

*Year-End 2024 Survey by Economía y Negocios:*

## **Public insecurity and economic stagnation are the year's worst news**

The survey of more than 140 businesspeople, economists, and opinion leaders from the sector reveals several trends. Mining is at the forefront of positive developments, Latam Airlines is considered the best-performing company, and the Economic Crimes Law has had the greatest impact. Within the economic cabinet, Mario Marcel receives the highest rating (4.6), while Diego Pardow ranks last (2.9). Among institutions, the Central Bank stands out with a score of 6.2, while the National Monuments Council fails with a 2.0. The term “permisología” is repeated as the word of the year.

### **MERCURIO DE SANTIAGO**

For business leaders and agents in the economy and business sectors, the worst news of 2024 was actually twofold: public insecurity on one hand and poor economic performance on the other.

These perceptions come from the second year-end survey conducted by Economía y Negocios of El Mercurio, carried out between Friday and Monday. Over 140 public opinion leaders and productive management figures participated (see infographic for details). The responses also reflect that the most positive news is associated with the mining sector.

### **The Best of 2024**

The question regarding the “best news of the year” included options such as U.S. strength, inflation reduction in Argentina, Chilean pensions performing well in a global ranking (Mercer), and the IPSA record high. However, another option was the most voted: with 31% of the preferences, respondents favored the average copper price surpassing \$4 per pound.

Outside of these options, where respondents could add their own ideas, the most repeated were the growth of the export sector and the reduction of the Monetary Policy Rate (TPM).

Regarding the main business developments of 2024, two mining-related deals were the most mentioned. 29% highlighted the agreement between Codelco and SQM over lithium, whose memorandum of understanding was signed this past May. Close behind, 25% chose BHP Billiton’s expansion announcement (owner of Escondida) valued at approximately \$13.7 billion.

17% favored green hydrogen projects in Magallanes, 15% identified the merger initiation between BICE and Security banks as the transaction of the year, and 12% selected the arrival of the Saudi multinational Aramco in Chile.

For respondents, the best-performing company of 2024 is Latam Airlines (42%), followed by Empresas Copec (26%) and Falabella (19.3%). Further down, Enami garnered only 1.4%. Among spontaneous responses, Mercado Libre was mentioned more frequently than Enami, with 2.9%.

### **The Worst**

The “worst news of the year” was neither a high dollar, persistent inflation, nor the lithium price slump.

Preferences were nearly tied between two issues. Public insecurity topped the list (43.1%), narrowly edging out economic stagnation and high unemployment (42.4%).

Some respondents proposed other issues, with the most consistent being political problems and lack of agreements (such as pension reform). Others mentioned Donald Trump’s election in the U.S., corruption, or the Hermosilla case.

### **What to Watch For...**

From a regulatory perspective, the Economic Crimes Law, which came into force in 2024, overwhelmingly stands out as the legislation with the greatest business impact (59%). Nearly 13% chose the Karin Law.

Regarding processes to monitor in 2025, the majority pointed to pension reform (43%), followed by the initiative against "permisología" (31%).

Indeed, for the second consecutive time, "permisología" was chosen as the word or concept of the year, garnering 51% of the votes, followed by "artificial intelligence" (31%). Among open-ended responses, security/insecurity and economic growth were repeated.

On economic activity, respondents were asked to what extent they agreed with the statement: "The following authorities/institutions have demonstrated commitment to economic growth in 2024."

Regarding President Gabriel Boric, 14.6% agreed or strongly agreed that he showed such commitment this year, compared to 71.5% who disagreed or strongly disagreed.

A more critical view was expressed toward deputies (81.3% in some degree of disagreement). There was also skepticism about commitments from unions or the judiciary, with the Senate positioned in an intermediate category.

Conversely, nearly 80% saw a high level of commitment from business associations, followed at some distance by universities and Finance Minister Mario Marcel (see infographic for details).

