

Creating & Capturing Mineral Wealth

The Re-Distributive Effect of
Large Scale Mining in Chile



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Mining Industry's Impact on Chile's Economy

- Contribution to GDP

Mining Sector 9.8% in 2000

- Chilean Exports in 2000

	<u>US\$ million FOB</u>	<u>% of total exports of Chile</u>
Total Mining Sector	8,430	46.5
of which...		
Copper	7,347	
Other Metals	1,083	

TOTAL EXPORTS 18,158

Mining Production in 2000 - Chile

MINING PRODUCTS	UNIT	PRODUCTION IN 2000 (Preliminary)
METALLIC PRODUCTS		
Copper	'000 Metric Tonnes	4,580
Gold	Metric Tonnes	52.0
Silver	Metric Tonnes	1,202
Iron Ore	'000 Metric Tonnes	8,500
NON-METALLIC PRODUCTS		
Nitrates	'000 Metric Tonnes	1,000
Potassium Chloride	'000 Metric Tonnes	620
Lithium Carbonate	'000 Metric Tonnes	32
Iodine	Metric Tonnes	9,500

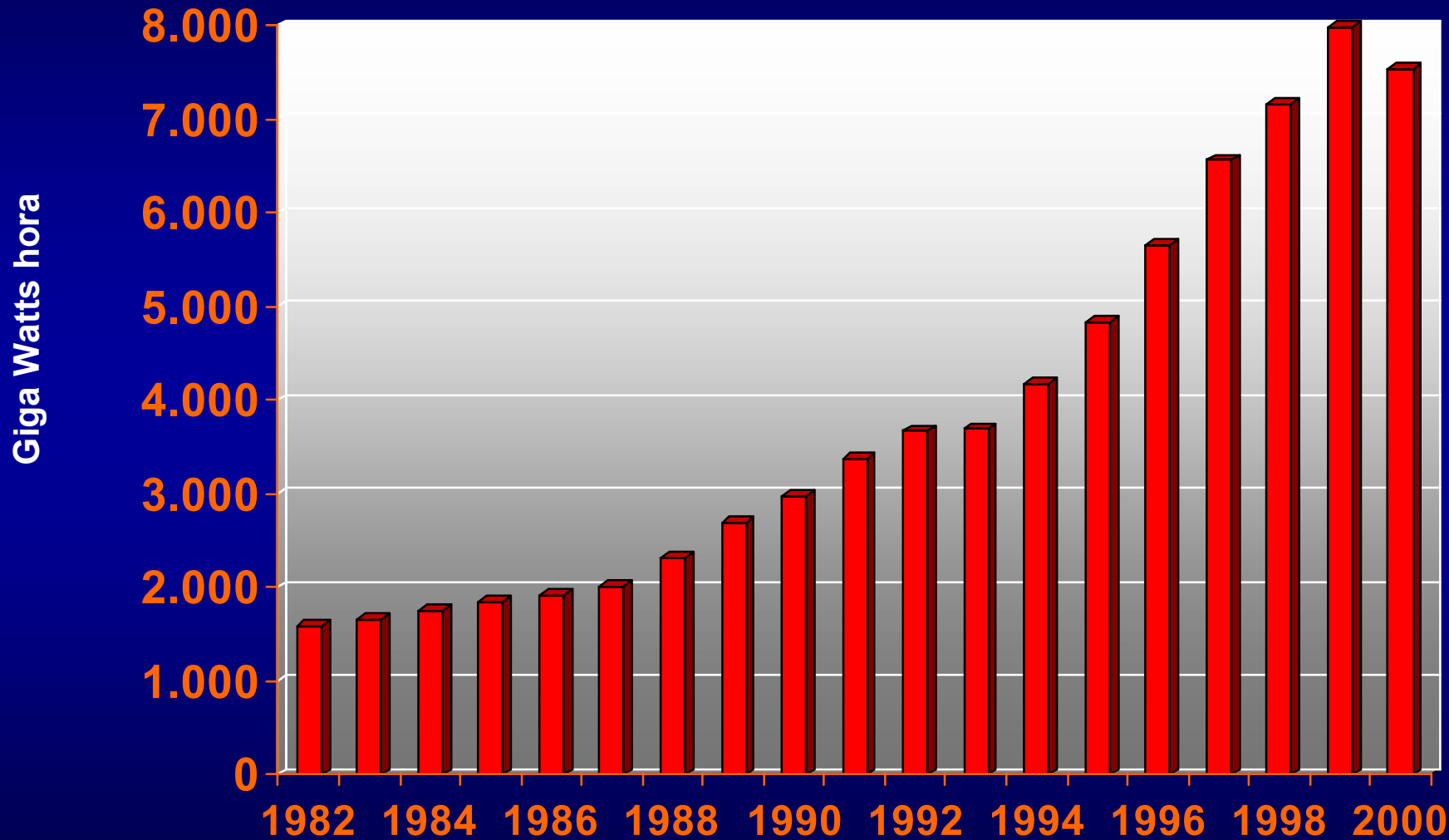
Chile's Position in the Copper Industry

- Copper mine production accounting for 35% of total world production
