Mining Records a Record 43 Collective Bargaining Agreements in 2024: 56% Closed Early

According to Vantaz Group's Director of Studies, Daniela Desormeaux, there is "a lower degree of conflict in the sector."

Diario Financiero. March 3, 2025.
By Patricia Marchetti.

A greater willingness to engage in dialogue and negotiate partly explains the record number of 43 collective bargaining agreements registered in the country's mining sector in 2024, involving nearly 20,000 workers.

To analyze this figure, it is important to look back at 2021 and 2018, considering that most contracts in the sector last for 36 months. In both years, the total number of bargaining processes reached 33.

What happened last year? According to the annual study conducted by mining consultancy Vantaz Group, 56% of the collective bargaining agreements were negotiated early, bringing forward not only 2024 processes but also some originally scheduled for 2025.

"Early negotiations are a trend that is consolidating," Vantaz Group's Director of Studies, Daniela Desormeaux, told DF. "We are seeing planning by both companies and unions to sit down and negotiate before deadlines arrive, which also shows a greater willingness to engage in dialogue and reach agreements from both sides."

A deeper look at the data reveals that this was mainly due to Codelco, which negotiated with 20 of its unions in 2024, covering around 8,700 workers. Of these, 7,919 signed their contracts early, accounting for 92% of the total.

Among the most notable cases were the Sindicato N°2 de Salvador, which advanced its negotiations by 176 days, Sindicato N°6 of the same division, which did so by 138 days, and the Sindicato de Supervisores de Ministro Hales, which completed its process 122 days ahead of schedule.

This figure contrasts with 2021, when only 4,842 unionized workers at the state-owned company signed early contracts.

“At Codelco, only the negotiation at Radomiro Tomic took place within the formal period last year. This is a very positive sign and an indication of dialogue,” Desormeaux commented, emphasizing that, in general, “strikes are becoming isolated cases.”

Regarding strikes, only two were recorded in 2024: a six-day strike by Sindicato N°1 at BHP’s Escondida mine and an 11-day strike by workers at Caserones, operated by Lundin Mining.

Although Vantaz’s study has been conducted since 2018, the expert highlighted that “strikes used to be much more frequent; now, they are more limited, and the sector has a lower level of conflict.”

The Bonus (and Beyond)

The report also analyzes the highest and lowest conflict resolution bonuses in the sector. When adjusted for inflation, the highest-ever mining bonus in Chile, at 2024 real values, remains Escondida’s 2018 agreement, reached after a historic 44-day strike, equivalent to CLP 43.5 million today (see chart).

The trend in minimum bonuses shows a recovery compared to 2021, a year marked by the pandemic when the lowest amounts were recorded. Currently, the gap between minimum and maximum bonuses has narrowed.

However, Desormeaux noted, “It’s no longer just about the bonus.” According to the consultancy’s review of negotiations, other types of benefits—not necessarily monetary—have been gaining ground in contracts and are now a standard part of agreements.

Notable benefits include scholarships, gym memberships, wellness and dental health programs, financial support in the event of death, childcare bonuses, and flexible working hours.

“The pandemic marked a shift in priorities, where other aspects became more valued, which perhaps were not as prominent before. This led companies to adopt more flexible systems,” she explained.

She also linked this trend to another phenomenon: the increasing participation of women in mining, which has risen by more than 10 percentage points in the past four years, now exceeding 20%. “It is a realistic hypothesis to assume that these changes toward greater non-monetary benefits are also linked to higher female participation,” she added.

What’s Next: 2025

According to Vantaz, between 20 and 26 collective bargaining agreements are expected to be finalized this year, considering that 28 were signed in 2022, though some of these were already settled early in 2024.

Following this trend, “we will likely see negotiations scheduled to conclude late this year or in 2026 being brought forward,” Desormeaux predicted.

Additionally, the report highlights that “the possible implementation of a multi-level collective bargaining system, promoted by the Mining Workers' Coordinating Committee (CTMIN), could mark a new milestone in how these processes are conducted.”

When asked whether better copper price prospects could lead to increased bonus and benefit demands from unions, the expert emphasized that while this could be good news, on the other hand, costs for inputs, transportation, and logistics have risen sharply “and they won’t go down.” Furthermore, “many mines are shifting to sulfides or seawater processing, making everything more expensive—and both unions and companies are aware of that.”

Luksic Group One Year After Entering Minera Buenaventura: “These First Steps in Peru Have Been Very Positive”

This asset contributed $109 million to Antofagasta Minerals’ EBITDA, but it also gave the company greater visibility in Peru’s mining ecosystem.

