

18. MINING

18.1 Overview

Chile has traditionally been labeled as a mining country. During the XIX century it was the world's largest copper producer. Early in the XX century it became the largest nitrate producer of the world. As of 1993, Chile is the world's largest producer and exporter of copper (22% of total world exports), potassium nitrate and sodium nitrate. The country is also the largest world producer of rhenium, lithium, iodine and molybdenum; the fifth largest producer of boron; the seventh largest producer of selenium; the eighth largest producer of silver; and the ninth largest producer of gold.

The mining sector's contribution to GDP was 6.6% in 1992 (see Table 1 in the Statistical Appendix). But the importance of this sector cannot be underestimated, as the share of mining products in total exports was 47% on that year. Copper exports represented 82% of this total. Copper mining has been mainly in the hands of the state for the last twenty years, through the Corporacion del Cobre (CODELCO), which represented 57% of total copper exports in 1992. More recently, however, the development of new private mines (of which Escondida is the largest) has led to a significant decline in the public sector's share in copper mining.

In recent years the mining sector has attracted a major share of foreign investment. In the period January-October 1993, the mining sector accounted for 45.7% of the almost US\$2 billion of