## **Pass and Fail**

Among the economic cabinet, Minister Marcel received the highest average score (4.6), followed by the Ministers of Transportation, Juan Carlos Muñoz (4.5), and Public Works, Jessica López (4.2).

The lowest-rated official was Energy Minister Diego Pardow (2.87), behind Labor Minister Jeannette Jara (2.92) and Environment Minister Maisa Rojas (2.96). Economy Minister Nicolás Grau also "failed" with a score of 3.3.

Among public institutions, the best-rated was the Central Bank (score of 6.2), followed by the National Economic Prosecutor's Office (5.3) and the Financial Market Commission (5.2). The National Monuments Council (2.0), the Environmental Assessment Service (2.7), and the Labor Directorate (3.4) failed to pass.

# Mining in Action: Committed to Chile

Opinion by Joaquín Villarino, Executive President of the Mining Council.

**mineriayfuturo.cl**  
**December 30, 2024**

Collaboration is a key concept for the success of mining operations, and with that lesson learned, the sector has put it into action across various areas. Over the past decade, a series of concrete actions have shaped the industry's agenda, involving active participation from both private entities and the state, along with civil society, to generate social value for Chile and its people collectively.

For instance, starting this year, the mining royalty began benefiting 307 communes nationwide, providing new resources for local governments and the opportunity to significantly improve the quality of life for millions of people. The next challenge lies with regional governments, who must transform these contributions into actions and policies for the benefit of local communities.

However, mining contributions go beyond financial collections. A clear example of this is the public-private alliance, which for the second consecutive year, was signed between the Mining Council, Desafío Levantemos Chile, and this year, with the Ministry of Agriculture. In 2023, it focused on reconstructing 48 homes for families affected by the February 2023 wildfires in Purén and Vilcún. This year, the focus was on aiding the National Botanical Garden of Viña del Mar, which was severely impacted—97% of its surface was destroyed—during the February 2024 wildfires. The companies affiliated with the Mining Council, including Anglo American, Antofagasta Minerals, Barrick, BHP, Collahuasi, El Abra, Freeport-McMoRan, Glencore, Gold Fields, Lundin Mining, Río Tinto, and Teck, donated CLP 984 million for the complete reconstruction of the Viña del Mar park.

The Viña del Mar Botanical Garden is a crucial space for the community, offering recreation and gathering opportunities to its over 400,000 annual visitors. Thanks to the work of numerous collaborators and specialists, the first phase of its reconstruction was inaugurated in August this year with the delivery of the Gazebo and walkway. Additionally, reforestation efforts were carried out by representatives from the aforementioned companies, rehabilitating a significant area with a focus on resilience through the planting of native species and the preparation of soil and management of water resources.

Recently, the delivery of the iconic café, "La Casa del Jardín," was made, providing a space for visitors and opportunities for women entrepreneurs to regain their workspace. This was complemented by the canopy "Alto Elevar" and the climbing wall, which are part of recreational activities welcoming over 25,000 visitors annually, including schools and summer camps, as well as a therapeutic space for young people with disabilities.

Furthermore, a modern Central Irrigation System was installed, allowing the recovery of the nursery and its more than 1,300 plant species, including some endangered ones. This green space, known as the "garden city," has demonstrated remarkable resilience in the face of adversity, and its swift recovery fills us with pride as miners and as Chileans.

Mining is committed to Chile. Whether in response to natural disasters such as the 2010 earthquake or health crises like the Covid-19 pandemic, as well as consistently addressing issues related to education, health, and development, our sector actively collaborates through management and resources, supporting communities and regions where we operate, as well as the country as a whole.

From the Mining Council, we remain committed to continuing to support and promote initiatives that improve quality of life and contribute to communities—not only in mining areas but also in other regions that may face unexpected catastrophes or challenges. Today, we call for all of us to continue walking this collaborative path to build a better future together.

