



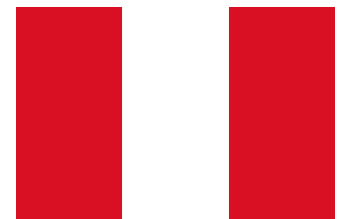
Pacific Alliance and Japan

~Importance and Potentiality for Japan~

January 29th 2016

Japan Bank for International Cooperation

Shinji Ayuha



What is “Pacific Alliance”?

- The **Pacific Alliance** (*Alianza del Pacífico*) is a Latin American trade bloc, with some features of further integration between **Mexico, Colombia, Chile and Peru**.
- On 28 April 2011, former president of Peru, Alan García organized a meeting with the presidents of Chile, Colombia and Mexico. This group of political leaders issued the **Declaración de Lima**, a statement of intent to establish the Pacific Alliance on 6th June 2012.



【Geographic Location of Pacific Alliance】

- The Pacific Alliance represent nearly 36% of Latin American GDP. If counted as a single country, it would be the **sixth largest economy** in the world with a PPP GDP of more than US\$3 trillion (ninth largest with a nominal GDP base).
- At the VII Pacific Alliance Summit in Cali, Colombia, on May 22, 2013, Costa Rica signed a trade agreement with Colombia, and later in the summit received approval for full membership from all the founding members. Costa Rica is going to be the fifth member.
- The initial goal of the Pacific Alliance is to **further free trade** with "a clear orientation toward Asia", and economic integration. The Pacific Alliance is aiming at reducing trade barriers, regional integration, including visa-free travel, a common stock exchange, and joint embassies in several countries.

Overview of Four Countries of Pacific Alliance

		Mexico	Colombia	Chile	Peru
Economy	Nominal GDP(Billion USD)(2014)	1,291	378	258	203
	(among 188 countries)	15th	32th	42th	53th
	Per Capita GDP(USD)(2014)	10,784	7,928	14,480	6,449
	(among 188 countries)	66th	78th	51th	90th
	Growth Rate(%)	2.14	4.55	1.85	2.35
	Inflation Rate(%)	4.02	2.90	4.40	3.25
	Unemployment Rate(%)	4.75	9.11	6.39	6.00
Trade	Export (Billion USD) (2014)	397.51	54.79	75.67	39.33
	Top Three Product Exported	Automobile and Parts 25.7% Electric&Electricities 18.5% Oil 11.3%	Oil and its Product 51.4% Coal 12.9% Coffee 3.2%	Copper and Iron 55.4% Industrial Goods 12.1% Agricultural Goods 6.4%	Copper 23.0% Gold 20.9% Oil and its Product 9.0%
	Top Three Partners	USA 78.8% Canada 2.7% Spain 1.9%	USA 36.2% China 5.5% Spain 4.8%	China 23.9% USA 12.1% Japan 10.6%	China 17.1% USA 13.4% Suiss 11.0%
	Import (Billion USD) (2014)	411.58	64.03	72.16	42.35
	Top Three Product Imported	Electric&Electricities 21.5% Industry Machines 14.5% Automobiles and Parts 12.0%	Automobiles and Parts 11.8% Foods 10.9% Oil and its Product 9.6%	Industrial Goods 88.0% Copper and Iron 9.2% Agricultural Goods 1.5%	Capital Goods 32.5% Industrial Materials 29.4% Consumer Goods 20.1%
	Top Three Partners	USA 49.1% China 16.1% Japan 4.5%	USA 24.0% China 16.3% Mexico 10.9%	USA 22.6% China 18.2% Argentine 6.7%	USA 18.8% China 18.5% Brazil 6.1%
	FDI (Billion USD) (2014)	22.79	16.05	22.9	7.60
Industry	Main Industries	Food, Drink, Tobacco, Pharmaceuticals, Iron, Oil, Mining and Textiles	Weaving, Food, Oil, Textile, Drink, Chemicals and Cement	Copper, Litium, Foods, Fishery, Iron Steel and Woods	Mining, Iron, Metal Processing, Oil, Gas and Fishery
	Agriculture, Fishery and Foresting	3.6%	6.6%	3.6%	6.2%
	Mining, Utilities and Manufacturing	36.6%	37.8%	35.4%	37.5%
	Service Industry	59.8%	55.6%	61.0%	56.3%
Population	Population (Millioin) (2014)	119.72	47.66	17.82	31.42
	(among 188 countries)	11th	27th	58th	40th
	Before Production Age (below 14)	27.9%	25.3%	20.7%	27.3%
	Production age (15 to 24)	18.1%	18.0%	16.3%	19.2%
	Production age (25 to 64)	47.4%	49.9%	53.1%	46.8%
	Aged Population (over 65)	6.6%	6.7%	9.9%	6.9%
	Birth Rate (2014)	2.19	2.29	1.82	2.42

