The Canadian mining company believes copper demand will prevail

Lundin Mining's fear over the trade war: lower investment followed by recession

The company is exploring the Vicuña mining district, located between Chile and Argentina. It could be one of the world's largest copper deposits.

El Mercurio, Santiago. April 10, 2025.
By Catalina Muñoz-Kappes

An escalation of the trade war between the United States and China that affects growth—and thus, copper demand—is a concern for the mining industry. Although the brothers in charge of Lundin Mining, the Canadian company that owns most of Caserones and Candelaria in Chile, remain optimistic in the face of tariffs imposed by U.S. President Donald Trump, they acknowledge there is fear surrounding this scenario.

"The fear is that this escalates to the point where countries reach a deadlock, there's no negotiation, and then no more investment, leading to a global economic recession and a real slowdown," says Adam Lundin (AL), chairman of the board at Lundin Mining. "If people are unwilling to pursue growth and step back, it'll be hard to keep up with copper demand, so I think supply will tighten (...). But in the long run, I think it will just mean a stronger copper price and a greater need for more copper to come into the market," says Jack Lundin (JL), executive vice president and CEO of the company.

—How do you view Chile as a country for investment amid rising trade tensions?
AL: "There are trade tensions today, but in the end, copper is essential for civilization to continue improving the quality of the planet. Since Chile is the backbone of this sector, it's crucial to have a long-term view. There will be uncertainty and there will be waves; we must ensure the company's balance sheet is in good shape, but we won't hesitate to make long-term decisions that increase our exposure to copper."

—How do you view Chile's ability to navigate or negotiate in this trade conflict with the U.S.?
JL: "I think Chile is a very strategic partner for the U.S. because about 65% of imported copper comes from Chile (...). I think the headlines are being stolen by what's happening between China and the U.S., but I feel that, over time, this will be resolved and that Chile may be more insulated than some of the other countries facing bigger challenges."

AL: "And copper is exempt (from tariffs)."

—Lundin Mining has operations in the U.S. Given what's happening with tariffs, and the possibility of copper being taxed, is expanding those operations a possibility?
AL: "It's difficult with governments because the opportunities aren't as broad. With a long-term view, these mines don't just start overnight. You have to do the studies, the approval processes to get permits, and if the U.S. has an insular view of 'let's focus internally,' you won't be able to cover what you need to import into the country. If you want to increase domestic supply, you're not going to do it overnight."

JL: "If there's a push for more natural resources in the U.S. and a streamlined permitting process exists, we see that as an opportunity (...). The U.S. wants more domestic production. It must be analyzed, explored, studied, developed, and that takes time. But we see potential opportunities for government grants to incentivize more investment in the country."

—How do you view the uncertainty in the U.S., especially being from Canada, which has been at the center of trade tensions?
AL: "I think you have to hope there's a plan. With Republicans coming into power and having the House and Senate, they can make a lot of decisions and take a lot of actions, but there will be elections. If you're going to have this election-related uncertainty, it won't go well for the Republican Party unless you start to bring some clarity about what's going to happen."

The company in Chile

In Chile, the Canadian mining company owns 70% of Caserones and 80% of Candelaria. Additionally, together with BHP, they acquired Josemaría in Argentina and Filo del Sol, which lies on the border between Chile and Argentina, last year. Along with Caserones, these two mines are in the Vicuña mining district.

—Are you considering other acquisitions?
JL: "At the moment, we're not actively seeking new growth opportunities through acquisitions. We're looking to grow by expanding the operability of our existing assets."

AL: "What's exciting is that when you acquire producing assets, you get reserves, a production profile, and a mine life. But you don't pay for the growth potential that can be unlocked after the mine life (...). Our family brings a very long-term vision, you say, 'maybe we can double or triple that resource, and we'll be here for much longer.' Now, with Vicuña, we have that vision on steroids, thinking we could be here for 100 years (...). Our perspective is always long-term. You have to be comfortable with the host country you're in. And we really enjoy being in Chile."

—From a long-term relationship perspective, the relationship between Chile and Argentina is key to developing the project. How do you view that relationship and the mining treaty between both countries?

AL: “A binational protocol for exploration was established, allowing the workforce to move freely across borders (...). It works wonderfully. There aren’t many precedents for cross-border projects. When it was first analyzed, we said, ‘maybe we’ll do them separately.’ (...) But as we’ve moved forward and seen the collaboration between both governments, we’ve become more optimistic and thought, ‘okay, let’s do this together.’”