- Low production costs: 46c/lb average cash cost vs. 62c/lb in the US and 52c/lb world average
- Prospected mining reserves to continue growing
- Mining investments: US\$1,360 million in 2000. Estimated US\$1,940 million in 2001
- Chile' bilateral Mining Treaty with Argentina
 - **Designed to facilitate mining project development along the border**
 - **Became official on February 7, 2001**
 - **Will strengthen exploration efforts in new mining districts now open for exploration**
- Main mining companies operating in Chile organized under the Mining Council (Consejo Minero)
- Common platform (web site) for copper sales in conjunction with other Chilean copper producers

Antofagasta: Chile's Mining Capital

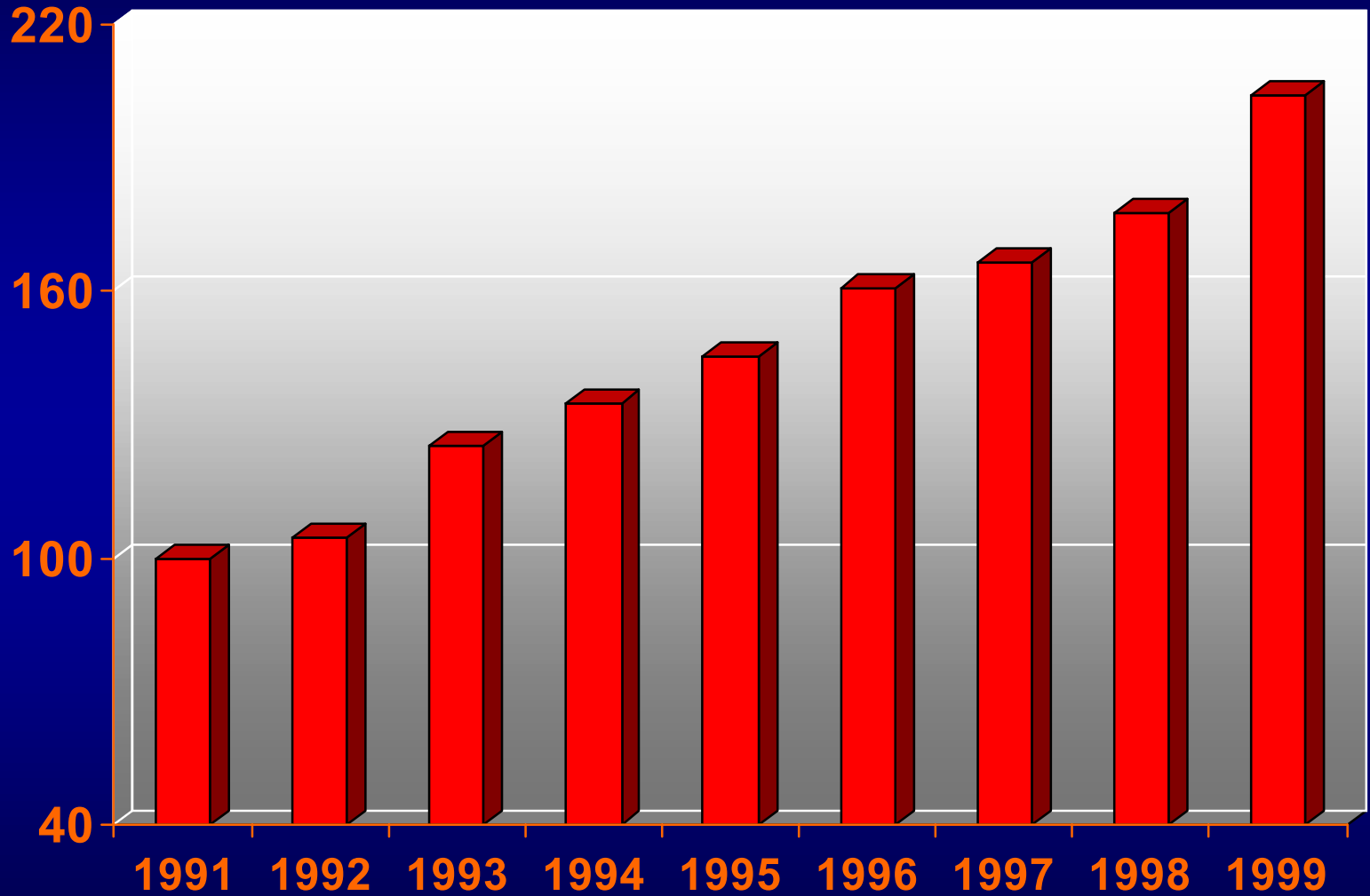
- ❑ 90 –00: > US\$ 5.000Millones en Inversión Minera Privada
- ❑ US\$ 1.500 Millones Inversión Estatal
- ❑ > US\$ 1.500 Millones en Compras Locales
- ❑ 53.000 Empleos Locales
- ❑ 88 – 99: Crecimiento promedio de 9,2 %

