

Impact Assessment of the Changes in the Energy Sources and Efficiency on the Chilean Mining Sector

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In this paper two effect on Chilean copper mining sector are analyzed in a multisectoral, dynamic macro-econometric model. The first effect is the change on efficiency at producing copper as consequences of the lower ore grade and the technological change. The lower ore grade is reducing the efficiency at extracting the mineral from the rocks, whereas the better technology is increasing the efficiency. The second effect is the fall in energy prices due to the change on the energetic matrix that the Chilean government has developed during the last 7 years. These two effects are combined into three scenarios, and in each one of them the effects are studied until the year 2035. It is concluded that the fall in energy price has a dominant effect on the other scenario. Moreover, given the strong interrelationship of the energetic sector the price reduction generates multiple positive effects in all the economy.