# Critical Mining Inputs: Projections for 2025

Opinion by Daniela Desormeaux, Director of Studies, Vantaz Group

**Diario Financiero – December 31, 2024**

The year 2025 is set to be a special one, with new significant challenges and opportunities for the mining industry. Strategic management of critical inputs will be essential to navigating a context marked by rising costs, geopolitical tensions, and shifts in global logistics dynamics. In this scenario, the ability to strategically manage critical inputs will be decisive in maintaining competitiveness and advancing toward a more sustainable and resilient model.

Energy costs will continue to be a critical factor driving up the prices of key inputs such as lime and grinding balls, which have seen cost increases due to the energy-intensive nature of their production. Sulfuric acid, for example, faces pressures from transportation costs and the specific situations of local smelters. Meanwhile, the growing dependence on imported inputs increases the sector's vulnerability to international fluctuations.

In maritime transport, a critical component for both the import of inputs and the export of mining products, prospects remain uncertain. While some routes have seen reductions in recent months, projections for 2025 anticipate a 10% to 15% increase in certain key routes due to factors such as port strikes in the U.S. and rising operational costs.

Domestically, electricity tariffs, which experienced significant adjustments in 2024, will continue reflecting generation and distribution costs. According to December's Monetary Policy Report (IPoM), this trend will continue exerting pressure on energy-intensive sectors such as mining, making it difficult to optimize operational costs.

On the international macroeconomic front, trade tensions between the U.S. and China could intensify restrictions on trade flows, impacting both the import of inputs and the export of products.

Despite these challenging conditions for managing critical inputs, the mining sector in Chile has promising prospects. According to the same IPoM, the price of copper is projected to remain stable at \$4.30 per pound, a level that continues to be attractive for project realization. Gross fixed capital formation in the sector will continue to be a key driver, contributing significantly to GDP growth estimated between 1.5% and 2.5% for 2025. This dynamism, contrasting with the slowdown in other sectors, reaffirms mining's central role as a pillar of economic recovery and investment opportunities.

The Chilean mining industry faces a complex environment, but one not devoid of opportunities. The sector's ability to adapt will be crucial in consolidating its position as a key player on the global stage. With strategic management of critical inputs, the adoption of sustainable technologies, and a long-term vision, the industry will not only navigate the challenges of 2025 but also lead the transition toward a more resilient, efficient, and socially committed mining sector, dedicated to the economic and social development of the country.

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# Marimaca: Little-Known \$500 Million Mining Project Near Mejillones Seeks Environmental Permit

Located 24.2 kilometers southwest of Mejillones and 40 kilometers northwest of Antofagasta, this project is considered one of the largest copper discoveries in Chile over the past five years. If realized, it would be the largest fully new mining project to begin operations in decades.

## PULSO

By Ignacio Badal

The Canadian-owned mining company Marimaca Copper has submitted an application to the Environmental Assessment Service (SEA) to develop a little-known copper mining project. If realized, it could become a landmark project this decade as the first greenfield mining project—built from scratch—in Chile in decades and exploit the largest copper deposit discovered in the past five years worldwide, according to its promoters. Located 24.2 kilometers southwest of Mejillones and 40 kilometers northwest of Antofagasta, the Marimaca oxide copper mining project has prominent shareholders, including the UK-based private mining investment fund Greenstone Resources LLP (25.3%), South African company Assore (15%), British investment firm Ithaky Ltd. (9.5%), and Japanese corporation Mitsubishi (4.5%).

The project, which has filed its application through an Environmental Impact Declaration (DIA), foresees an investment of approximately \$500 million for the construction of an open-pit mine capable of extracting 5,000 tons per month.

"Its objective is to begin Marimaca's mining activities through open-pit mining of the copper ore deposit, which includes leaching of the ore and copper cathode production. (...) Copper cathode production will involve the construction of new mineral processing facilities, including primary, secondary, and tertiary crushing, agglomeration, heap leaching, solvent extraction, electrowinning (...) and complementary infrastructure for seawater and electricity supply to generate the production capacity needed to utilize the mineral resources over the project's estimated 21-year lifespan," the document submitted to the SEA explained.