Electricity Generation – II Region -



Fuente: INE

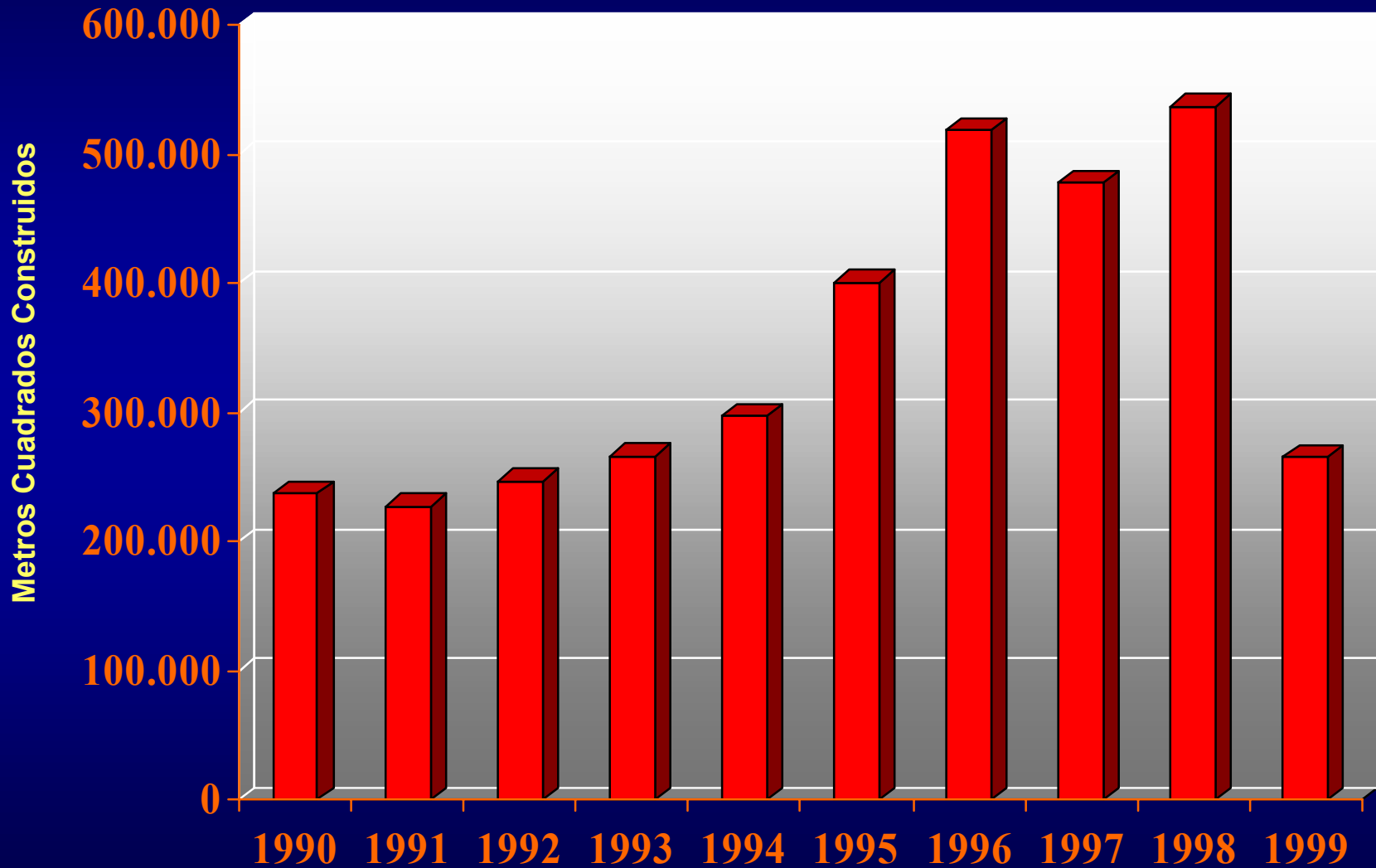
Variation in Supermarket Sales – II Región -