Diario Financiero. March 3, 2025.
By Valeria Ibarra.

It was a great deal. Fourteen months after announcing the purchase of a 19% stake in Peru’s Minera Buenaventura—and a year after completing the transaction for an undisclosed amount, which the market estimated at over $400 million—Luksic Group’s mining arm, Antofagasta, has only praise for the deal and its bet on the Andean country, where it has been exploring for over a decade.

Katharina Jenny, Vice President of Corporate Affairs at Antofagasta Minerals, highlighted that “these first steps in Peru have been very positive” because “the investment in Buenaventura has allowed us to contribute our expertise to a very important and well-recognized mining company, which is primarily focused on gold production but also holds mining assets with the potential for copper mining.”

“We see opportunities for continued collaboration, and that is our goal. At the same time, we continue to drive exploration in mining districts that we find attractive, where we have agreements with other mining companies,” the executive emphasized.

Contribution to EBITDA

The company is already seeing returns from its stake in Buenaventura. According to Antofagasta’s financial statements, the Peruvian asset contributed $109 million to its 2024 EBITDA. “This is a good result, confirming that investing in Buenaventura was the right decision,” the executive told DF.

The Peruvian mining company recorded profits of $402.7 million in 2024, achieving an extraordinary 1,928% increase compared to 2023, when it posted only $19.9 million in earnings.

This remarkable jump was driven by increased copper production and high gold prices, as well as the $210 million sale of Chaupiloma Dos de Cajamarca to Canadian company Franco-Nevada. This subsidiary held a 1.8% net smelter return royalty on all minerals from Newmont Corporation’s Yanacocha mine.

Regarding copper—Luksic Group's mineral of interest—Buenaventura produced 56,500 metric tons of fine copper last year and projects output of 60,000 metric tons in 2025.

One of the company's key strengths is its 19.58% stake in Cerro Verde, one of Peru's largest copper mining operations, controlled by Freeport-McMoRan (55.08%), with Sumitomo (21%) as another major shareholder.

Exploration Strategy

Beyond Buenaventura, Katharina Jenny stated, "Our vision and interest are long-term, as we seek to learn from the Peruvian mining industry and find ways to gradually increase our participation in the future."

Antofagasta already holds around 100,000 hectares of mining rights—mainly in central and coastal Peru, including Junín and Pasco—allowing the company to explore high-potential targets. Initially, Antofagasta entered Peru through Anaconda, a firm that originally managed the Rockefeller family's mining interests in Chile—including the Chuquicamata and El Salvador mines before they were nationalized and transferred to Codelco—and which Luksic Group patriarch Andrónico Luksic Abaroa acquired after the copper nationalization.

Luksic Group's current focus in Peru is on projects capable of producing around 50,000 metric tons of copper annually for a decade or more. The goal of its exploration office in Peru is to establish a sufficient mining base to develop a copper project within the next 10 to 15 years.

Antofagasta's bet on Peru—various executives have explained to DF—is based on the country's similarities with Chile as a major mining nation. Both countries are located in the Americas, and together, they account for over 40% of global copper production.

"I believe we have many opportunities to learn from the Peruvian mining industry and also to contribute our own approach to mining," said Antofagasta Minerals' Vice President of Corporate Affairs.

And how has the Peruvian mining ecosystem responded to Antofagasta's arrival? "I feel we have been very well received, both at Buenaventura and in the broader industry, including by authorities. I personally experienced this last year when we participated in Expomina. This year, we also plan to be present at Perumin 2025 as a company," Katharina Jenny responded.

"The investment in Buenaventura has allowed us to contribute our expertise to a very important and well-recognized mining company, which is primarily focused on gold production but also holds mining assets with the potential for copper mining."

Investment in Infrastructure in the Country Strengthens Its Recovery Trend by the End of 2024

In December, the Monthly Infrastructure Activity Index of the Chilean Chamber of Construction (CChC) grew by 3.6%, marking seven consecutive months of increases after 15 prior months of contractions. For 2025, the industry expects the recovery to continue, particularly in private productive infrastructure, driven mainly by the mining sector.

Pulso. March 3, 2025.
By Paulina Ortega.

The Monthly Infrastructure Activity Index (Imacinf) prepared by the Chilean Chamber of Construction (CChC) showed a sustained upward trend during the second half of 2024. Specifically, in December, it expanded by 3.6% compared to the same period in 2023, marking a total of seven consecutive months of positive annual variations.

