

Calls to speed up permit approvals:

Despite uncertainty, BHP says it is ready to invest US\$13 billion

The Australian mining company urged the country to “act with a sense of urgency.”

El Mercurio de Santiago. April 9, 2025.

By C. Muñoz-Kappes

BHP, the Australian mining company that operates Escondida—the largest operating copper mine in the world—stated that it is ready to invest US\$13 billion in Chile, but that the investment is awaiting the granting of permits.

Amid uncertainty over whether U.S. President Donald Trump will impose tariffs on copper and what the overall effect of the surcharges on metal demand will be, Alejandro Tapia, president of Escondida, asserted that “we are prepared to begin execution, even this year, if we obtain approval for the necessary permits.”

“As a country, we must act with a sense of urgency if we want to execute growth projects. The competition will be fierce and Chile cannot afford to miss the opportunity or lose its leadership position. If companies meet the necessary requirements and high environmental standards, an investment project should not take an excessive amount of time to carry out,” he said.

By 2050, copper demand is expected to rise by 70%, the equivalent of the production of 20 mines the size of Escondida. “This is a major challenge and, at the same time, a huge opportunity for our country, which currently produces a quarter of the world’s copper,” Tapia emphasized.

In a context where several countries will fiercely compete to attract new investments, “Chile must remain competitive,” the executive noted. For this goal, it is key that permits are delivered efficiently and that they foster investment.

CEO of Antofagasta Minerals on trade war: “It could reduce investment or delay some decisions”

Iván Arriagada said Chile has solid arguments to convince Washington not to apply tariffs on copper, such as being the main producer, the trade balance favoring the U.S., and Chile’s low tariffs.

Diario Financiero – Wednesday, April 9, 2025
By DF Team

Tariffs have been the elephant in the room at Cesco Week Santiago 2025, the event that brings together the world’s leading copper players. And while the threat of import duties hangs over the red metal like the sword of Damocles, Antofagasta Minerals CEO Iván Arriagada acknowledged the effects this trade policy could have on mining companies: “It’s likely this will affect investment.”

This comes just as major mining companies are rolling out major plans. In Chile alone, BHP has projects worth nearly US\$14 billion, while Freeport McMoRan plans to invest US\$7.5 billion in the expansion of El Abra, where Codelco holds a 49% stake.

Even the Luksic group’s mining arm is executing an ambitious program totaling around US\$7.5 billion, focused on Chile, but also including a project in the U.S., Twin Metals.

Arriagada noted that although “copper is scarce worldwide” and more mining development is needed, current U.S. policy “creates more uncertainty and therefore is likely to affect investment.”

Even though the red metal is currently exempt from tariffs—while the Department of Commerce assesses whether to impose them—the issue still complicates business.

“There are two possible effects,” explained the CEO of the Luksic group’s mining arm. “One is greater uncertainty: investors, especially in mining, need more certainty, particularly with long-term investments, and therefore this could reduce investment or delay some decisions.”

Secondly, “if the secondary impact of uncertainty results in lower global economic growth, that will also affect demand, which is another factor that could dissuade investors from making new investments. So I believe that risk exists,” he stated.

What is the impact on Antofagasta Minerals? “Our sales portfolio is mainly oriented, first, toward Japan, South Korea, and other Asian countries, including China, and to a lesser extent, Europe and the United States. So, we do not have a direct impact,” Arriagada detailed, though he admitted, “we are watching closely to see how this will be resolved soon.”

What should the government do to prevent the imposition of tariffs? “Chile is the world’s largest copper producer; it is important that there are channels through which Chile’s interests can be conveyed and explained to the U.S. government from the perspective of how important Chilean production is (to the United States).”

He added another argument: “The fact is that the trade balance favors the United States; it is in surplus for the U.S.,” a relevant point, given that the Trump administration has focused on targeting countries with which the U.S. has a trade deficit.

A third element to highlight is that “Chile’s tariffs are low,” just as the Trump administration targets countries that protect their markets.

“Chile has a low-tariff policy that has explained much of the country’s development and progress, and therefore being able to properly explain this to U.S. authorities is a very important task for the world’s top copper producer, which is Chile,” Arriagada added.

Is the current U.S. administration listening to the industry? “I think the Trump administration is very dramatic in the way it analyzes tariff policy, and again, I believe that, based on the arguments presented, we have a solid position in this conversation,” said Arriagada.

Antofagasta has a project in the U.S., Twin Metals. Will there be progress under Trump? “The copper mining industry in the U.S. has seen little activity in terms of new projects, and I think this will be a much more favorable environment for investment, so we expect a good reception for our project,” he said.

And although he declined to comment on copper prices, stating that “we operate with a long-term horizon,” he admitted that “prices tend to behave with a lot of short-term volatility.”

Arriagada told Reuters Tuesday morning that U.S. tariff policy could create distortions in copper supply chains.