JL: “What we would consider is converting the exploration protocol into an exploitation protocol, which would give us greater freedom of movement during development and operation phases. Therefore, we see it as a binational project that, eventually, when we reach full scale, we’ll be able to use infrastructure on both sides of the border.”

—What is the investment plan? You’ve previously said it could reach the scale of El Teniente or Escondida.

JL: “On January 15, we closed the transaction, formally established Vicuña Corp, and now we’re working together (with BHP) on both projects. The goal now is to publish a resource estimate for Filo del Sol and Josemaría this quarter (...). The first phase, which will provide more definition and clarity about the size of the investment, will be published in the first quarter of next year. We’re not yet in a position to disclose the total capital required for construction, but it will be significant. I believe this could become one of the largest copper, gold, and silver deposits ever developed and operated.”

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“Copper is essential for civilization to continue improving the quality of the planet. Since Chile is the backbone of this sector, it’s crucial to have a long-term view.”

—Adam Lundin

“The U.S. wants more domestic production. It must be analyzed, explored, studied, developed, and that takes time.”

—Jack Lundin

Banks begin to cut their price forecasts for Chile's main export:

Collateral damage: New U.S. tariff hike on China could drag down copper prices

If the tariffs remain in place, a decline in raw material demand from China is expected. Of the total exported by Chile to China, copper represented over 60% of shipments in 2024.

El Mercurio, Santiago. April 10, 2025.
By A. de la Jara and C. Muñoz-Kappes

President Donald Trump's decision to further raise customs duties on China and to place reciprocal tariffs on other countries "on pause" generated euphoria in the markets yesterday. However, the increased pressure on the Asian giant could result in lower demand for raw materials, including copper, Chile's main export.

Shipments from China to the U.S. will be reduced by more than half in the coming years if the tariffs imposed by Trump on China remain in place, analysts say, a scenario that gained traction after Trump raised tariffs on that country to 125% on Wednesday.

The consulting firm Capital Economics stated that the U.S. levies on the Asian country will cause Chinese exports to the U.S. to "drop by at least half in the coming years." They also noted that while U.S. tariffs on other countries "will be negotiated downward, they are likely to remain high for China, which will permanently affect trade between the two countries."

Even the World Trade Organization warned yesterday that the trade war between the United States and China could reduce goods trade between the world's two largest economies by as much as 80%.

Meanwhile, the Hong Kong-based South China Morning Post reported that China's export sector is preparing for "a prolonged and devastating recession in trans-Pacific trade," citing the example of one export company that saw its shipments drop from 40 to 50 containers a day to just 3 to 6 as a result of the tariffs.

China's importance for Chilean copper

China accounts for nearly 40% of all Chilean exports, which are overwhelmingly led by copper. Of the US$ 38.235 billion in Chilean shipments to the Asian nation in 2024, copper exports—including both concentrates and cathodes—represented 67%.

"Copper prices have been fluctuating in response to announcements from the United States. After price increases due to stockpiling over fears of tariffs, there has been a sharp drop due to fears of the trade war's impact on the global economy and on copper demand in particular," said Juan Carlos Guajardo, director of Plusmining.

In this context, some banks have already begun cutting their copper price forecasts. U.S.-based Goldman Sachs lowered its copper price forecast for 2025 and 2026. Specifically, it reduced its copper price estimate to US$ 4.01 per pound from US$ 4.41 per pound for 2025, with a projected low of US$ 3.765 in the third quarter.

Scotiabank cut its forecast to US$ 4.00 per pound from a previous estimate of US$ 4.25 per pound, including a minimum quarterly price of US$ 3.75 per pound expected in the second quarter.

Could drop to US$ 3.2

A report by LarrainVial's Research Department indicates that "copper inventories in exchanges could reach one million metric tons next year. In this scenario, the price of copper could fall to US$ 3.20 per pound within the next 12 months."

"Empirical evidence shows that the Chilean economy reacts with a 9–12 month lag to external shocks, which are transmitted through adjustments in global financial markets, falling copper prices, and fluctuations in the global economy stemming from financial crises—this time induced by trade policies," the report adds.

According to Álvaro Merino, executive director of Núcleo Minero, unless the uncertainty surrounding the behavior of the global economy caused by the trade war between the world's two giants is resolved, we should expect "high volatility in the price of our main mining and export product." He predicts that copper prices in 2025 will range between US$ 4.00 and US$ 4.20 per pound.

"Obviously, the risk factors mentioned—particularly China's behavior as the main copper consumer, accounting for 60% of global demand, and that of the United States, the world's leading economy—could alter the range in which the red metal's value will settle," said Merino.

Chile's copper commission, Cochilco, indicated that they are currently reviewing their copper price forecast, which will be released later this month.

Last night, the Cesco Week dinner was held at “El Mercurio” headquarters:

Miners and Government agree on public-private collaboration to face trade war

Amid uncertainty over tariffs, President Gabriel Boric stated that “from Chile we are clear that isolationism is not the path to growth or development.”

El Mercurio, Santiago. April 10, 2025.
By Catalina Muñoz-Kappes

In a large hall with about 1,800 mining executives and businesspeople from the Americas, Europe, and Asia, the Cesco Week 2025 dinner was held last night at the headquarters of El Mercurio. Among the attendees were President Gabriel Boric and the Ministers of Economy, Nicolás Grau, and Mining, Aurora Williams, along with other authorities.

Jorge Cantallopts, executive director of Cesco, opened the speeches. He welcomed the major mining companies present at the dinner, where practically all global copper players (except Codelco) were in attendance and were enthusiastically applauded as they were named.

In his turn, Leopoldo Reyes, chairman of the board of the organization, began by briefly mentioning that the world is different, with scenarios of disruption and economic and geopolitical change. He recalled historic milestones of economic evolution and emphasized that the best decisions do not arise from isolation, but from collaborative settings such as this one.

The Presidential Message

In his speech, President Boric addressed the crisis caused by the imposition of tariffs by the United States. “We are living in turbulent times globally. That is undeniable, and we are not indifferent to it. Market instability and, above all, its unpredictability—today’s unilateral tariff hikes and changes—have wreaked havoc on the global economy,” he said.

The President mentioned that yesterday he met with part of his cabinet to “outline courses of action and the measures we will take as a country in order to safeguard the Chilean economy” in the face of the United States’ unilateral application of tariffs. “We understand that, in the current global situation, what is needed are State policies, not just Government policies—not thinking about the 11 months we have left as a government, but about the long-term Chile, such as investments in mining," he affirmed.

The President highlighted the treaties Chile has signed with other countries since the return to democracy—with the European Union, the United States, China, and others. "In the uncertain moment the world is experiencing today, from Chile we are clear that isolationism is not the path to growth or development," he stated.

The President noted that India has emerged as part of Chile's diversification efforts. He had visited India on a state visit to begin negotiations for a deeper trade agreement. "In India, as in other countries we have visited during our administration—and this is a process that began with President Aylwin—we were very well received," he noted.

New Projects

President Boric stated that there are substantial mining investment projects, as well as energy initiatives in areas such as green hydrogen.

He mentioned Codelco several times (although it was not among the companies at Cesco Week), in matters such as women's participation in the industry. "Women's participation in the Chilean mining industry is the second highest in the world. And Codelco, along with many other companies, has done tremendous work in this regard," he said.

"I know that in the beginning there were many prejudices about what our government could do," he said. But he assured that he has "always" been convinced of public-private collaboration, "where the State—and perhaps this is a difference from previous cycles—plays not merely a subsidiary role, but an active, entrepreneurial role." In that regard, he valued the partnerships between state-owned and private companies, such as Codelco with Rio Tinto, the El Abra mine with Freeport-McMoRan, and the recent partnership between Anglo American and Codelco.

He stated that there has been "tremendous learning" in the relationship with Indigenous communities, in the context of lithium consultations, although he did not provide details on the outcomes.

"We are proud of our mining industry," he expressed. He stated that the renewal of the Hernán Videla Lira smelter, owned by Enami, has generated "great international interest." It is a strategically important decision, he added.

The President stated that he is "convinced that Chile can grow more and can also distribute its wealth better, reducing inequality and generating greater social cohesion." He believes growth above 2% is possible. To political actors, he delivered a message: "We need more confidence in ourselves."

Governor Díaz responds to Escondida I BHP's remarks

Concerns over permitting issues.

El Mercurio, Antofagasta. April 10, 2025.

The regional governor of Antofagasta, Ricardo Díaz, responded to recent statements made by the president of Escondida I BHP, Alejandro Tapia, who criticized the slow pace of permit processing, which he claimed is affecting investment in the country.

"From the Regional Government, we have addressed and contributed to reversing this serious situation, and we have done so swiftly," stated Díaz.

The regional authority explained that, as part of that effort, the Plan for Strengthening Sectoral Agencies was promoted, developed in conjunction with the Ministry of Economy, with a significant allocation of resources.

CAP assesses impact of trade war and projects strategic role of rare earths

Amid its entry into this new niche, the company's chairman, Juan Enrique Rassmuss, denounced a lack of clarity from authorities and criticized the permitting process: it is "dark science."

Diario Financiero – Thursday, April 10, 2025
By Karen Peña

With a new brand image and website, leaving behind a challenging 2024 in which it had to face the closure of the Huachipato steel mill, Grupo CAP held its annual shareholders' meeting yesterday, where international tension over U.S. tariff measures took center stage.

After the meeting, Grupo CAP's CEO, Nicolás Burr, stated that "the main impact we could face is a slowdown in the global economy, especially in the U.S. and China—particularly China, as it is one of the major markets to which we export."

"If there is an additional contraction, which these tariff war phenomena generate, we could be affected in terms of product demand and a further decline in construction growth in China," he said.

Burr noted that a significant percentage of their exports go to Asia: "Steel production worldwide is concentrated in China at more than 55%. Therefore, it's a share of that order or higher." He clarified that exposure to tariffs is very low, since their products are exported to Asia and the Middle East.

In response to the U.S. offensive, he said: "Our strategy is to be resilient in terms of costs, to continue working on our cost-reduction plans, which we are doing (...). We must be very cautious with our expense structures and become more efficient."

Rare earths

But opportunities are also emerging, he said, highlighting the alliance with Aclara to venture into the rare earth business.

Burr noted that, in addition to China's retaliation against U.S. threats, the country is "restricting certain exports of critical products that China knows are painful for the U.S.—and what are those? Rare earths. And they are precisely the four elements that we are going to produce in Penco. That is an example of how strategic the asset we could develop is, hopefully once we obtain the necessary permits."

The importance of this venture was echoed by the company's chairman, Juan Enrique Rassmuss, although he pointed out that "we have a considerable level of indecisiveness from regional authorities, who don't know whether they like this or not."

He added: "I'm a strong critic of 'permitting,' that dark science known as permitting, which nobody knows how it works."

"We'll see whether there is truly the will among all actors to position ourselves," he said.

The event also included presentations by leaders of the mining-industrial group and by Jorge Sahd, director of the Center for International Studies at PUC, where the trade war was addressed.

At the Sustainable Future Summit:

Four startups to present high-impact solutions for green and efficient mining

CleanLight, Domolif, Mineral Forecast, and Botiia are the mining industry companies that will participate in the Sustainable Future Summit. From 3D-printed biocement to smart sensors for on-site monitoring, all share a common vision: transforming mining into a cleaner, safer, and more efficient model.

El Mercurio, Santiago. April 10, 2025.
By Fernanda Guajardo S.

Botiia tests its smart monitoring system at BHP sites

Botiia has developed a technology aimed at eliminating one of the biggest operational “headaches” in large-scale mining: unexpected failures in conveyor belts. Its solution, called IINMAS, consists of an autonomous, disposable, and harmless probe that is launched onto the moving ore belt. The device measures vibrations, temperature, and sound, delivering a precise diagnosis of the rollers’ condition, and identifying those with anomalies before they cause shutdowns.

“Our solution covers 100% of the roller system and reduces unplanned stoppages, as well as improving safety during inspection tasks,” explains Bianca Donoso, project leader at the startup. Recently, Botiia was awarded by Escondida BHP’s Aster accelerator and is now preparing a commercial trial with the same site that, years ago, inspired the creation of this technology. “About six years ago, our general manager was asked by Escondida BHP to analyze existing roller condition monitoring solutions on the market, but all were invasive to operations and required a high level of investment,” she explains.

Domolif prepares 3D printing of social housing with tailings-based biocement

Domolif is betting on one of the most radical changes in how we view mining waste: turning it into raw material for construction. In collaboration with CIMS (Center for Innovation in Sustainable Materials) and with funding from Corfo, the company is developing an alternative biocement made from tailings, which will be used for 3D printing structures for housing and roads.

"We're very excited about this new challenge. Our biocement does not require traditional cement and complies with all building regulations. It's a giant step toward a truly circular economy," says Pamela Chávez, founder and CEO of Domolif. This new development builds on work that began with a FIG project from the Regional Government, and is now emerging as a scalable solution for areas affected by environmental liabilities and housing deficits.

Mineral Forecast launches new version of its AI for geological exploration

With over a decade of experience, Mineral Forecast claims to have become a key ally for geology teams at mining and exploration companies across Latin America. Its platform uses artificial intelligence to cross-reference geological data—proprietary, public, and expert-sourced—and provide recommendations that increase the probability of success in drilling campaigns, reducing costs and environmental impact.

"This started with my partner Arturo Rochefort's family mining operation, where he saw that deciding where to drill was a critical decision that needed better data. Today, we help teams increase the effectiveness of their campaigns by up to four times," says Javier Muñoz, CEO and co-founder. The company is preparing to launch a new version of its platform, with a more open interface and tools that make it easier for geologists themselves to adopt artificial intelligence. Currently, they have clients in Chile, Peru, Mexico, and Argentina, exploring copper, lithium, gold, and more.

CleanLight offers mobile solar solutions for mining operations in extreme zones

CleanLight specializes in designing and manufacturing mobile solar towers for mining and other industries operating in remote areas. Their solutions integrate lighting, communications, and surveillance, powered 100% by solar energy. Thanks to their modular design, these towers can be deployed without a power grid connection or the use of diesel generators, reducing emissions and improving operational efficiency in challenging environments.

CleanLight's approach targets a real and applicable energy transition, especially in sectors like mining, where energy autonomy is key. Their systems are designed to withstand extreme weather conditions and provide operational continuity with rapid deployment and minimal maintenance. Currently, their solutions are being used in various countries across the Americas, positioning CleanLight as a regional leader in industrial solar hardware.

Power generators warn that Coordinator’s restriction forces up to 63% of clean energy to be discarded

They report that since April 7, the capacities of national transmission lines have been limited.

Diario Financiero – Thursday, April 10, 2025

A new measure by the Electrical Coordinator has once again raised alarms at the Renewable Generation Association (AGR), although this time it was not due to the blackout on February 25.

The industry association filed a complaint this Tuesday in a letter to the entity that oversees system operation, stating that since April 7, the Coordinator has restricted the capacity of the national 500 kV and 220 kV transmission lines, which are responsible for transporting renewable and low-cost energy generated in the northern region to the central zone of the country.

The measure—which will remain in effect until April 13—has doubled the levels of energy curtailment or spillage from renewable sources.

According to the association, the restriction “forces between 56% and 63% of the clean and low-cost energy produced by renewable plants to be ‘discarded’, which must then be replaced by electricity generated from fossil fuels,” they denounce.

In the letter—copied to the Ministry of Energy—the association indicates that the restrictions are the result of the Coordinator’s approval of a request made by the owner of the transmission lines to carry out preventive maintenance activities during daytime hours.

They add that this decision should have been questioned, since such activities could feasibly be performed at night, “thus avoiding negative impacts on the overall economic operation of the electrical system.” For this reason, they request that the Coordinator reschedule the work on these lines to nighttime hours as quickly as possible.

Trump announces 90-day pause on higher tariffs, except for China, sparking market frenzy: stocks post best session since 2008, dollar drops and copper rises

With this, the hardest-hit countries will have, for 3 months, the same 10% base rate as other nations, including Chile—a level that will remain in place. However, for China, the U.S. president raised tariffs to 125%.

Pulso – Thursday, April 10, 2025
By Maximiliano Villena, David Nogales

"People were getting a little scared," was one of the remarks made by U.S. President Donald Trump after announcing a 90-day suspension of the 10% tariffs announced last week. In fact, global stock markets had tumbled following the announcement on the so-called "Liberation Day," recession fears surged, and the rise in debt yields triggered alarm as investors stopped seeing the U.S. as a safe haven. In this context, on Wednesday, the Republican president rolled back part of the tariffs and opened the door to negotiation.

During the day, the World Trade Organization issued a statement saying that "this tit-for-tat strategy between the world's two largest economies—whose bilateral trade represents approximately 3% of global trade—carries broader implications that could seriously damage global economic prospects," adding that "the negative macroeconomic effects will not be limited to the United States and China, but will extend to other economies, especially less-developed nations."

In this regard, the WTO warned that "a particular concern is the potential fragmentation of global trade along geopolitical lines. A split of the global economy into two blocs could result in a long-term reduction of nearly 7% in real global GDP."

Against this backdrop, President Trump announced on Wednesday a 90-day pause on "reciprocal" tariffs above 10% for countries that have not retaliated against Washington, and that all such tariffs would be lowered to 10%, the base rate announced last week and held by countries like Chile. This 10% base rate will remain in effect, according to White House officials, as reported by local media such as The Wall Street Journal, New York Times, and Bloomberg.

For much of the day, the prevailing explanation was that the pause included all tariffs.

"Considering that more than 75 countries have summoned representatives of the United States, including the Departments of Commerce, Treasury, and the U.S. Trade Representative (USTR), to negotiate a solution to trade issues, trade barriers, tariffs, currency manipulation, and non-monetary tariffs, and that these countries have not retaliated against the United States in any way, at my request, I have authorized a 90-DAY PAUSE and a substantial reduction of the reciprocal tariff during this period, to 10%, also with immediate effect. Thank you for your attention!" the president wrote on his social network, Truth Social.

With this, Trump suspends the higher tariffs—with the exception of China, which he penalized with a hike to 125%, also announced in the same social media post—after China raised tariffs on U.S. goods to 84% the previous day.

In a press conference at the White House, the U.S. president said he does not expect "to further increase tariffs on Chinese products, I don't think we need to, we calculated it very carefully."

However, he added that China "has abused our economy for years. I respect Xi Jinping, but they haven't respected our country."

In addition to maintaining the 10% rate, the U.S. government stated that tariffs on automobiles, steel, and aluminum would remain in place.

Hours earlier, the European Union had approved retaliatory measures against the 25% tariffs on aluminum and steel—tariffs worth some 20 billion euros, covering soybeans, motorcycles, and beauty products.

From the White House, Trump said the 90-day pause was enacted "because people were scared, they were going too far, they were very agitated. But we have a very big job to do—no other president would've dared to do what I'm doing. What they were doing to us in trade—not just China, which is the biggest abuser in history. Someone had to do it."

He also stated that "more than 75 countries are negotiating. Everyone is calling and asking how we're doing it." He added that he wants to reach "fair agreements, but they haven't been fair with the United States. They've drained everything from us, people have taken advantage of our country, we've been ripped off for decades."

The Dollar Plummets

Amid this scenario, the U.S. dollar lost strength globally, and in Chile it fell sharply, dropping below the psychological level of CLP $1,000.

By the end of the day, the exchange rate had fallen CLP $21.3 from the previous day, closing at CLP $980.2. Early in the session, the dollar hovered around the $1,000 support level, following a three-day streak of gains, during which it had risen CLP $53.3.

However, the currency reached a low of CLP $979 before moderating its drop. On the high end, it touched CLP $1,008.1.

The Chilean peso gained strength amid a rebound in copper futures. The three-month copper price began to bounce back after nearly falling below the US$4 per pound support level—a drop caused by the trade war—and later accelerated its gains in line with the markets' recovery following Trump's pause announcement.

Meanwhile, the global dollar trimmed its losses against major currencies. Before the announcement, spot copper on the London Metal Exchange had fallen 2.52% to US$3.873 per pound, widening the gap between spot and futures prices.

This marked the eighth consecutive drop in copper prices, a stretch in which it had declined by 12.82%.
As of today's result, the metal turned negative for the year, with a cumulative contraction of 1.9%.

Globally, the dollar was down but paring losses against major currencies. Prior to the announcement, the dollar index had seen sharper declines due to projections that the trade war could trigger inflationary pressures in the U.S. and lead to a recession in the superpower's economy.

In this context, the dollar index fell 0.05%.

On the day, oil prices began trading with sharp losses. Brent crude, the European benchmark, fell below US$60 per barrel following China's response to the U.S., raising concerns about a significant impact on global demand. However, like Wall Street stocks, prices reversed course after Trump's announcement.

At the close of this edition, Brent was up 4.62%, at US$65.72 per barrel, while WTI rose 0.7%, to US$63.13 per barrel.

Historic Stock Market Gains

The session began with mixed results in Asia: Japan fell 3.93% while Hong Kong rose 0.68%. Volatility continued to affect markets. In Europe, London's FTSE100 dropped 2.92%, France's CAC40 lost 3.34%, and Germany's DAX fell 3%. Likewise, U.S. markets opened lower amid Trump's counterstrike to China's 84% tariffs.

However, news from the White House triggered a frenzy—investor optimism surged and major stock indices soared. The S&P 500 jumped 9.51%, its biggest one-day gain since October 27, 2008, during the subprime crisis. Meanwhile, the Dow Jones industrial average and the tech-heavy Nasdaq rose 7.87% and 12.16%, respectively—the Dow's largest daily rise since January 24, 2020, and the Nasdaq's largest since 2001.

Among major U.S. companies, AMD stood out with a 23.82% surge, while electric vehicle maker Tesla, controlled by Elon Musk, climbed 22.6%. Nvidia rose 18.59%, and Apple gained 15.33%.

Chile mirrored the renewed market optimism. The IPSA rose 4.33% to 7,473.43 points, marking a 6.75% increase for 2025.

Among the standout stocks was SQM-B, the most traded of the day, which closed with a 10.19% gain. Latam, the second most traded, rose 4.61%, while Banco de Chile and Cencosud ended the day with gains of 4.8% and 4.58%, respectively.

Topics that could be on the table in talks between Chile and the U.S. over tariffs

Intellectual property, investment certainty, and even VAT could be among the topics to be analyzed. On Wednesday, President Boric led a meeting with ministers to address the situation. During the day, there were doubts about how Chile would be affected after Trump's announced pause, but after clarifications in the U.S., it appears that there would be no changes for Chile, with the 10% tariff remaining in effect.

Pulso – Thursday, April 10, 2025
By Rodrigo Cárdenas, Carlos Alonso

"Considering that more than 75 countries have summoned representatives of the United States, including the Departments of Commerce, Treasury, and the United States Trade Representative (USTR), to negotiate a solution to the issues under discussion regarding trade, trade barriers, tariffs, currency manipulation, and non-monetary tariffs, and that these countries have not retaliated against the United States in any way, at my request, I have authorized a 90-DAY PAUSE and a substantial reduction of the reciprocal tariff during this period, to 10%, also with immediate effect."

That was the message from U.S. President Donald Trump that triggered a sharp turnaround in the trade war and caused markets to soar.

In relation to this announcement, Finance Minister Mario Marcel described the extension announced by President Trump as "good news."

"What the extension reflects is that, at least within the U.S. administration, there is some awareness of the impact that this generalized increase in tariffs would have not only on the global economy but particularly on the U.S. economy," the minister stated.

He noted that in recent days, many voices within the U.S. have "spoken out against these measures" and warned of the consequences of implementing them. As a result, those same pressures likely led to "this decision being made," Marcel said.

"We're not yet clear on whether the concept of reciprocity also applies to other countries that had applied tariff measures against the United States, but certainly in the case of China, the situation remains unchanged. That is undoubtedly a relevant conflict, but more contained insofar as it does not affect all countries simultaneously, as the measures announced last week did," the minister said.

According to U.S. media reports clarified Wednesday afternoon, with this decision by President Trump, countries that were subjected to new tariffs above 10% will see that additional amount suspended for 90 days—with the exception of China. During that period, they will be subject to the same 10% base rate as other countries, including Chile.

For much of the day, there was widespread uncertainty about what Trump's message meant, both in the United States and abroad. In Chile, both economists and the government struggled to interpret what the U.S. president meant.

To address the global economic situation and its impact on Chile, President Gabriel Boric met Wednesday afternoon with several ministers, including Foreign Affairs Minister Alberto van Klaveren; Finance Minister Mario Marcel; Agriculture Minister Esteban Valenzuela; Mining Minister Aurora Williams; Science and Segegob Minister Aisén Etcheverry; Undersecretary of International Economic Relations Claudia Sanhueza; and Chile's Ambassador to the United States, Juan Gabriel Valdés.

After the meeting, spokesperson Etcheverry stated at a press briefing that "the meeting reviewed the impact across different areas, as well as various meetings held this week in the agricultural sector, also in the mining sector, and other areas essential to our economy. This is a matter of critical importance to our country, and that is why President Gabriel Boric has been closely monitoring each of these points in recent days."

Amid widespread uncertainty, when asked whether Chile was subject to the 90-day tariff suspension, the government spokesperson admitted that the government did not have a definitive answer.

"That is part of what is being clarified and will be reported tomorrow by Minister Marcel," she said, noting that there will be a press briefing at 9 AM on Thursday by the Finance Minister and the head of Subrei, Claudia Sanhueza.

On the other hand, Marcel elaborated on Thursday's meeting with former Chilean finance ministers and Central Bank president Rosanna Costa.

"The objective is, on one hand, to share a diagnosis of what is happening as a result of the U.S. decisions—because this decision is not simply about the tariff the U.S. applies to Chile or any other country. It's a profound change to the rules that have governed international trade for a long time," Marcel said, adding that "also, of course, to fine-tune Chile's strategy going forward on this issue."

