

# Ibero-America's Raw Materials Wealth

Ibero-America is a treasure trove of raw materials. The populations of the Western Hemisphere, as well as parts of Asia and Europe, depend on many of its raw materials, to fashion the goods vital to their existence.

Minerals and metals can be sorted into three groups:

1. *Precious metals*: largely gold, silver, and the platinum group, all of which have industrial uses, but are also held for their value as a monetary reserve or as a hoard (often in the form of bullion, coins, and jewelry).

2. *Industrial/base metals*: Seven of these — bauxite, copper, iron, lead, nickel, tin, and zinc — account, by weight, for 70% of all the non-carbon, non-wood, non-stone-based finished manufactured products in the world. No industrial society can exist without the finished products that come from them.

3. *Strategic metals and minerals*: These are usually used as alloys because they are frequently lightweight, have high tensile strength, or resist heat well. They are often used in defense and high-technology production.

**Table 1** shows production and export figures, and proven reserves, of the six largest Ibero-American oil producers, including the two powerhouses of the Western Hemisphere, Mexico and Venezuela, with 3.5 million barrels per day and 3.3 million bpd production, respectively, and combined proven reserves of 105.3 billion barrels. Of total world exports of 39 million bpd, Mexico, Venezuela, Brazil, Argentina, Ecuador, and Colombia combined export 4.7 million bpd, or 12%.

Since their founding in the early and mid-Twentieth Century, most of Ibero-America's state-owned oil firms played a critical role in their nations' drive for development. But with

TABLE 1  
**Ibero-America's Leading Oil Producers**

Country	Daily Output (million bpd)	Exports (million bpd)	Total Proven Reserves (billion barrels)
Mexico	3.5	1.7	28.3
Venezuela	3.3	2.1	77.0
Brazil	1.2	na	7.4
Argentina	0.9	.3	2.8
Colombia	0.7	.4	2.6
Ecuador	0.4	0.2	2.1
<b>Total</b>	<b>10.0</b>	<b>4.7</b>	<b>120.2</b>

the imposition of the International Monetary Fund's free-market mania in the 1990s, this trend was reversed, and state firms increasingly fell prey to the Anglo-Americans' privatization offensive. This was the case with Argentina's YPF and Brazil's Petrobrás. Mexican President Vicente Fox has made known that he favors privatization of the national oil company Pemex, and although Venezuela's 1999 Constitution prohibits privatization of the state-owned PdVSA, under President Hugo Chávez, the oil sector has increasingly been opened up to private foreign investment.

**Table 2** shows, for the essential 26 minerals and metals, the world rank of each nation in Ibero-America that is among the top six world producers. Ibero-American countries are the top producers of five minerals or raw materials: Mexico, silver; Peru, bismuth; Chile, copper; Mexico, strontium; and Brazil, columbium (niobium). Three Ibero-American nations produce more than half of the world's output of three miner-

TABLE 2  
**World Rank of Ibero-American Nations as Raw Materials Producers**

Commodity	Nation (Rank)
<b>Precious</b>	
Gold	none in top rank
Silver	Mexico (1), Peru (2), Chile (5)
<b>Base/industrial</b>	
Aluminum	Brazil (6)
Arsenic trioxide	Chile (2), Mexico (4)
Bauxite and alumina	Jamaica (3), Brazil (4), Venezuela (5)
Bismuth	Peru (1), Mexico (2)
Boron	Argentina (3), Chile (5)
Cadmium	none in top rank
Copper (mine production)	Chile (1)
Copper (refinery)	Chile (2)
Feldspar	none in top rank
Fluorspar	Mexico (2)
Graphite	Mexico (3), Brazil (5)
Gypsum	none in top rank
Iron ore (metal content)	Brazil (1)
Lead	Peru (4), Mexico (6)
Nickel (metal content)	Dominican Republic (6)
Sodium sulfate (natural)	Mexico (2)
Strontium	Mexico (1)
Tin	Peru (3), Brazil (4), Bolivia (5)
Zinc	Peru (4), Mexico (6)
<b>Strategic</b>	
Beryllium	Brazil (2)
Cobalt	Cuba (6)
Columbium (metal content)	Brazil (1)
Manganese (metal content)	Brazil (5)
Molybdenum	Chile (2), Mexico (6)
Tantalum (metal content)	Brazil (2)
Vanadium	Venezuela (5), Chile (6)

Source: U.S. Geological Survey.

TABLE 3

**Ibero-America's Share of World Mining Production or Refining**

(All tons are metric tons, 1995 output; numbers highlighted in **bold** indicate that country is one of world's top six producing nations of the cited commodity)

Mineral or Metal	World Production	Unit of Production	Percent of World Production in:					
			Ibero-America	Brazil	Chile	Mexico	Peru	Other*
<b>Precious</b>								
Gold	2.25	thousand tons	12%	3%	2%	1%	3%	3%
Silver	14.6	thousand tons	41%	1%	<b>7%</b>	<b>16%</b>	<b>13%</b>	3%
<b>Base/Industrial</b>								
Aluminum	19.4	million tons	10%	<b>6%</b>				4%
Arsenic trioxide	41.3	thousand tons	29%		<b>15%</b>	<b>11%</b>		3%
Bauxite and alumina	109.0	million tons	28%	<b>8%</b>				<b>20%</b>
Bismuth	3.0	thousand tons	63%			<b>30%</b>	<b>33%</b>	
Boron	2.4	million tons	11%		<b>4%</b>		1%	<b>6%</b>
Cadmium	18.5	thousand tons	6%	1%		4%	1%	
Copper (mine production)	10.0	million tons	32%		<b>25%</b>	3%	4%	
Copper (refinery)	11.7	million tons	18%	1%	<b>13%</b>	2%	2%	
Feldspar	6.1	million tons	10%	2%		2%		5%
Fluorspar	3.9	million tons	15%	2%		<b>13%</b>		
Graphite	718.0	thousand tons	11%	<b>5%</b>		<b>6%</b>		
Gypsum	98.1	million tons	8%	1%	1%	5%		2%
Iron ore (metal content)	554.8	million tons	27%	<b>22%</b>	1%	1%	1%	2%
Lead	2.7	million tons	16%			<b>6%</b>	<b>9%</b>	1%
Nickel (metal content)	1.0	thousand tons	14%	3%				<b>11%</b>
Sodium sulfate (natural)	2.5	million tons	21%			<b>21%</b>		
Strontium	135.0	thousand tons	53%			<b>53%</b>		
Tin	187.0	thousand tons	28%	<b>9%</b>			<b>12%</b>	<b>7%</b>
Zinc	7.1	million tons	20%	2%		<b>5%</b>	<b>10%</b>	3%
<b>Strategic</b>								
Beryllium	6.8	thousand tons	13%	<b>13%</b>				
Cobalt	22.1	thousand tons	9%	2%				<b>7%</b>
Columbium (metal content)	17.8	thousand tons	86%	<b>86%</b>				
Manganese (metal content)	7.6	million tons	14%	<b>12%</b>		2%		
Molybdenum	126.0	thousand tons	20%		<b>14%</b>	<b>3%</b>	3%	
Tantalum (metal content)	356.0	tons	14%	14%				
Vanadium	63.5	thousand tons	8%		<b>4%</b>			<b>4%</b>

\* Argentina, Bolivia, Cuba, Dominican Republic, Jamaica, and Venezuela.

Source: U.S. Geological Survey.

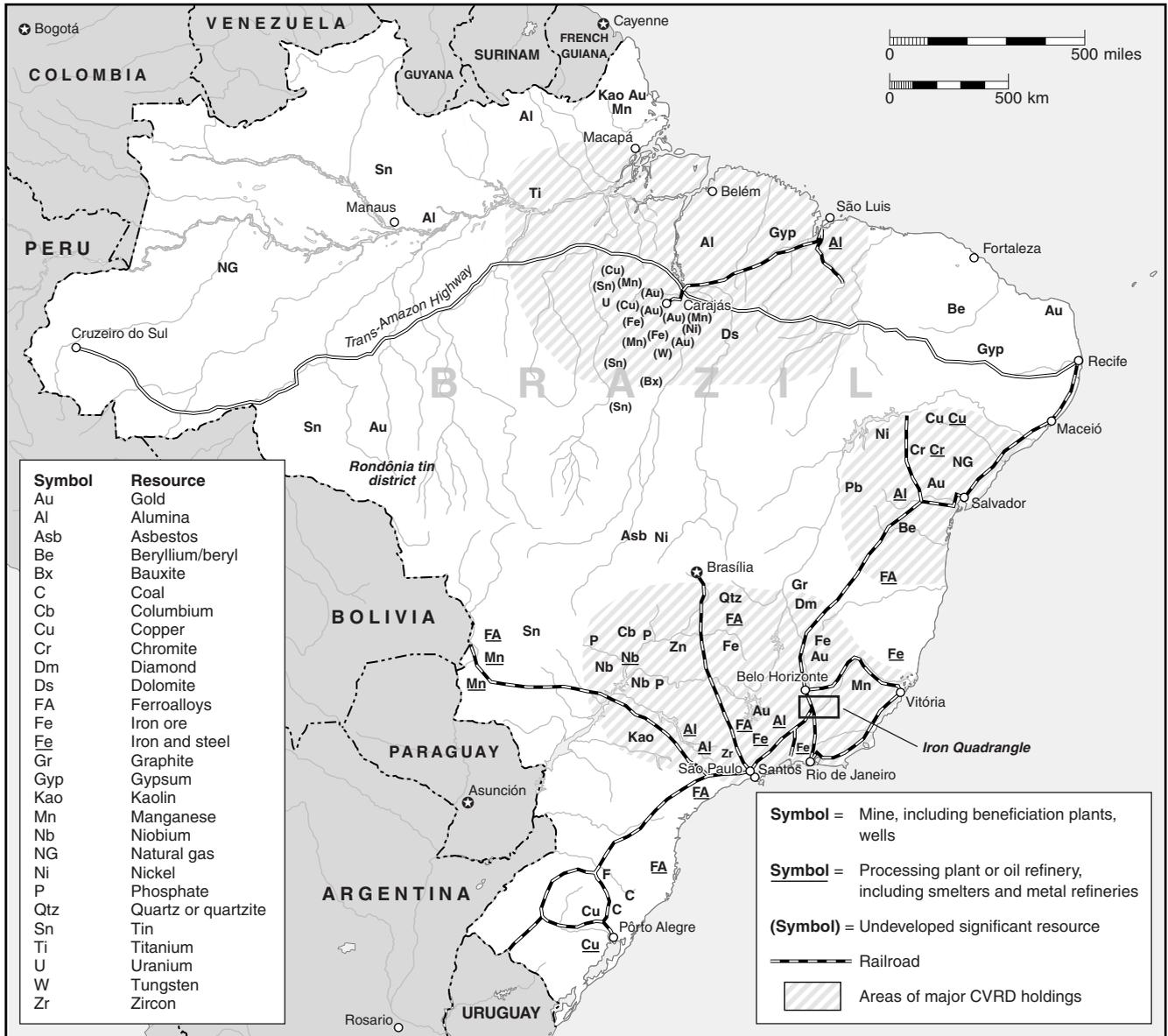
als: bismuth (Peru, 63%), strontium (Mexico, 53%), and columbium (Brazil, 86%). Ibero-America produces 15% of the world's output of two of the seven most important base/industrial metals; 20% of the world output for one of the metals; and at least 25% of the world output for three metals. It produces one-third of the world's output of copper.

**Table 3** shows the world production, in 1995, of 26 precious, base/industrial, and strategic minerals and metals (and the refinery output of copper and aluminum).

In 1990, between 75% and 80% of all mining properties in Ibero-America were owned either by state-controlled mining

companies, or by private concerns owned by that country's nationals. Today, as a result of liberalization of mining legislation, and privatization, between one-third and two-thirds of the mining properties in several Ibero-American nations, are owned by foreigners, both in their own names and through dummy corporations. Of the foreigners, by far, the principal owners are companies of the British Commonwealth raw materials cartel, including the four most powerful: Anglo American, Rio Tinto, Barrick Gold (whose International Advisory Board includes former U.S. President George Bush), and Newmont Mining.

FIGURE 1  
**Brazil's Mineral Wealth**



### Why Is the CVRD Targetted for Breakup?

*Companhia Vale do Rio Doce (CVRD), which the Brazilian government privatized in 1997, is the third-largest mining company in the world and the largest in all of Ibero-America. It has enormous proven reserves of countless minerals and precious metals, and potential deposits still not fully quantified. The CVRD holds concessions on the largest and most promising areas of mineral exploitation in the country, totalling 23 million hectares, and an additional 600,000 hectares of commercial forest lands.*

*The CVRD also owns the most significant transportation and logistical infrastructure grid in the country, which includes 2,000 kilometers of railroads; its own fleet of 22 ships; six seaport facilities; eight steel plants in Brazil and three abroad; three paper and cellulose factories; and, above all, an invaluable capacity for generating new companies, based on the accumulated know-how and experience of its technicians and executives.*

*Brazil's CVRD also has enormous historical and political significance as well, because it symbolizes the fight by Brazilian patriots to industrialize their country. It was founded in 1942, as a result of the so-called Washington Agreements signed by U.S. President Franklin Delano Roosevelt and Brazilian President Gen. Getulio Vargas.*