When asked about this, he explained that “when you consider that in some countries tariffs may exceed 30% or 40%, it’s likely that trade flows will change and it may be more advantageous for some countries to sell to others rather than as they originally did, due to those tariff barriers or duties.”

“The Trump administration is very dramatic in the way it analyzes tariff policy and (...) based on the arguments presented, I believe we have a solid position in this conversation.”

Copper Mine in Minnesota:

AMSA hopes to reactivate U.S. project under Trump

The initiative would be the first operation of the Luksic mining arm outside of Chile.

El Mercurio de Santiago. April 9, 2025.

By EyN

Antofagasta Minerals hopes to reactivate its copper and nickel project in the state of Minnesota, in the United States, under the administration of Donald Trump. “We hope there will be a much more welcoming and friendly environment for our project,” said Antofagasta Minerals CEO Iván Arriagada to Bloomberg. If carried out, the initiative would be the first operation of the Luksic family’s mining arm outside of Chile.

In the past, the mining project has been hindered by setbacks in obtaining permits. With the focus of Trump’s second administration on producing critical minerals in the United States, due to their importance for national security and new technologies, an opportunity opens up for Antofagasta Minerals to resume the initiative.

Among the Chilean company’s options to move forward with the project is partnering with a U.S. investor. “Partnering locally is always positive from the standpoint of understanding the local business environment,” he noted. “So it’s something we would be very open to considering,” he added.

Under Joe Biden’s administration, the mining project’s lease was canceled to protect the local watershed. A mine owned by Teck Resources and Glencore, located in the same area of Minnesota, had its water permit revoked in 2023.

“Without a doubt, we see a shared interest among everyone in that region in being able to move forward with the copper production project agenda,” Arriagada stated.

On the other hand, the executive assured that the company has not experienced direct impacts from the trade war and emphasized that only a small part of its production is exported to the United States.

“Our sales portfolio is mainly oriented, first, toward Japan, South Korea, and other Asian countries, including China, and to a lesser extent, Europe and the United States. Therefore, we are not directly impacted. In addition to that, Chile is currently exempt from tariffs on copper exports to the United States,” said the executive.

Copper price settles below Treasury's forecast and adds pressure to fiscal accounts

The red metal lost its US\$4 per pound support level on Tuesday. The effect on state revenue would exceed US\$900 million if this trend continues.

Diario Financiero – Wednesday, April 9, 2025
By Sebastián Valdenegro

Copper has been one of the commodities hardest hit by the swings of the trade war.

Although the red metal is not yet subject to tariffs by the administration of Donald Trump (pending a study commissioned by the U.S. Department of Commerce), market volatility has dragged the commodity downward. A case in point: copper lost its US\$4 per pound support level on the London Metal Exchange this Tuesday, ending the day at US\$3.97, a 0.74% drop compared to Monday.

Thus, the price is firmly on a downward path. So far in April, the commodity is averaging US\$4.16, below the US\$4.41 average in March. Year-to-date, the average price is US\$4.23 per pound, which still implies—for now—a 9.9% return compared to the close of 2024.

At this point, the metal is trading below the price estimated by the Ministry of Finance for drafting this year's fiscal budget: US\$4.26, according to the latest projection in the Public Finance Report (IFP).

If this trend continues, it promises to add even more pressure to public finances, just as Finance Minister Mario Marcel has committed to corrective measures to avoid a repeat of last year's missed fiscal target in 2025. This includes new major public spending cuts, on top of the US\$700 million already trimmed between January and February.

The Budget Office (Dipres) has calculated that each cent in the copper price equals US\$35 million in effective revenue for the Treasury.

Therefore, if the average copper price were to settle at US\$4 per pound for the year, the Treasury would receive US\$910 million less in revenue compared to the US\$4.26 average price per unit anticipated by Teatinos 120.

Risk of a greater deficit

Bci Estudios senior economist Antonio Moncado stated that a lower copper price will push the effective fiscal deficit higher: “For now, we see a deficit of 2.5% of GDP, far from the 1.7% proposed by Dipres in the latest IFP. That higher projected deficit accounts for lower activity and a copper price that would end the year around US\$3.9 per pound,” he forecasted.

Juan Ortiz, senior economist at the Economic Context Observatory of Universidad Diego Portales (OCEC-UDP), estimated that a reduction in the copper price from US\$4.26 to US\$4 per pound would result in lower effective revenues of around US\$900 million, which would increase the effective fiscal deficit and gross debt.

“In any case, this analysis is partial, as it assumes all other variables remain constant—such as GDP, exchange rate, spending level, among others. That is, it’s an indicative figure and doesn’t represent the full fiscal effect of the global macroeconomic scenario change,” he added.

The renewed trade war and increased global policy uncertainty pose risks of slower growth in fiscal revenues, and thus a “slower” pace of fiscal consolidation this year and next, said Itaú’s chief economist for the region, Andrés Pérez. However, he also called for “calm,” noting that despite the “abrupt” adjustment in copper prices, the annual average remains close to the official forecast.

