

# **BHP Executives Meet with Finance and Mining Ministers to Discuss Multi-Billion Dollar Investment Plan in Chile**

A delegation of four company representatives visited both ministries, with BHP Americas President Brandon Craig joining the meeting with Mario Marcel.

**df.cl**

**By Patricia Marchetti**

BHP's massive investment plan in Chile is beginning to take shape beyond its initial announcement. On Monday, a delegation of executives from the Anglo-Australian mining giant held separate meetings with the Minister of Mining and the Minister of Finance to discuss the company's proposed investments of up to \$13.7 billion.

The delegation first visited the Ministry of Mining to meet with its head, Aurora Williams. "They presented the main investment projects for the coming years in our country," the ministry announced via its X account.

The meeting, requested through a lobbying effort, included BHP's Vice President of Corporate Affairs, René Muga; the President of Minera Escondida, Alejandro Tapia; BHP's Head of Permits, Anita Zúñiga; and the company's Head of Indigenous Affairs, Cristián de la Piedra.

Following this, the group proceeded to Teatinos 120 for a meeting with Finance Minister Mario Marcel. According to *\*Diario Financiero\**, Brandon Craig, President of BHP Americas, was also present at this meeting.

Two weeks ago, as previously reported by *\*DF\**, BHP announced plans for a major investment in its Chilean operations, which is poised to be the company's largest since the launch of Escondida and the most significant in the sector in recent years. The investment, ranging between \$10.1 billion and \$13.7 billion, will be made over this decade and the next.

Key initiatives include the construction of a new concentrator plant to replace the Los Colorados facility, with a capital expenditure of up to \$5.9 billion; the expansion of the Laguna Seca concentrator plant, with a projected investment of up to \$2.6 billion; and the reopening of the Cerro Colorado mine, with an estimated investment of up to \$3.2 billion.

# **Antofagasta Region: SEA Backs Codelco Project Worth \$720 Million**

The project involves various modifications required for the Chuquicamata operation, inaugurated in 2019.

**El Mercurio de Santiago**  
**By T. Vergara**

This Thursday, the environmental assessment commission of the Antofagasta Region will vote on a project from Codelco's Chuquicamata division that includes a series of modifications to the operation that began in 2019. The project, valued at approximately \$720 million, aims to implement gradual modifications to the century-old mine as part of its underground mining method. Codelco explained that due to the unique geological characteristics of underground mining, there will be a continuous need to gradually enable deeper mining levels, requiring ongoing construction as the extraction progresses.

"The rock's geomechanical properties are not uniform, necessitating the study of new alternatives for the continued development of the underground mine. This results in complementary works and operational adjustments to achieve the approved production rate of approximately 140,000 tons of ore extracted per day," the company stated.

The proposed adjustments under review include modifications to the ore handling system, changes to the ventilation system, new fuel supply points within the mine, and the installation of a new power line, among other updates.

The project has the support of the regional office of the Environmental Assessment Service (SEA) and is now under consideration by the environmental commission.

*Lawmakers Blame Executive for Delays in Judicial Appointments:*

## **Senators Take Action Over Vacancies in Environmental Courts Nationwide**

More than 1,300 days have passed without resolution on cases due to staffing shortages. Lawmakers argue that proposed changes to “permit approval” processes will have little impact unless this issue is addressed.

**El Mercurio de Santiago**  
**By TOMÁS VERGARA P.**

Senators are calling for urgent reforms to the nomination process for environmental court judges, following revelations of severe delays in the resolution of investment project cases.

Currently, only 8 of 15 positions are filled across the three macro-regional environmental court branches located in Antofagasta, Santiago, and Valdivia. A shortage of judges and staff has led to some cases taking over 1,300 days to be resolved, according to data revealed by the Confederation of Production and Commerce (CPC). These delays exacerbate the so-called “permit approval bottleneck.”

