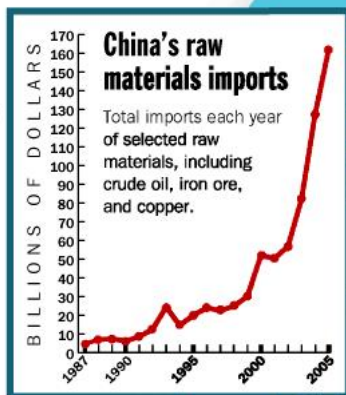


# CHINA'S GLOBAL REACH

## ASIA

A BOOMING CHINA is now the world's second-largest consumer of oil and the largest consumer of other raw materials, including copper, iron ore, soybeans, cotton, and wood. China has moved aggressively to secure access to these commodities across the developing world, with a notable focus on Latin America and Africa. President Hu Jintao arrives today for a 12-day trip to Cameroon, Liberia, Sudan, Namibia, Mozambique, Zambia, South Africa, and the Seychelles, where he will seek to boost trade ties. He is expected to brush aside Western accusations that China is overlooking human rights abuses.



China has only recently begun to tap the oil and natural-gas wealth in its own backyard by investing in former Soviet nations like Kazakhstan. China is also negotiating lucrative energy deals with Iran, even as the United States increases pressure on Iran to give up its nuclear weapons program.

### Oil from China's mineral-rich backyard

#### Kazakhstan oil companies

Earlier this month, China announced that it had completed its acquisition of the **Kazakhstan** oil assets of Canada-based Nations Energy for \$1.9 billion. The year before, China bought up PetroKazakhstan, another Canada-based oil company in Kazakhstan, for \$4.2 billion.

#### Iran's oil and natural-gas exports

At the end of 2004, China became **Iran's** third-largest export market for oil. Total Chinese investment in Iran's energy sector could exceed \$100 billion over the next 25 years. China is negotiating a deal to invest as much as \$1.6 billion in developing Iran's Pars natural-gas field despite strenuous US objections.

## AFRICA

China's main interest in Africa is access to oil and base metals, such as iron ore, for manufacturing. Its investment in the continent has mushroomed in recent years to more than \$6 billion, and several recent large deals by Chinese energy firms indicate investment will continue to rise steeply.

### Oil from Africa

**30 percent**

China currently gets about 30 percent of its oil from Africa, mainly from **Sudan, Angola, and Republic of Congo.**

**Investment**

China is now **Sudan's** largest export market and biggest source of foreign investment.

**\$2.3 billion**

Chinese oil producer CNOOC agreed to pay \$2.3 billion for a stake in a **Nigerian** oil and gas field, its biggest-ever overseas acquisition.

### Africa's metals for China's manufacturers

#### Cobalt

85 percent of China's cobalt – a key component in cellphones, laptops, and batteries – comes from **Republic of Congo, Democratic Republic of Congo, and South Africa.**

#### Iron ore

**South Africa** is China's fourth-largest iron ore supplier.

#### Manganese

Africa supplies more than one-third of China's manganese, used to manufacture steel.

## SOUTH AMERICA

### China's big moves in Latin America

**\$100 billion investment**

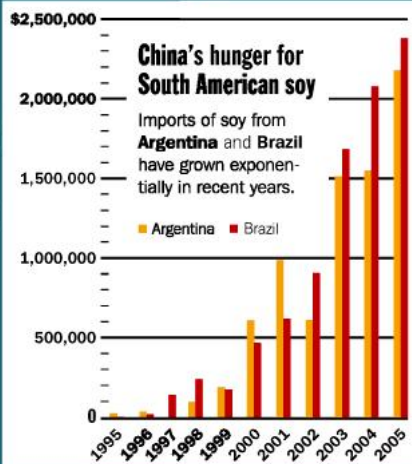
Chinese President Hu Jintao announced in late 2004 that he would invest up to \$100 billion in Latin America over the next 10 years.

**Oil and pipeline assets**

In 2005, a Chinese-led consortium bought oil and pipeline assets in **Ecuador** for \$1.42 billion.

**Oil and gas fields**

Last year China announced plans to invest around \$5 billion in energy projects in **Venezuela** by 2012.



Latin America's share in Chinese imports has doubled in the past decade, with the region benefiting from China's rising demand for oil, gas, metals, and agricultural products, especially soy. Much of the imported soy is for soybean meal to feed livestock, driven by a demand for meat that reflects a rise in living standards.

### Metals to build China's skyscrapers and wire the nation

#### Iron ore

**Brazil** is the third-largest supplier of iron ore to China. Latin American countries supply more than one-fourth of China's imports of the metal.

#### Copper

**Chile** and **Peru** provide China with more than half of its copper imports, used mainly to manufacture electrical and metal products.