

US\$ 1.6 Billion:

## **Coeva Approves Spence Mining Project**

The initiative aims to extend operations until 2039.

**El Mercurio de Santiago. Diciembre 28, 2024.**

**Por C. Muñoz-Kappes**

The Environmental Assessment Commission (Coeva) of Antofagasta approved the Spence adaptation project yesterday, which involves an investment of US\$1.6 billion. The commission's approval comes after the Environmental Assessment Service (SEA) had favorably rated the initiative.

For Cristian Sandoval, president of Pampa Norte BHP — which oversees the Spence and Cerro Colorado operations— Coeva's approval "represents support not only for the project but also for an investment that will be positive for the development of sustainable mining and the economy of the country and the Antofagasta Region."

He added that "we value the evaluation process led by the Environmental Assessment Service of Antofagasta, and we believe that the contributions from the local community and various state agencies added value to our project. The collaborative spirit among stakeholders in these processes has been fundamental to the success and approval of this initiative."

### **Spence Extension**

The initiative aims to adapt and extend Spence's current leaching operation until 2039. Additionally, the extension and depth of the existing pit will be modified, and the crushing plant will be optimized.

Coeva, chaired by the Regional Secretary of Social Development of Antofagasta, approved the project with nine votes in favor and one abstention.

The initiative submitted its Environmental Impact Assessment (EIA) in February 2023.

# Spence Project Approved for US\$1.652 Billion, Extending Its Operational Life Until 2039

COEVA. The Environmental Assessment Commission approved the initiative, which aims to adapt and extend the leaching operation, with nine votes in favor and one abstention.

**El Mercurio de Antofagasta. December 28, 2024.**  
**By Cristián Venegas M.**

The Environmental Assessment Commission (Coeva) of Antofagasta approved, with nine votes in favor and one abstention, the "Spence Operational Adaptation Project,"\* an initiative submitted for environmental evaluation in February 2023, involving an investment of US\$1.652 billion and aiming to extend BHP's operational life until 2039.

According to the Environmental Impact Study, the project will adapt the current leaching operation, extending its lifespan and introducing modifications such as updating the mining plan, extending and deepening the open pit, optimizing the crushing plant and leaching piles, and improving solution management and solvent extraction. This will allow the operation to use \*Full Sal\* technology, which processes ore with new salt concentrations.

Among many other developments, the project —scheduled to begin execution in 2025— plans to enable complementary support infrastructure, such as a new solar thermal panel system for heating electro-winning (EW) solutions. This will replace diesel boilers, reducing emissions and aligning with the portfolio of decarbonization initiatives.

## COLLABORATION

From Minera Spence, they reported that the project was submitted almost two years ago, "based on prior work with the Sierra Gorda community, which continued throughout the permitting process. Various regional services and institutions participated in the project's evaluation, contributing their observations and feedback."

Cristian Sandoval, president of Pampa Norte I BHP —which oversees the Spence and Cerro Colorado operations (Tarapacá region)— said the commission's favorable assessment, "represents support not only for the project but also for an investment that will positively contribute to the development of sustainable mining and the economy of both the country and the Antofagasta Region."

"We value the evaluation process led by the Environmental Assessment Service of Antofagasta and believe that contributions from the local community and various state bodies added value to our project. The collaborative spirit among stakeholders in these processes has been fundamental to the project's success and approval," he added.

## **COMMITTED DEVELOPMENTS**

The mining company, based in the municipality of Sierra Gorda —approximately 60 km southwest of Calama and 150 km northeast of Antofagasta— also announced that, "the project includes several voluntary commitments for the Sierra Gorda community, such as building a multipurpose area, a bus terminal, and implementing local employment programs."

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## **Favorable Assessment**

On Friday, during its final session, the Environmental Assessment Commission (Coeva) gave the green light to the "Spence Operational Adaptation Project" by issuing a favorable assessment (with only the Ministry of Public Works abstaining). The session, chaired by the Regional Secretary of Social Development of Antofagasta, favorably rated a project that, according to the mining company, "will allow the operational lifespan of the copper leaching process for cathode production to be extended, thereby prolonging Spence's contribution to the economy of both the country and the region."