“We project the copper price will hover around US\$4.25 per pound this year. In any case, we believe that a potential larger deficit should not require an expansion of the government’s US\$16 billion debt financing plan for 2025. The market would appreciate Dipres updating its estimates on copper price sensitivity and structural and effective revenues in the next IFP,” he said.

Using market projections, in a scenario where copper prices average US\$4 per pound, with global GDP growth at 2.7% and Chilean economic growth at 2.1%, the effect on fiscal revenue would be a decrease of around US\$1.2 billion, with an impact on the effective deficit of -0.4 percentage points of GDP, estimated Alejandro Weber, Dean of Economics at Universidad San Sebastián (USS): “Considering that this occurs amid a government situation already under fiscal stress, this effect does indeed reduce the Treasury’s degrees of flexibility,” said the former Finance Undersecretary.

According to Banco Santander economist Rodrigo Cruz, the key factor is the copper price in pesos, so—in addition to the international price—it will be essential to monitor the exchange rate, which is currently around CLP \$990, above the CLP \$887 estimated in the Budget Law. “Thus, part of the fall in copper prices in dollars could be offset by the depreciation of the peso. For now, we believe the impacts on this year’s public finances are limited,” he said.

U.S. confirms 104% tariffs on China and prevents Wall Street from joining global stock market rebound

Asia and Europe rose, while the IPSA followed New York's lead ahead of the tariff wave taking effect. During the day, copper hit a three-month low.

Diario Financiero – Wednesday, April 9, 2025
By DF Team

Uncertainty once again impacted markets on Tuesday, with copper being the main casualty of the day, which was also marked by a partial recovery in stock markets after three days of steep losses, and the confirmation of an additional 50% levy by the United States on Chinese products.

As for the red metal, it fell 0.74%, settling at US\$3.973 per pound on the London Metal Exchange, according to Cochilco. This is the first time it has traded below US\$4 per pound since January 3, 2025.

Prior to U.S. Liberation Day, copper had been on an upward streak that even took it to its highest price of the year on March 31, when it reached US\$4.528 per pound—just two days before Trump's tariff announcement.

However, the Republican leader's trade offensive halted the metal's rally, marking a turning point in market expectations.

Also on Tuesday, Comex copper in New York fell 1.8% to US\$4.11.

In the view of Vantaz Group's Director of Research, Daniela Desormeaux, "it's unlikely that this decline in copper prices will continue without a market response." She explained that both historical trends and current fundamentals suggest that the metal's value likely won't fall consistently below certain support levels—between US\$3.5 and US\$4 per pound—which she said act as a "natural floor" for the market.

Dollar returns to CLP \$1,000

Meanwhile, the dollar surged CLP \$11.52 to CLP \$1,000.75. The currency had not breached the CLP \$1,000 barrier since January 21.

"The dollar is often an attractive safe haven while uncertainty and instability take hold of investors," said Ricardo Bustamante, Deputy Head of Research at Capitaria.

Asia and Europe rebound

In the stock markets, there were signs of recovery, driven by growing expectations of an agreement between the U.S. and various countries to progressively reduce tariffs.

Asian markets experienced a widespread rebound, with the Tokyo Stock Exchange leading the gains, closing up 6.01%, recovering much of the 7.68% drop suffered the previous day.

In Hong Kong, the Hang Seng index rose 1.51% after falling more than 13.2% the day before. In mainland China, the Shanghai and Shenzhen indices also showed signs of recovery, with increases of 1.58% and 0.81%, respectively.

In Europe, the top performers were London's FTSE index, up 2.71%, Spain's IBEX 35, up 2.37%, and Germany's DAX, which rose 2.48%.

Volatility in the U.S.

However, by the afternoon in Washington—with Asian and European markets closed—the White House confirmed that the Trump administration will proceed with imposing a new 50% tariff on Chinese products, raising the total tax burden to 104%.

The measure, which will take effect this Wednesday at 12:01 a.m. (U.S. Eastern Time, same time in Chile), caused an immediate pullback in indexes that had until then managed to rebound after recent losses.

After a strong start, the S&P 500 had risen more than 4%, but investor enthusiasm faded, and the index ended the day down 1.57%. The Nasdaq posted a 2.15% loss, while the Dow Jones slipped 0.84%.

The IPSA also followed a similar path. Although it rose 1.5% in early morning trading, confirmation of the U.S. tariffs on China dragged the index down, closing with a 1.23% decline at 7,163.32 points—its lowest level since January 29.

With this result, the index has dropped 7.11% since "Liberation Day."

Pension funds

Meanwhile, various stakeholders expressed concern about the situation. AFP Habitat sent an email to its affiliates stating that its investment policy is based on a long-term horizon, meaning that adjustment decisions are made based on structural changes in the market, not short-term fluctuations.

"Market swings in recent days will impact the share values of pension funds. However, some indexes have shown signs of recovery, reflecting the market's high volatility. It is not advisable to make rushed decisions in portfolios designed for the long term," the AFP noted.

Parodi on the trade war: “Restoring a dynamic capital market is the best insurance to face these turbulences”

The chairman of Consorcio Financiero, Patricio Parodi, addressed the tariff crisis in his letter to shareholders in the holding company’s 2024 annual report. “In times of uncertainty like the current one—with unprecedented trade wars and extreme volatility—restoring a dynamic capital market is the best insurance to face these turbulences as a country,” he said.

He also reiterated his support for pension reform, pointing out that it will bring dynamism to the capital market, “doubling by 2035 the funds managed by the pension system and insurance companies.”

“This represents a significant development opportunity for the subsidiaries of Consorcio Financiero, which have channeled these savings into productive investments, generating employment and driving the economic growth of our country,” he stated.

He added, “We have many challenges ahead, in a nationally challenging context, where it is urgent to accelerate incentives for investment and growth, and which will be marked in 2025 by an intense electoral calendar,” he said.

Lilac: “Chile has a tremendous opportunity in lithium, but it needs to move fast and launch new projects”

The U.S. firm, backed by a Bill Gates fund, is extracting the “white gold” in Utah.

Diario Financiero – Wednesday, April 9, 2025
By Patricia Marchetti

“Chile needs to get its act together”—or batteries, in this case. That’s the view of the U.S.-based lithium direct extraction technology company (DLE), Lilac Solutions, which recently became the first (and only) firm to launch a pilot plant in the Great Salt Lake in Utah, USA.

It has long been known that the largest saltwater lake in the Western Hemisphere contains lithium, “but no one ever considered extracting it because the concentrations are very low—65 mg/L,” Felipe de Mussy, Lilac’s President for South America, told DF. “You could say that’s nothing if you compare it to the Atacama Salt Flat, where concentrations reach 2,000 mg/L.”

Hence his analysis: “Until very recently, extracting lithium at such low concentrations was unthinkable—and we’re doing it. This puts pressure on Chile because the lithium needed in the future will have to come from somewhere, so either Chile truly gets moving and speeds up the granting of CEOLs (Special Lithium Operation Contracts), or it will fall behind other producers.”

Lilac, backed since its inception by Breakthrough Energy Ventures—a fund founded by Bill Gates—and by firms like BMW, The Engine, Sumitomo, and Mitsubishi, has developed a DLE technology based on ion exchange and low water consumption, enabling lithium recovery of over 90%. “Our goal is for lithium extraction using our technology to fall within the lowest cost quartile of global production,” adds the PUC-trained engineer.

In Utah, they plan to advance to a commercial plant, first producing 5,000 tons per year and later scaling up to 20,000. If all goes well, they expect the first production by the end of 2027. In addition to the U.S., the California-based company is involved in three lithium projects in Argentina, most notably Kachi, operated by Lake Resources; it will soon launch another pilot in Europe and is also progressing as a potential technology partner in three projects in Chile, including one in the Altoandinos salt flats with Enami.

The Chilean path

De Mussy highlights the “very easy” process in Utah, “with clear deadlines, permits, and rules,” which took only two years.

In Chile, the process is slower. That’s why the executive stresses that while “Chile still has a tremendous opportunity, and very good resources, it absolutely must take off, move faster, and get new projects on the field.” This is because “by 2030, global lithium demand will reach 3 million tons, and currently the world produces only one million. Where will we get the other two million? From Atacama, Maricunga, Altoandinos, and three or four CEOL-based projects? Hopefully yes—but for that to happen, we have to act now,” said De Mussy.

Expansion Below 2% Anticipated in 2026 Due to Trade War:

Crisis Reaches Chile and Experts Lower the Country's Growth Forecast

Specialists suggest that the impact on the Chilean economy is indirect, stemming from weaker external demand caused by Trump's shockwaves.

El Mercurio de Santiago. April 9, 2025.

By Lina Castañeda and Eduardo Olivares

With copper below US\$4 per pound and a sea of uncertainty stemming from Donald Trump's trade war, the crisis already unfolding between the U.S. and the rest of the world over tariffs has reached Chile. Each day seems like a new doomsday, the most recent being the announcement of 104% total import tariffs by Washington against China (see B4).

Research departments of banks and academic institutions have begun revising downward their projections for the country's economic growth for both 2025 and 2026, according to newly released reports and inquiries made by El Mercurio.

Investment bank JP Morgan estimates a higher probability of recession in the U.S. "To maintain consistency with the revised U.S. growth projections, we have also downgraded Chile's GDP projections," it noted in a report yesterday: "We expect weaker external demand to weigh on growth during the second half of the year. We forecast real GDP to end the year with an annual variation of -0.1% (year-over-year comparison of the fourth quarter), compared to the previous 1.8%."

Barely 2% in 2025

Santander lowered its figures from 2.4% to 2.1% for Chile's GDP growth in 2025, and from 2.1% to 1.7% for 2026. Although the direct impact on Chile is expected to be limited, the indirect effects could be significant due to weaker economic growth among major trading partners. "This external deterioration, combined with the expected impact on business and household expectations, will negatively affect exports as well as consumption and investment," the bank stated.

At Credicorp Capital, they are also evaluating a downward revision of GDP projections for this year and the next, although they agree that the direct impact of the trade conflict on Chile's GDP would be limited. "However, the indirect effects could be somewhat

greater (...). This effect would become more evident during the second half of the year," they foresee.

BICE Inversiones recalls that in early April, they fine-tuned their numbers and remained at the lower end of the forecasts made by analysts and the Central Bank. "Our growth estimate for Chile this year is 2.0%. The effect for our country would be felt through slower growth of trading partners, possibly lower levels in commodity prices, which poses a scenario where expected growth for Chile could be lower."

LarrainVial's Research Department released a report Monday titled "The Andean region escapes the direct impact of U.S. tariffs, but indirect effects tell a different story." After a detailed analysis of the trade dependency of countries such as Chile, Peru, Colombia, Mexico, and Brazil, it states that what matters are the indirect consequences, including retaliatory measures from countries like China, which "will likely affect the economic performance of the United States, China, and the rest of the world, and increase uncertainty in financial markets." In light of that external environment, "we are inclined to revise downward our economic growth projections for this year and the next. We expect currencies to face persistent depreciation pressures (although different from those initially anticipated), weaker economic activity, and more expansionary monetary policies." For Chile, they cut the growth forecast for this year from 2.3% to 2.0%. But they forecast a much worse figure for 2026, lowering their projection from 1.8% to 0%.

Trouble Ahead in 2026

At Bci, they are processing the data. The preliminary estimate, with the U.S. likely heading into recession and global growth adjusted 1% lower, would reduce Chile's growth by 0.5 percentage points compared to previous forecasts. "Obviously, if we more strongly pursue initiatives for structural reforms, creating a more favorable climate for investment, the figure could be higher. We see this as an opportunity, given the more complex global environment," Bci noted.

Scotiabank has not made quantitative adjustments. Although it still projects 2.5% annual growth for both years, it has a downward bias for 2026.

The baseline scenario of the Observatory of Economic Context (Ocec-UDP) includes a negative effect from tariff measures on Chile's economic growth due to the repercussions of the trade war on the growth of major trading partners, particularly from the outlook of slower U.S. growth. There would be less demand for exported products. "If this scenario materializes, Chilean export growth expectations would be revised downward to rates below 3% annually (previously forecasted at 4%), leading to GDP growth around 1.8% annually in 2025, instead of the previous 2%. The greater cost in terms of growth should be reflected in 2026."

Coopeuch stated they have reduced their GDP growth projection for 2025 from 2.2% to 1.8%, and for 2026 from 1.9% to 1.8%. They comment that there is still a high degree of

uncertainty about the magnitude of the effects, so there is room for further revisions in both directions.

LarrainVial

forecasts that the Chilean economy will register 0% growth in 2026.

Consumer Price Index rose 0.5% in March and increased to 4.9% in annualized terms:

Annual inflation and effects of trade war put pressure on Central Bank over interest rates

On Tuesday, the dollar rose by \$11.2 to close operations around \$1,000, a factor that could influence prices of imported products.

**El Mercurio de Santiago. April 9, 2025.
By A.D.J.**

Clearly, a scenario of rising inflation, combined with an economy that could slow due to the effects of the trade war, is not the ideal backdrop for the Central Bank's upcoming decisions regarding the interest rate—especially when external turbulence has pushed the dollar back to CLP \$1,000, with its potential impact on the cost of imported goods.

Although the Consumer Price Index was in line with expectations by recording a monthly increase of 0.5%, influenced by food and the education sector, experts partly point to annualized inflation rising to 4.9%, compared to 4.7% accumulated in February, “remaining well above the Central Bank's 3% target,” notes Quasar Elizundia, Market Research Strategist at Pepperstone.

Even before the announcement of reciprocal U.S. tariffs in April and China's subsequent response, the market had already anticipated that inflation would fluctuate between 4.5% and 5.0% between this month and the next. Still, “year-on-year inflation remains high,” says Ignacio Muñoz, researcher at Clapes UC.

Therefore, it will be crucial in upcoming reports to monitor whether the recent depreciation of the peso complicates the outlook for declining inflation.

“Right now, the external factor is what brings the most uncertainty to the local economic outlook. While the imposition of higher tariffs worldwide theoretically puts downward pressure on local inflation in the medium term, the initial shock could be inflationary due to currency depreciation,” said Priscila Robledo, Chief Economist at Fintual.

On Tuesday, the dollar rose CLP \$11.2 to close around CLP \$1,000, its highest level in over two months. As a result, so far in April, the U.S. currency has accumulated an increase of CLP \$46.3, which in practice, for example, helps offset the impact of falling international oil prices—oil that Chile imports almost entirely.

More optimistically, Finance Minister Mario Marcel estimated that “in the coming weeks, when we begin to see fuel price updates, we will probably see declines again.” He also expressed confidence that the effects of electricity tariffs would have a lesser impact on the CPI starting in the second half of the year.

External turbulence

The uncertainty of the international scenario could, in any case, have some impact—for example, if there is a greater slowdown among “main trading partners due to the application of tariffs,” says Jorge Herrera, Deputy Manager of Investment Strategy at Principal. Probably, how events unfold in this regard will be key to the future of monetary policy in the country, he affirms.

It will be “extremely relevant,” says Herrera, how the international situation evolves—particularly in relation to tariff enforcement, the pace the Federal Reserve takes regarding potential interest rate cuts, and the effects all this may have on the exchange rate, which, if it remains under pressure, could add further pressure on imported goods in our case.

All in all, Juan Ortiz, researcher at the Economic Observatory of Universidad Diego Portales, estimates that the current bias, given today’s scenario, leans toward a reduction in the Monetary Policy Rate (TPM). “The threat coming from the external sector is a negative shock to GDP growth of trading partners, along with exchange rate volatility and adjustments in international goods and commodity prices,” says Ortiz.

He emphasizes that while the scenario before the external shock featured relatively positive activity performance and annual inflation near the Central Bank’s baseline scenario, “the shift in the baseline scenario since April 2 is evident.”

“Now the inflationary threat, stemming from the rise in the exchange rate and increases in the prices of intermediate and final imported goods in the international market, is contrasted with the fall in commodity prices, such as oil. Meanwhile, the channel of external momentum and adjustment in the real exchange rate is a greater threat,” adds Ortiz.

In ‘wait’ mode

Regarding upcoming steps in monetary policy, two elements remain highly uncertain: “This includes the concrete responses from most countries and the possible opportunities for negotiations in the future,” says Muñoz from Clapes UC.

“This will determine the evolution of the exchange rate and the extent of the reduction in external momentum that Chile will receive—key factors for monetary policy. With this in mind, it is likely that the Central Bank will remain cautious in the short term and keep the

interest rate steady while awaiting stronger signals about the evolution of the external scenario and its effects on Chile,” the researcher notes.

Robledo from Fintual agreed, stating: “In this highly uncertain scenario,” she added, she expects the Central Bank to maintain its neutral monetary stance, and potentially consider rate cuts again only in the second half of the year.

Tariffs: Mining CEOs warn of changes in supply chains and urge faster permitting in Chile

The outlook of top executives from mining companies operating in the country focused on deepening collaboration in the industry, while also calling for a sense of urgency to materialize investments.

Pulso – Wednesday, April 9, 2025
By Víctor Guillou

The mining industry is still trying to grasp the challenges posed by the new scenario of international trade under a tariff war mode. And although the long-term outlook still hinges on the pending decision by the U.S. Department of Commerce regarding specific tariffs on copper, changes are already being anticipated in the operation of trade routes, as well as potential adjustments in demand forecasts for the commodity.

This was acknowledged by mining executives who participated on Tuesday in the World Copper Conference, organized by CRU and CESCO.

“If copper used to follow a certain trade route to reach the United States, to reach Europe, to reach Asia, those routes will likely be reconfigured due to the distortions introduced by tariffs,” said Iván Arriagada, CEO of Antofagasta Minerals, in an interview with Reuters. Later, during the panel at the event, he added that increased copper demand associated with the energy transition could also be affected by the global trade conflict.

“I don’t think it will fundamentally change, but perhaps the pace of the transition will be slower, longer, and therefore the projections about demand from the energy transition will become something different from what we see now,” he added.

Speaking to Pulso, Arriagada explained that the main trading partners of the Luksic group’s mining arm are Japan and South Korea, and to a lesser extent the U.S. and Europe, so they believe that “the impacts that may arise from the reconfiguration of supply chains are rather limited from that point of view.”

And although he expressed hope that Donald Trump’s policies could “provide a more favorable environment for the development of production in the U.S.,” favoring projects like Twin Metals, he emphasized that “our strategy is to be cost competitive and

complete the growth we are currently pursuing. We have Centinela, and we are also investing in Pelambres, and that will bring us greater levels of efficiency and also scale.”

For his part, Minera Escondida president Alejandro Tapia focused on the need to move swiftly, as demanded by the new scenario.

“As a country, we must act with a sense of urgency if we want to carry out growth projects. Competition will be strong, and Chile cannot afford to miss the opportunity or lose its leadership position,” he said, while recalling that his company remains committed to moving forward with its investment plan for the coming years, which is estimated at around US\$13 billion.

“This is an unprecedented growth plan, based on our operational excellence and the highest environmental standards. These investments will not only have a positive impact on the company but will also bring benefits to the country, its people, and the regions where we operate. At BHP, we are ready to execute,” emphasized the top executive of the world’s largest copper miner.

“If companies meet the necessary requirements and high environmental standards, an investment project should not take an excessive amount of time to be carried out,” he added.

In that sense, although he acknowledged the “strong commitment” of the government to improve certain aspects of the permitting process, he stressed that “we still need to make greater progress, as it takes too long to develop projects on the ground.”

Meanwhile, Codelco CEO Rubén Alvarado emphasized the need to move forward in areas of collaboration among stakeholders.

“I believe these are times for collaboration. A few years ago, our main objective was to be efficient, to be competitive, and to lower our costs. That remains a central focus, but collaboration is also necessary, and we have several examples of partnerships that we need to pursue,” he said.

In that vein, Freeport-McMoRan CEO Kathleen Quirk stated that the copper industry needs more joint mine agreements. “We need to do more of these kinds of deals,” she said.

Chairman of Colbún recommends regulatory changes for project permitting

The chairman of the company's board, Hernán Rodríguez, also expressed criticism regarding the processing of the electricity tariff subsidy bill and the unfreezing process.

Pulso – Wednesday, April 9, 2025
By Emiliano Carrizo

Colbún's chairman, Hernán Rodríguez, suggested a series of regulatory modifications in the letter included in the company's 2024 annual report. Last year, Colbún decided to suspend the Paposo Pumped Storage Plant project, with an investment of US\$1.4 billion.

Rodríguez acknowledged that there is always room to improve environmental studies, characterizations, and baseline assessments associated with a project, and that it is necessary to have the highest environmental and technological standards and requirements. "But in order to grow again and promote investment, we also need to push for changes on three regulatory fronts," he wrote.

In this regard, the executive stated that it is necessary to "move forward so that the different government agencies and regional authorities involved in granting permits apply their evaluation criteria more uniformly."

Rodríguez appreciated the Executive Branch's work to reduce the time it takes to process investment projects, but called for consistency. "The obstacle is not the level of requirements—which should always aim for the highest standards—but rather that these requirements be applied consistently and coherently over time, promoting uniform criteria throughout the country and properly established timelines."

He also called to "always ensure correct price signals to drive the large infrastructure projects that enable decarbonization, giving a leading role to the private sector," and to "establish better mechanisms so that communities can see and feel tangible benefits from the projects."

"In a society where social, technological, and environmental challenges are becoming more complex, we must not fall into the false dichotomy between growth and sustainability, since both can go hand in hand through investment and the application of high evaluation standards. (...) These principles must also guide the modernization of electricity regulation, ensuring stable long-term rules that respect the sector's balance,

without compromising a responsible energy transition, business competitiveness, and user costs,” he said.

In his message, he also took the opportunity to criticize the processing of the electricity tariff subsidy bill. “The electricity subsidy bill, although well-intentioned, includes measures that are inconsistent with stable long-term rules of the game and respect for the sector’s balance (...) We are concerned about some of the provisions contained in the electricity tariff subsidy bill (...) or the new emissions standard for thermoelectric plants, which in our view is not consistent with the Decarbonization Plan presented by the same government.”

He also referred to the blackout on February 25. “It shows us that we are facing a more complex, diverse, and challenged electrical system, which compels us as an industry to find ways to ensure not only a more sustainable matrix but also one that is more resilient and secure.”

Trump's proposed ambassador to Chile expresses interest in countering China's influence in the country

Brandon Judd is the nominee for U.S. representation in Santiago. Senators questioned him yesterday about his views on the country in various matters.

Diario Financiero – Wednesday, April 9, 2025
By Sofía Runín

“One of my biggest concerns is what we’re seeing from China when it comes to South America.” This was the emphatic statement made by Brandon Judd, the nominated United States ambassador to Chile, during his testimony before the U.S. Senate Foreign Relations Committee, which will decide whether he becomes the next representative of the world’s largest economy in Santiago.

In the presentation before the committee—led by Republican James Risch and including Democrat Jeanne Shaheen, among others—the former Border Patrol agent was asked about topics ranging from China’s relationship with Chile to the Chilean electoral landscape.

Thus, the growing concern from the United States regarding China’s influence in South America, specifically in Chile, was present throughout the discussion.

In this context, the nominee acknowledged that a key item on his agenda would be to demonstrate that “the United States has much more to offer than China.”

“Chile is one of the strongest democracies in our region. President Boric and his government recognize the importance of strengthening civil rights in the country. We can work with Chileans—we have much more to offer than China,” stated the ambassador proposed by the U.S. president.