(Source) CIA The World Factbook, Jetro

Relationship Between Pacific Alliance and Japan

	Mexico	Colombia	Chile	Peru
Start of Relationship	1888	1908	1897	1873
Economic Partnership Agreement (EPA)	2005	-	2007	-
Main Import Goods from Each Country	Electric&Electricities	Coffee, Flower	Copper, Salmon	Copper, Gas
Main Export Goods to Each Country	Automobile and Parts	Iron, Automobiles	Automobiles, Tyres	Automobiles, Tyres
Loan Assistance (Accumilated)	2,296	673	271	4,245
Grant Assistance (Accumilated)	61	119	101	659
Technical Assistance (Accumilated)	748	300	420	546
Japanese in Residence	9,186	1,355	1,447	3,585
People of Each Country in Japan	2,830	2,324	740	47,978
Japanese ancestry	ca. 20,000	ca 1,800	n.a.	ca. 100,000
Topics regarding Japan	Over 400 year relationship since the rescue of Phillipines Govener.		Japan was No1 FDI country between 2011 and 2013.	The first country to establish relationship with Japan in Latin American countries.
	New Counsil is set in Leon because of increasing Japanese in 2016.		Japan was the third biggest Importer.	The scale of Japanese ancestry is the third biggest in the world.
	Japan is the third biggest Exporter.			Japan is No1 Donor Country.

(Source) Ministry of Foreign Affairs of Japan

Export from the Pacific Alliance

Export from Mexico						Export from Colombia					
	(Unit: Billion USD)						(Unit: Billion USD)				
	2011	2012	2013	Ratio			2011	2012	2013	Ratio	
USA	275	288	300	78.8%	①	USA	22	22	18	31.3%	①
EU	19	22	20	5.2%	②	EU	9	9	9	15.6%	②
Pacific Alliance	9	9	8	2.2%	③	Pacific Alliance	4	4	4	6.0%	
Colombia	6	6	5	1.2%		Mexico	1	1	1	1.4%	
Chile	2	2	2	0.5%		Chile	2	2	2	2.6%	
Peru	1	2	2	0.4%		Peru	1	2	1	2.0%	
China	6	6	6	1.7%		China	2	3	5	8.7%	③
Japan	2	3	2	0.6%		Japan	1	0	0	0.5%	
Total	350	370	380	100.0%		Total	57	60	59	100.0%	
Export from Chile						Export from Peru					
	(Unit: Billion USD)						(Unit: Billion USD)				
	2012	2013	2014	Ratio			2009	2010	2011	Ratio	
USA	9	10	9	12.2%	③	USA	5	6	10	22.8%	②
EU	14	13	13	17.0%	②	EU	8	11	14	31.3%	①
Pacific Alliance	4	4	4	5.4%		Pacific Alliance	2	2	2	5.3%	
Peru	2	2	2	2.3%		Mexico	0	0	0	0.9%	
Mexico	1	1	1	1.7%		Colombia	1	1	0	0.2%	
Colombia	1	1	1	1.3%		Chile	1	1	2	4.2%	
China	18	19	18	24.4%	①	China	4	5	7	15.1%	③
Japan	8	7	8	10.3%		Japan	1	2	2	4.6%	
Total	77	76	75	100.0%		Total	27	36	46	100.0%	

(Source) Banco de Mexico, National Bureau of Statistics (Columbia), Servicio Nacional de Aduanas (Chile), Central bank of Peru

Import to the Pacific Alliance

Import to Mexico							Import to Colombia							
			(Unit: Billion USD)							(Unit: Billion USD)				
		2010	2011	2012	Ratio				2011	2012	2013	Ratio		
USA		145	174	185	49.1%	①	USA		14	14	16	27.5%	①	
EU		32	38	41	11.2%	③	EU		7	7	8	13.3%	③	
Pacific Alliance		3	3	3	0.7%		Pacific Alliance		8	8	7	12.0%		
	Colombia	1	1	1	0.2%			Mexico	6	6	5	9.1%		
	Chile	2	2	2	0.4%			Chile	1	1	1	1.5%		
	Peru	0	1	0	0.1%			Peru	1	1	1	1.3%		
China		46	52	57	16.1%	②	China		8	10	10	17.4%	②	
Japan		15	16	18	4.5%		Japan		1	2	1	2.4%		
Total		301	351	371	100.0%		Total		54	59	59	100.0%		
Import to Chile							Import to Peru							
			(Unit: Billion USD)							(Unit: Billion USD)				
		2011	2012	2013	Ratio				2009	2010	2011	Ratio		
USA		14	16	15	20.4%	①	USA		4	6	7	19.4%	①	
EU		10	11	12	15.7%	③	EU		3	4	5	12.8%	③	
Pacific Alliance		7	7	6	7.2%		Pacific Alliance		3	3	3	8.5%		
	Peru	2	2	2	2.1%			Mexico	1	1	1	1.3%		
	Mexico	2	2	2	3.3%			Colombia	1	1	1	3.7%		
	Colombia	2	2	2	1.7%			Chile	1	1	1	3.5%		
China		11	12	14	19.9%	②	China		3	5	6	16.8%	②	
Japan		2	2	2	2.6%		Japan		1	1	1	3.5%		
Total		66	71	72	100.0%		Total		22	30	38	100.0%		

(Source) Banco de Mexico, National Bureau of Statistics (Columbia), Servicio Nacional de Aduanas (Chile), Central bank of Peru

