

materialized external investment. Also, the biggest single investment projects have been made in this sector.

## 18.2 Copper mining

Copper mining is mainly done by CODELCO in five productive divisions: Chuquicamata, El Teniente, Salvador, Andina and Tocopilla. Although CODELCO's annual production is over 1 million tons, it is expected that it will decline to 800,000 tons by the year 2010, due to a fall in average grades. In spite of this, it is expected that Chile's share of world primary copper production, which was 22% in 1990, will increase to 25% by the mid-1990s, due to the implementation of expansion programs in present companies and to new private investments.

CODELCO faces a number of challenges. The need for an increase in productivity has strongly appeared in the face of rising costs due to declining grades. In fact, extraction methods have not varied significantly over the last 15 to 20 years, while labor costs have severely risen. 1992 was the first year to see an increase in productivity in recent times.

One of the measures to overcome these difficulties has been the approval this year by Congress of the new CODELCO law. In a nutshell, the new law empowers CODELCO to dispose of currently unexploited mining rights, allowing its free association with private investors.

The first practical result of this new law has been the association between CODELCO and a Canadian-North American