

## Record year for Chilean copper

Chile's copper industry has registered record earnings of \$14.2bn in 2004, the governmental Chilean Copper Commission (Cochilco) has reported.

Strong demand from China's fast-growing economy and high prices have fuelled production, said Cochilco vice president Patricio Cartagena. He added that the boom has allowed the government to collect \$950m in taxes. Mr Cartagena said the industry expects to see investment worth \$10bn over the next three years.

"With these investments, clearly we are going to continue being the principle actor in the mining of copper. It's a consolidation of the industry with new projects and expansions that will support greater production." Australia's BHP Billiton - which operates La Escondida, the world's largest open pit copper mine - is planning to invest \$1.9bn between now and 2007, while state-owned Codelco will spend about \$1bn on various projects. Chile, the biggest copper producer in the world, is now analyzing ways of to keep prices stable at their current high levels, without killing off demand or leading customers to look for substitutes for copper. The copper price reached a 16-year high in October 2004. Production in Chile is expected rise 3.5% in 2005 to 5.5 million tonnes, said Mr Cartagena. Cochilco expects for 2005 a slight reduction on copper prices and forecasts export earnings will fall 10.7%.