

Chile and the "Rare Earths": An Opportunity for the Country



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The development potential for rare earths, essential elements for the technology industry, has emerged as a prominent topic in Chile. Despite facing obstacles in the past, experts point out that Chile has highly favorable conditions for the exploitation of these valuable substances.

In February 2022, the Penco community was summoned to vote in a citizen consultation that sought to approve or reject the Penco Module Rare Earths mining project. Even though the result was not binding, with 99% of the votes against, this event highlighted the attention and debate around "rare earths" in Chile.

The company behind the project, Aclara, accused a lack of impartiality in the process and a lack of transparency guarantees, among other problems. The project was rejected by the Environmental Assessment Service (SEA) and uncertainty about its future persists.

Eduardo Hochschild, executive president of Hochschild Mining and majority shareholder of Aclara, highlighted the importance of this project for the region and for Chile as a whole. He admitted that if the project does not materialize in Chile, other countries will take it over and a unique opportunity will be lost.

What are the rare earths? They are essential chemical elements. They are part of the periodic table and are fundamental to modern technology. Despite their name, they are not necessarily "rare," but extracting them profitably is challenging. Experts point out that Chile has favorable conditions for the extraction of rare earths. They are found in adequate concentrations in Chilean regoliths, which would facilitate profitable extraction. In addition, its extraction from clays, like those of Penco, is simpler and less harmful to the environment than in other parts of the world.

The applications of rare earths are varied, from LCD screens to aircraft turbines and electric motors. They are essential for the energy transition and modern electronics. Its extraction in Chile could diversify the industry and generate significant income. Jorge Riesco, president of the National Mining Society (Sonami), warns that if Chile does not take advantage of this opportunity, other countries will, and it will lose its advantage. Joaquín Villarino, Executive President of the Mining Council, stresses that rare earths are highly coveted by manufacturers seeking independence from China, the largest global supplier.

In short, rare earths represent a unique opportunity for Chile, both in economic and strategic terms. Its exploitation could diversify the economy and generate key alliances in the technology industry, but it is essential to act effectively and take advantage of this valuable resource.