Import and Export to and from Japan

Export from Japan			Import to Japan		
	(Unit: Million USD)			(Unit: Million USD)	
	2014	Ratio		2014	Ratio
USA	129,441	18.6%	USA	71,751	8.8%
EU	72,082	10.4%	EU	77,749	9.5%
Pacific Alliance	14,547	2.1%	Pacific Alliance	15,106	1.8%
Mexico	10,683	1.5%	Mexico	4,312	0.5%
Colombia	1,378	0.2%	Colombia	815	0.1%
Chile	1,730	0.2%	Chile	8,203	1.0%
Peru	755	0.1%	Peru	1,776	0.2%
ASEAN	105,241	15.2%	ASEAN	116,499	14.3%
China	127,105	18.3%	China	182,071	22.3%
Total	694,270	100.0%	Total	817,103	100.0%

(Source)Ministry of Finance, Japan, Jetro

Comparison with Other Economic Alliance

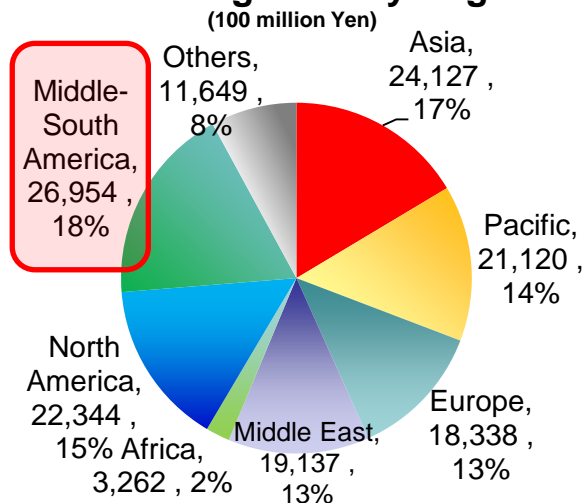
	# of countries	Population (million)	GDP (billion)	Per Capita GDP
ASEAN	10	625	2,475	3,960
NAFTA	3	482	20,490	42,510
EU	28	510	18,495	36,265
MERCOSUR	6	296	3,218	10,872
Pacific Alliance	4	216	2,130	9,878
Japan	1	127	4,602	36,222

Pacific Alliance	Countries	# of Japanese Companies	Per Capita GDP (USD)	Population (Million)	ASEAN 10	Countries	# of Japanese Companies	Per Capita GDP (USD)	Population (Million)
●	Mexico	814	10,784	120		China	3,052	7,572	1,368
	Brazil	698	11,573	203	●	Thailand	1,585	5,896	69
●	Chile	85	14,480	18	●	Singapore	964	56,287	5
●	Colombia	77	7,928	48	●	Indonesia	880	3,524	252
●	Peru	40	6,449	31	●	Malaysia	687	11,049	31
	Venezuela	29	6,772	30	●	Vietnam	678	2,051	91
						India	588	1,608	1,276
					●	Philippines	391	2,862	99
					●	Myanmar	63	1,228	51
					●	Cambodia	59	1,081	15
					●	Laos	18	1,693	7
					●	Brunei	4	41,460	0

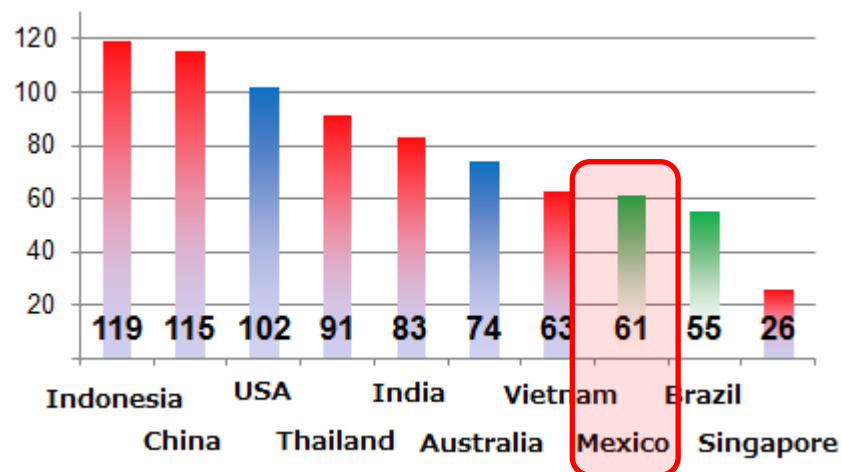
(Source) UN, IMF and Statistics made by Japanese Camber of Commerce in each countries in 2014.

Overview of JBIC's Activity (Amount of Loan Provided by Country)

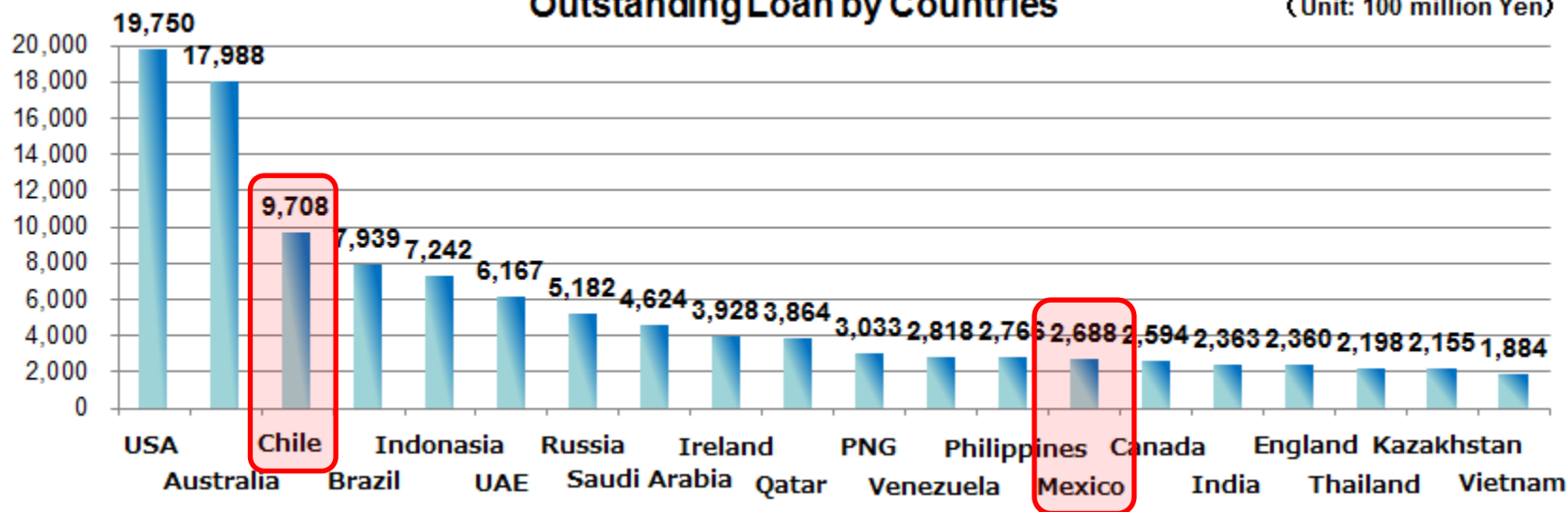
Outstanding Loan by Region



Number of Loans disbursed by Countries



Outstanding Loan by Countries



(Source) JBIC Annual Report

Interests from Japanese Manufacturers (from JBIC's survey research)

Figure 33: Promising Countries/Regions for Overseas Business over the Medium-term (next 3 yrs. or so) (Multiple responses)

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The respondents were each asked to name the top 5 countries that they consider to have promising prospects for business operations over the medium-term (next 3 yrs. or so).

* Percentage share =

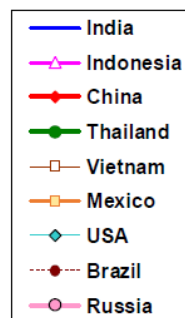
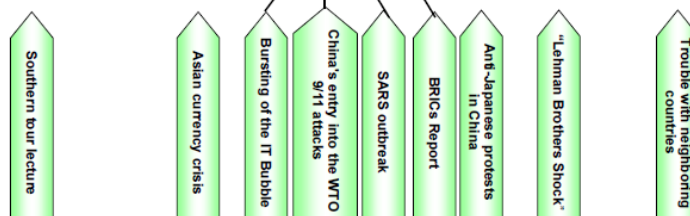
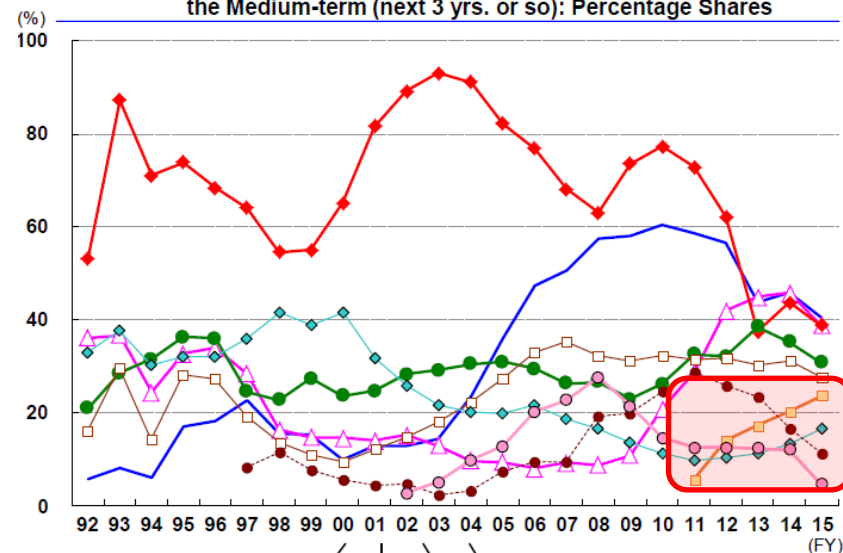
$\frac{\text{No. of respondents citing country/region}}{\text{Total No. of respondent companies}}$

