issues as global governance, sustainable development and climate change. The strategic importance and international influence of our cooperation has become all the more evident.

-Our overall cooperation has been advanced. We have completed the preparations for this inaugural Ministerial Meeting in just six months. We have vigorously explored the political design, practical cooperation and institutional building, pooled our wisdom, and built consensus, laying a good foundation for a good start in our overall cooperation.

The rapid, all-round growth of China-Latin America and the Caribbean relations is the result of our enhanced agreement in the perceptions of the global trend, our greater confidence in the prospects of our relations, our clearer consensus on viewing

each other as a development opportunity, and our stronger aspiration for a China-Latin America and the Caribbean community of shared destinies. This serves the shared interests of both sides as well as peace and development of Asia, Latin America and the Caribbean and that of the world at large.

We live in a changing world, a world full of new opportunities and new challenges. The world today is witnessing profound adjustments in the international system and international order, and the international balance of power is shifting in a way that is more favorable for peace and development in the world.

A large number of developing countries and emerging market economies are on track of fast development. Through South-South cooperation, they have managed to draw on the development momentum of each other to grow in strength and independent development capacity, which consequently added impetus to the growth of the post-crisis world economy and significantly boosted development of the international order toward greater fairness and justice.

It is time for China and Latin American and Caribbean countries to advance our cooperation and bring it to an even greater depth. When combined, China and Latin American and Caribbean countries cover one fifth of the world's total land mass and are home to one third of the world's population. Together, we account for one eighth of the global economy. This puts us in an advantaged position and gives us valuable resources to bring about all-round and profound growth of our relations.

The China-CELAC Forum, a young seedling in our eyes, needs the dedication and cultivation of both sides for it to grow bigger and stronger. During this Forum meeting, China and CELAC members will have in-depth discussions on overall cooperation and Forum building. Three outcome documents will be adopted, namely, the Beijing Declaration of the First Ministerial Meeting of the China-CELAC Forum, the China-Latin American and Caribbean Countries Cooperation Plan (2015-2019), and the Institutional Arrangements and Operating Rules of China-CELAC Forum.

The Beijing Declaration will highlight the political consensus between the two sides on promoting our partnership of comprehensive cooperation. It will set the general direction for overall cooperation and forum building and lay down the guiding principles for deepening cooperation between the two sides.

The Cooperation Plan will identify priority areas and specify measures to be taken by China and Latin American and Caribbean countries in the coming five years to advance overall cooperation. They will cover the political and security, trade, investment, finance, infrastructure, energy, resources, industry, agriculture, science, technology and cultural fields.

The Institutional Arrangements and Operating Rules of the China-CELAC Forum is designed to promote institutional building, as it will define the forum's coordination and cooperation mechanisms, such as the ministerial meeting, the dialogue of foreign ministers of China and the "Quartet" of CELAC and the meeting of national coordinators, so as to provide institutional guarantee for the implementation of political consensus and cooperation plans between the two sides.

I am happy to note that a number of cooperation initiatives I proposed last July at the China-Latin American and Caribbean Countries Leaders' Meeting are being earnestly implemented. Among them, the \$20-billion special loan for infrastructure building projects, the \$10-billion preferential loan and the \$5-billion fund for China-Latin America and the Caribbean cooperation have been or will soon be put into substantive operation. The \$50-million special fund for agricultural cooperation has started to provide funding support for cooperation projects. Besides, the competent departments of China have started to work on the provision of 6,000 government scholarships and 6,000 training opportunities to CELAC members in the coming five years. They have also started work regarding planned invitation of 1,000 leaders of political parties from Latin American and Caribbean countries to visit China as well as the "Bridge for the Future" training program that will involve 1,000 young leaders from China

and Latin American and Caribbean countries. The proposed “Science and Technology Partnership,” the “Young Scientists Exchange Program” as well as the planned 2016 Year of Cultural Exchanges put forward by China are all making steady progress. China welcomes CELAC members to take an active part in these programs.

Using today’s opportunity, I wish to share with you the following thoughts regarding development of the Forum in the coming years.

First, we need to commit ourselves to the cooperation principle of acting as equal partners. Countries big and small all have their own merits. China and CELAC members, however different in size, strength and level of development, are equal members of the China-CELAC Forum family. We may come together under the vision of friendly consultation, joint development and outcomes sharing, accommodate each other’s interests and concerns and build as much consensus as we can so as to lay a solid political foundation for overall cooperation.

