

Bolivia's Mutún Steel Complex

A Model of Sovereign Industrial Development

by Cynthia Rush

Oct. 18—Bolivians will soon proudly witness the official inauguration of the Mutún integrated steel complex, whose construction began in 2016 in Puerto Suárez in the south-eastern department of Santa Cruz de la Sierra, in the province of Germán Busch. Bolivia has never had steel-producing capability until now.

In early July, Bolivia's Ministry of Mining and Metallurgy reported that six of the seven plants of the Mutún works would be ready to begin operations in late September, a cause for great celebration, as this huge project, for which China's Sinosteel Equipment and Engineering Co. is the main contractor, will allow Bolivia to process and industrialize its vast iron ore reserves, found at "Mutún Mountain," *Cerro Mutún*, near Puerto Suárez on the Brazilian border. It is estimated to contain the largest and purest iron ore and manganese deposits in the world. The iron ore reserves stand at 40 billion tons.

President Luis Arce Catacora unfortunately had to postpone the official inauguration of the project, originally scheduled for Sept. 21-22, due to devastating forest fires that engulfed a large part of Santa Cruz and neighboring departments. He intends to reschedule it as soon as possible. The Mutún Steel Company ESM, which has administrative control over the project, was also involved in providing humanitarian assistance to victims of the fires in the region.

The Mutún steel works was the first Belt and Road project to be carried out between China and Bolivia. By February of 2025, all seven plants at this integrated steel complex are scheduled to be completed, constituting an appropriate gift to the nation in the year of its bicentennial celebration on Aug. 6, 2025. This



Mutún Steel Plant Facebook page

Mutún steel plant in Bolivia.

is an extraordinary accomplishment for a nation that, until the mid-2000's, was the second-poorest nation in the Ibero-American and Caribbean region, along with Honduras. Haiti was, and remains, the poorest.

An End to Neo-Colonialism

Throughout its almost 200 years of existence as an independent nation, Bolivia has been subjected to the vicious neo-colonial model of exploitation and looting of its wealth of natural resources by foreign financial interests. The opportunity to industrialize its own resources only became possible when Evo Morales was elected President in January of 2006 and began nationalizing the country's plentiful oil and natural gas reserves to ensure that they were controlled by the state and used for national development. With China's help, this is finally happening.

In January of 2016, Bolivia awarded a contract to

Sinosteel Equipment & Engineering Co., Ltd to extract and process iron ore from Mutún. The project was suspended due to the November 2019 coup against President Morales, orchestrated by the U.S. State Department, in which he barely escaped with his life. Also, the COVID-19 outbreak at that time turned into an epidemic.

In June of 2021, the contract was re-activated in a Memorandum of Understanding signed by representatives of Sinosteel, Bolivian Minister of Mining and Metallurgy Ramiro Villavicencio, and President Arce, who had taken office as President in November 2020.

China stood in readiness all along to support Bolivian industrialization. In 2017, China’s then-Ambassador to Bolivia, Liang Yu, reported in an Oct. 2 interview with the Bolivian daily *El Deber*, that China intended to “energetically” help Bolivia in whatever way the country wished, so it could develop into a prosperous, industrial nation at the center of a prosperous and developing South America. In this interview, quoted in a Nov. 3, 2017 *EIR* article [“Bolivia sets its Sights on Fusion Energy and Eliminating Poverty!”](#) Liang pointed to Sinosteel’s contract to build the Mutún steel complex as a “gigantic step for the industrialization of Bolivia.”

EIR has dubbed this anti-colonial example of economic development the “Mutún model,” worthy of being adopted throughout the developing sector, once it breaks free of the City of London and Wall Street. Cur-



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The mining side of the City of Mountain Iron in Minnesota, United States. The city was founded on the mining of taconite iron ore deposits.

rent President Luis Arce has continued with the industrialization model Morales began, although his government has been subject to sustained financial warfare from London and Wall Street which has had a destabilizing effect on the economy.

President Arce will be attending the Oct. 22-24 BRICS summit in Kazan, Russia at the invitation of Russian President Vladimir Putin. Arce hopes to have Bolivia join the BRICS group at some partnership level to seek cooperative economic and trade agreements with member nations. This will help free Bolivia from the destructive grip of Western financial predators.

Mutún, the ‘Sleeping Giant’

In a May 23 interview with Cadena A-Santa Cruz posted on [Facebook](#) Jorge Alvarado Rivas, president of the Mutún Steel Company, referred to Mutún as the “sleeping giant that has awakened” because of the enormous development potential it represents—not just for industrialization of iron ore but for “the industrialization of Bolivia.” Work at the steel project, located on 42 hectares of land, is 92% complete, he said, and, except for the direct reduction plant, which won’t be operational until February of 2025, the six other plants were ready to start operations in September.

These include an iron ore concentration plant, a pelletization mill,



Sinosteel

Bolivia’s President Luis Arce (center on dais) at an introduction ceremony for the Mutún steel plant.

lamination, steel conversion, a continuous casting and rolling mill, and a power station with related infrastructure and services. As Alvarado explained, the goal is for the Mutún complex to become a major industrial hub for the country, with the necessary infrastructure and smaller new factories and businesses that will transform the economically-depressed Puerto Suárez and the surrounding region, providing thousands of productive jobs. As for the steel complex itself, it is expected to create 700 direct jobs and 2,000 indirect ones.

Plans for the building of new infrastructure needed in Puerto Suárez include a railway, roads, and bridges. Currently, Bolivia imports 450,000 tons of steel annually, largely from Peru, Argentina, and Brazil. When fully operational, the Mutún complex will produce 200,000 tons of steel annually, which will allow Bolivia to reduce its import bill by half.

China’s current Ambassador to Bolivia, Wang Liang, visited Puerto Suárez in early July to tour the steel complex, accompanied by other embassy personnel and representatives from Sinosteel. Ambassador Wang commented at the time that “China and Bolivia are strategic partners. Next year we will commemorate 40 years of diplomatic relations, and this project is emblematic of China-Bolivian cooperation. I am confident that through this project we are going to support the Bolivian people and government to improve Bolivia’s economic conditions.”

Creating a Skilled Workforce

Ahora el Pueblo reported June 26 that following a six-month training period in Bolivia, 33 young Bolivian professionals were selected to spend another six months in China for intensive specialized technical training to prepare them for running the steel works. According to Jorge Alvarado, these young profession-



Aerial view of the Mutún steel plant.

Mútun Steel Plant Facebook page



A student tour of the Mútun steel plant.

Mútun Steel Plant Facebook page

als “will be the future operators and administrators of the steel complex.”

Efforts are also underway to expand training for young Bolivian students who live closer. On Sept. 5, the Mutún Steel Company [ESM] announced that it had signed an inter-institutional internship agreement with the Germán Busch Technological Institute [ITEGEB] that will allow its students to work as interns at ESM beginning in August of 2025. At the signing ceremony, it was announced that students of metallurgy, foundries and steel, civil construction, general accounting, and auto mechanics, who are in their last two years of training, will be eligible to work at ESM as interns. The Mayor of Puerto Suárez, Mauricio Montero, emphasized that the young people of the region are being educated and trained “at the country’s next strategic industrial pole through the industrialization of Mutún’s iron ore.”

ESM president Alvarado added that the ESM isn’t just building the steel works, but is also “concerned about human resources, so that this complex will be operated by Bolivians, particularly by the region’s young people.” The agreement just signed will allow for a “marriage between the theoretical and the practical,” he said.