

Chilean Copper as the Undisputed Leader: Expected to Reach 27.3% of Global Production by 2034

■ According to a report by Cochilco, production is projected to peak in 2027, reaching 6.07 million metric tons.

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By P. Marchetti

Chile will maintain its leading position in the global copper market by 2034, increasing its share of global production to 27.3%, up from 23.6% in 2024.

According to a report by the Chilean Copper Commission (Cochilco), the country's total production will reach 5.54 million metric tons in 2034, reflecting a 5.6% increase compared to 2023. This growth is driven by new projects and the expansion of existing operations.

The average annual growth rate is projected at 0.5%, with production peaking in 2027 at 6.07 million metric tons.

"Chile will continue to lead global copper production in the coming years, demonstrating the stability and confidence our country offers to investment and the industry," said Mining Minister Aurora Williams.

By 2034, the Democratic Republic of the Congo is expected to account for 13.6% of global copper production, while Peru will reach 10.2%.

Cochilco forecasts that by 2034, copper concentrate production will total 4.86 million metric tons, and cathode production will reach 681,000 metric tons, representing an 87.7% share of total production.

"The realization of projected investments is key to ensuring that Chile can capitalize on its potential and maintain its competitiveness," the report states.

Committee of Ministers Issues Record-Breaking Resolution Rejecting Dominga Project and Asserts Compliance with Environmental Court Ruling

The Executive Director of the Environmental Assessment Service (SEA), Valentina Durán, responded to the court's request by explaining how the ruling was followed and why there was a delay, attaching the committee's resolution, completed in record time. While it usually takes about nine months, it was finalized in just one week. The controversy will continue in the Environmental Court.

PULSO

By Ignacio Badal

SEA Executive Director Valentina Durán informed the First Environmental Court of Antofagasta that the Committee of Ministers complied with its order to meet and resolve the appeals submitted by opponents of the Dominga mining-port project. In its January 9 session, the committee issued a resolution finalizing the government's decision-making process in record time.

Last Thursday, the committee, which had to meet with deputy ministers and department heads as substitutes due to another court condition, rejected for the third time the environmental license for the project, which seeks to extract and export iron ore and copper from a deposit located in La Higuera, northern Coquimbo Region.

Durán, represented by attorney Benjamín Muhr, responded to the Environmental Court's January 7 resolution, which initiated the incidental compliance process for its December 9, 2024 ruling, notified to SEA on January 10, 2025. This compliance process was requested on January 6 by Andes Iron, the company behind Dominga and controlled by the sons of businessman Carlos Alberto Délano. Andes Iron claimed the Committee of Ministers had not fulfilled the court ruling.

"These assertions are incorrect and must be rejected, as the decision by the Honorable Court has been fully complied with," Durán stated in her response.

Durán explained that the Committee of Ministers "met to once again address the appeals from public participation groups (PAC) against the Environmental Qualification Resolution (RCA) for the Dominga project, voting and issuing the respective minutes and agreement to ultimately issue the final resolution on the appeal process by the Executive Directorate, all within an extremely tight timeframe."

The court's December 9 ruling required the committee to meet, resolve, and issue a resolution within 15 days. To date, the resolution—detailing the committee's decision and enabling legal appeals by the parties—has not yet been released.

In its response to the court and Andes Iron, SEA contested the Antofagasta court's acceptance of the incidental compliance request, citing a 2022 ruling by the 3rd Environmental Court. The ruling stated that such requests were not admissible under Article 30 of Law 20.600, which created specialized courts. SEA argued that the courts only have the authority to annul administrative acts and order new actions.

SEA justified its compliance with the ruling, stating, "The final ruling dated December 9, 2024, was fully implemented." Durán noted that the committee addressed appeals not previously resolved by earlier committees or court rulings.

Durán also detailed the timeline for compliance. On December 23, exactly 15 days after the court's order, the committee met to address the appeals. However, its members recused themselves from voting due to the court's ruling, necessitating a new meeting with authorized participants. After seeking guidance from the Comptroller General, a second session was held on January 8.

Following the rejection of the project's RCA on that date, the session minutes were published on January 10, and the corresponding agreement and final resolution were issued on January 14. "Any delay in meeting the deadline is entirely justified due to the need to ensure proper composition of the committee in accordance with the court's standards," Durán argued.

The committee rejected 13 of the 15 appeals filed against the December 9 ruling. Two appeals were accepted, one from the environmental group Oceana, represented by attorney Ezio Costa, and the other from the

Association of Shellfish Gatherers and Fishermen of Los Choros, along with individual plaintiffs Cristóbal Díaz de Valdés, José Aliro Zarricueta Campusano, and Ernesto Alfonso Fredes Aguirre.

The accepted claims addressed the exclusion of biodiversity considerations, including omissions related to endemic species like *Krameria cistoidea* and *Balsamocarpon brevifolium*, critical to the endangered trichahue parrot. Another concern was inadequate contingency and emergency plans for potential hydrocarbon spills or iron concentrate discharges during maritime transport.