Fuente: INE

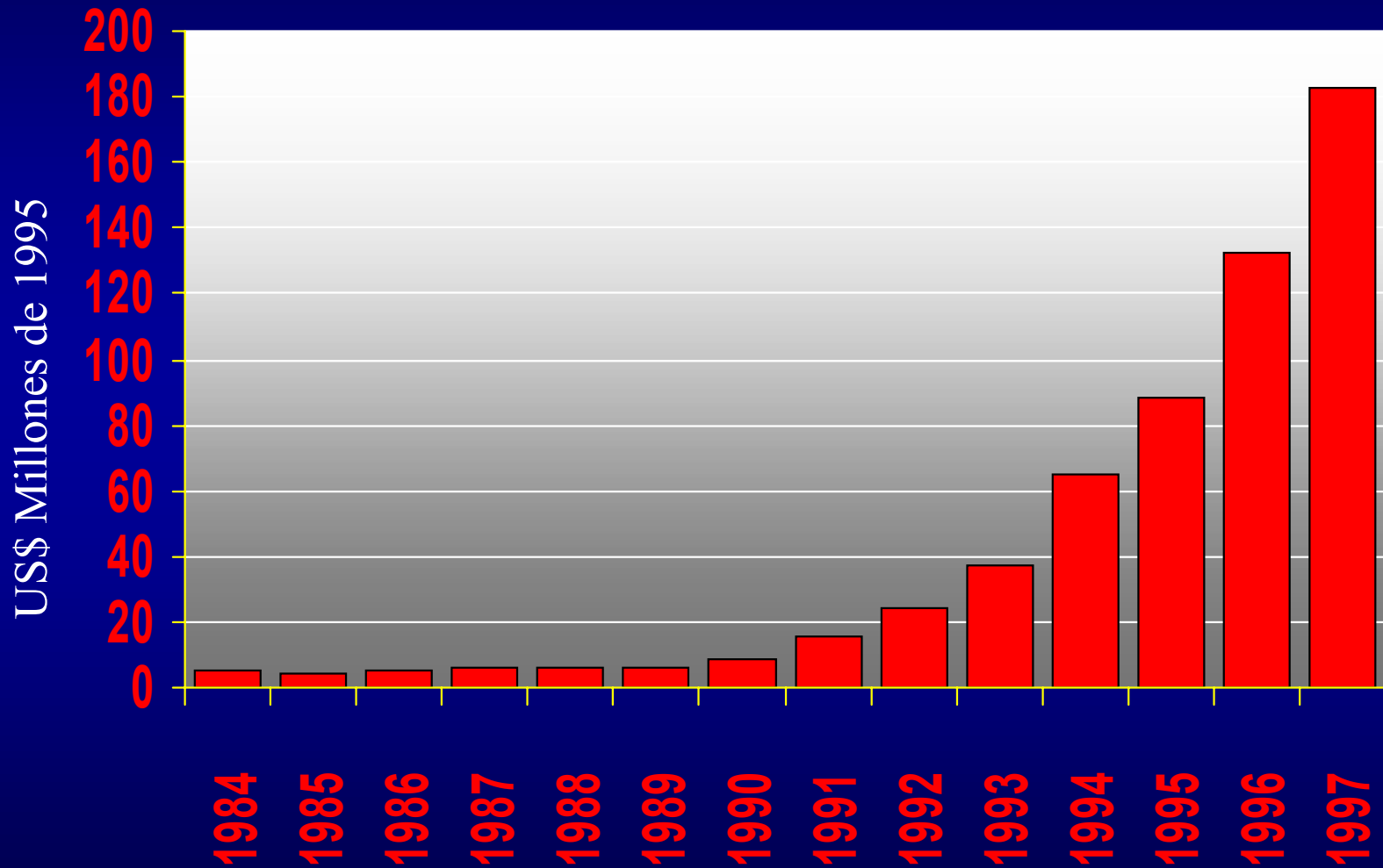
Base 100: 1990

Total Square Meters built II Region