The company plans to extract a total of 562,723,000 tons of rock, comprising 237,156,000 tons of ore and 325,577,000 tons of waste.

The extracted material will be processed at a metallurgical plant to produce high-purity copper cathodes, which will be transported by land to the nearby port of Mejillones for delivery to end customers.

"Marimaca is the only copper discovery worldwide in the last five years and is a low-risk project with substantial exploration potential," the company states on its website. "It is recognized as one of the most significant copper deposits in Chile in the last decade. It represents a new type of deposit that challenges accepted mining knowledge and could pave the way for new discoveries in the country. Marimaca is hosted by intrusive rocks, whereas many of the region's numerous manto deposits are hosted by volcanic rocks," the site explains.

One of the initiative's appealing features is its proximity to the sea in a low-elevation coastal area, which would allow it to be developed with relatively low capital investment due to the quick transport of its cathodes.

Additionally, there are no nearby communities to be affected, the workforce could be sourced locally, and it would rely on recycled seawater from a thermoelectric plant located in Mejillones Bay.

The Marimaca deposit was discovered in 2016 by Chilean geologist Sergio Rivera, who is now the company's vice president of exploration.

The total resources of the deposit are estimated at 899,700 tons of measured and indicated resources, which are considered secure, and an additional 141,300 tons of inferred resources, which are estimates.

# Sectoral permits, key for the energy transition

Opinion by Javier Tapia, Executive director association of Transmissors Chile.

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JAVIER TAPIA

Chile faces an urgent dilemma in the field of electricity transmission: move forward decisively or continue stuck in bureaucratic processes and a complex regulatory web that hinders linear projects and ultimately delays critical infrastructure projects essential for sustainable development and growth.

Permits serve as a prime example. On December 16th, in the Senate Economy Committee, it became evident that the current system is alarmingly complex. The Kimal-Lo Aguirre project — the mega-line connecting Antofagasta to Santiago and vital for the energy transition — requires nearly 5,000 sectoral permits. An average line needs over 300 of these permits, which in many cases (unlike other types of projects) multiply simply due to the vast territory they traverse.

The number of permits associated with an Environmental Qualification Resolution (RCA) has tripled over the past 20 years. In some cases, socio-environmental commitments can account for up to 10% of the investment value.

This reality highlights a troubling issue: the inability to timely incorporate critical infrastructure, which paradoxically is mandated by the state itself.

The good news is that the Framework Law on Sectoral Authorizations is well-designed and represents progress. In its current form, it incorporates significant changes, such as the creation of an administrative body and a platform that should allow the system to operate more efficiently; strengthening oversight; regulating administrative silence; recognizing alternative regulatory tools; and the possibility of prioritizing strategic projects, among others.

However, greater ambition is still needed. It is essential to simplify processes, ensure coherence across them, eliminate redundancies, and incorporate incentives alongside sanctions to ensure effectiveness. Additionally, it is expected that the regulations governing the application of the new Framework Law on Authorizations will be established promptly. Moreover, it is important that other key projects for the transition (such as those modifying SEIA's institutional framework or those aimed at protecting Cultural Heritage) have investments at their core and adopt similar terms and standards to avoid interpretative issues.

Chile is at a pivotal moment. The challenge lies not only in accelerating timelines but also in becoming more efficient without sacrificing the socio-environmental standards to which every investment project must adhere. From Transmisoras de Chile, we remain committed to supporting initiatives that enhance a safe, efficient, and resilient electricity grid system.

CAMILO ELTON, CEO OF MADECO BY NEXANS:

## "Electricity Consumption in Copper Mining Will Increase by 31.4% by 2034"

"Undoubtedly, we will play a very significant role in the decarbonization of the coming decades, as we aim to electrify Chile's future sustainably."

