



Written by:
[Allan Brown](#)

Amid heightened uncertainty in Chile, Albemarle upbeat on outlook

Published: 03/16/2022

[Politics](#) [Economics](#) [Lithium](#) [Legal issues / Legal Advice](#) [Legislation & Regulation](#) [Private Investment](#) [Lithium Carbonate](#) [Tenders](#) [Lithium Electrolyte](#) [Licensing & Concessions](#)
[Lithium Hydroxide](#)



Ministerio de Minería de Chile

A US lithium company [Albemarle](#), which has a strong presence in Chile, voiced optimism about the years ahead.

The comments come as investors closely watch the political landscape, where an ideological shift to the left with the new government and, chiefly, a process to rewrite the country’s constitution have flicked up the needle on the uncertainty gauge.

“We know these are times of heightened uncertainty, but we’ve already seen many signals from the government, creating ease,” [Albemarle Chile](#) country manager Ignacio Mehech said during a US investment conference hosted by Fundación Chilena del Pacífico, a public-private organization tasked with supporting Chile’s economic insertion into the Pacific basin.

Mehech cited as an example recent comments made by a government spokesperson that nationalizing natural resources firms was not among the administration’s plans.

Elsewhere on the political map, the body tasked with drafting the new constitution – the biggest source of uncertainty – has passed an early-stage proposal that could lead to the [nationalization of the mining industry](#). The controversial proposal would need support of two-thirds of the full assembly, a significant challenge given the [key role](#) of the sector and the fallout nationalization would have across the whole economy.

The new government under 36-year-old former student protest leader Gabriel Boric, meanwhile, seeks a [greener mining sector](#) and a bigger role for the [state](#), including the creation of a public lithium company. Mehech expressed support for the government’s plan to create such a firm, a controversial proposal that has generated opposition from some quarters.

Susan Segal, CEO of forum Americas Society/Council of the Americas, told the conference that the transition in Chile to a new generation of leaders “is viewed by markets as a strength, not a weakness.”

She said: “I think companies are relatively [optimistic](#) about Chile and I think that you will see that there will be continued investment in Chile as long as the institutionality remains strong and there’s nothing that suggests that it won’t ... particularly at a time when you need to enhance the global supply chain.”

Mehech, meanwhile, said that for Albemarle collaboration with different stakeholders was key.

“We believe that, together with communities and the state, we can continue developing the industry and addressing citizen demands,” he said.

Global demand for lithium for electric car batteries is forecast to boom. The previous government [launched a tender](#) to bring more private companies into the fray to boost production – a process opposed by Boric and which has stalled. [Some award decisions](#) had already been announced. Albemarle was among companies that [participated](#) in a 400,000t lithium exploration and production tender.

Stronger lithium demand and prices on the global market could raise additional revenue for Boric, who campaigned on a pledge of expanding the social safety net but also faces the challenges of spurring economic growth to finance his plans and reducing government debt.

Albemarle produces lithium carbonate at two plants in northern Antofagasta region under a contract with state development agency [Corfo](#).

In 2015, North Carolina-based Albemarle completed the [acquisition](#) of fellow chemical firm Rockwood Holdings, which controlled Chilean firm Rockwood Lithium. In 2012, Rockwood Lithium took over Sociedad Chilena de Litio, which, in turn, was a joint venture formed by Corfo (45%) and Foote Mineral Company (55%) in 1981.

Albemarle is this year due to cut the ribbon on a [phase 3](#) expansion of its La Negra plant, allowing the firm to double production to 88,000t/y from 45,300t/y. Albemarle is also advancing a US\$150mn project to boost efficiency at the Salar de Atacama.

[The mining industry and Chile's new constitution](#)

Published 5 days ago

[Political risk easing for LatAm miners](#)

Published 6 days ago

[Environmental rules: Chile's horizon green as Boric waits in wings, constitution proposals emerge](#)

Published 21 days ago

[Chile lithium watch: Codelco exploration campaign; Simco project injunction](#)

Published a month ago

[Should Chile's mining industry worry about constitutional convention proposals?](#)

Published a month ago

La Negra plant expansion - phase 3 Updated 6 months ago
Albemarle Corporation Updated 6 months ago
Albemarle Chile Updated 6 months ago
Corporación de Fomento de la Producción (Corfo) Updated 3 years ago
Allan Brown Updated 3 years ago

The information in this document is for personal use. It is strictly forbidden to share any part of this document with any third, without a written consent of Business News Americas. Copyright 1996-2019 All rights reserved.

Need help?

Email: info@bnamericas.com

Phone: [+56 \(2\) 2232 0302](tel:+56222320302)

Account manager: Ricardo Lillo (ricardo.lillo@bnamericas.com)