

Chile: a mining world power

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LAURENCE GOLBORNE studied at the Instituto Nacional, Santiago and graduated as a Civil Engineer at the Universidad Católica de Chile. He has completed postgraduate studies at Northwestern University and Stanford University, USA. He was, until recently, the CEO of Cencosud, one of the most successful private companies in South America. He has served on the Board of several companies and as advisor to the Havas Media Group's subsidiaries in Chile, Peru and Bolivia. Mr Golborne was also a Director of Audax Club Sportivo Italiano, ICARE and La Fundación San Agustín de la Facultad de Ingeniería de la Universidad Católica de Chile.

Chile's exceptional geological conditions are only part of our mining success story, as this potential has been realised through an already well-established commitment to an open economy and public policies that promote investment and new business endeavours. This stable framework has put the country in a privileged position to take advantage of booming demand for mining products and metal prices that have surged to record heights.

Chile's economy is characterised by a very high degree of openness. Not only is it one of the countries with the highest number of free trade agreements in the world, including currently over 56 countries overall, but is one of the first trade partners of a number of leading economies, including China and Canada.

Geological potential gives our country a competitive advantage. Chile has about 38 per cent of the world's copper reserve base (according to 2009 surveys) as well as the world's largest identified reserves of lithium, molybdenum, nitrates and other valuable minerals.

Because of its strong comparative advantages, the mining industry is the key to achieving the sustainable growth our country is seeking. At the same time the aforementioned openness of our economy makes it very easy to invest in Chile, especially in the mining sector. With such an open economy, a clear and simple set of rules for foreign investment is essential to achieve the necessary stability and long-term value.

Huge investments have turned Chile into a mining world power. Although the country is known for being the leading producer of copper, it is also the world's main producer of lithium, iodine and nitrates, and has an important share in the gold and silver markets.

Although Chile is today already one of the world's major mining countries, it expects to consolidate further its position once massive investments materialise in this industry in the coming decade.

Chile's current administration has identified the diversification of mineral extraction as one of the main challenges our country is facing right now. While copper production is expected to increase even more, there is huge potential in the development of other minerals extraction as well.

The government of President Sebastián Piñera is committed to further open our markets to the world; we see this as requiring the diversification of our exports,

increasing international cooperation, increasing international trade and, in general, maximising the current potential for trade growth.

The opportunities are huge, as never before has this country seen such a large inflow of investment in any industry; an overall investment of over US\$50 billion has been forecast in mining projects for this decade. Already many of the world's largest mining conglomerates are investing in our country, including Anglo-American, BHP Billiton, Barrick, Xstrata and many others. Codelco, the world's largest copper producer is, of course, fully owned by the Chilean State.

Our government is working on the improvement of the legal framework that regulates mining in a series of aspects: Our newly developed mine closure law is a significant improvement over current regulations, and the legal framework to allow the development of a mining-focused capital market exchange will help develop a number of small- and medium-sized mining operations.

For the past two months, our country has experienced a serious emergency in the Atacama Region, in northern Chile, where 33 miners have been trapped in a copper mine called San José, 700 metres below ground, due to a rock explosion. President Sebastián Piñera's government has made every technical and human resource available in order to rescue as soon as possible these 33 brave men, who have survived unbelievable conditions underground.

We cannot miss this opportunity to express our deep gratitude to the international community and its overwhelming response. We have been moved by the impressive worldwide concern and massive help offered to our emergency teams. In moments such as these, when Chile and the entire world have joined forces to rescue our 33 miners, we must express our appreciation for those kind gestures towards our nation.

This crisis has brought up the best of people, organisations, and governments, and it is thanks to their efforts that we have been able to rescue our 33 miners in the shortest time possible.

This kind of response reinforces our view that Chile is a mining world power not because of its geography, but because of the high quality of its mining community. **F**