

Sector Reports

Clean Growth

Doing Business in Chile Guide 2025





Overview of the Clean Growth Sector in Chile

Chile is emerging as a regional leader in clean growth, driven by its vast renewable energy potential, strong climate commitments, and active policy framework promoting sustainable development. The clean growth sector in Chile encompasses renewable energy, energy efficiency, energy storage, sustainable mining, green hydrogen, electromobility, circular economy initiatives, and water and climate resilience.





Key Drivers of Clean Growth in Chile

1. Ambitious Climate Goals

Chile has committed to achieving carbon neutrality by 2050, underpinned by its Nationally Determined Contributions (NDCs) and the Framework Law on Climate Change (2022). The country is phasing out coal plants, targeted for completion by 2040, and increasing its share of renewables in the energy matrix.

2. World-Class Renewable Energy Potential

Chile has some of the best natural conditions in the world for renewable energy:

- Solar energy: The Atacama Desert has the highest solar radiation on Earth.
- Wind energy: Strong potential in southern regions like Magallanes and Biobío.
- Hydropower and geothermal: Longstanding sources that complement intermittent renewables.

As of 2024, over 60% of Chile's electricity generation capacity comes from renewable sources, and the share is steadily growing. Current Targets include achieving 70% renewables by 2030, and 95% by 2050, which will finally eliminate Chile's reliance on imported fossil fuels. [Click here for details and references.](#)

3. Green Hydrogen Leadership

Chile is positioning itself as a global hub for green hydrogen production due to its cheap and abundant renewable electricity. The National Green Hydrogen Strategy aims to make Chile one of the world's top exporters of green hydrogen by 2040, with major projects underway in Magallanes and Antofagasta. Interim targets include having 5 GW electrolysis capacity by 2025 and 25 GW by 2030. [Click here for more details and references.](#)



4. Sustainable Mining

As a leading copper and lithium producer, Chile is focusing on low-carbon mining through energy efficiency, electrification of operations, water reuse, and clean energy adoption. Companies are increasingly pressured to meet ESG standards, both locally and by international investors. [Click here](#) to see the sector report on Mining, and [here](#) for more details and references.

Key Areas of Growth

1. Renewable Energy Infrastructure

Large-scale solar, wind, and battery storage projects are booming, with foreign and domestic investment. There's also a growing market for distributed generation (e.g., rooftop solar) and energy storage systems.

2. Green Hydrogen and Derivatives

Several pilot projects have been launched, and international companies (mainly from Germany, Japan, and Korea) are investing in electrolysis, ammonia, and hydrogen fuel projects.

3. Electromobility

Approximately 26% of the greenhouse gas emissions in Chile emanate from transport sources. It was the first Latin American country to introduce electric buses at scale. The government is expanding electric vehicle (EV) incentives, charging infrastructure, and fleet electrification, especially in Santiago.

4. Circular Economy and Waste Management

With the Extended Producer Responsibility (EPR) Law, known in Spanish as the “Ley REP”, and the Circular Economy Roadmap, Chile is promoting recycling, waste reduction, and sustainable product design. Sectors like packaging, textiles, and electronics are undergoing reform.



5. Water and Climate Resilience

With increasing water scarcity, the clean growth sector includes desalination, water reuse, and efficient irrigation technologies, especially for agriculture and mining. [Click here for more information.](#)

Institutional and Financial Support

- CORFO: Provides funding and support for clean tech innovation and public-private partnerships.
- Ministry of Energy and Ministry of Environment: Lead climate and energy policy implementation, and compliance.
- Ministry of Transport and Communications: responsible for policy and compliance.
- International cooperation: Chile partners with the EU, Germany, Japan, and multilateral banks for funding and tech transfer.
- Green bonds: Chile is a regional leader in issuing sovereign green bonds to finance sustainable infrastructure and projects. [Click here for more information.](#)

Challenges

- Grid limitations and bottlenecks in energy transmission.
- Permitting delays and bureaucratic complexity for new projects.
- Need for skilled labour in green tech and hydrogen-related sectors.
- Social opposition to some infrastructure projects in sensitive areas.



Opportunities

- Export-oriented green hydrogen industry.
- Innovation in energy storage and smart grids.
- Decarbonization services for mining and heavy industry.
- Public-private collaboration in sustainable infrastructure.
- Sustainable finance and ESG-driven investment.

Conclusion

Chile's clean growth sector is among the most dynamic in Latin America, backed by natural advantages, political commitment, and international investment. With continued momentum, Chile could become a global leader in renewable energy, green hydrogen, and sustainable development, setting the standard for emerging economies in the green transition.