Ranking			Country/Region (Total)	No. of Companies		Percentage Share (%)	
	FY2015	← FY2014		FY2015 433	FY2014 499	FY2015	FY2014
1	—	1	India	175	229	40.4	45.9
2	—	2	Indonesia	168	228	38.8	45.7
2	↑	3	China	168	218	38.8	43.7
4	—	4	Thailand	133	176	30.7	35.3
5	—	5	Vietnam	119	155	27.5	31.1
6	—	6	Mexico	102	101	23.6	20.2
7	↑	8	USA	72	66	16.6	13.2
8	↑	11	Philippines	50	50	11.5	10.0
9	↓	7	Brazil	48	83	11.1	16.6
10	—	10	Myanmar	34	55	7.9	11.0
11	↑	12	Malaysia	27	46	6.2	9.2
12	↓	9	Russia	24	60	5.5	12.0
13	↑	14	Singapore	20	25	4.6	5.0
14	↓	13	Turkey	17	26	3.9	5.2
14	↑	15	Korea	17	20	3.9	4.0
16	↑	17	Taiwan	16	19	3.7	3.8
17	↓	15	Cambodia	14	20	3.2	4.0
17	↑	18	Germany	14	9	3.2	1.8
19	—	19	Saudi Arabia	7	7	1.6	1.4
20	↑	25	Bangladesh	6	6	1.4	1.2
20	↑	32	Laos	6	3	1.4	0.6
20	↑	32	UK	6	3	1.4	0.6

Note 1: The countries and regions other than those listed above included North America (27 companies, 6.2% of the total), EU/Europe (15 companies, 3.5% of the total), and Southeast Asia/ASEAN (8 companies, 1.8% of the total).

Note 2: In case of the same ranking, listed by the order of the previous year's ranking and then by alphabetical order.

Figure 34: Promising Countries/Regions for Overseas Business over the Medium-term (next 3 yrs. or so): Percentage Shares



Automobiles

Rank	Country	FY2015 (Total 71)	FY2014 (Total 89)
1	Mexico	37	43
2	India	31	50
3	Indonesia	29	53
4	China	23	44
5	Thailand	18	27
6	Brazil	10	17
6	Vietnam	10	8
8	USA	8	10
9	Russia	6	16
9	Philippines	6	4

(Source) JBIC's FY2015 survey research

Why Is Mexico So Popular by Japanese Manufacturers?



No. 6: Mexico

Reasons

(Total No. of respondent companies: 99)

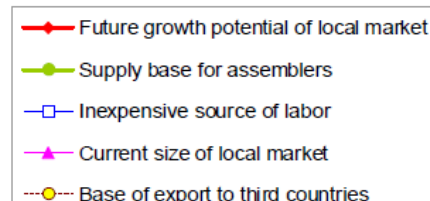
	No. of companies	Ratio
1 Future growth potential of local market	75	75.8%
2 Supply base for assemblers	55	55.6%
3 Inexpensive source of labor	32	32.3%
4 Current size of local market	29	29.3%
5 Base of export to third countries	25	25.3%

Issues

(Total No. of respondent companies: 90)

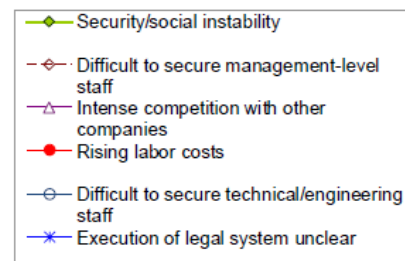
	No. of companies	Ratio
1 Security/social instability	49	54.4%
2 Difficult to secure management-level staff	30	33.3%
3 Intense competition with other companies	28	31.1%
4 Rising labor costs	23	25.6%
5 Difficult to secure technical/engineering staff	21	23.3%
5 Execution of legal system unclear	21	23.3%

Changes over past 5 years



(No. of companies)

Changes over past 5 years



(No. of companies)

- The top reason for being cited as promising was the same as in the previous survey: "Future growth potential of local market" (75.8%). 2nd place was "Supply base for assemblers" (55.6%). Both saw gains in response ratios over the previous survey. When factoring in "Current size of local market" (29.3%) and "Base of export to third countries" (25.3%) as well, it is apparent that there is increasing respect for the potential of Mexico's domestic market and position as a supply base primarily inside of Mexico and for the North American region.
- The top issues was "Security/social instability" (54.4%). 2nd to 5th place issues include labor related, with the response rate of "Difficult to secure management-level staff" (33.3%) slightly decreasing but continuing to be given by a high percentage. The response ratios of "Rising labor costs" (25.6%) and "Difficult to secure technical/engineering staff" (23.3%) have increased over the previous survey. And "Intense competition with other companies" (31.1%) has seen a dramatic increase. These indicate that amid rapidly progressing inroads by foreign companies – including those of Japan – and an expanding operations, it is becoming increasingly difficult to secure staff and the competition is intensifying.

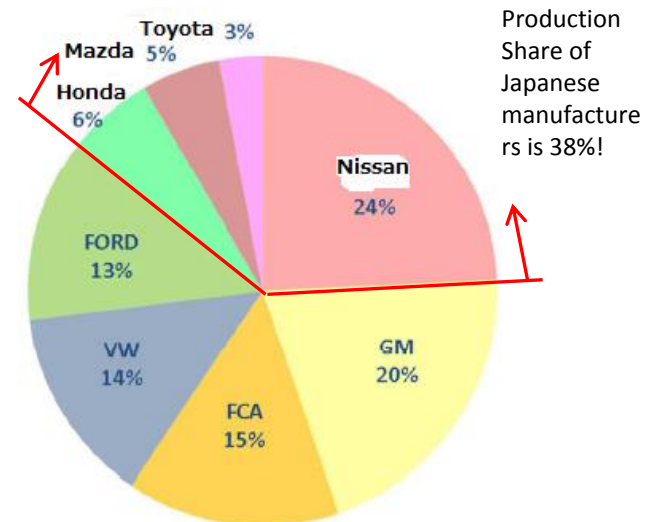
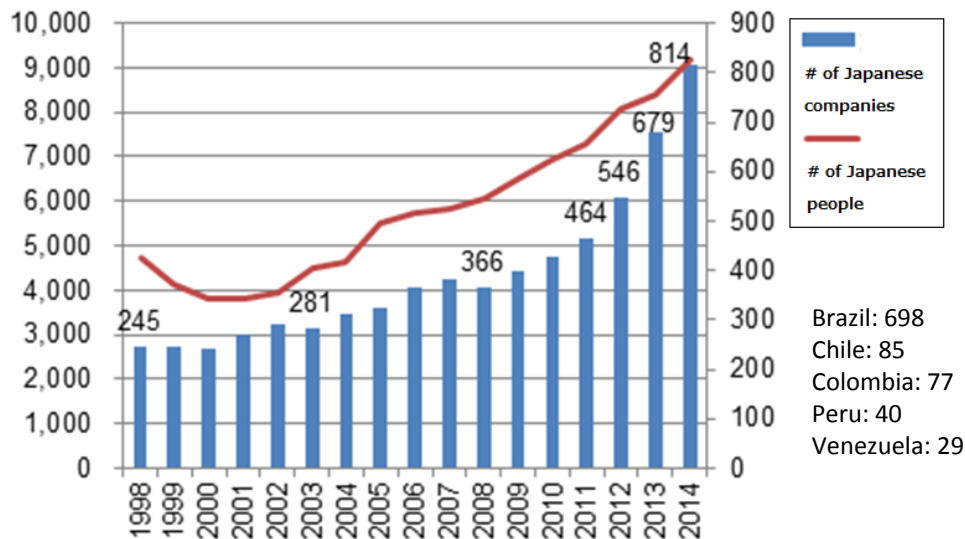
Automobile Market in the World

【Ranking of Sales/Production of Automobile】

# of Sales (2014)			# of Production (2014)		
		(unit: thousand car)			
1	China	23,491	1	China	23,722
2	USA	16,842	2	USA	11,650
3	Japan	5,562	3	Japan	9,774
4	Brazil	3,498	4	Germany	6,121
5	Germany	3,356	5	S.Korea	4,524
6	India	3,176	6	India	3,840
7	England	2,843	7	Mexico	3,388
8	Russia	2,693	8	Brazil	3,172
9	France	2,210	9	Spain	2,423
10	Canada	1,889	10	Canada	2,393
14	Mexico	1,170	38	Colombia	134
29	Colombia	360			
30	Chili	353			
n.a.	Peru	183			
Pacific Alliance		2,066	Pacific Alliance		3,522

【Number of Japanese Companies and People in Mexico】

【Production Share of Automobile Company in Mexico】



(Source) Fourin Automobile Year Book 2015, Japanese Camber of Commerce in Mexico

【Appealing Points to Japan】

- Market size of Pacific Alliance is almost as same as ASEAN 10.
- Four countries belongs to middle income countries. (different from Asian countries)
- Four countries are still young and growing . (Average age is around 25!)
- Four countries have a long and good relationship with Japan.
- Relatively new market for Japanese companies (Asian market is getting too crowded)
- There is many complementary fields between Pacific Alliance and Japan. (Mexico is a good example in automobile industry).

【Some Tips for Further Development】

- ❑ Make more visible to Japanese companies.
 - Less information regarding Pacific Alliance
 - Many Japanese still keep holding old image and information
 - Compare with Asian countries is a good way for presentation
- ❑ Connectivity is important.
 - Connect four countries more tightly is worth challenging.
 - ASEAN Integration is a good precedent.

【Appendix】 Overview of JBIC's Activity (1)

Name: Japan Bank for International Cooperation (JBIC)

Missions: Our mission is to contribute to the sound development of Japan and the international economy and society by conducting its operation in the following fields:

- (1) Promoting the overseas development and securement of resources which are important for Japan
- (2) Maintaining and improving the international competitiveness of Japanese industries
- (3) Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming
- (4) Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruption

Governor : Mr. Hiroshi Watanabe

Supervised by: Ministry of Finance of Japan

Overseas Rep Offices: 17

Number of employees: 533 (Budget for JFY2015 base)

Total Assets*: JPY 14,693bil (USD 122.3bil)

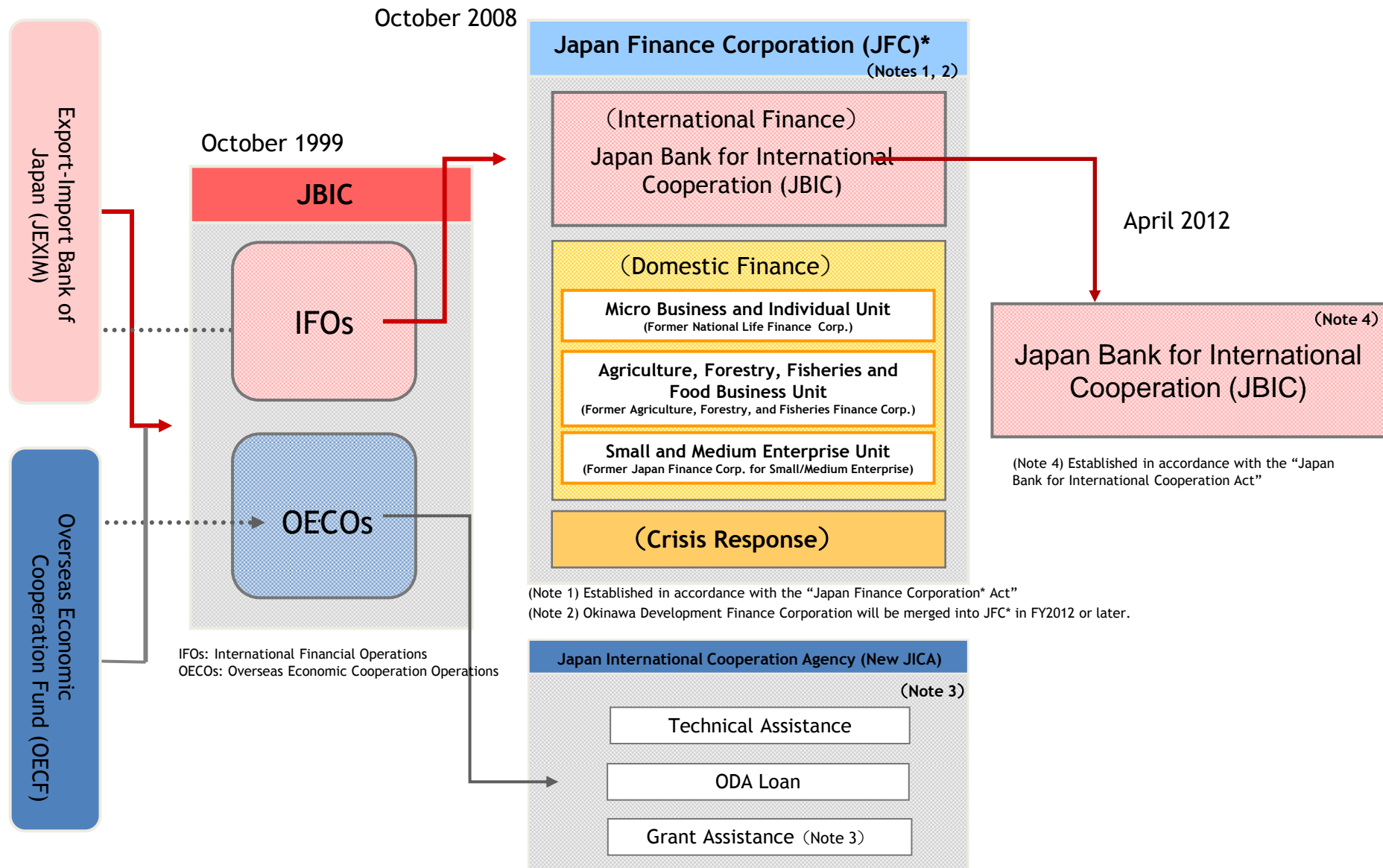
Net Assets*: JPY 2,341bil (USD 19.5bil)

Capital (100% owned by the Japanese Government)*: JPY 1,391bil (USD 11.6bil)

* Figures as of March 31, 2015

Ratings: Moody's A1 (stable), Standard & Poor's AA- (negative)

【Appendix】 Overview of JBIC's Activity (2)



Operational Principles

JBIC, as a policy-based financial institution and in accordance with the following principles, conducts speedy and well-focused operations based on policy needs in response to economic and financial situations in Japan and abroad.

1 Supplementing the financial transactions implemented by private-sector financial institutions

To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities and supplement their operations.

2 Ensuring financial soundness and certainty of repayment

Pursuant to the JBIC Act, JBIC shall make efforts to maintain the financial soundness of its operations, and when making financial decisions, to conduct adequate screening regarding the outlook for the recovery of funds.

3 Maintaining and improving international creditworthiness and confidence

In order to conduct adequate operations and effective overseas funding operations, JBIC shall maintain and improve the international creditworthiness and confidence gained by JBIC over the years.

4 Conducting business operations by drawing on its expertise and initiatives

JBIC shall conduct operations by drawing on its own expertise and initiatives on international finance.