Andes Iron's Latest Motion: "An Endless Loop"

On January 14, before SEA's response, Andes Iron's attorneys, Patricio Leyton and Carola Salamanca, submitted a motion to the court, alleging the Committee of Ministers had materially violated the final ruling. They argued that the committee failed to follow the court's directives, perpetuating "an endless loop of appeals" that undermines legal order.

Citing a legal opinion from former 3rd Environmental Court President Iván Hunter, Andes Iron argued it is inadmissible for the committee to invoke new grounds for resolving PAC appeals. They also asserted the claimant has the right to demand enforcement of the ruling and to seek penalties for noncompliance.

Following SEA's response, sources close to Andes Iron stated the court granted them three days to reply. The company is likely to argue the response is unlawful and does not meet the court's mandate.

Technology and Mining Lead M&A Transactions in 2024

■ Landmark Alantra recorded 60 completed mergers and acquisitions (M&A) transactions in the Chilean market in 2024.

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In recent years, the energy sector had dominated the highest number of mergers and acquisitions (M&A) transactions in Chile. However, its seven-year streak as the most active sector ended in 2023 when technology took the lead.

In 2024, the energy sector continued to lose ground, with mining climbing several positions to rank second. Last year, the mining sector recorded eight transactions, according to Landmark Alantra. This marks a significant increase compared to just two transactions in 2023.

Mining saw heightened activity in 2024, driven by rising commodity prices such as copper. Chile's strategic importance in the energy transition—due to its vast reserves of copper and lithium, two key minerals for the global energy matrix shift—further boosted the sector's performance.

According to Landmark Alantra, notable transactions in 2024 included the purchase of a 10% stake in Quebrada Blanca by Codelco from Enami, a deal exceeding \$500 million. Additionally, Lundin Mining announced its decision to exercise its option to acquire an additional 19% stake in Minera Caserones for \$350 million.

Despite mining's resurgence, the technology sector maintained its lead with 14 M&A transactions, two more than in 2023, solidifying its position as the most active sector for the second consecutive year. A standout transaction in this category was the European telecom infrastructure operator Ufinet's acquisition of 100% of Internexa Chile, a provider specializing in connectivity and internet access services.

60 Completed Transactions

In total, 60 M&A transactions were completed in the Chilean market in 2024, surpassing the 54 deals closed in 2023. In addition to the previously mentioned deals, other significant transactions included the merger of AD Retail and La Polar, Aramco's entry into Chile through its acquisition of Esmax Distribución—which operates the Petrobras license in the country—and Copec's purchase of the hamburger chain Streat Burger as part of its diversification and new development strategy, among others.

8 MINING TRANSACTIONS WERE COMPLETED IN 2024.
14 TECHNOLOGY DEALS WERE CLOSED LAST YEAR.

By Nearly One Million Tons:

Cochilco Lowers Long-Term Copper Production Forecast

The decline is due to a methodological adjustment aimed at having more “realistic” expectations.

El Mercurio de Santiago
C. Muñoz-Kappes

The country's long-term copper production forecast has been reduced by nearly one million tons following a methodological adjustment to make expectations more “realistic.” Last year, the Chilean Copper Commission (Cochilco) projected that by 2034, copper production would reach 6.34 million tons. Today, after the adjustment, the forecast for the next decade stands at 5.54 million tons, a difference of 890,000 tons.

“We have compared the projections with actual production data, which allows us to see that the previous outlook was more optimistic than realistic, especially during the pandemic years, when actual production was very different from projected production,” said Mining Minister Aurora Williams yesterday. She emphasized that the purpose of the methodological change is to be “much more realistic with the projections being made.”

Sergio Verdugo, an analyst with Cochilco's Studies Directorate, explained that a new categorization of projects was introduced this year. Previously, investment initiatives were classified solely based on their likelihood of materialization, grouping them as base, probable, or potential. To more accurately reflect the productive impact of each project, a new classification was added. From now on, projects will also be categorized as operational, replacement, expansion, or new.

Minister Williams stressed that the decline in projections is entirely due to the methodological adjustment. Despite this, Chile is expected to increase its market share as global copper production decreases.

Mining Minister Aurora Williams stated that previous expectations were “more optimistic than realistic.”

Informality Could Be Encouraged

Business Associations Warn of Unintended Effects of Labor Market Reform

Business leaders criticize the insufficient gradual implementation of employer-funded contribution increases.

El Mercurio de Santiago
C. Muñoz-Kappes

Although the presidents of business associations celebrated the agreement reached on pension reform, they warned about the potential impact of increasing employer contributions on formal employment. They also criticized the limited gradual implementation of this additional contribution.

