

China-Bolivia - A Lithium Deal, No More?

By [Peter Koenig](#)

Global Research, November 21, 2019

Region: [Asia](#), [Latin America & Caribbean](#)

Theme: [Oil and Energy](#)

China has by far the largest lithium market. China produces already today the most electric cars, about 1 million in 2018, and will at least triplicate their production by 2025 - and in the following decade or two, demand is expected to increase exponentially.

Bolivia has the world's largest - by far - known lithium reserves. A long-term win-win contract between China and Bolivia was under preparation since early 2019 and being negotiated as a 51% Bolivia - 49% China share-arrangement, with manufacturing of batteries and other lithium-related products foreseen in Bolivia - added value, job creation in Bolivia - with an initial investment of US\$ 2.3 billion - was about to be signed, when the US-instigated Bolivian military coup occurred. It was immediately followed with the usual US-style intimidating, violent and murderous oppression, particularly directed at protests by indigenous people.

They - the indigenous people, 70% to 80% of the Bolivian people - didn't want to lose their President, Evo Morales, who has improved their lives enormously, like nobody else before since Bolivia's independence from Spain some 200 years ago. Evo has drastically reduced poverty and provided most Bolivians with jobs and with a decent living. President Evo Morales had to seek asylum in Mexico to protect himself and his family from threats to his life and that of his loved ones, as well as to his political associates and members of Congress, who were in line to succeed him. The CIA, its handlers and their paid assets work with impunity, without scruples.

A day after Evo Morales left Bolivia, the opposition, led by the self-proclaimed neofascist, racist President, Jeanine Añez, ransacked and looted the Central Bank of its gold and large amounts of cash reserves. The loot was seen to be transported to the airport to be flown out of the country, presumably to the US. Madame Añez said she needed the money to buy weapons, of course, from America to keep oppressing and killing the indigenous protesters.

After the long-prepared and US-orchestrated 'civic-military' coup on 10th November, Bolivia is being ruled by a self-appointed, illegal, temporary (they say), neofascist government which is not only supported by the United States - the "putsch-maker" - but also by the abysmally shameful European Union, as well as by the Organization of American States - OAS (boasting, the US pays 60% of OAS' budget...).

Bolivians have been plunged into a violent military-police dictatorship knowing no restraint beating up indigenous protesters and shooting them with live ammunition. At least 25 have already been killed and hundreds wounded. Añez has signed a decree exonerating police and military from criminal prosecution for crimes and murders committed on protesters, giving the police and military a direct license to kill. Evo Morales, was forced to resign by top military brass which has been secretly trained by the School of the Americas, now called The Western Hemisphere Institute for Security Cooperation (WHINSEC). Evo has been bitterly

betrayed by Washington-corrupted and trained officers.

About 20 of Evo's closest entourage, including members of congress, who according to the Bolivian Constitution would have been in line to take up temporarily the Presidency until new elections are organized - a fact Evo proposed before being forced to resign, hardly reported by the western media - were also ordered to resign. They were all granted asylum in Mexico. They were told by the new, illegal self-appointed Government, that they were not allowed to run for the Presidency in upcoming elections. This is the type of "Democracy" exported by Washington. Its more aptly called dictatorship.

The power and fervor of pro-Morales protests in Bolivia is increasing day-by-day. Evo was the first indigenous President of the plurinational Andean country. Indigenous Bolivians, the vast majority, are strong supporters of Evo's and his MAS party (MAS = Movimiento al Socialismo, or movement towards socialism).

US President Trump has made it abundantly clear that he does not tolerate socialist governments in the world, let alone in his backyard, Latin America. Congratulating the US-trained putsch leaders, he warned Venezuela, Cuba and Nicaragua of what might soon happen to them. He doesn't lose an opportunity dishing out threats to world leaders who do not follow his orders. Indeed, the CIA via locally trained and bought agents is also causing havoc and bloody uprisings in Iran, Hong Kong, Lebanon. He, Mr. Trump the Great, a President in the process of being impeached himself for corruption and other misdeeds by the US Parliament. Bravo.