The nomination process for environmental court judges begins with the Public Senior Management System (ADP), moves to the Supreme Court, proceeds to the President of the Republic, continues through Senate approval, and ends with a final presidential decision.

Alfonso de Urresti (PS), head of the Senate’s Constitution Committee, notes that environmental court judges are the only ones still subject to such a lengthy nomination process.

“This made sense for the initial appointments when there were few candidates with environmental expertise. But after more than a decade, there are plenty of qualified professionals, so at the very least, the ADP step should be eliminated,” he argued.

De Urresti and other senators have introduced two legislative motions for reform. One proposes extending judges’ terms until a replacement is appointed; the other suggests lowering the Senate’s approval threshold from a three-fifths majority to an absolute majority.

“The three-fifths quorum is excessively high, especially considering two branches of government have already vetted candidates’ academic, professional, and personal merits,” the proposal states. However, the motion lacks executive backing.

### **Pressure on the Executive**

Senators argue that the delay in filling vacancies lies with the executive branch. As a result, the Environment Committee has formally requested the Constitution Committee’s assistance in expediting the process.

“The goal is to push forward because Antofagasta needs a primary judge and an alternate. Santiago is missing the same, and Valdivia lacks two primary judges and an alternate. We can’t continue like this,” lamented Senator Rafael Prohens (RN).

Sergio Gahona (UDI), chairman of the Environment Committee, attributes the backlog to executive inaction, not the courts.

“There’s no point in reforming Law 19.300, an effort led by the Ministry of the Environment, if we can’t even fully staff the environmental courts,” Gahona warned, adding that he is preparing a proposal to reform the nomination and substitution process for vacant positions.

### **The Role of the Ministry of Justice**

Pedro Araya (PPD), a member of the Constitution Committee, believes there is bipartisan agreement on the need for environmental court reforms and points to government responsibility.

“We’ve expressed the urgency of resolving this to both former Justice Minister Luis Cordero and current Minister Jaime Gajardo. The executive has had candidate lists for quite some time but hasn’t submitted a single name to the Senate. It’s been over a year without progress,” Araya said.

He added that judicial delays are a significant barrier to investment. “Even if we speed up permit processes, unresolved judicial delays will continue to hinder projects,” Araya concluded.

This newspaper reached out to the Ministry of Justice for comment, but no response was provided.

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## **BACKGROUND**

The law establishing environmental courts was enacted in 2012. Antofagasta's court, the last to be operational, began functioning in 2017.

Each environmental court is composed of five judges (including primary and alternate members). Currently, Antofagasta and Santiago have three judges each (two primary and one alternate), while Valdivia operates with just two (one primary and one alternate).

# **Criminal Group Steals Copper Cathodes Worth \$100 Million from Minera Michilla**

**CRIME.** At least ten criminals were involved in another major theft targeting industrial mining operations in the region.

**El Mercurio de Antofagasta**  
**December 3, 2024**

In the early hours of Monday, a criminal gang raided Minera Michilla, located north of Mejillones. After subduing and isolating the workers on-site, they stole over 12 tons of copper cathodes valued at \$100 million.

"Around midnight, two pickup trucks carrying ten criminals forced their way into Minera HMC-Faena Michilla through the main gate, breaching the security barriers and restraining a security guard against his will," the company stated in a public release.

The intruders proceeded to the cathode storage yard, where they confronted subcontractor personnel on the premises, forcing them into vehicles and holding them hostage. They then used a service vehicle belonging to the workers to break through the perimeter fence, stealing approximately 12 tons of copper," the statement explained.

## **HOSTAGE SITUATION AND ROBBERY**

After executing the heist, the criminals released the hostages and fled around 2:00 a.m.

"Throughout the incident, the perpetrators used HMC's radio channels to communicate among themselves and to threaten the site personnel. They brandished firearms, which they discharged multiple times," the company detailed.

