

CHILE OFFERS MANUFACTURING INCENTIVES TO PROMOTE THE DEVELOPMENT OF LITHIUM PRODUCTS

The Chilean Economic Development Agency, Corfo, and the Foreign Investment Promotion Agency, InvestChile, have announced the opening of the first call for national and foreign companies, to express their interest in manufacturing lithium products, such as battery cathodes and electrolytes. Companies that are selected will be guaranteed 25 per cent of US producer Albemarle's lithium production at the lowest cost available in the market. Currently, there are only two companies that extract lithium in Chile, Albemarle and Sociedad Química y Minera de Chile (SQM).

Chile has the largest lithium carbonate reserves in the world with exports representing over 40% of worldwide production by volume. In 2016, Chile exported 80 thousand tons of lithium carbonate equivalent (LCE) for a total of USD 589 million. By 2035, Chile is expected to export 300 thousand tons of LCE annually. Located in northern Chile, the Salar de Atacama's high-grade lithium is easier and cheaper to produce than anywhere else in the world because it is found in brines below the surface of salt flats.

Government exploration of public-private initiatives to develop the lithium industry could facilitate a more open investment climate for private companies in Chile's lithium sector.

The deadline to express interest in the manufacture of lithium products is June 30th, 2017. Final results will be announced in November 2017.

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