Having a socialist Government was certainly a reason for the coup d'état, but not the only one, perhaps not even the key reason. Bolivia, like Venezuela, is rich in natural resources, gas, oil, minerals and metals - and lithium, a light metal, used in car batteries, especially batteries for electric cars. They are ideal assets to be privatized by a neoliberal government for the benefit of a few local oligarchs and of foreign corporations - mostly US, of course. Stealing natural resources from developing countries is a key objective for the empire's attempting to establish monetary and territorial world hegemony.

Already before Evo Morales first took office in January 2006, he pledged to the Bolivian people that the vast and rich natural resources treasures of Bolivia belong to Bolivia, to the Bolivian people. Among the first actions of his Presidency was the partial nationalization of the hydrocarbon industry - gas and petrol. Evo inherited from his predecessors, Goni Sanchez and Carlos Mesa an absurd arrangement, whereby the foreign corporations would receive on average 82% of the profits from hydrocarbon exploitation and the remaining 18% would stay in Bolivia. It is precisely for this reason that both Goni and Mesa were thrown out by the people in bloody people's rebellions in 2003 and 2005, respectively.

When Evo was elected President in 2005 and took office in January 2006, he reversed this proportion: 82% for Bolivia and 18% for the transnationals. The western world screamed and hollered and warned him that all the foreign investors will abandon Bolivia - and Bolivia will be alone and her economy will collapse miserably. None of this happened, of course. Because even under this new arrangement foreign corporations made enough profit for them to stay in Bolivia. They are there as of this day.

In comes lithium, a soft, light and highly flammable mineral - what some call the gold of the 21st Century. The world's total known lithium reserves are about 15 million tons, with a

potential of up to 65 million tons. Bolivia has arguably the world's largest single known lithium deposits with a projected 9 million tons, about 60% of all known reserves.

Bolivia's lithium has so far remained largely untapped, whereas major current producers are Chile, Argentina, Australia and China. Bolivia's reserves are located in the Uyuni salt flats, the world's largest salt desert (some 10,000 km²) in the remote southern tip of Bolivia, about 4,000m above sea level. Lithium is contained in salt brine pools below the Uyuni salt flats.

Access is complicated because of altitude and remoteness and lithium mining has also environmental issues. Finally, and maybe most importantly, Evo Morales has promised his people that this valuable resource will not just be exported as raw material, but processed in Bolivia so that added value and major benefits remain in Bolivia. The general manager of state-owned Yacimientos de Litio Bolivianos (YLB) assures that "Bolivia will be a relevant actor in the global lithium market within four or five years."

Lithium is mainly used for the production of car batteries, cell phones, electronic devices in sophisticated weapons systems. In the age of growing environmental consciousness and electric cars, the car battery market is expected to explode in the coming years. China's President, Xi Jinping, recently said that as of 2030, all new cars on China's roads will be electric. Though, this may be optimistic, it speaks for a huge market. It is expected that the use of lithium in car batteries alone could triple - or beyond - in the coming 5 to 10 years.

In the last few weeks, the Bolivian Government was about to sign a contract with ACI Systems Alemania (ACISA), a small German mining company. On November 4, the deal was canceled, due to local protests over profit sharing. The local population wanted an increase of royalty payments from 3% to 11%. The deal would have brought a US\$ 1.3 billion investment in the Salar del Uyuni (the Uyuni Salt Flats) over time for a vehicle battery factory and a lithium hydroxide plant. Similar deals with Tesla and other US and Canadian battery producers also failed, because of unacceptable profit-sharing arrangements.