According to Judd, for the Trump administration, it is essential to promote Chile as a country for investment, and part of his work will also focus on bringing American companies into Chilean territory.

Strategic investments

In that regard, he said, “We have to look at where we can strategically invest,” and explained that there is currently a major company from North Carolina extracting minerals in northern Chile.

One of his concerns is that “71% of the lithium extracted in Chile last year went to China,” he warned.

“That’s why we need to find ways to boost our investments and open business opportunities for U.S. companies to enter Chile,” he added.

According to Judd, the ties between the United States and Chile “are much stronger than those with China.”

In his view, “we can show Chile that we are a better partner and that, even though something may cost less now, it becomes exponentially more expensive than the cost of partnering with the U.S. — we are the best trade partners.”

Judd also made clear that many areas of Chile are important to the United States, and that in his role, he will seek to continue being a partner that supports Chile in various sectors, such as work in Antarctica, astronomy and astrophysics, and through the arrival of companies and investors.

“We must continue building on what we already have and limit China’s access to the resources Chile has available,” emphasized Judd as part of the Trump administration’s proposal.

His speech was marked by gratitude to his family and memories of the time he lived in Chile during the 1990s.

In that vein, he was emphatic in pointing out that the shared values with the country create a network of “deep solidarity between Americans and Chileans.”

The electoral landscape in Chile

Another topic that came up during the Senate committee hearing was the situation Chile is facing in light of the upcoming presidential and parliamentary elections.

On this matter, the nominated ambassador was clear in stating that he does not intend to influence the opinion of Chilean voters.

“We don’t want other countries coming to the United States to influence our elections, and we shouldn’t be influencing the elections of other countries. That is something for Chileans to decide,” he explained to the senators.

Judd also noted that he is here “to support Chileans in helping them improve their democracy, provide better jobs and lives for themselves. Truly, I tell you that I will not try in any way to influence the country’s election.”

For Judd, it is essential to “limit China’s access to the resources Chile has available” and thereby open new business opportunities for U.S. companies.

ContourGlobal inaugurates US\$900 million photovoltaic plant and outlines next steps in Chile

Its CEO, Antonio Cammisecra, told DF that up to 15% of its growth investments will be in Chile.

Diario Financiero – Wednesday, April 9, 2025

By Karen Peña

At the end of last year, ContourGlobal, an independent power producer, announced its entry into the Chilean market by acquiring a portfolio of large-scale photovoltaic solar and BESS energy assets from Greenergy. Following that milestone, the company, backed by U.S. investment fund KKR, inaugurated one of those projects on Tuesday—Quillagua—which involves nearly US\$900 million and is located in María Elena, Antofagasta Region.

Quillagua is a 221 MWp photovoltaic solar plant with a 1.2 GWh battery storage system capable of delivering 200 MW for 6.2 hours after sunset, making it the solar plant with the largest storage system in Latin America.

This milestone marks the final stage before starting commercial operations in the coming weeks and beginning to fulfill its long-term clean energy purchase agreement (PPA).

“In Chile we want to grow. The country will be one of ContourGlobal’s pillars. Up to 15% of our growth investments will be made in Chile,” the company’s CEO, Antonio Cammisecra, told DF.

The executive, who worked for more than 20 years at the Enel Group, revealed that this is just the first stage and that a new milestone is approaching: “We are already working closely with the development team and hope to soon celebrate another inauguration. We already have a pipeline of opportunities that I cannot disclose, but we are in Chile with the intention to grow and contribute to the country’s development.”

Quillagua is part of a larger development that includes another similar facility in the Tarapacá Region. This is the Víctor Jara plant, currently under construction, with 231 MWp of photovoltaic solar energy and 1.3 GWh of battery storage, and it will be ready in the second half of the year. This will be the company’s next ribbon-cutting event.

“I believe we can soon celebrate the second stage, called Víctor Jara, and perhaps announce the start of construction on another project,” he emphasized.

The company is also analyzing opportunities in other regions of Chile, further south, to ensure a more diversified presence through renewables and batteries.

And it does not rule out the possibility of acquiring more phases of the Oasis de Atacama project from Grenergy. Cammisecra said that the Spanish company has performed well as a builder: “Whether it’s with another phase of that project or in another country—considering they are also global—we don’t know yet. The idea is that we want to continue working with them.”

Local regulation

In addition to his knowledge of the local energy landscape, Cammisecra attributed the interest in Chile to both solid regulation and market opportunities, adding that it is a stable and reliable place.

In his view, Chile is a pioneer in exploring new market opportunities. “It not only gives us a good business opportunity, it also teaches us what the evolution of markets could look like in the future,” he stressed.

When asked about regulations concerning storage, he candidly said they are “quite comfortable with the regulation Chile has around batteries,” and that it is appropriate for making investment decisions. “It’s not favorable in the sense that it doesn’t provide incentives (for investment), but it doesn’t hinder it either. I’d say that for now, it’s fine,” he commented.