Second, we need to adhere to the goal of win-win cooperation. As a governmental cooperation mechanism between China and CELAC members, the forum covers political, economic, trade, people-to-people, cultural, social, science and technology, and many other areas. Our two sides should keep firmly to the goal of pursuing common development, enhance institutional building of the forum, and draw up a blueprint for conducting overall cooperation. This will allow us to produce early harvest and achieve the effect of making one plus one bigger than two, and ensure sustainable development of the forum.

Third, we need to pursue cooperation in flexible and pragmatic ways. It is China’s view that China-CELAC overall cooperation and bilateral cooperation between China and CELAC members should be conducted on a parallel basis, which complement and reinforce each other. We may, within the framework of the China-CELAC Forum and relevant forums on specific fields, identify priority areas and projects of cooperation and carry out both bilateral and multilateral cooperation in diversified ways to draw on each other’s strengths.

Fourth, we need to ensure open and inclusive cooperation. In conducting the cooperation within the China-CELAC framework, it is important to give full account to different interests and needs of various parties and accommodate each other’s comfort level. We welcome active participation in China-CELAC overall cooperation by other regional organizations and multilateral institutions in Latin America and the Caribbean. The forum will therefore contribute to not only solidarity and collaboration between the two sides, but also South-South cooperation and development and prosperity of the world.

Latin America and the Caribbean, which is endowed with abundant resources for development, is one of the most promising emerging regions in the world. In recent years, the region has maintained sound momentum of stability and development. Led by CELAC and other regional organizations, it has achieved fresh progress in strengthening itself through unity and accelerating regional integration. As a result, its overall strength and international influence have been enhanced. Countries in the region have actively pursued multi-direction diplomacy, and they have given priority to fostering friendly and cooperative ties with China and other Asia-Pacific countries, thus creating more space for promoting all-round growth of their relations with China.

The Chinese people are striving to finish the building of a society of initial prosperity in all respects and realize the Chinese dream of great national renewal. The people in Latin America and the Caribbean are endeavoring to achieve their dream of solidarity, collaboration, development and revitalization. So we are bound together by shared dreams and common pursuits.

China is committed to pursuing an independent foreign policy of peace, peaceful development and a win-win strategy of opening-up. China champions and practices a right approach to principles and interests, and it upholds good-faith, friendship and justice. China will integrate its own development with the common development of other developing countries and work with them to build a new type

of international relations of win-win cooperation.

Looking ahead, China will maintain medium to high rate of growth, as its economy has entered a new normal. In the next five years, China will import more than \$10 trillion of goods and make over \$500 billion outbound investment, and over 500 million overseas visits will be made by Chinese tourists. All this will offer more market, investment, growth and cooperation opportunities to countries in Latin America, the Caribbean and the rest of the world. In the next 10 years, we will work together to raise two-way trade to \$500 billion, and China's direct investment in the region will rise to \$250 billion.

Our two sides have designed an exquisite em-

blem for the forum. It is in the shape of a pair of peace doves or two clasped hands, which symbolizes close cooperation between the two sides soaring to great heights.

In a word, with the long-term and strategic goal in mind, China will work with Latin American and Caribbean countries to ensure the success of the new platform of China-CELAC overall cooperation. We should take the first Ministerial Meeting as a new starting point and seize new opportunities in China-CELAC overall cooperation. With these efforts, we will write a new chapter in our partnership of comprehensive cooperation and raise our relations to a higher level.

China's High-Speed Rails Journey to Latin America

A railroad construction wave is sweeping across Latin America, a continent covering an area of 20 million square km with a population of 600 million. A lot of hopes have been pinned on China's high-speed rail technology. A *People's Daily* reporter would like to take you on a journey to Latin America to learn about Chinese companies' overseas ventures and the promising prospect of the cooperation between China and Latin American countries.

2014, a year of railroad construction in Latin America

In April 2014, tracks began to be laid for the Tinaco-Anaco railway line in Venezuela. The railway has a budget of \$7.5 billion.

In July, China, Peru and Brazil issued a joint declaration on building a railway connecting the Atlantic and the Pacific.

In October, the website of the Brazilian railway engineers' association reported that after eight years of discussion and three failed attempts, Brazil was expected to restart a project connecting Rio de Janeiro, São Paulo and Campinas.

In December, China's CSR Co. Ltd. unveiled that it will supply locomotives and wagons, with a total value of about 1.7 billion yuan (\$274 million) for the revival of Argentine Belgrano Cargas network. On December 30, 2014, CSR Co. Ltd. and CNR Co. Ltd merged into CRRC Co. Ltd.