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**244,000**

**tons** was the copper production of BHP's Minera Spence operation during 2023.

# More Than 120 University Students Trained in Mining Competencies

GRADUATION. HEUMA Consortium and BHP prepared them in key areas for the future.

**El Mercurio de Antofagasta. December 28, 2024.**

This week, the UA-UCN HEUMA Engineering Faculties Consortium, in collaboration with BHP, held the graduation ceremony for the 2024 editions of the "HEUMA Sessions" and "Apresto" programs. These initiatives aim to develop strategic and cross-disciplinary competencies in future engineers from the Antofagasta Region to address the challenges of the mining industry.

In total, 121 third- and fourth-year students from the Engineering Faculties of the Universidad Católica del Norte (UCN) and the Universidad de Antofagasta (UA) were certified after completing a training process aimed at strengthening essential technical and professional skills for the workforce.

## PROGRAMS

One of the University Consortium's projects is HEUMA Sessions. This annual course, taught by BHP executives and academics from both universities, trained 71 students in strategic mining areas such as geology, exploration, production, autonomy, and social value, among others, bringing future professionals closer to the realities and challenges of the mining industry.

"Interaction with BHP executives was key to better understanding the industry. This experience gave me a clearer perspective on mining and helped me strengthen essential skills for my professional development,"\*explained Marcelo Céspedes, a computer civil engineer from the Universidad Católica del Norte and participant in HEUMA Sessions.

On the other hand, the "Apresto" program, in its tenth edition, certified 50 students who enhanced fundamental cross-disciplinary skills such as effective communication, teamwork, and emotional intelligence, preparing them to be part of a dynamic labor market advancing towards Industry 4.0.

The HEUMA Sessions and Apresto programs are part of the initiatives promoted by the HEUMA Consortium, with the support of BHP, which aim to build key competencies for the industry's future. These efforts are complemented by the LIQCAU program, consolidating a comprehensive training offering aligned with the current and future challenges of the mining sector.

Performance 2024 and Estimates for Next Year:

## **Productive Sectors Move Between Stagnation and Slight Recovery**

Some factors of uncertainty, such as regulatory changes and the specter of permits, may create uncertainty for investments in certain sectors, while improved consumption figures cannot yet be interpreted as a trend.

**El Mercurio de Santiago. Diciembre 28, 2024.**

**Por Catalina Muñoz-Kappes, Nicolás Birchmeir, And Marco Gutiérrez.**

Productive economic sectors face a significant challenge for the coming year amid a weak economy, consumption showing “green shoots” —whose sustainability as a trend remains uncertain—, and certain sectors experiencing stagnation in their exports, such as the forestry, salmon, and fishing industries. In fishing, for example, investment has remained stagnant due to the uncertainty generated by the legislative changes under discussion, particularly because of their impact on the industrial sector.

While several significant mining investments have been announced to extend the operational life of major deposits, the so-called “permit bureaucracy” emerges as a key obstacle hindering future progress, according to industry insiders. This issue persists despite copper prices —which have averaged over US\$4 per pound this year— allowing the industry to achieve good profits and increasing revenue for the national treasury.

Nevertheless, production levels remain a challenge for several operations, particularly for the state-owned company Codelco.

Regarding consumption, where experts agree that signals indicating a consistent recovery are still fragile, the specter of persistent inflation above the annual target of 3% emerges as a significant risk. Major retailers have achieved a remarkable recovery in their bottom line, although this has been accomplished through the control of efficiency variables and other parameters, such as inventory management.

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Area Expects to Remain Stable:

### **"Permit Bureaucracy" and Global Tensions, the Challenges for Mining in 2025**

The industry sees untapped potential and focuses on the barrier of permits for new initiatives.

Production challenges, the looming threat of tariff impositions by Donald Trump's United States, and issues with "permit bureaucracy" are the main concerns for the mining sector in the coming year. Although copper prices are expected to remain strong in 2025 —between US\$4.2 and US\$4.5 per pound, according to projections by the National Mining Society (Sonami)— the sector still faces challenges, especially in investment.

"The Capital Goods Corporation estimated that mining investment in 2025 will reach US\$7.278 billion. While this is an attractive figure, most of these initiatives are brownfield projects and, therefore, it is unlikely they will result in significant production increases," says Jorge Riesco, president of Sonami.