【Appendix】JBIC's Recent Businesses with Pacific Alliance Countries (Mexico)

Loan for the Manufacturing and Sales Business of Automobile Engine Parts (FY2014)

Supporting the overseas business expansion of mid-tier enterprises and a SMEs through its first financing denominated in Mexican pesos

JBIC concluded a loan agreement with NISSIN MANUFACTURING CO., LTD. (NISSIN)'s Mexico-based subsidiary NISSIN MANUFACTURA DE MÉXICO, S.A. DE C.V. (NMX). This agreement provides funds denominated in the local currency necessary for NMX to establish a plant to manufacture automobile engine parts (rocker arms, etc.) in the state of San Luis Potosí, Mexico. NISSIN, a mid-tier enterprise that manufactures and sells automobile engine parts, established NMX in Mexico in 2012 and plans to expand its business in the country, as the demand for products such as automobile parts is expected to continue to grow, particularly in North, Central, and South America. This financing will contribute to efforts to at least maintain, if not improve, the international competitiveness of Japanese industry by supporting the overseas business expansion of NISSIN.



MOU with the Petróleos Mexicanos (FY2014)

Supporting the participation of Japanese companies in the development of oil and gas in Mexico

JBIC concluded an MOU with the Mexican state-run petroleum company Petróleos Mexicanos (PEMEX), in the presence of Japanese Prime Minister Abe and Mexican President Peña Nieto. In February 2007, JBIC and PEMEX had concluded an MOU to support the expansion of trade between Japan and Mexico, and the participation of Japanese companies in oil and gas projects undertaken by PEMEX through consultations and exchanges of information related to new PEMEX projects and business strategies, and to expand business opportunities for both JBIC and PEMEX. The new MOU revises the fields in which JBIC and PEMEX will try to strengthen their relationship and forms a framework for creating and developing the long-term friendly and cooperative partnership between both companies. JBIC not only contributes to the creation of business opportunities for Japanese companies but also supports efforts to further strengthen the economic relationship between Japan and Mexico.



【Appendix】JBIC's Recent Businesses with Pacific Alliance Countries (Chile)

Loan for Acquisition of Interests and Development of a Large-scale Overseas Copper Mine

(FY2013)

Supporting a Japanese company in the acquisition of interests and participation in the development of a copper mine

JBIC signed a project finance loan agreement to provide long-term financing necessary for the Antucoya Copper Mine Development Project implemented by the Chilean company Minera Antucoya (Antucoya), in which Marubeni Corporation and the British company Antofagasta PLC (Antofagasta) have equity stakes. JBIC is also providing financing to Marubeni Corporation for acquiring shares in Antucoya from Antofagasta thereby enabling it to participate in this mine development project, and also long-term financing for developing the mine. This loan is highly significant for securing Japan's medium- and long-term supply of mineral resources as it will contribute to securing a stable supply of copper at the overseas manufacturing bases of Japanese copper metal users, and strengthen ties between Japanese companies and Antofagasta, a major player in copper resources development.



Project Finance for a Coal-Fired Power Generation Project:

(FY2012)

Supporting the First Power Infrastructure Project by a Japanese Company in Chile

JBIC signed a project finance loan agreement with Empresa Eléctrica Cochrane SpA, a Chilean subsidiary of Mitsubishi Corporation, for the Cochrane Coal-Fired Power Project. Under this power infrastructure project, Mitsubishi Corporation, as an equity investor, will undertake all development processes, from construction to operation, jointly with the Chilean company AES Gerner S.A. This is the first power infrastructure project in Chile with capital participation by a Japanese company, and is expected to become a model for future infrastructure projects in Chile by Japanese companies.



(Source) JBIC Annual Report

【Appendix】JBIC's Recent Businesses with Pacific Alliance Countries (Peru/Colombia)

Loan for Acquisition of Shares of Anglo-American Quellaveco S.A. in Peru (FY2014)

Securing Stable Supply of Copper Resources to Japan over Medium and Long Term

JBIC signed a loan agreement with Mitsubishi Corporation (MC) to finance MC's acquisition of the 18.1 percent interest in Anglo-American Quellaveco S.A. (AAQ) in Peru which was held by the International Finance Corporation (IFC). Through this acquisition of shares, MC obtained interests in the Quellaveco Copper Project in Peru owned by AAQ, and plans to take delivery of copper concentrate produced by AAQ in proportion to its share ownership for supplies to Japanese refineries as well as other buyers. Copper is indispensable to Japanese industry as it's used extensively for various products, and its demand is expected to rise globally with growing demand among emerging countries and increasing sales of hybrid and electric vehicles.⁶ This loan contributes to secure a long-term stable supply of copper resources important to Japan who relies solely on imports for its supply of copper concentrate, used for copper ingots.



Export Loan for Hydraulic Power Plant Project: (FY2011)

Supporting Japanese Companies Export of Hydraulic Power Generation Equipment

JBIC signed a buyer's credit agreement with ISAGEN S.A. E.S.P., a company incorporated in Colombia, to finance the purchase of a set of equipment including generators from a consortium of Mitsui & Co. Plant Systems, Ltd. and Toshiba International Corporation, as it constructs a hydraulic power plant (capacity 820MW) to be constructed and operated by ISAGEN in the Sogamoso river basin in Santander in the northeastern part of Colombia. It is expected that this helps to create business opportunities for Japanese industries in the power sector in Colombia.



(Source) JBIC Annual Report