Topics to be discussed

The Foreign Ministry formally requested a meeting with USTR representatives earlier this week, as Minister Marcel reported on Monday. This meeting would add to the Free Trade Agreement (FTA) Administration Committee meeting scheduled for June 12.

According to the government, no date has yet been set for the Foreign Ministry's requested meeting, as they are awaiting a response from the USTR.

The question now is what topics will be on the table during those meetings. Some sources indicate that the Chile chapter of the U.S. Department of Commerce's National Trade Estimate Report on Foreign Trade Barriers (NTE) contains the elements the U.S. is expected to raise, many of which have been addressed in previous FTA discussions.

The chapter on Chile discusses the Free Trade Agreement (in effect since 2004) and issues its first warning regarding the country:
"The United States remains seriously concerned that Chile is not fully implementing some FTA commitments regarding intellectual property rights (IPR) protection and enforcement."

The report deepens its criticism regarding Chile's IPR protections and anti-piracy measures: "The United States remains concerned about the adequacy and effectiveness of Chile's IPR protection and enforcement and the implementation of certain IPR obligations under the FTA." In that regard, it urges Chile to "address certain aspects of its FTA commitments on satellite piracy."

This has been a longstanding concern of the U.S. regarding Chile, which has remained on the "watch list" since 2006. The pharmaceutical sector has been a key driver in keeping Chile in that category.

In fact, the document also expresses concerns about the development of Chile's pharmaceutical industry: "Pharmaceutical stakeholders continue to express concern about the effectiveness of Chile's system for expeditiously resolving patent issues related to pharmaceutical marketing applications and for providing adequate protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products."

A second issue to be addressed could be the handling of personal data: "U.S. stakeholders have expressed concern about the lack of clarity in guidelines for the use of contractual clauses and the lack of clear definitions of key concepts, which is creating uncertainty among businesses," the report warns.

Another issue mentioned in the report involves the implementation of pension reform, due to the presence of U.S.-owned pension fund administrators (AFPs): Metlife (owner of AFP Provida), Principal Financial Group (AFP Cuprum), and Prudential Financial (which controls AFP Habitat together with ILC). This group, through its industry association, previously indicated that in its view, the reform "puts free trade agreements at risk."

"The U.S. industry remains concerned about various provisions in the legislation, including those that would require auctioning off current clients of the private pension system. The United States continues to encourage Chile to consult with all relevant stakeholders as it implements pension reform and to ensure that any changes are consistent with Chile's trade commitments," the report states.

A final issue that the U.S. may raise is the treatment of VAT payments by U.S. companies operating in Chile. Washington could seek reductions or exemptions. This tax has also been globally included in countries' trade barrier calculations against the U.S., as indicated by the Trump administration. However, this would be more difficult to negotiate, as Chile's VAT regime does not offer exemptions by country.

"The institutional framework we have built over time, particularly the Free Trade Agreement—which has proven successful—is the framework we are working within," said spokesperson Etcheverry when asked about the issues to be discussed.

Certainty

Those closely following the government's work on the negotiation strategy with the Trump administration emphasize that the primary objective is to provide legal certainty for both countries, as the FTA includes a chapter on investment and legal certainty. Intellectual property, personal data protection, and pension legislation should fall under this scope.

Regarding specific products, that has not yet been defined. Work is ongoing with the agro-export committee. The idea is to prioritize which products should retain a 0% tariff. Considerations include comparative advantages over other countries, whether the product is exported off-season, and demand elasticity. Everything is being internally evaluated.

One of the participants in the working meetings is Antonio Walker, president of the National Agriculture Society (SNA), who stated:

"We must develop a well-thought-out and considered strategy to negotiate with the United States. We must take advantage of this 90-day window to present a joint proposal from all sectors of the country."

Regarding the country's positions at the negotiation table, Walker noted that product-level discussions have not yet taken place. However, he recommends arriving with "a thoughtful and nationally agreed proposal."

Susana Jiménez, president of the Confederation of Production and Commerce (CPC), said:

"In Chile's case, this opens up an opportunity to further strengthen our trade relationship with the United States and to definitively negotiate that tariffs should remain at zero, as agreed under the FTA, because there is no reason for a 10% increase—especially since Chile imposes no tariffs on U.S. imports, as we have a valid FTA, and the trade balance favors the United States."

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