The affected workers were taken to a healthcare facility in Mejillones for medical evaluation and treatment. Six were discharged immediately, while three others were referred to their mutual insurance provider for further care. As a result of the incident, all operational activities at the site were suspended, and staff gathered for informational and support sessions.

## **PROSECUTOR'S OFFICE**

Following the report, the Public Prosecutor's Office, under the directive of the Rapid Response Unit, dispatched OS9 and Labocar specialized police units to the mining site for a thorough investigation.

According to the Prosecutor's Office, the case has been assigned to the Antofagasta Complex Crimes and Analysis Division.

"The Complex Crimes and Analysis Division is investigating, in collaboration with Carabineros' OS9 and Labocar units, the robbery at a mining operation north of Mejillones, where unknown individuals stole copper cathodes valued at 100 million pesos," acting regional prosecutor Eduardo Peña confirmed.

"Preliminary information suggests that the perpetrators entered the mine using vehicles and were armed with firearms, which they used to intimidate the company's guards," Peña added.

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"All operational activities were suspended, and staff gathered for informational and support sessions."

—Hugo Adrián F., Operations Manager, Faena Michilla

"The suspects reportedly entered the mine using vehicles and armed with firearms, which they used to intimidate the company's guards."

—Eduardo Peña, Acting Regional Prosecutor

# After October, Chile's Economy Set to Grow Between 2.2% and 2.4% in 2024, Leaving the Challenge of Accelerating in 2025

■ Minister Marcel anticipates positive results for November and December, citing a favorable base of comparison, and projects GDP growth to reach around 2.4% in 2024.

Diario Financiero

December 3, 2024

By C. VERGARA and A. SANTILLÁN

As expected by market analysts, the Monthly Economic Activity Index (Imacec) recorded a 2.3% growth in October compared to the same period in 2023, according to the Central Bank. This result was primarily driven by the performance of services and commerce, further boosted by two additional business days compared to last year.

However, the seasonally adjusted series showed only a 0.4% increase from September and a 1.7% rise year-over-year. The non-mining Imacec also grew by 2.3% annually and 0.4% month-to-month.

## Signs of Weakness

Despite surpassing September's 0.3% growth, the market remains cautious about October's Imacec figure.

"The economy showed some improvement over the previous month, but not enough to recover the activity lost in September's slowdown," said Juan Ángel San Martín, senior economist at Bci Estudios. He added that the Chilean economy is delivering "what it can under maximum utilization of productive factors—capital and labor. Expecting higher dynamism lacks fundamental support."

Alejandro Fernández, research manager at Gemines, noted that economic activity remains weak, with the absolute index fluctuating around the same level since early 2024. BTG Pactual's economic analyst, Sebastián Piña, expressed concern as all sectors except services experienced monthly declines. The industrial sector, in particular, has contracted for three consecutive months.

"This reinforces the perception of a weak growth cycle," commented José Manuel Peña, senior portfolio manager at Fintual.

On a more positive note, BICE Inversiones' chief economist, Marco Correa, highlighted the rise in services as "a sign of greater internal demand dynamism." JPMorgan's chief economist for the Southern Cone, Diego Pereira, also foresees continued gains in services, driven by wage growth, monetary easing, and stronger commercial activity.

## Refined Projections

Based on October's data, the market expects GDP to grow between 2% and 3% in the fourth quarter. Bci projects a 2% increase, while BICE and Gemines forecast 2.3%, and BTG Pactual sees a ceiling of 2.7%. Zurich AGF anticipates up to 2.9%.

For the full year, several institutions, including BICE Inversiones, Moody's, Itaú, and Inversiones Security, estimate a 2.2% growth. Meanwhile, Bci projects 2% and Gemines 2.1%.

Sebastián Piña noted that while they expect a 2.3% annual growth, October's data introduces a downside risk. Coopeuch projects 2.4% but with a similar downward bias.