Diario Financiero, December 31, 2024

By Patricia Marchetti

The end of 2024 not only marks another year for Madeco by Nexans as a producer of copper electrical cables "made in Chile," but it also concludes the company's 80th anniversary. With a focus on being key players in the country's electrification, the firm anticipates growth in the infrastructure and mining sectors while describing the real estate market as "uncertain."

Camilo Elton, CEO of the company, which is linked to the Luksic Group—owners of a 14.2% stake in Nexans through Invexans, Madeco's parent company—shared with DF that overall results in 2024 have been "quite similar to 2023," although business segments have shown variations.

"In our electrification segment for construction (65% to 70% of our total business in Chile), the real estate sector has remained stable, with relatively low demand. However, in the last semester, we have observed improvements in projects related to hospitals, distribution centers, and data centers, which have partially offset the stagnation in real estate," he explained.

The remaining 30% to 35% of the business focuses on the mining sector in two areas: the electrification of mining operations and machinery, such as shovels and drills. "We have seen increased demand for operational cables in mining and anticipate further electrification growth driven by the expansion of mining operations," Elton noted.

- With over \$83 billion in mining investments projected for the next decade, will your business strategy shift to strengthen this sector?

- Our strategy will not change. It remains focused on amplifying the electrification business because we are a pure player in this market. That 70-30 split (70% in construction and 30% in mining) is expected to stay consistent, with minor variations, as we aim to grow in both segments.

- How much would production of cables for mining increase under this "amplification"?

- I cannot provide an exact figure, but we see a project pipeline we haven't observed in a long time. It's estimated that electricity consumption in copper mining will grow by 31.4% by 2034, which directly correlates with the increased demand we foresee.

- Who are your main mining clients?

- All the largest mining companies in the country. We are the leading supplier of electrification for Chile's major mining operations.

- What are your 2025 projections for the mining sector?

- Next year, copper production is expected to grow by 6%. Consequently, cable consumption for daily operations will likely increase proportionally. Additionally, expansion projects in mining operations must also be factored in.

- And in construction?

- Cities are electrifying rapidly, and we anticipate growing demand for data centers driven by artificial intelligence and other trends. This suggests growth in that sector. However, the real estate segment remains so uncertain that it's impossible to project specific figures. The only unknown we face is the real estate sector.

Our growth will primarily focus on the mining, data center, and hospital sectors. It is worth noting that the company has secured contracts for three data centers in Chile next year, Elton added.

- What is the company's revenue in Chile? How much does Madeco contribute to Nexans?

- As part of a publicly traded multinational, we cannot disclose such information.

- How does your business in Chile compare to other countries in the region?

- In South America, we have plants in Colombia, Peru, Brazil, and Chile, which accounts for about 10% to 15% of regional operations.

- With rising copper prices, how does that impact you?

- We foresee high copper prices in the coming years. However, since we pass on the costs of copper directly, we neither gain nor lose if prices rise or fall. That said, high prices are beneficial as they drive greater mining activity in Chile and, consequently, more business for us.

- What role does Madeco play in the energy transition?

- One of the most significant tools to combat the climate crisis is electrification. Madeco aims to be a key player in the decarbonization of the coming decades. Our mission is to electrify Chile's future and do so sustainably. In this context, Elton highlighted that 1% of the company's production currently comes from recycled copper. Additionally, its plant in San Miguel operates entirely on renewable energy, and globally, the company aims to reduce CO2 emissions by 42% by 2028.

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"Undoubtedly, we will play a very significant role in the decarbonization of the coming decades, as we aim to electrify Chile's future sustainably."



# Dominga: Environmental Court Rules Against Government Again, Administration Prepares Complaint to Supreme Court

At La Moneda, authorities will await the outcome of a query to the Comptroller's Office regarding how to determine the presidency of the Ministers' Committee, despite the lack of clarity on when a response will be provided by the oversight body.