For Riesco, the overall balance is that "the sector faces stagnation and significant challenges, but despite an uncertain global environment and internal difficulties, mining has the opportunity and responsibility to lead Chile's economic growth in 2025 through appropriate strategies, concrete actions, and effective collaboration, maintaining its position as an essential pillar of the country."

In this regard, the Mining Council highlights that "delays in approval processes are a significant barrier for projects to materialize and move forward at the necessary speed, delivering their contributions to the regions and the country." While they appreciate the progress made by the government on legislative projects to modify the Environmental Assessment System and sectoral permits, they state that "there are still issues with the efficiency of permit issuance."

## **Moderation**

In this context, both industry associations believe that the sector will remain stable next year. According to Riesco, Sonami's projections indicate that the sector will grow by around 3% in 2025, with copper production ranging between 5.4 and 5.6 million metric tons of fine copper. "Undoubtedly, this is a modest figure, far below the country's mining potential," he comments. On the other hand, assuming a metal price between US\$4.2 and US\$4.5 per pound, Sonami believes that mining exports will reach US\$60 billion next year.

The same moderate outlook is shared by the Chilean Copper Commission (Cochilco). "The copper market concludes 2024 in a consolidation phase, with prospects for moderate recovery in 2025, supported by economic stimulus measures in China and progress in the energy transition," the state agency said in a report.

Despite this, they observe that there are "structural risks, both economic and geopolitical, which, along with pressures arising from increased supply, could limit substantial improvements in the medium term."

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CCS Projects a 3.5% Growth in 2024:

## **Despite Slight Increase in Consumption, Retail Faces Weak Growth Signals**

Inflationary pressures, base effect comparisons, and a weakening labor market are among the factors that could impact the business next year.

The retail sector expects to close this year with a recovery in sales after the contractions recorded in 2023.

According to data from the Santiago Chamber of Commerce (CCS), retail trade showed a year-on-year increase of 4.5% in real retail sales in October. In this context, they project that the industry's performance will report growth of 3.5% by the end of 2024.

"2024 was a year of recovery for commerce after the sharp contractions of previous years," says María Teresa Vial, president of the CCS. This, she explains, is due to "weak base comparisons, lower inflation, and lower interest rates, which contributed to this improved statistical performance." "Sales have still not reached 2021 levels in real terms, which speaks of a relative recovery that still has a way to go," she added.

At the Retail Brands Association, they state that 78% of their members have increased their sales in physical stores when comparing the January-November 2024 period with 2023. In the case of online sales, 59% of the association's members indicated they achieved positive results during that period. "It is important to note that while the results are good compared to 2023, that was an extremely bad year for retail, both digitally and in physical stores, so these figures do not mean that the sector is in a favorable position," said Esteban Halcartegaray, president of Retail Brands.

Despite the recovery, retail associations warn of weak growth signals for 2025. "We foresee a 2025 with a deceleration in sectoral growth," says Vial.

The CCS estimates that next year trade will grow around 2%. This is due to a scenario of "higher base comparisons, a longer horizon for inflationary and monetary normalization, and particularly, a weakened labor market in its capacity to generate employment as a result of a series of regulatory changes that have increased hiring costs, and which will remain in effect throughout next year," Vial stated.

"Looking ahead to 2025, our projections indicate a year of limited growth for commerce. Although we hope that authorities will implement measures to boost economic recovery and support the sector, the challenges we face remain significant," said Halcartegaray.

“The fight against informal trade, both physical and online, is crucial, as it has experienced significant growth in recent years, directly affecting retail,” he added.

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## Transition Towards Cleaner and Less Expensive Sources: **The Energy Industry Will Focus on Transmission to Drive Renewables**

At the same time, in the distribution sector, they indicate that regulatory changes are needed to increase the resilience of the grid following rain-induced outages.

Strengthening the energy system is the sector's priority for next year, especially to facilitate the transition from fossil fuels to renewables. “A central element for 2025 will be the scheduled retirement of approximately 1 GW of coal capacity, marking a milestone in the decarbonization of our energy matrix. This process, while necessary, will be complex and will require strengthening the electrical system to ensure supply stability. In this context, achieving the connection and financing of these 15 GW of storage projects will be key,” commented Ana Lía Rojas, executive director of Acera.