Finance Minister Mario Marcel confirmed this outlook, stating, "In the last two months, we'll likely see significant differences compared to last year's weak November and December results. This should lead to a 2.4% growth this year." Marcel had recently dismissed the possibility of achieving 2.6%.

Looking ahead to 2025, analysts foresee Chile's GDP growing by 2%. Correa predicts this scenario will be driven by stronger domestic demand and weaker export contributions. Conversely, Alfredo Coutiño, director for Latin America at Moody's Analytics, expects 2.5%, arguing that the domestic market will gain momentum as "monetary brakes ease."

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## Central Bank Rate Outlook

### ■ Minority voices suggest holding the benchmark rate at 5.25%.

October's Imacec will be the last key indicator considered at the Central Bank's monetary policy meeting on December 17. Most analysts anticipate a 25-basis-point rate cut from the current 5.25%.

Diego Valda, head of strategy and economics for Latin America at Zurich AGF, expects the benchmark rate to close the year at 5%. Despite a more dynamic fourth quarter, earlier quarters' underperformance justifies further easing.

BTG Pactual, BICE Inversiones, Bci Estudios, and Coopeuch also predict a quarter-point reduction. However, some analysts argue for maintaining the rate. Alfredo Coutiño noted that real monetary conditions are neutral, while inflation exceeds the 4% upper limit, suggesting the Central Bank should pause and keep the rate at 5.25%.

Gemines' Alejandro Fernández supports this stance, advocating rate stability.

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## Chile's Regional Standing

### ▣ While Chile is expected to outperform Latin America in 2024, it may align with the regional average in 2025.

Consensus Forecast's November survey lowered Chile's 2024 GDP estimate from 2.4% to 2.3% and from 2.3% to 2.2% for 2025. Latin America's growth is forecast at 1.9% for 2024, rising to 2.2% in 2025. However, Brazil, Panama, Paraguay, Peru, and Uruguay are projected to outpace Chile.

Coutiño predicts Latin America will end 2024 with 1.8% growth, rebounding to 2.2% in 2025, led by Argentina, Colombia, and Peru, with Chile and Brazil following.

# The Challenges to Maintaining Chile's Leadership in the Mining Sector

Opinion by Andrés Soto Bubert, Director of Civil Mining Engineering,  
Faculty of Engineering, Architecture and Design, USS.

**La Tercera**  
**December 3, 2024**

The world is undergoing an energy transformation that is redefining how we produce and consume resources. The transition to renewable energy and electric vehicles has driven up the demand for critical minerals such as copper and lithium, positioning Chile as a key player in this new economy. However, regulatory challenges, political uncertainty, and the lack of robust strategies threaten our ability to maintain global leadership in the mining sector.

According to BloombergNEF, the mining industry will require investments of \$2.1 trillion by 2050 to meet the demand for essential minerals. As the world's leading copper producer and the second-largest lithium producer, Chile holds a privileged position. Yet, developing new mining projects can take 15 years or more due to lengthy environmental permitting processes, putting us at a disadvantage compared to countries with regulatory frameworks that encourage investment, such as Argentina or the Democratic Republic of Congo. Additionally, our copper mines are aging rapidly, necessitating a new generation of replacement and expansion projects. Delays and a lack of accountability among the various agencies involved in granting permits hinder investment and, consequently, job creation. These delays send mixed signals to investors, raising doubts about our ability to attract the capital necessary for new developments.

To maintain our relevance in the global market, it is imperative to establish a transparent and efficient regulatory framework that speeds up project approvals, particularly those aligned with the sustainability goals of the 2015 Paris Agreement. Furthermore, we must promote public-private collaboration in research and development of clean technologies that reduce the environmental impact of mining operations.

Chile cannot afford to lose its mining leadership. International competition is fierce, and the countries that successfully balance sustainability, innovation, and stability will lead the energy transition. It is time for all stakeholders—government, industry, and academia—to work together to transform our natural resources into sustainable development and opportunities for current and future generations.

The challenge has been set. Are we ready to face it?