**PULSO**

**By Víctor Guillou**

Like the season finale of a TV series, the judicial saga surrounding the Dominga project reached one of its most dramatic chapters this Monday. Last Friday, the government had submitted a request for reconsideration to the First Environmental Court (1TA) to suspend the effects of the ruling that revived the controversial mining and port project. However, on Monday, the judicial body once again rejected the Executive's petition, with less than 24 hours remaining before the deadline requiring the Ministers' Committee to issue a new resolution on the initiative led by Andes Iron, a company linked to the Délano family.

In a decision supported by judges Sandra Álvarez and Cristian Montecinos, but with the dissenting opinion of Judge Alamiro Alfaro—who had already voted against the request in the first instance—the specialized judicial body determined that there were no new arguments to alter its previous stance. Thus, for the second time in less than a week, it issued a "denied" ruling on the appeal submitted by the Environmental Assessment Service (SEA).

This represents another setback for the government's legal strategy, which aims to address the 1TA's mandate requiring the Ministers' Committee to issue a new resolution. In its December 9 ruling, the court gave the ministerial body 15 days to issue its resolution, mandating it be done by representatives who "are not subject to situations compromising their impartiality and administrative integrity." The ruling also instructed the resolution to align with the pronouncements of the OAECA (Administrative Environmental Impact Assessment Organisms) that are consistent with the environmental impact assessment process, adhering to the duty of justification and the principle of legitimate trust protection.

These 15 days expire on December 31, but the government interprets that at least part of the ruling has already been addressed—specifically on Monday, December 23, when the Ministers' Committee held an extraordinary session to "address compliance with the First Environmental Court's ruling," according to the session minutes. However, no resolution was issued during that session. Instead, two courses of action were decided: filing a cassation appeal before the Supreme Court and simultaneously seeking to suspend the effects of the 1TA's ruling. Additionally, all current members of the Committee recused themselves from forming the body, citing prior involvement in decisions regarding the project. They announced a query to the Comptroller General's Office to determine who should constitute the Committee and, specifically, who should preside over it, in line with the 1TA's criteria. The SEA, acting as the secretariat for the Ministers' Committee, only submitted this query to the oversight body last Thursday.

For now, La Moneda will wait for the Comptroller's Office's response, despite the uncertainty surrounding when it will issue one. Although a swift response is not ruled out, the query is unprecedented, and there is no existing jurisprudence on the matter.

Acting Government Spokesperson Aisén Etcheverry explained that the question of who should preside over the Committee "has left us in a situation that needs resolution (...) understanding that the usual substitution rules do not necessarily apply." She also stated the government's position not to call a session on Tuesday: "We have made the query and are now awaiting that response," she said.

Etcheverry added that while there is a deadline to issue a resolution, it "pertains to independent branches of the state, and as a government, we are taking all necessary steps to arrive at the correct solution."

"The deadline has not yet expired, so we cannot announce the outcome or the measures to be taken, as there are still some hours left (...) to analyze the situation and make the best possible decision," she emphasized.

According to lawyers following the case closely, the Comptroller's response could simply adhere to what the law dictates. Although the Ministers' Committee's statute does not explicitly define how to substitute the presidency,

these lawyers argue that the issue could be resolved by assigning leadership to the Ministry of Health, as it is the second ministry listed after Environment among the portfolios comprising the collegial body.

If that is the case, Andrea Albagli, Undersecretary of Public Health, would preside over the Ministers' Committee. Meanwhile, the judicial proceedings have added another document from the government. On Monday, SEA attorney Benjamín Muhr filed a certification request with the 1TA to formally document the rejection of the reconsideration motion by the judicial body.

According to the document, the certificate was requested "for the purpose of filing the corresponding complaint." Lawyers familiar with such complaints explained that the only avenue to file one is with the Supreme Court. This would aim to express dissatisfaction with the actions of the 1TA judges and to highlight their divided votes on suspending the ruling's effects that returned the case to the government committee.

Nonetheless, insiders familiar with the strategy indicate that the government's defense team is analyzing its options, and the complaint is among the possible courses of action. While this is being evaluated, the certificate was processed as requested by the 1TA itself.