In Argentina, Peru, Mexico and Chile new railways and renovation of old railways have been continuously added to the list of national projects. China's railway companies are a strong bidder for these projects.

Advanced technology, fast financing and competitive price

"Chinese companies have created many miracles in railroad construction, with a good balance of quality, design and rapid construction. Facts prove that our choice of Chinese companies is correct," said Andres Espinoza, project supervisor of the Tinaco-Anaco railway line.

China Railway Engineering Corp. is building a high-speed rail in Venezuela, which only has 281 km of railway in operation. Liang Enguang,

deputy general manager of the company's Venezuela branch said, "An ordinary steel rail is 25 meters long, yet a steel rail for the Tinaco-Anaco railway line is 100 meters long. How to install such long steel rails? When we welded and installed the rails, many locals rushed to the site to take a look."

In Latin America, railways were once pivotal to its modernization drive. In the late 19th century and early 20th century, railroads were built to connect the rural areas with export-oriented sea ports. After dozens of years of rapid development, railroad construction slowed down in Latin American countries. Countries such as Brazil shifted the focus to highway construction. As a result, currently, railroad operation is in a dismal condition, featuring short mileage, outdated equipment, slow rail network construction and a lack of transnational lines.

The second decade of the 21st century is regarded as a "decade of opportunity" for Latin America's development. Railroad construction has once again been seen as having great potential.

"The rail industry is recovering. We look forward to high quality railroad equipment, and new, safe and comfortable technology," said Argentina's Transport Secretary Alejandro Ramos, in expectation that China will transfer rail technology necessary for the recovery.

"We live at a positive moment," said chairman of the Association of Rail Transportation of Brazil, while speaking about railroad cargo transportation in Brazil.

Brazil has less than 30,000 km of railroad in operation, most of which is located in the country's economically developed southeastern region. In 2012, the Brazilian Government unveiled a transportation infrastructure investment plan, including the building or renovating of 12 new or old lines. In April 2014, six of the 12 projects were launched. China Railway Construction Corp. and China Railway Engineering Corp. participated in the feasibility study of several rail lines.

"We hope China will expand investment in Brazil's infrastructure," said the vice chairman of the foreign trade committee of the Federation of the Industries of the State of São Paulo. He adds that

China's comprehensive strength in high-speed rail construction is very strong.

In 2009, China Railway Engineering Corp. and Venezuelan National Railway Authority signed a contract to build the 471.5-km long Tinaco-Anaco railway line.

"Although the line's designed speed is 220 km per hour, we built it according to the standard of 250 km per hour for new railways in China," said Liang. Tinaco-Anaco railway line is the first high-speed rail in Latin America.

China Railway High-Speed (CRH) electric multiple unit trainsets, known in China as "*Hexiehao*", have been regarded as one of the fastest and most technologically advanced trains in the world. At an international exhibition on railway equipment and services held in Brazil, Bi Yupeng, head of the Brazil subsidiary of CSR Co. Ltd. said, pointing at a CRH380A train, "We own complete intellectual property rights for this train, and 90 percent of its parts are made in China."

"China has a vast area and widely diverse terrains and climates. Railway operation experience in such a country is helpful for the internationalization of its railway and adapts to the diverse international environment," said José Mario Antunes, executive of China office of the Brazilian National Confederation of Transportation (CNT). To better cooperate with China, CNT set up its first international office in China.

"Chinese companies have very strong executive ability," Antunes said. He adds that besides technology and experience, executive ability is especially important for carrying out overseas high-speed rail projects, where the working conditions can be very harsh.

Infrastructure projects in many Latin American countries are usually operated through a public-private partnership, so companies winning these projects are usually required to bring in investment. Strong financing ability helps Chinese railway companies win projects in this region.

When Chinese railway companies "go global," they usually bring with them loans of preferential interest rates, said Deng Hongling, who is in charge

of the Brazilian branch of China Railway Construction Corp.

Take CNR Co. Ltd. as an example. In April 2014, it signed a three-year strategic cooperation agreement with the Export-Import Bank of China, which agreed to provide loans up to 30 billion yuan (\$4.8 billion) to CNR's overseas projects. "The money is urgently needed by many developing countries," Antunes said.

Chinese railway companies also have price advantages. The construction cost of Chinese railways is only one third of the average in developed countries, according to World Bank's report "*High-Speed Railways in China: A Look at Construction Costs*" released in July 2014.