The Chilean Association of Transmission Companies shares a similar vision. “The growing integration of renewable energy, supported by modern and sufficient infrastructure, will be key to meeting the established climate goals. A significant development is the government's proposal for a new direct current transmission project between the Entre Ríos and Lo Aguirre substations,” they affirm.

However, they warn of difficulties in achieving this goal. “The success of this and other initiatives will depend on the ability to develop regulations that do not hinder development by over-bureaucratizing the sector; on addressing significant pending issues, such as reducing the time required for awarding and executing projects, which can currently take up to three years; and on providing the right investment signals in the valuation processes of facilities and other ongoing matters.”

Along the same lines, Juan Meriches, executive director of Empresas Eléctricas, hopes that 2025 “will be a key year to address the climatic resilience needs of electrical infrastructure and to effectively enable the energy transition for users. Both addressing short-term challenges and discussing a long-term regulatory reform will be essential,” he said.

Therefore, he pointed out that they believe the sector can improve in 2025 “if we manage to articulate these issues collaboratively between public and private stakeholders.”



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## Sector Forecasts a 15% Increase in Exports This Year: **Forestry Shipments Rise, but Concern Over Wildfires Grows**

"In the last decade, Chile has lost about 35,000 hectares annually due to megafires," said Rodrigo O'Ryan, president of Corma.

The forestry sector in Chile is currently experiencing a challenging time in terms of investment, plantations, and employment. Fires, theft, land occupations, and insecurity have led major players to state that the sector is stagnant. CMPC —linked to the Matte group— indicated this year that the industry is facing a "retreat." Meanwhile, Papelera and Arauco —belonging to the Angelini family— are driving multimillion-dollar investments in Brazil, where they have received strong support from authorities to deploy their resources.

In terms of exports, the president of the Chilean Wood Corporation (Corma), Rodrigo O'Ryan, stated that the sector projects a growth of 14% to 15% in timber shipments by the end of 2024, driven by cellulose, a product that accounts for 52% of shipments.

According to statistics from the Forestry Institute —part of the Ministry of Agriculture—, forestry exports totaled US\$4.568 billion between January and September of this year, marking a 9.4% annual increase. In 2023, shipments totaled US\$5.556 billion, completing ten years of stagnation without breaking the US\$6 billion ceiling —a milestone unlikely to be reached this year either. In contrast, during the previous decade —from 2002 to 2012— timber shipments more than doubled, rising from around US\$2.3 billion to nearly US\$5.4 billion.

O'Ryan stated that "in plantations, the outlook is critical. In the last decade, Chile has lost about 35,000 hectares annually due to megafires, without incorporating new areas." He added that another large-scale fire would cause "devastating consequences, affecting land recovery and jeopardizing international environmental commitments." He emphasized that "this scenario hits small and medium-sized forestry and timber businesses hard, as they face difficulties reinvesting in affected lands or securing raw material supplies, endangering the sustainability of the production chain and local development."

At Corma, they emphasized that "the sector calls for urgent preventive measures, prosecution of intentional crimes, and the implementation of a wildfire and promotion law with state support to face future challenges."

The guild leader added that logistical problems at both local and international levels have affected delivery times.

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## Competitive Risk

### **Salmon Farmers Face Export Stagnation**

The salmon farming industry extended its stagnation in exports throughout 2024.

According to data from the National Customs Service, between January and November 2024, 708,277 tons of salmon and trout were exported, valued at US\$5.773 billion. Although more tons were shipped compared to 2023 (701,779 tons), the value of shipments decreased, as exports totaled US\$5.932 billion in 2023.

Loreto Seguel, executive director of the Salmon Council, stated that they project a 1% growth for 2024, while they estimate a similar performance for 2025. "This slowdown worries us, and we must not forget that we remain Chile's second most exported product. The salmon farming industry is stagnant," she said.

Arturo Clément, president of SalmonChile, said, "In recent months, there has been an interesting rebound, showing that the opportunity is there; we just need the tools to seize it."

Both associations urged authorities to remove regulatory barriers that prevent the sector's growth, allowing them to continue competing with Norway in this industry.

