Private Investment Projected to Reach $14.822 Billion in 2025, a 15% Increase from 2024

# Seven out of ten pesos will come from the mining and energy sectors, according to CBC projections

Increased activity in the mining sector, driven by reduced uncertainty following the conclusion of the royalty discussion, and the development of non-conventional renewable energy (NCRE) projects will boost private investment in 2025. Meanwhile, 2024 is expected to mark the lowest investment level since 2018, including public sector spending.

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**Author: Marco Gutiérrez V.**

In the construction industry, hopes for greater activity next year are tied to plans in mining and energy, with private investment data aligning with these expectations.

Private investment is projected to grow by 15% in 2025, reaching $14.822 billion. This amount represents 80% of total investments for the year, including public sector contributions, according to the latest report from the Capital Goods Corporation (CBC) based on third-quarter figures.

The CBC's data, current as of September, estimates investment trends for projects with defined timelines—both private and public—over the 2024-2028 period.

For 2025, private mining investment is expected to rise by 65.5% compared to the anticipated close of 2024, reaching $6.691 billion. The energy sector, another significant area of spending, is projected to total $3.405 billion, reflecting a 4.3% annual increase.

As a result, mining and energy will account for 68% of private investments in 2025. In other words, nearly seven out of every ten pesos invested in the private sector next year will come from these two sectors.

## The Reasons

Orlando Castillo, General Manager of CBC, highlighted that private mining investment growth is driven by “reduced uncertainty following the royalty discussion and the launch of significant projects by several companies, notably AMSA (Antofagasta Minerals), which is the main mining investor for the period.”

Regarding the energy sector, Castillo noted that “although this year’s estimate is lower than 2023, there is a recovery expected in 2025, primarily driven by NCRE projects.”

The third-largest private investment sector for 2025 will be real estate, with $1.850 billion. However, this figure represents a 31% decline compared to 2024, reflecting weak housing demand due to credit constraints and a high housing inventory—approximately 105,000 units—stifling new project development.

In the public works segment (PPPs managed by private entities), investments are projected to reach $1.557 billion in 2025, a 9.5% annual increase. Castillo mentioned that this includes projects slated to begin construction in late 2024 or during 2025, such as hospital facilities and road projects like the Vespucio Oriente II Highway (Príncipe de Gales-Los Presidentes), the Third Concession for AMB Airport Access, and the Second Concession for Route 5 from Chillán to Collipulli.

Public investment for 2025 is estimated at $3.736 billion, a 23% decrease, driven by reductions in mining and public works projects, among others.

## 2024 Decline and Five-Year Outlook

Total private and public investment in 2024 is expected to close at $17.721 billion, 3.9% lower than 2023, according to CBC historical statistics. This would mark the lowest level since 2018, affected by less dynamism in energy project replacements and declines in technology investments.

The last annual peak in investment occurred in 2021, with $22.088 billion.

The CBC’s project inventory as of September 30, 2024, includes 897 initiatives with defined schedules. Total planned investment for 2024-2028 is projected at $63.867 billion, 77% of which is private and 23% public. This five-year estimate increased by $2 billion compared to the CBC’s June 2024 report.

Of the total projected through 2028, 57% corresponds to projects in the construction phase, while 41% comes from 100 projects in the engineering development stage. Globally, mining will lead investment for the period with 33% (29% private and 4% public), followed by public works at 32% (17% public and 15% PPPs), energy at 18%, and real estate at 10%.

# Lundin Mining Appeals Ruling Ordering $2 Million Payment to Chilean Engineering Firm

Sitac filed a lawsuit against Caserones after a Memorandum of Understanding (MoU) signed by both parties to source water from Argentina failed to materialize.

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**Author:  Patricia Marchetti**

Minera Lumina Copper Chile (Caserones), a subsidiary of Canadian mining giant Lundin Mining, has appealed a ruling by Santiago's 10th Civil Court ordering it to pay $2 million to the engineering firm Sitac Aguas Industriales SA. The court found that Caserones had acted contrary to principles of loyalty and good faith during discussions for a water supply project for the Atacama mining site.

"This is an unfounded lawsuit. Although the court dismissed most of the claims, Caserones (Lumina) has filed an appeal and a procedural annulment. We are confident that the higher courts will overturn this ruling and dismiss the lawsuit in its entirety," the company told *Diario Financiero*.

Legal experts note that Judge Gastón Villagra's ruling is not unprecedented but is rather unusual. Sitac had sued Lumina for non-contractual liability, seeking $5.6 million in damages, claiming the mining company had "abruptly" abandoned the initiative outlined in a 2012 Memorandum of Understanding (MoU).

The MoU aimed to bring water to the Caserones mine—located 162 kilometers from Copiapó, 9 kilometers from the Argentine border, and at an altitude of 4,600 meters. It outlined Lumina's intention to source water from Sitac's "Binational Industrial Water Supply Río Salado Project," which would transport water for mining operations based on treaties between Chile and Argentina. Sitac, in turn, expressed its willingness to provide the supply.

However, the MoU included the disclaimer: "This memorandum is non-binding and constitutes only a statement of intentions."

The terms and conditions for the project were to be finalized in a 27-year supply contract, delivering up to 500 liters per second at a base price of $3.3 per cubic meter.

In August 2014, following a May extension of the MoU, Lumina decided not to proceed with the project and opted to supply the Caserones mine using wells. According to the court ruling, Sitac had “reasonable confidence in the conclusion of the contract” and cited damages from investments made, hiring personnel, conducting legal and engineering studies, travel, and other costs.

The judge partially upheld Sitac’s claim, determining that Lumina bore pre-contractual liability. The court stated Lumina was responsible for “creating expectations and failing in its duty of information and loyalty” by “abruptly abandoning the negotiations without prior notice.”

Sitac’s attorney, Alejandro Laura, commented briefly, stating, “The ruling is clear and speaks for itself.”