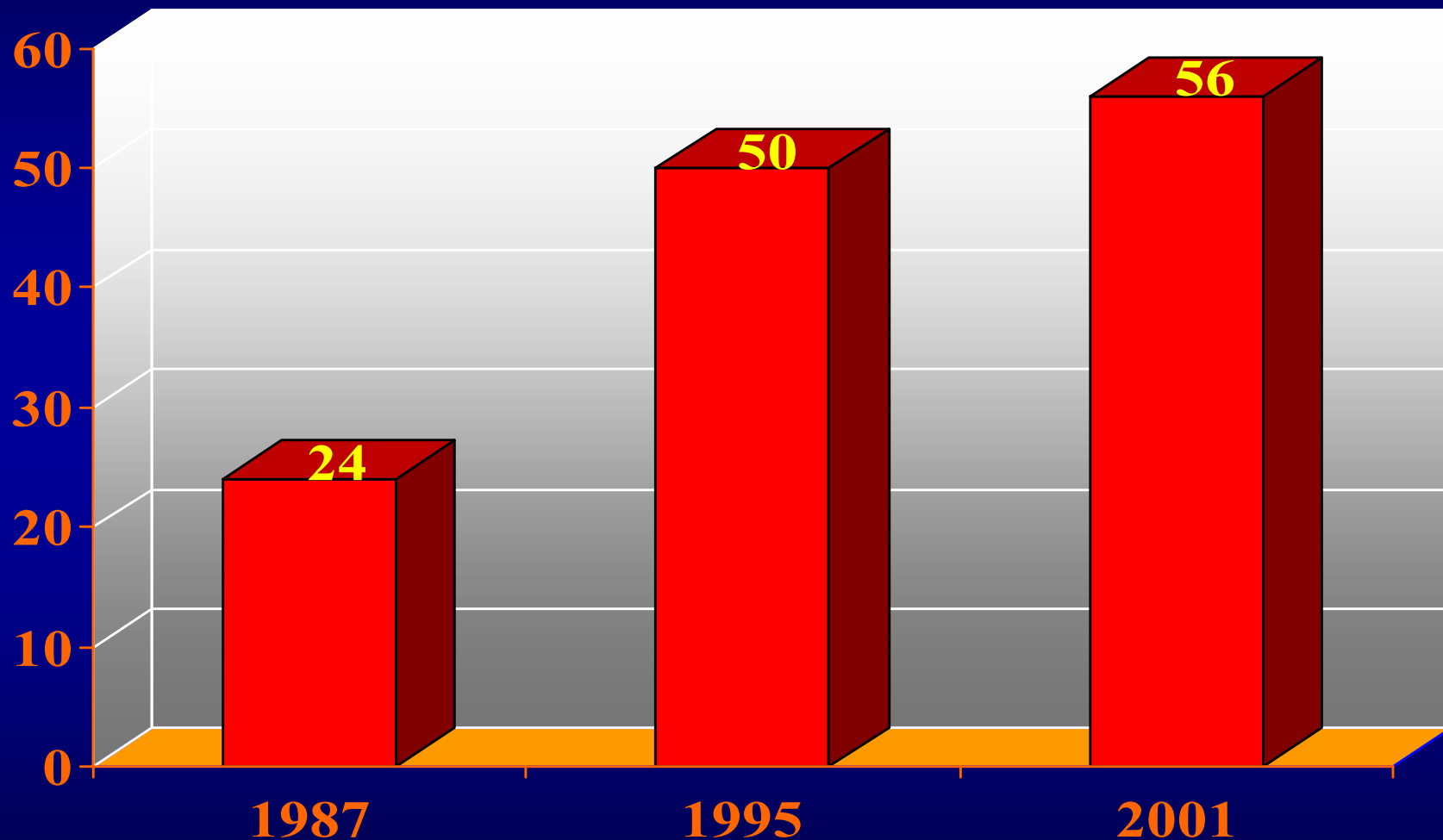
Fuente: INE

Mortgage Loans II Region



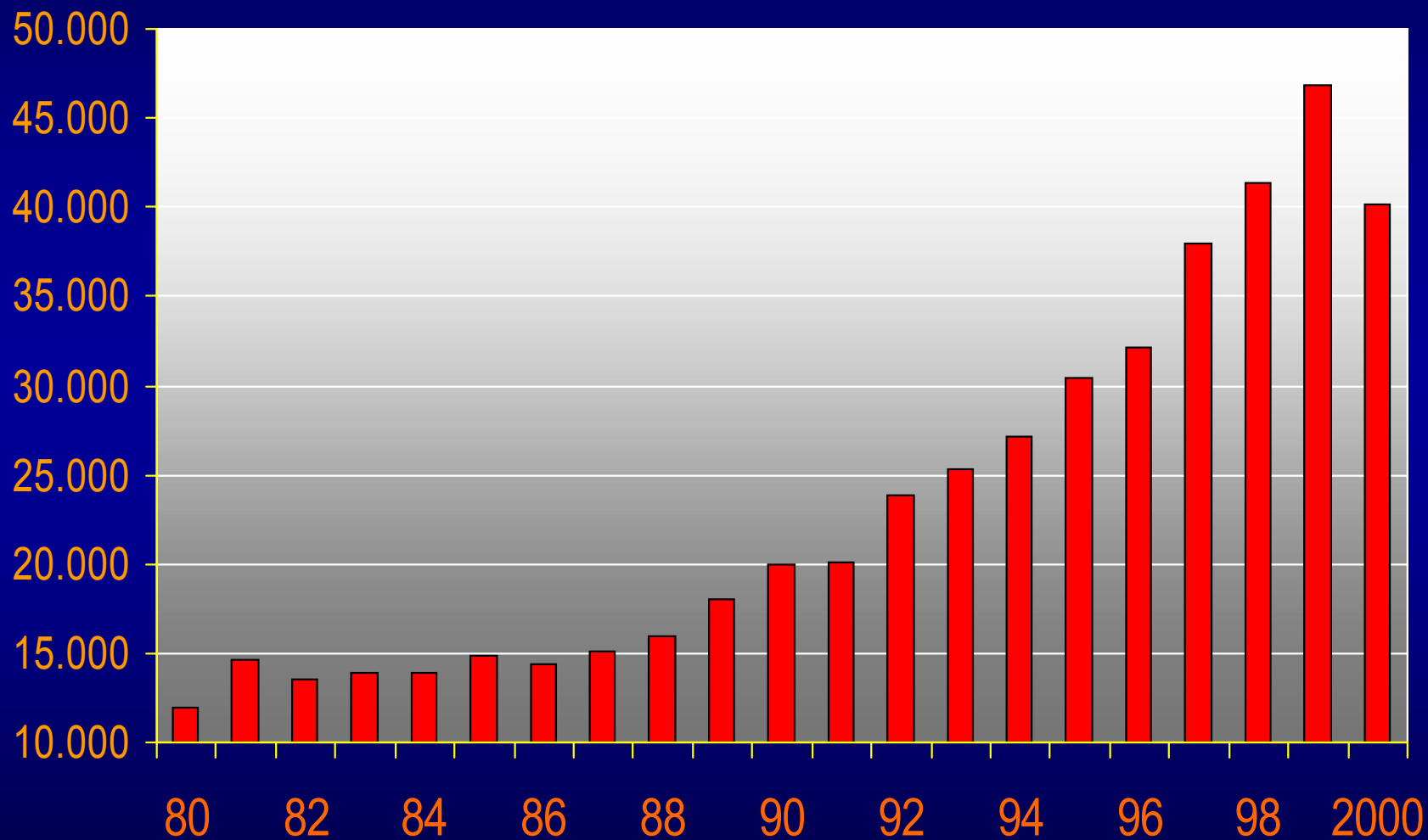
Fuente: INE