This represented a break from previous trends, as declines had been recorded for over a year until May of last year, totaling 15 consecutive months of contraction.

"By the end of 2024, infrastructure activity showed a positive annual variation after a long period of declines. In the second half of the year, we began to see positive variations, mainly due to an increase in the demand for engineering services from construction companies—driven by greater dynamism in private sector mining and port projects—and the increase in investment approved by the SEIA, linked to energy projects. Thus, we expect that this improvement in activity, which we have been anticipating, will mark the beginning of a recovery process for infrastructure investment," explains CChC President Alfredo Echavarría.

Although the improved figures are influenced by a low base of comparison, the industry affirms that signs of infrastructure investment recovery are evident, primarily due to a higher demand for engineering service work-hours from construction companies, according to the report.

In fact, this sub-index increased by 7.6% quarterly and 23.9% annually in the fourth quarter, due to an increase in engineering activities in mining—a sector that has historically been the main contractor in construction—as well as in port projects. Additionally, there has been a noticeable expansion in the participation of private-sector contractors.

"This, in turn, suggests a greater demand for workers in the future, as these projects begin to materialize," Echavarría states.

A better outlook is also reflected in macro-level indicators, such as the increase in investment amounts submitted to and accepted by the Environmental Evaluation Service (SEA). The projects behind this growth included three associated with the emerging green hydrogen industry.

It is also important to note that 2023 saw "historically low levels of project approvals. However, processing times remain at historically high levels, and the stock of projects under review within the system is at its highest since 2014," the report states.

In detail, by December, the indicator for amounts approved by the SEA recorded the highest increase, with a year-on-year variation of 66.8%, followed by non-residential building permits, which rose by 47.5%, and consulting engineering, which increased by 23.9%.

Other indicators also showed improvements: apparent cement consumption rose by 2.4%, the import of construction-related machinery and equipment increased by 10.7%, and salaried construction employment grew by 7.3%.

OUTLOOK FOR THE YEAR

"For 2025, we project a recovery in private productive infrastructure activity, mainly driven by the mining sector, which we hope will extend to other subsectors of our struggling industry," forecasts Echavarría.

"What happens with other sectors will depend on how the international situation develops, as well as various local factors such as inflation normalization, interest rate adjustments, financing conditions, and regulatory changes aimed at reducing bureaucratic red tape and modernizing environmental project approvals," he adds.

Regarding external factors that could impact infrastructure activity, the industry leader notes that, for example, "delays in interest rate normalization or increased trade tensions between the United States and China could negatively affect financing conditions and lead to higher costs for materials, machinery, and equipment."

The report emphasizes the importance of implementing short-term measures to reactivate the sector, such as the early acceleration of budget execution—an initiative implemented by the Ministry of Public Works in 2024. Other recommendations include regularizing payments to public works contractors, expediting project re-bidding and bidding processes for public infrastructure projects, and authorizing supplementary agreements to develop improvement works for existing concessions.

The FNE Factor in the SQM and Codelco Lithium Partnership

Subjected to antitrust analysis seven months ago, the National Economic Prosecutor's Office (FNE) has identified competitive risks: the key concern is how to prevent sensitive market information from flowing to competitors who are partners or shareholders of Codelco and SQM—and in the future, to the companies themselves. The issue is currently being discussed in the presentation of mitigation measures. One point of debate is interlocking.

Pulso. March 2, 2025.
By Víctor Cofré.

They will be partners, but also competitors in the future. And they already have or will have other competitors as partners in the growing lithium market. Codelco, the world's largest copper producer, and SQM, a global reference player in the lithium industry, will join forces in a common venture to exploit the Salar de Atacama, the world's largest brine deposit, from which SQM currently extracts over 200,000 tons of lithium carbonate.

The partnership is under review by the National Economic Prosecutor's Office (FNE), which initiated a competitive analysis of the concentration operation seven months ago, at the end of July. The same process is being carried out in other jurisdictions worldwide.

The investigation remains in Phase 1. If it moves to Phase 2, the FNE will extend the review period, opening up to opinions from third parties, such as competitors and regulators. However, SQM and Codelco hope this will not happen and that the matter will be resolved in the first phase. The parties are currently discussing potential remedies with the FNE to address the risks identified by the agency, led by Jorge Grunberg.

At the end of November, the FNE outlined the potential risks it saw in the partnership. The concerns boiled down to one key issue: the risk that current or future competitors in the lithium market could share sensitive information and coordinate actions in the same market. The question is how to mitigate this competition threat within the still-unnamed alliance and its future corporate governance.

The partnership involves merging two subsidiaries of each partner: SQM Salar, which holds the lease contract for Corfo's properties in the Salar de Atacama until 2030, and Minera Tarar, which will hold those rights from 2031 to 2060. The new company will be controlled by SQM until 2030 and by Codelco from 2031 onward. In the first five years, each company will nominate three directors, with Codelco appointing the chairman and SQM proposing the CEO. However, SQM will have the final say at shareholder meetings. From 2031, Codelco will control a seven-member board, appointing four of them.

The parties and the FNE are negotiating mitigation measures, a common practice in concentration operations where the agency sees a need for remedies to prevent undesirable effects.

There are several precedents. One example is the FNE's 2021 investigation into the ownership of Collahuasi by two copper competitors: Glencore and Anglo American. The FNE did not consider Glencore and Anglo to be competitors of Collahuasi, as the company has offtake agreements that distribute its copper concentrate production to shareholders in proportion to their ownership stakes. In that case, the parties proposed risk mitigation measures, including an obligation to challenge any disclosure of commercially sensitive information in board meetings or other settings, a ban on using such information by employees, immediate deletion of sensitive information, and a commitment to investigate and penalize violations. Although that was not a concentration operation, these safeguards are common in joint ventures between competitors, says an antitrust lawyer. Similar measures could be implemented in the SQM-Codelco agreement.

Competitors and Interlocking

SQM and Codelco are not currently direct competitors, and the FNE's focus is not on that aspect—for now, according to lawyers familiar with the case.

However, at some point, this will change. SQM has invested over $800 million in the Mt Holland lithium project, which will have a production capacity of 50,000 tons, and has acquired another project, Azure, both in Australia. Meanwhile, Codelco is developing a $2.3 billion project in the Salar de Maricunga to produce 20,000 tons of lithium carbonate annually starting in 2030.

When a partner is also a competitor, interlocking rules apply. The FNE defines interlocking as a link between two competitors that occurs when they share—directly or indirectly—executives or board members.

The debate now centers on when SQM and Codelco will be considered competitors of their joint venture. Neither currently produces lithium outside the Salar de Atacama, but their projects in Australia and Chile will eventually position them as competitors. However, interlocking is not an immediate concern and will not affect both parties equally. Until 2030, the joint venture will be controlled and consolidated within SQM, forming part of the same corporate group. As a result, SQM would not face restrictions in appointing its directors or executives to the alliance's board. This will change in 2031, when Codelco takes control and the venture becomes part of its corporate group—at which point the restriction will apply to SQM. But only then.

Some question whether interlocking rules should apply to Codelco as a non-controlling partner in the alliance before 2030. Simply put, could a Codelco director or executive serve on the alliance's board alongside SQM? "That's the million-dollar question," says one lawyer. Within Codelco, the view is that this issue will only arise once Maricunga begins production, which is more than five years away and will coincide with Codelco's takeover of the alliance—rendering any restriction ineffective. "The interlocking issue comes into play only after 2031," a legal expert concludes. And it will impact SQM.

One safeguard already discussed with the FNE concerns the Codelco subsidiary that will control Maricunga, where the state-owned company is currently seeking partners. If a strategic partner enters the project—such as France's Eramet, which operates in Argentina, or Rio Tinto, which acquired Arcadium Lithium for $6.7 billion in 2024—measures would need to be put in place to prevent that partner from accessing information related to the SQM alliance. Additionally, an explicit prohibition would be needed to prevent representatives of such a competitor-partner from holding governance roles in the alliance.

The same principle should apply to mitigation measures that, while not naming specific companies, would likely impact China's Tianqi, which owns 22% of SQM and has protested its exclusion from the integration. For instance, Tianqi is not currently on the board of SQM Salar, the subsidiary managing the lithium business, to prevent its access to sensitive information. "The FNE's concerns are more about other lithium competitors—Tianqi or Codelco's future partners," says someone familiar with the discussions.

Beyond this, Codelco already has experience managing interlocking issues in its copper business. As a minority partner in companies operating other copper mines in Chile, it has the right to appoint directors. In two of these subsidiaries—which are not subsidiaries in the legal sense, as Codelco does not control them—it has placed executives from its parent company. In El Abra, where it holds 49% and Freeport-McMoRan 51%, it appoints two of five directors. In Anglo American Sur, it nominates one of five. In both cases, following FNE criteria, Codelco does not compete with these companies, as offtake contracts distribute production proportionally among shareholders.

