

# Giant lithium partnership created in Chile

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Chile's state-owned copper giant Codelco signed a deal Friday with SQM to nearly double the private mining firm's current extraction of lithium, a key mineral for the global switch to cleaner energy.

Codelco is the world's largest copper producer, and SQM is a leader in [lithium](#), often called "white gold."

The [agreement](#) provides for the creation of a public-private partnership "that will take responsibility for production of refined lithium in the Salar de Atacama from 2025 to 2060," the companies said in a statement.

The Salar de Atacama, in the [desert](#) by the same name, is a [salt](#) flat holding the main deposits of the mineral in Chile, which is part of Latin America's "lithium triangle" with Argentina and Bolivia.

The demand for lithium has grown strongly in recent years as the world seeks to move away from [fossil fuels](#) to curb global warming.

It is notably used in electric car batteries.

The companies will partner in extracting an additional 300,000 tons of lithium over the period from 2025 to 2030, with a production goal of 280,000-300,000 tons per year from 2031 to 2060, according to the statement.

In 2023, SQM produced 169,000 tons.

Chile's leftist President Gabriel Boric came to office with plans to create a national lithium company similar to state-owned Codelco, formed in the 1970s out of nationalized mining firms.

Codelco will own 50 percent of the shares, plus one, in the new partnership, according to the press statement.

The Chilean state, it added, will receive about 70 percent of the operating margin generated by the new production between 2025 and 2030, and 85 percent starting in 2031.

Until 2016, Chile was the world's largest lithium producer with 37

percent of the market, but by 2022 it ranked second behind Australia with 243,100 tons produced—some 34 percent of the global total.

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