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## Shipments and Extraction

### **Delicate Fishing Figures Amid Changes to the Law**

The fishing sector has faced parliamentary discussions this year regarding modifications to the current Fishing Law and changes in quota allocation. Amid this atmosphere, the overall figures for extraction and exports in the sector remain weak.

According to data from the Undersecretariat of Fisheries and Aquaculture, landings from extractive fishing totaled 2.01 million tons as of November 2024, marking a 2.3% annual decrease. It also reported that exports reached US\$1.474 billion by September, a drop of 3.5% annually.

Meanwhile, the National Fisheries Society (Sonapesca) indicated that landings fell by 1.7% as of November. The association's general manager, Héctor Bacigalupo, explained that one of the reasons is the sardine fishing ban in the south-central zone. The organization reported a 1.9% increase in exports.

Montserrat Jamett Leiva, Sustainability Manager of the Industrial Fishermen's Association of Biobío, reported that 768,000 tons of jack mackerel were caught in the

south-central macrozone, representing an annual increase of 20.7%. "This has allowed for greater production of frozen and canned foods," she said. Jamett commented that "the industrial fishing sector could be projecting significant investments and hiring labor, mainly due to the promising prospects for an increase in Chile's global jack mackerel quota; however, this positive outlook is overshadowed by an initiative from the Executive branch."

# **Dominga: Organizations and Civil Society Join SEA and File Appeals Before the Supreme Court**

The NGO Oceana and the Association of Fishermen and Shellfish Harvesters of Los Choros, along with private individuals, requested the definitive rejection of the project (DF Señal).

**Diario Financiero / DF Señal. December 28, 2024.**  
**By Patricia Marchetti**

On the last day of the deadline to do so, local organizations from the municipality of La Higuera and representatives of civil society joined the Environmental Assessment Service (SEA) and filed appeals on procedural and substantive grounds before the Supreme Court to challenge the ruling of the First Environmental Court of Antofagasta (1TA), which revoked the rejection of the Dominga project by the Committee of Ministers.

“We have appealed to the Supreme Court because we believe that the Environmental Court's ruling contains clear illegalities by forgetting its role, which is to review administrative decisions and not to force the approval of projects,” said Ezio Costa, executive director of the NGO FIMA.

“We believe that in this case, Law 20.600, which creates environmental courts, has been violated. Therefore, we hope the Supreme Court will review and ultimately annul the ruling,” added the lawyer representing Oceana in the case, one of the main organizations opposing the mining-port project.

According to a statement, two appeals have been filed. The first is a procedural and substantive appeal on behalf of the NGO Oceana, and the second is a substantive appeal filed by the Association of Fishermen and Shellfish Harvesters of Los Choros, along with private individuals.

The appeals outline arguments intended to demonstrate, in the appellants' view, that the Environmental Court, through its ruling, “made an evident effort to fully support the Dominga project, extending its powers beyond what is reasonable and possible.” Therefore, they request the Supreme Court to annul the ruling and declare that the Committee of Ministers' resolution rejecting the project was issued in accordance with the law.

“The substantive appeal aims to show the Supreme Court that, contrary to what the Environmental Court indicates, the project file demonstrates that it is not viable,” said Marcos Emilfork, legal coordinator of NGO FIMA and representative of the Association of Fishermen and Shellfish Harvesters of Los Choros, as well as private individuals Javiera Espinoza, Cristóbal Díaz de Valdés, and Nancy Duman.

“In its reasoning, the Court ends up violating several basic rules of public and environmental law,” added the lawyer.

These actions are also expected to be joined by the Movement in Defense of the Environment of La Higuera (Modema), the Los Choros Rural Drinking Water Association (APR), and the Association of Small Farmers of Los Choros.

“We are going to file the relevant actions before the Supreme Court to request that it review the decision of the Environmental Court of Antofagasta, which unfortunately does not comply with the law,” said lawyer Alejandra Donoso, director of the Environmental Defense organization, who represents various local communities opposed to the Andes Iron project.

The Dominga mining-port project, located in the municipality of La Higuera, entered the environmental evaluation process in 2013 and involves two open-pit mines, a mega-port, a desalination plant, a tailings deposit, and the extraction of iron and copper concentrate over a 22-year period.