Bank Regional Offices II Región



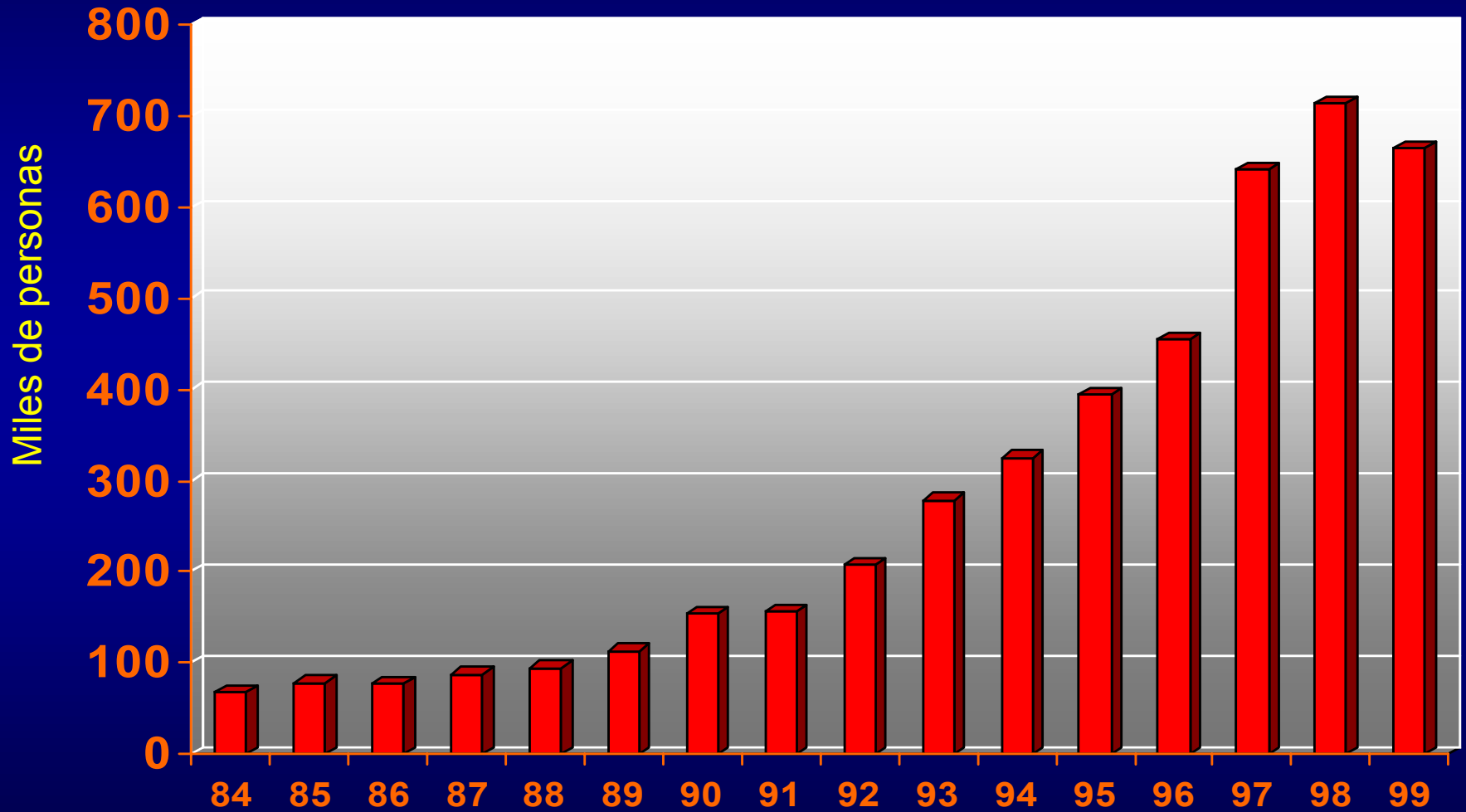
Fuente: Superintendencia de Bancos e Instituciones Financieras