China has the World's largest lithium market. By far. And the one with the fastest growth potential. With a million Chinese electric cars sold in 2018 alone, demand is expected to increase almost exponentially. President Xi's predictions may be slightly optimistic, but according to a Chinese thinktank, by 2040 all new vehicles on China's roads will be electric. Already today, almost 100% of all scooters roaming major cities are electric.

In February 2019, the Chinese company Xinjiang TBEA Group Co Ltd. And the Bolivian state company Yacimientos de Litio Bolivianos (YLB) negotiated a deal that would have given Bolivia 51% and the Chinese 49% shares of a lithium extraction investment, an initial US\$ 2.3 billion investment venture, expandable according to market demand. The project would have included manufacturing of vehicle batteries - and more - thus, adding value in Bolivia and creating thousands of jobs.

The Chinese Ambassador to Bolivia estimates that China would need some 800,000 tons of the light metal by 2025. Electric cars with today's technology require massive amounts of lithium, about 63 kilograms for a single 70 kWh Tesla Model S battery pack. Officially known reserves in the Salar Uyuni of some 9 million tons, correspond to about a quarter of total known world reserves, according the US Geological Survey. Countrywide lithium deposits in Bolivia, but not yet proven, may reach 21 million tons, mostly in the Uyuni salt flats, according to government projections. World Bank projections see global demand for lithium

skyrocketing in the coming years, reaching more than 1,000% of present demand by 2050.

A huge proportion of this multi-multibillion-dollar market would be Chinese. It is therefore not too far-fetched to believe that the US-induced military coup itself, and particularly its timing – has something to do with Bolivia’s lithium – and more precisely with the China-Bolivia partnership deal.

Since the beginning of this year Bolivia has been negotiating with China, Bolivia’s linking up to the Chinese Belt and Road Initiative (BRI). The lithium extraction and industrial development was part of it. Under Evo’s guidance it could have lifted this still most impoverished country of South America out of poverty, to a level of “living well” for most Bolivians. China, with her win-win approach for the BRI expansion around the globe and for such bilateral deals, as would have been lithium development in and with Bolivia – would have contributed greatly to the improvement of living conditions for this landlocked Andean country.

With China being lambasted, thrashed and aggressed on every occasion, clearly, such a multiple billion-dollar long-term arrangement, for a market the west wants to claim for itself, is not allowed by the true axis of evil, the United States, the vassalic Europeans, Canada and Australia. So, President Evo Morales and his close MAS party allies – and potential successors – had to go. *Unarmed* indigenous people had to be intimidated by bought police and military forces. They are beaten up and shot at with live ammunition. As of today, the dead toll has reached at least 25, since the police-military violence began when Evo was forced to resign, about a week ago.

It is predictable that the current “interim” government will call a State of Emergency, meaning a *de facto* military-police dictatorship. The natural riches of a poor country that wants to use reserves for the betterment of her people, can be a curse – and especially if that country has a socialist regime. But – as a positive glare of hope, the Bolivian people are known to be headstrong and staunch defenders of their rights. So, with the support and solidarity of neighboring countries’ people protesting for their lost civil rights, Chile, Ecuador, Argentina and maybe soon also Brazil, not all may be lost.

*

Note to readers: please click the share buttons above or below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

Peter Koenig is an economist and geopolitical analyst. He is also a water resources and environmental specialist. He worked for over 30 years with the World Bank and the World Health Organization around the world in the fields of environment and water. He lectures at universities in the US, Europe and South America. He writes regularly for Global Research; ICH; RT; Sputnik; PressTV; The 21st Century; Greenville Post; Defend Democracy Press, TeleSUR; The Saker Blog, the New Eastern Outlook (NEO); and other internet sites. He is the author of [Implosion – An Economic Thriller about War, Environmental Destruction and Corporate Greed](#) – fiction based on facts and on 30 years of World Bank experience around the globe. He is also a co-author of [The World Order and Revolution! – Essays from the Resistance](#). He is a Research Associate of the Centre for Research on Globalization.

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Peter Koenig](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca