Permits: Debate on Amendments Delayed, Commission Approval Likely Postponed to March

■ This week, over 370 amendments were submitted to the bill, currently in its second constitutional process in the Senate's Economy Commission.

Diario Financiero – January 23, 2025
By Amanda Santillán R.

Although it was generally approved on Tuesday, the sectoral authorization framework bill may face further delays as its amendments are debated in the Senate's Economy Commission.

This is due to the submission of over 370 amendments this week, following a protocol agreement signed between the government and senators on the commission. The agreement required modifications to ten points of the bill to be submitted during the week of January 13.

The bill aims to shorten the approval times for investment project permits, covering 380 authorizations across 37 services and 16 ministries.

During Wednesday's session, not all proposed changes—submitted by both lawmakers and the executive—could be voted on.

Senator Gustavo Sanhueza (UDI), a member of the Economy Commission, stated that while the ideal scenario would be to approve the bill this month, it is crucial to take the necessary time to review each amendment carefully.

"Whether this is approved now in January or in March has no significant impact. We are currently in a legislative rush, and I don't want to push this through just for the sake of it," he said.

As a result, the commission is working in parallel, with advisers from both the commission members and the executive addressing specific issues, such as text drafting, to streamline and achieve consensus for quick approval.

"We have a significant amount of preparatory legislative work, so we have substantial input to move forward. Ideally, we want to finalize this in January. However, if we can't resolve the remaining issues, it will necessarily be delayed to March, and I find it unlikely it will go beyond that," Sanhueza added.

Pending Discussions

The submitted amendments involve changes to ten aspects of the bill, including strengthening the institutional framework of the Sectoral Authorizations and Investment Office, the single-window system, sworn declarations, and parallel processing and procedures, among others.

Sanhueza noted that discussions remain unresolved on amendments regarding administrative silence and municipal permits.

"It often happens that one municipality requires different documentation than another, which is something we want to address in this bill," the senator explained.

However, the inclusion of municipal business licenses in the bill complicates its discussion.

"The arguments provided by the executive to exclude them are quite weak. They argue that it concerns municipal autonomy, particularly in terms of resources, and that the bill itself will not determine patent payment," Sanhueza said.

BHP Production Report

Escondida | BHP achieved a record production level, marking a 22% increase compared to the same period last year.

TVN Antofagasta
(Transcription)

BHP has released its operational report for the previous semester, highlighting a record production achievement at Minera Escondida, with a 22% increase compared to the same period in 2023. This growth is primarily attributed to a higher ore grade in concentrator feed.
However, PEMS (Electrowinning) production saw a 1% decline, aligned with a decrease in cathode output.

DP World, Anglo American, and Glencore Show Interest in Increasing Investments in Peru

■ The Emirati company operates the Port of Callao and plans to allocate US$ 1 billion to strengthen infrastructure.

Diario Financiero, 23 Jan 2025

Peruvian President Dina Boluarte is having a fruitful trip to Davos. During bilateral meetings held at the World Economic Forum, the President received a commitment from the Emirati company DP World—which operates the Port of Callao—to invest US$ 1 billion in the country.

This was revealed by the Office of the Presidency via social media, where it was reported that the Head of State met with DP World CEO Sultan Ahmed bin Sulayem (pictured). He stated that the investment will be directed toward port development to "boost agricultural exports and employment, as well as strengthen Peru's position as the logistics hub of the region."

The mining companies Anglo American and Glencore have also joined in. The CEO of Anglo American reaffirmed the company's interest in expanding its operations in the world's third-largest copper producer through the Quellaveco mine.

This operation, which began in 2022 following an investment of US$ 5.5 billion, is responsible for over 10% of Peru's copper production.

Additionally, Boluarte shared in another post on X that she had discussions with Glencore CEO Gary Nagle, who "announced his company's interest in expanding investments in Peru." No further details were provided.

Glencore, together with BHP, controls the Antamina mine, the country's second-largest, accounting for 16% of Peru's local copper production.

Investment Banks Forecast 2.2% GDP Growth for This Year and Inflation Target Achievement by Q1 2026

■ The first Consensus Forecasts survey of the year predicts that the Central Bank will pause rate cuts in its meeting next week.

Diario Financiero
By Catalina Vergara

For 2025, market expectations appear to align with Chile's economy growing at its trend rate.
This is reflected in the first edition of the year of the Latin American Consensus Forecasts, where the average forecast from 25 financial institutions indicates a 2.2% GDP growth for this year. This marks a slight increase from last month's survey, which estimated growth at 2.1%.
The Central Bank projects a growth range of 1.5% to 2.5% for 2025, while the International Monetary Fund (IMF) anticipates 2.4%, the Organisation for Economic Co-operation and Development (OECD) predicts 2.3%, and the Economic Commission for Latin America and the Caribbean (ECLAC) forecasts 2.2%.
More optimistically, the Ministry of Finance, in its third-quarter Public Finance Report (IFP), projects a 2.7% GDP growth.
Participants in this survey include institutions such as Barclays, BTG Pactual, Citigroup, JP Morgan, Morgan Stanley, and UBS. UBS and Scotiabank are the most optimistic, both projecting 2.5% growth, while Oxford Economics, Rabobank, and S&P forecast 2.4%. At the lower end, Libertad y Desarrollo predicts 1.8%, and Barclays estimates 1.7%.
In line with an economy growing near its trend, private consumption is expected to increase by 2.1%, a slight decrease from the previous survey (2.2%). Meanwhile, gross fixed capital formation (GFCF) is forecasted to grow 3.7% year-on-year in 2025, though down from the prior estimate of 3.9%.
Oxford Economics is the most optimistic about investment, projecting 7.5% growth, while the least optimistic is the Economist Intelligence Unit, with a forecast of 1.5%.
For 2026, GDP projections are more varied. Although the consensus remains at 2.2%, Oxford Economics forecasts 3%, while Citigroup and S&P estimate 2.7%. Below the average are Gemines and Moody's Analytics, both at 1.9%, Barclays at 1.7%, and LarrainVial, which projects only 1.3% growth.
Private consumption is expected to perform better in 2026, with a projected 2.4% expansion, while investment is forecasted to slow to 2.7%, one point lower than this year's expectation.

What Lies Ahead for Inflation
While the market has warned that inflation may reach around 5% in early 2025, the Consensus Forecasts predict its peak this year at 4.6%, which would be recorded in January and March.
The Central Bank's 3% inflation target is not expected to be achieved until March 2026. Inflation is forecasted to close 2025 at 3.7%.
The highest annual Consumer Price Index (CPI) projection for December 2025 comes from LarrainVial, forecasting 4.5%. BTG Pactual and Morgan Stanley estimate 4%, while Barclays and JP Morgan project 3.9%. On the other hand, the most conservative estimates come from Libertad y Desarrollo, at 3.2%, and UBS, at 3.4%.
Regarding the Monetary Policy Rate (MPR), most financial institutions surveyed expect the Central Bank to maintain the benchmark rate at 5% during its January 27-28 meeting.

The highest CPI forecast for December 2025 comes from LarrainVial, projecting 4.5%.

Conversely, the lowest projections for year-end inflation come from Libertad y Desarrollo (3.2%) and UBS (3.4%).

In Investigative Commission on the Agreement Between the State-Owned Company and SQM:

Codelco Confirms Partner Selection for Maricunga Salt Flat in Coming Months

The deputy leading the commission challenged Máximo Pacheco for "meeting" with Julio Ponce Lerou, a claim the Codelco president denied.

Mercurio de Santiago
C. Muñoz-Kappes

The president of Codelco, Máximo Pacheco, confirmed that the selection of a partner to produce lithium in the Maricunga salt flat is imminent. "In the coming months, we will select the partner and sign an association agreement that has already been shared with the interested parties. However, specific conditions will need to be addressed, considering the identity and characteristics of the chosen partner, government competition authorizations, among others, which may require prior conditions similar to those in the agreement between Codelco and SQM," Pacheco stated during the Chamber of Deputies' investigative commission on the alliance between the state-owned company and the lithium producer.
Pacheco also expressed optimism regarding future lithium prices. "If you ask me what I think will happen to lithium prices, I believe they will indeed reflect the scarcity in the world," he said. "We are in a moment of intense commercial tension related to the automotive industry (...). China is no longer a second-rate vehicle producer; today, it produces electric vehicles to compete with Audi, Mercedes-Benz, BMW, and other major brands. So, I believe lithium prices reflect this commercial tension. However, the global trend toward more electric vehicles is clear," he added.

The Criticism
During the commission, deputies strongly criticized Codelco's decision to partner with SQM without conducting a prior tender. "The timing of this concerns me greatly. It's 2025, and the contract between Corfo and SQM ends in 2030. We had plenty of time to do something more deliberate instead of rushing," said Cristián Tapia Ramos, PPD deputy and president of the special commission. "You went straight for a direct deal," he criticized.
Pacheco responded, "Mining operates on these timelines (...). We need to reach 2030 with an Environmental Qualification Resolution (RCA), and five years in mining is nothing—it's practically tomorrow."
The deputy directly addressed the Codelco president. "I heard you on a television program two years ago. You were asked if you would meet with (Julio) Ponce Lerou, and you said you would never meet with him. Yet, you did meet with Ponce Lerou's company," Tapia stated.
However, Pacheco denied ever meeting with the businessman. "I have never met with him because I represent Codelco, and I meet with the general manager of SQM, a company with many shareholders. I do not meet with any shareholders individually—not with the AFPs, not with Tianqi, not with anyone," Pacheco clarified.

"I have never met with him (Julio Ponce Lerou), because I represent Codelco, and I meet with the general manager of SQM, a company with many shareholders."
Máximo Pacheco, PRESIDENT OF CODELCO

Codelco president Máximo Pacheco expressed optimism about future lithium prices, driven by the growing demand for electric vehicles.

Lithium Prices May Have Bottomed Out, Recovery Expected to Strengthen Next Year, Reaching US$ 14,000 per Ton

■ According to a Cochilco report accessed by DF, the price drop caused Chile’s export value to decline by 64% between January and October 2024.

Diario Financiero 23 Jan 2025
BY PATRICIA MARCHETTI

From 2023 to 2024, the average price of lithium plummeted by 79%, but the decline appears to have ended, according to a report by Cochilco. However, the key mineral for the energy transition will continue to experience a period of low prices, far from its peak of US$ 80,000 per ton, closing December at approximately US$ 10,208 and an annual average of US$ 12,553.

"Since September of last year, the price of lithium carbonate (CIF Asia) has stabilized around US$ 10,000 per ton, indicating that it has likely bottomed out," one of the report's authors, Francisco Donoso, told DF.

"This year, a moderate price increase is expected as some rock lithium production operates at costs higher than current prices, which is unsustainable in the long term. Additionally, announcements of production cuts and suspension of new projects should limit supply growth," the analyst added.

The report from Cochilco's Directorate of Studies and Public Policies highlights that forecasts for 2024 and 2025 project a lithium surplus of 89,000 and 141,000 tons of LCE (lithium carbonate equivalent), respectively, higher than estimates at the beginning of last year. This is due to the strength of global supply and lower-than-expected demand growth, attributed to a slowdown in the Chinese economy—the main market for electric vehicles—and weak sales figures for such vehicles in the U.S. and Europe in 2024.

Nevertheless, global demand for the "white gold" continues to rise. In 2023, it reached 920,000 tons of LCE, and projections indicate it will close 2024 at 1,130,000 tons, a 22.8% increase. For 2025, demand is expected to reach 1,394,000 tons of LCE, a 23.3% rise.

Price Evolution

Price forecasts for LCE collected by Consensus Forecast in January and November of last year show significant declines, reflecting a substantial adjustment in market expectations.

In January 2024, the price was projected to close the year at US$ 14,792, but November estimates lowered this figure to US$ 10,208, marking a 31% downward revision. For 2025, the forecast dropped from US$ 16,166 to US$ 11,399, a 29.5% decrease.

For 2026 and 2027, the decline is less pronounced, with reductions of 21.6% and 15.9%, respectively, based on the latest projections of US$ 14,177 and US$ 15,950.

In contrast, the long-term outlook remains bullish, reflecting market confidence in the mineral. Estimates for 2028 increased by 1% to US$ 16,786, while forecasts for 2029-2033 rose by 5.9% to US$ 16,706.

"The price is expected to recover from 2025, gaining strength in 2026, but the scenario remains uncertain," Donoso noted.

The Chilean Market

Due to falling prices, Chilean lithium exports between January and October 2024 totaled US$ 2.563 billion, representing a 64% decrease compared to the same period in the previous year.

In terms of export volume, 249,000 tons were recorded by October, a 17% increase compared to the same period in 2023. Lithium carbonate was the most exported compound, accounting for 90% of the total, a 13-percentage-point increase. Lithium hydroxide and lithium sulfate accounted for 8% and 2%, respectively.

Production for 2024 and 2025 is projected at 285,000 and 305,000 tons of LCE.

Cochilco emphasizes that Chile will maintain its position as the world's second-largest producer after Australia, although its market share will decline from 27% in 2023 to 23% in 2024, due to growth in countries like Argentina, Brazil, Canada, and Zimbabwe.

Nonetheless, Donoso stated, "The outlook for the Chilean industry remains positive, considering the expected production increase from the Codelco-SQM agreement; Codelco's Paloma project in the Salar de Maricunga; Enami's Salares Altoandinos; and the awarding of CEOL to private companies."