CÁMARA
CHILENO BRITÁNICA
DE COMERCIO

Sector Reports
Mining

Doing Business in Chile Guide 2025

Chile is the world's top copper producer (24% share) and ranks second in lithium (27%). It also extracts significant molybdenum, gold, silver, and iron ore. Mining is the backbone of Chile's economy.

The sector contributes 11.9% to GDP. Strong copper prices provide additional economic boosts. Mining directly employs 3% of the workforce and indirectly supports 10.9%. It attracts around 20% of all foreign investment, especially when global copper demand is high.

Currently, the outlook is positive due to rising copper prices and global demand. However, challenges remain. Ore grades are falling, pushing operations deeper or underground. Environmental regulations are stricter. Communities are increasingly opposing or questioning mining projects. In the north, drought and water scarcity have intensified, leading to competition for water among mines, agriculture, and residents.

The sector is now focused on maintaining profitability while addressing these issues sustainably.

Key Commodities Overview

Copper

Chile is a major global producer and exporter of copper cathodes and concentrates.

In 2023, Chile's total trade reached US$171 billion FOB, with mining exports accounting for 58.9% (US$56.9 billion). Copper ores and concentrates made up 76.2% of total mining exports.

Copper prices are volatile and driven by global supply-demand dynamics. In early 2024, prices surged due to supply cuts and a planned output reduction by Chinese smelters amid a concentrate shortage. This pushed copper to US$4.92/lb in May, before momentum slowed from Q2 onward.

Ownership of Chilean copper mines is 71% private, with major players including BHP, Antofagasta Minerals, Collahuasi, Lundin Mining, and Teck Resources. The remaining 29% is state-owned, operated by Codelco.

As of September 2024:

- US$24 billion in copper projects are under execution, including US$16 billion by Codelco and the rest by private firms such as Minera Centinela (Antofagasta Minerals).
- An additional US$34 billion in projects are under evaluation, with over US$29 billion led by Teck Resources, Anglo American, and Freeport-McMoRan.

Lithium

Chile's substantial lithium reserves are concentrated in northern salt flats, mainly the Salar de Atacama, with smaller output from Salar de Maricunga.

Prices for lithium carbonate peaked in 2022 at nearly US$70,000/ton amid strong demand for EV batteries and tight supply forecasts. By July 2024, prices had fallen to around US$12,000/ton for both carbonate and hydroxide.

Chile holds 33% of global lithium reserves and was the second-largest producer in 2023, behind Australia. That year, it produced approximately 208,000 tonnes of lithium carbonate, valued at US$6.0 billion, representing 24% of global output.

Lithium resources remain state-owned, but private firms operate through government agreements. Key players include Albemarle and SQM.

The government is advancing its National Lithium Strategy, aiming to boost production via public-private partnerships and state-led initiatives, with new projects allocated through public tenders.

Molybdenum

Chile is the world's second-largest molybdenum producer after China.
It is extracted as a by-product of copper mining and is widely traded globally.

Gold

Chile produces ~35 metric tons of gold annually.
About 72% comes from gold mines; the rest is a copper by-product.

Silver

In 2023, Chile produced 1.2 million tons of silver, ranking sixth globally.
As with gold, a significant share comes as a copper by-product.

Iron Ore

Chile produced 18 million tons of iron ore in 2023 (1.1% global share), ranking 14th.
The top producer is Compañía Minera del Pacífico (CMP), part of the CAP Group.
CAP is the largest surgical steel producer on the Pacific coast and the third-largest port operator in Chile.

Opportunities in Chile's Mining Sector

Chile's mining industry faces ongoing challenges: water scarcity, rising energy costs, and declining productivity. At the same time, there is growing pressure to embed sustainability across the value chain. This creates demand for innovative solutions, opening doors for investment and collaboration. For detailed information, refer to the InvestChile Investment Guide.

Environmental System Solutions

The demand for environmental technologies is rising. Key areas include:

- Water and energy efficiency improvements.
- Reduction of chemical use and preference for biodegradable products due to social pressure.
- Desalination projects—Chile leads Latin America in this space.

In 2022, 34% of copper production used seawater. Of all water used in mining, 74% was reused, recycled, or recirculated, reducing reliance on freshwater.

Mining Technology

Chile is pushing for more intelligent, automated, and sustainable mining. Opportunities exist in:

- AI, robotics, and remote-control operations.
- BIM, big data, and cybersecurity.
- Autonomous trucks and smart equipment for ore handling.
  The sector is modernizing to reduce its environmental footprint while improving efficiency.

Process Optimization

As richer ore bodies decline, efficiency in extraction and processing becomes critical.

- Focus areas: flotation, mineral concentration, and processing system upgrades.
- Innovations must also align with carbon emissions reduction goals.

Promising sub-sectors include:

1. Off road transportation parts & equipment: bulldozers, scrappers, and trucks, 360º revolving excavators
2. Crushers, grinders and parts for rock cutters
3. Cranes and screening machines
4. Underground mining technology equipment and services
5. Desalination plants, equipment and parts, and monitoring technology
6. Air pollution abatement technology and services
7. Tailing pond monitoring technology and services
8. Carbon footprint reduction services and technology
9. Personal Safety Equipment

Ministry and Associations

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- Ministerio de Minería (Mining Ministry).
- COCHILCO (Chilean Copper Commission).
- Consejo Minero (trade association for large mining companies).
- SONAMI (Chilean mining society for companies of all sizes).
- ENAMI – the National Mining Company aims to promote the development of small and medium scale mining. It provides the services required to access the refined metals market, under competitive conditions.
- Expomin and Exponor – are important trade shows that alternate year on year between Santiago and Antofagasta.