Number of Motor Vehicles - Antofagasta -



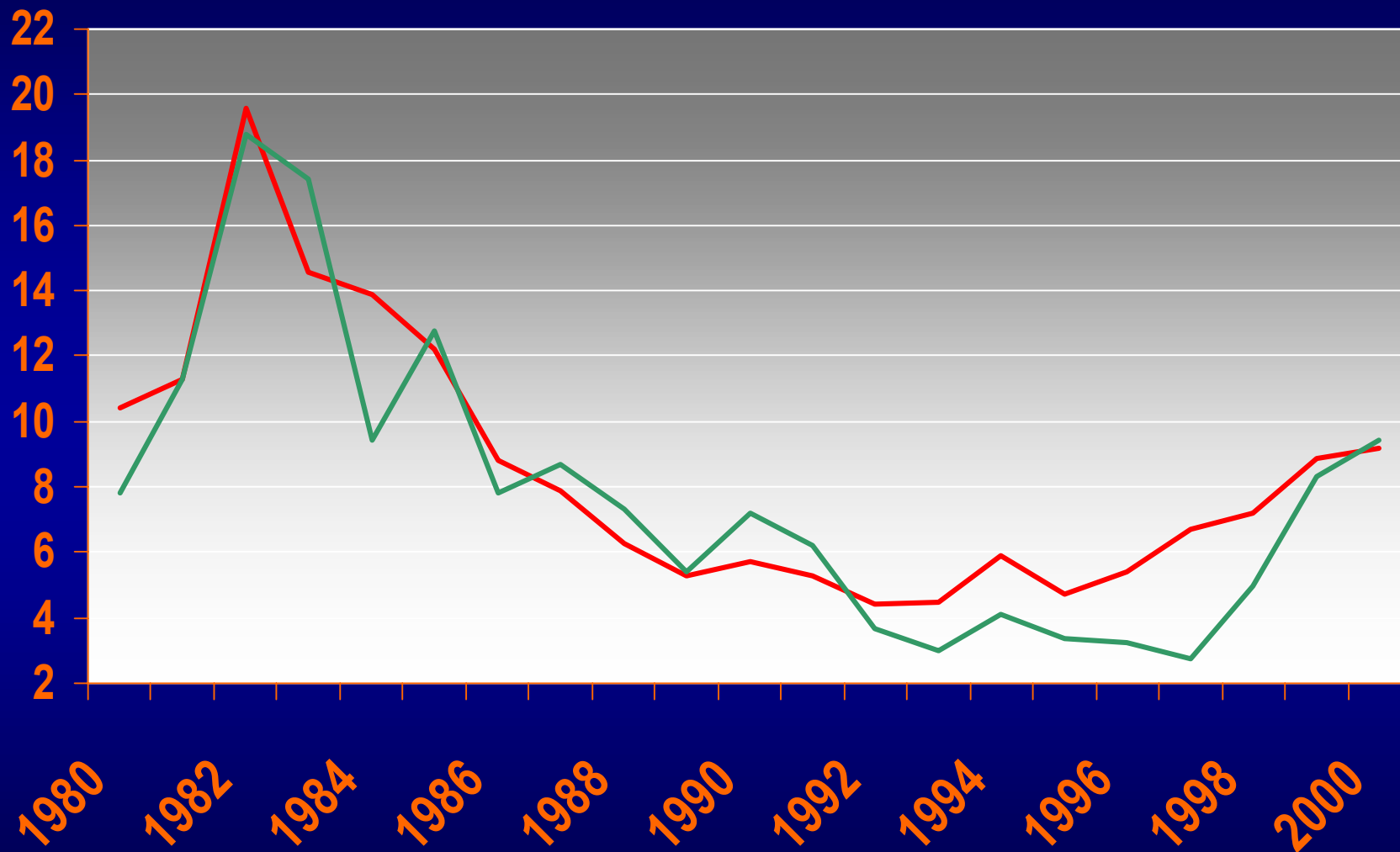
Fuente: INE

Passengers Flown - II Región -



Fuente: INE

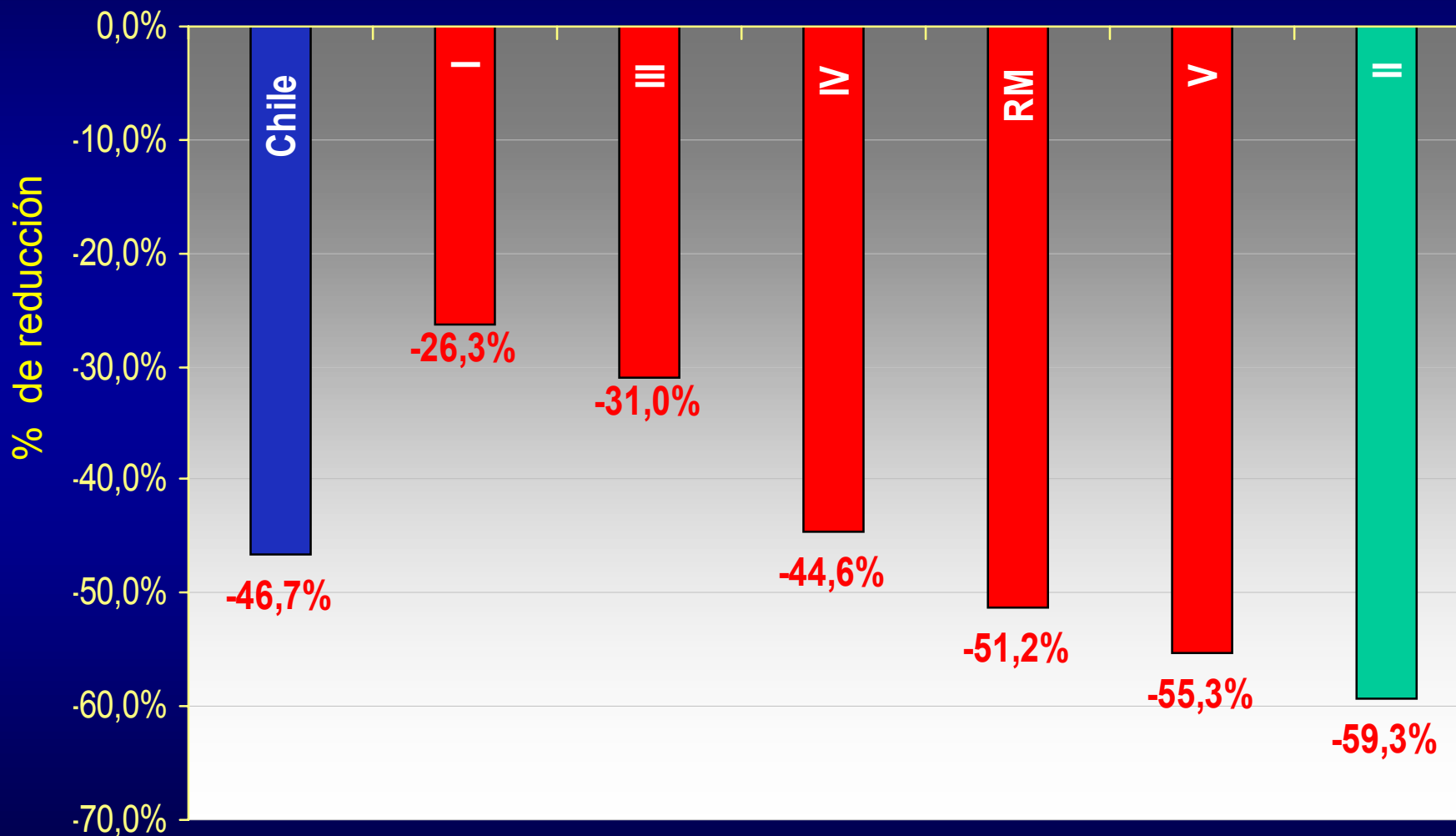
Unemployment: II Región vs Chile



Fuente: INE , trimestre Oct-Dic de cada año.

— II Región — CHILE

Reduction in Poverty (90- 00)



Fuente: MIDEPLAN – Casen 2000