Liang says Chinese railway companies do not have remarkable price advantage in the civil engineering part of high-speed rail projects, so this part is usually subcontracted to local companies. But Chinese railway companies have significant price advantage in areas such as locomotives and other electromechanical equipment, as well as in software control system, personnel training and operation management.

Antunes thinks that Chinese companies can come up with an integrated solution across the entire supply chain to meet project needs.

New standard, new brand and new market

When Chinese railway companies go to Latin America, they also bring their technical standards with them.

To build the Tinaco-Anaco railway line, the Chinese side and their Venezuelan counterpart have jointly set up factories to produce railroad ties and weld rails. The Chinese side transfers relevant technologies to its Venezuela partner and trains Venezuelan management team and technicians.

"The project mostly follows China's technical standards," said Liang, adding that Latin American countries used to follow U.S. and European standards.

Chinese railway companies have globally leading technologies. Bringing high technologies to Latin America can boost the image of Chinese com-

panies, Deng said. He has been doing business with Latin American customers for a long time. He says he can feel that his customers' impressions of Chinese products have really changed.

"Years ago, when I just heard that China produced high-speed trains, I doubted their quality. Now I want to say that if the high-speed rail project from Rio de Janeiro to Campinas is restarted, China is a very strong competitor," said the marketing communication manager of Brazil's National Association of Railway Transport.

An engine for local economic development

"A high-speed railway line will not only bring ticket income, but also promote economic development along the line. The benefits of the development are tangible," said Bi.

The Tinaco-Anaco railway line connects a farming state and an oil producing state in Venezuela. It is expected to facilitate personnel flow to less developed regions and boost the transport of bulk commodities.

The Brazilian railway authority recently unveiled that it plans to invite bids for its national railway Line 4 in the first quarter of 2015. Through this east-west railway line, agricultural products in inland Brazil will be transported to ports in the southeast part of the country.

This railway line is also a section of the 5,000-km railway traversing the South American continent and connecting the Pacific coast with the Atlantic coast.

After its completion, the transcontinental railway will boost economic development along it.

A Brazilian minister was cited by Brazilian newspaper *O Globo* as saying that it is "the most important" project, as "it can lower the price of every ton of exports by 30 percent."

Realizing the enormous economic benefit of the transcontinental railway, Bolivian President recently required the railway to pass through his country, so that this inland country will be connected with neighboring countries.

Cao Gangcai, deputy chief economist of China CSR Co. Ltd., says he wishes that the high-speed rail industries of China and Latin American coun-

tries will develop hand in hand.

Be prepared and patient

Like other Chinese companies “going global,” Chinese railway companies have also encountered challenges in Latin America.

In the beginning of last November, a consortium of companies such as China Railway Construction Corp. and CSR Co. Ltd. won the bid for the railway between Mexico City and Queretaro, the first high-speed rail with a speed of 300 km per hour in Latin America. But days later, Mexico cancelled the deal.

“Railway is an important component of infrastructure for any country, so relevant decisions are subject to influences of various interest groups,” said a Chinese insider who has worked in the Latin America railway market for a long time.

Moreover, complicated policies and regulations have also created significant difficulties to companies.

The marketing communication manager of Brazil’s National Association of Railway Transport reminds Chinese companies to be patient. “It may take a long time to build a high-speed railway line in Brazil. Environmental impact assessment alone takes at least one and a half years.”

For projects not in public-private partnership,

funding can be a problem.

After four years, China Railway Engineering Corp. has completed 75 percent of the civil engineering work for the Tinaco-Anaco railway line, and laid tracks in some sections of the line.

“If we had enough money, we would have progressed faster,” said Liang. The Venezuelan side provides a total of \$7.5 billion for the project, while the Chinese side is responsible for railway design, equipment purchasing and railway construction.

“Now petroleum prices are falling, and a batch of Venezuela’s government debts mature at the same time, so the government is financially strained. It has very limited amount of money to build railway,” Liang said.

Given these difficulties, some people worry whether Chinese railway companies will lose money in Latin America.

Deng says they have learned lessons and drawn experiences while “going global,” so they now take profit into consideration when bidding for railway projects abroad.

A shared view among Chinese building high-speed railways in Latin America is that they should gain more in-depth and comprehensive understanding of the market.

Comments and suggestions from our readers are appreciated. **E-mail:** shuangqin2004@china.com.cn

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