"We believe it is important to have achieved compensation between men and women, but the proposal imposes a cost that is too high for employers and does not reflect the real cost of such compensation," said Susana Jiménez, president of the Confederation of Production and Commerce (CPC), yesterday. "We also would have expected greater graduality in the increase of contributions over time to mitigate its impact on the labor market," she added.

In the same vein, Antonio Walker, president of the National Agricultural Society (SNA), expressed concern about "the impact that implementing this reform could have on businesses, particularly small and medium-sized enterprises, along with the possibility that it could promote informal labor."

For the industry leader, the increase in contributions will pose a "considerable challenge" for employers during a period that he considers "insufficient" to absorb the change without affecting jobs.

José Pakomio, president of the National Chamber of Commerce (CNC), stated that the rise in employer-funded contributions, implemented in a very short timeframe, could weaken the formal labor market. "The project involves a significant increase in hiring costs, with a 7% rise in employer contributions. This severely affects smaller businesses, which are already facing challenges related to liquidity and competitiveness, and while there is a degree of graduality, it may not be enough," he said.

"This change could push more businesses into informality, weakening the formal market and jeopardizing the job stability of thousands of workers. It is a measure that we must reconsider seriously," Pakomio stressed.

Rosario Navarro, president of Sofofa, emphasized that the focus should be on increasing the country's growth and productivity. "We are concerned that an increase in contributions above 6% could lead to higher informal labor unless it is accompanied by greater productivity. Economic growth is the best revenue generator, and employment is the best social policy," she commented.

María Teresa Vial, president of the Santiago Chamber of Commerce (CCS), suggested that contribution increases should be conditioned on factors such as unemployment rates or the market's capacity to generate formal employment. She even proposed halting further increases if the impact has proven to be negative.

On another note, Jiménez raised concerns about the loan proposed in the reform, which consists of a "social insurance" scheme aimed at increasing pensions for current retirees and women due to their longer life expectancy. "It is a tool that could suffer from sustainability issues. Therefore, it is crucial to ensure transparency in fiscal accounting and to take precautions to avoid harming contributors," she warned.

The CPC president also criticized the plan to auction current affiliates. "The proposal is not suitable for promoting competition and would lead to investment decisions that fail to benefit the profitability of savings," she argued.

Dominga: SEA Issues Resolution on Committee of Ministers' Rejection and Defends Compliance with Environmental Court Ruling

■ The ministerial body justified its decision and included both the minutes and the report from the January 8 session.

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By Patricia Marchetti

It took six days—rather than six months as in the previous instance—for the Environmental Assessment Service (SEA) to publish the resolution from the Committee of Ministers' January 8 session, which rejected the Dominga mining-port project for the third time. With this document, supporters of the initiative, such as the company Andes Iron, can now file appeals against the ministerial body.

The publication of the session minutes and the 236-page resolution is part of the response and opposition presented by SEA Executive Director Valentina Durán to the First Environmental Court's January 7 ruling, which initiated the incidental compliance process for the December 9 judgment requested by Andes Iron.

The company argued that the Committee of Ministers had failed to comply with the court's ruling, which required the committee to repeat the January 2023 vote within 15 days under a series of conditions.

In a 21-page document, Durán's attorney, Benjamín Muhr, argued that "these assertions are incorrect and must be rejected, as the decision adopted by the Honorable Court was fully complied with."

He explained that the committee convened to again address appeals submitted by public participants against the project's Environmental Qualification Resolution (RCA). Non-recused officials participated, adhering to the framework of the court's ruling.

Regarding the 15-day deadline for a new vote, which was exceeded, the SEA maintained that "it cannot be considered a failure attributable to this party, as all possible actions were taken within extremely tight deadlines to ensure no act would be issued that could later be challenged for procedural defects."

"Any delay in meeting the granted deadline is entirely and absolutely justified, considering the need to ensure the proper composition of the Committee that would issue the resolution, following the standards set by the ruling itself," the SEA emphasized.

Matters Addressed by the Committee

Concerning the issues resolved that led to another rejection, Durán stated that they involved "claims not addressed by the 2023 Committee of Ministers or the 2021 and 2024 rulings" and that "these claims had sufficient grounds to be upheld, as they revealed insurmountable deficiencies in the environmental evaluation and the project itself, particularly given the fragile environment where the project is located."

According to the SEA's resolution, the Committee of Ministers decided to unfavorably assess Dominga's Environmental Impact Study because "it does not comply with applicable environmental regulations, nor can the generation of impacts from the risk of hydrocarbon spills and other contingencies caused by vessel collisions with the seabed be ruled out."

This decision followed the acceptance of an appeal filed by Ezio Costa on behalf of Oceana, and another by Antonia Berrios on behalf of the Association of Shellfish Gatherers and Fishermen of Los Choros, along with three individuals.

236 PAGES IN THE RESOLUTION
\$2.5 BILLION DOMINGA'S INVESTMENT