Quebrada Blanca, however, is different. There, Codelco acquired a 10% stake and appoints two of eleven directors. Because Quebrada Blanca sells its production directly, Codelco competes with it—and thus, interlocking rules apply. For this reason, Codelco appointed two external directors: former CEO André Sougarret and former director Juan Enrique Morales.

Almost Half of the Investigations Focused on Aquaculture:

Environmental Superintendent Turns to Aquaculture in 2024 and Concentrates Inspections on Salmon Farms

The increased oversight of the industry is explained by the application of technologies such as remote monitoring. In the area of equipment, complaints about disturbing noises stand out.

El Mercurio de Santiago. March 3, 2025.
By Catalina Muñoz-Kappes.

The Superintendence of the Environment (SMA) conducted the highest number of inspections last year since 2017, with nearly half of the inspections focused on the aquaculture and fishing industry. According to SMA data, in 2024, 4,468 control processes were carried out, an increase from the 4,108 inspections conducted in 2023.

About 50% of the inspections were carried out in the aquaculture and fishing sector last year, above the SMA's historical average. According to a report by the consultancy Anagea, between 2013 and 2023, 33% of the inspections were in the aquaculture and fishing industry (see infographic).

In 2024, and in contrast to the trend of the past ten years, the second most inspected sector was equipment, such as bars, restaurants, and sports centers. 14% of the inspections were made in this category, with more than half focusing on noise regulation compliance. This sector also recorded the highest number of fines (88), amounting to 1,240 UTA (equivalent to $1,001,334,720, based on the UTA value in December).

The Reasons

According to the SMA, the increased supervision of the aquaculture and fishing sector is due to the strategy of inspecting salmon farming sites, which allows the inspection of almost all holders with Environmental Qualification Resolutions (RCA) in terms of location and overproduction. In fact, within the aquaculture and fishing category, more than 95% of inspections are related to aquaculture, with 1,800 of the inspections specifically targeting salmon farming sites, according to the superintendency.

The SMA explains that since 2020, an inspection and environmental compliance strategy has been implemented at salmon farming sites, which "has progressively improved the supervisory work of the superintendency, as well as carrying out preventive actions to allow early corrections by holders in case of potential breaches in production and positioning." For example, through the use of satellite tools for remote inspections.

“It is important to note that in 2024, more than 90% of the inspections at salmon farming sites found no issues,” said the SMA.

Emanuel Ibarra, partner at the law firm Moreno, Sáez, and Avilés, and former inspector at the Superintendence of the Environment, claims that the increase in inspections of the sector is due to technology. "That number rose because overproduction at the sites began to be inspected remotely. That means it’s an automated process that doesn’t require on-site visits or time-consuming tasks. The same has been happening for years with the positioning of concessions, which are monitored via satellite. Therefore, the number of inspections in that industry is high,” he states.

Disturbing Noises

In the case of the equipment category, the reason for more inspections in this industry is the complaints. Nicole Porcile, founding partner of the consultancy Anagea, explains that the SMA receives complaints about disturbing noises and it is the institution that verifies whether the noise exceeds the legal limits.

The largest proportion of noise-related inspections in 2024 corresponds to the increased number of complaints. According to the SMA, last year noise complaints were the most frequent, representing 50% of the total complaints.

However, this situation may change in the future. A reform of the SMA is currently being discussed in Congress, which would eliminate some of the noise complaints that the SMA needs to inspect. "With this project, the SMA will only handle noise issues related to large projects, and issues related to neighborhood noise would be passed to local police courts. This is important because it would ease the service’s workload. Almost half of the complaints the SMA receives are about disturbing noises, which takes away resources from addressing other environmental issues,” Ibarra comments.

Complaints are also the main reason for opening sanctioning processes. According to data from Anagea, since the SMA’s establishment in 2012, 66% of the sanctioning processes have been initiated due to complaints, 32% due to inspections, and 2% due to self-reports.

Self-reporting

In general, self-reporting, which allows companies to apply for a reduction or exemption of the total fine, is a tool that is underused. In 2024, only two self-reports were recorded. “The use of self-reporting has not been as expected. Being the only tool that incentivizes voluntary compliance by holders, it could be enhanced and used more effectively to improve its impact," says Porcile.

According to the SMA, self-reporting will be strengthened with the ongoing legislative project. "Although it is an instrument to encourage compliance, the bill strengthening the Superintendence of the Environment promotes modifications in this area with the aim of strengthening self-reporting as a mechanism to assist in environmental compliance," they state.

4,468
The number of inspection processes carried out by the SMA in 2024, the highest since 2017.