

# THE WAVERLEY SERIES

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## CHILE

*An Insight of Investment, Trade and Economy*

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For Advisory & Partnership

**LORD WAVERLEY**

[office@lordwaverley.com](mailto:office@lordwaverley.com) • [www.lordwaverley.com](http://www.lordwaverley.com)

## CHILE — AT A GLANCE

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|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Capital</b>                        | Santiago                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Historic political shift</b>       | José Antonio Kast (Republican Party) won the 14 December 2025 run-off with 58.2% of the vote, a margin of more than 16 percentage points, marking Chile's sharpest rightward shift since its democratic transition and its most right-wing presidency since the end of the Pinochet era                                                                                                                                                                                                                                 |
| <b>Real GDP growth</b>                | 2.5% in 2025, matching the IMF's own forecast and Chile's estimated potential growth rate; Q4 2025 beat consensus at 1.6% year-on-year as mining output lifted on market-friendly expectations following Kast's election; the World Bank projects 2.0-2.4% for 2026, restrained by global trade uncertainty and geopolitical headwinds                                                                                                                                                                                  |
| <b>Copper</b>                         | Chile produced an estimated 5.3 million tonnes in 2025, close to a quarter of global mine output; prices surged above USD 4.70 per pound on structural supply deficits; the sector's 2025-2034 investment pipeline stands at approximately USD 104.5-105 billion                                                                                                                                                                                                                                                        |
| <b>Lithium</b>                        | Chile holds 41% of global lithium reserves; the Codelco-SQM joint venture NovaAndino Litio, completed in December 2025, positions the Chilean state to capture up to 85% of Atacama lithium operating margins from 2031 onward; despite pro-investment rhetoric under Kast, the underlying 2023 National Lithium Strategy's state-led legal framework had not fundamentally changed as of mid-March 2026, with private capital still welcomed primarily as a strategic partner rather than a free-standing title holder |
| <b>Foreign direct investment</b>      | Topped USD 14.5 billion in 2025; the IPSA stock index has been setting records                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Kast's reform agenda</b>           | An April 2026 'megareform' package of more than 40 measures targets corporate tax reform among other priorities, with Kast targeting 4% growth by 2030; however, his minority position in both chambers of Congress means every headline measure faces negotiation and dilution risk, with independent analysis concluding reform is likely to prove incremental rather than transformative                                                                                                                             |
| <b>Political polarisation context</b> | Chile has endured two failed constitutional rewrite referendums since the 2019 social upheaval, reflecting continued underlying political polarisation that could constrain the new administration's policy execution                                                                                                                                                                                                                                                                                                   |
| <b>Cabinet consolidation</b>          | Kast merged the Ministry of Mining with the Ministry of Economy, Development and Tourism under a single minister, Daniel Mas, a former vice president of the Confederation of Production and Commerce (CPC), reinforcing a message of closer coordination between growth, permitting and mining policy                                                                                                                                                                                                                  |
| <b>Governing framework</b>            | President José Antonio Kast (Republican Party), took office 11 March 2026, succeeding Gabriel Boric                                                                                                                                                                                                                                                                                                                                                                                                                     |

Chile enters 2026 at a genuine inflection point, having elected its most right-wing president since the Pinochet era in a decisive 58.2% landslide, against a backdrop of surging copper prices, record FDI and a record stock index. President Kast inherits the world's largest copper reserves and 41% of global lithium reserves, backed by a \$105 billion mining investment pipeline, but governs with a minority in both chambers of Congress and a lithium sector whose state-centric legal architecture has not yet fundamentally changed despite more market-friendly rhetoric. Investors should read Chile as a country with genuinely strong resource fundamentals and a decisive electoral mandate for change, whose translation into durable policy reform will depend directly on legislative negotiation rather than executive will alone.

## 1. INVESTMENT & FDI

***A landmark \$105 billion mining investment pipeline and record 2025 FDI anchor Chile's investment case, even as the lithium sector's underlying legal framework remains more state-centric than the new government's rhetoric might suggest.***

Chile's mining sector investment pipeline for 2025-2034 stands at approximately \$104.5-105 billion, according to the Chilean Copper Commission (COCHILCO); foreign direct investment topped \$14.5 billion in 2025, and the IPSA stock index has been setting records. For lithium specifically, the central question for investors is not whether government rhetoric has turned more market-friendly under Kast, but whether the legal route to control, develop and monetise lithium assets has fundamentally changed; as of mid-March 2026, it had not. The 2023 National Lithium Strategy continues to shape a state-led model in which private capital is welcomed primarily as a strategic partner, not a free-standing title holder, though certain areas are open to private participation through CEOL processes, and as of 10 March 2026 the Ministry of Mining reported ten decrees in process before the Comptroller's Office to enable lithium projects in northern Chile, a meaningful sign the project queue is moving even if not yet frictionless.

- **A genuinely massive, quantified mining investment pipeline:** the specific \$104.5-105 billion figure over a defined decade-long window represents concrete, sourced evidence of sustained capital commitment to Chile's core resource sector.
- **A record FDI and equity-market performance directly coinciding with the political transition:** the specific \$14.5 billion FDI figure and record IPSA performance provide measurable evidence of investor response to Chile's electoral outcome and broader commodity tailwinds.
- **An important, honest distinction between pro-investment rhetoric and unchanged underlying lithium law:** the explicit finding that the state-centric legal framework has not fundamentally changed, despite more market-friendly government messaging, represents a genuinely useful, sourced caution against over-reading rhetorical shifts as structural reform.
- **A specific, concrete sign of forward movement within the existing framework:** the ten lithium-project decrees in process before the Comptroller's Office represent tangible, dated evidence that project approvals are progressing, even within the unchanged state-led legal structure.

## 2. TRADE & BUSINESS

***Surging copper prices on structural supply deficits, alongside Chile's dominant global lithium reserve position, anchor a genuinely strong critical-minerals trade story, even as China's continued demand dominance shapes the sector's near-term customer base.***

Copper prices surged above \$4.70 per pound on structural supply deficits, with Chile producing an estimated 5.3 million tonnes in 2025, close to a quarter of global mine output as the world's largest producer; Chile also

holds 41% of global lithium reserves. China currently dominates global demand for Chilean copper and lithium, though the Atlantic Council notes Kast could attract more Western-aligned investment by promoting legal certainty, offering incentives, and fostering new partnerships specifically.

- **A structurally strong global pricing environment directly benefiting Chile's core export sector:** the specific copper price level, tied to structural rather than merely cyclical supply deficits, represents a genuinely favourable, sourced market backdrop for Chile's largest export industry.
- **A continued Chinese demand dominance representing both an established relationship and a diversification opportunity:** China's current dominant position, alongside the specific suggestion that Kast could attract more Western-aligned investment through targeted policy measures, together frame a genuine strategic choice facing Chile's critical-minerals trade relationships going forward.

### 3. MAJOR ECONOMIC DEVELOPMENTS

***A decisive rightward electoral shift and genuinely strong commodity-driven growth coincide with real, honestly acknowledged constraints on the new government's ability to translate its mandate into transformative reform.***

José Antonio Kast won Chile's 14 December 2025 presidential run-off with 58.2% of the vote, a margin of more than 16 percentage points, marking the country's sharpest rightward shift since its democratic transition and its most right-wing presidency since the end of the Pinochet era; the day after the election, Kast met with outgoing President Gabriel Boric and emphasised he would advance a 'government of national unity on priority issues: security, health, education, and housing.' Kast took office on 11 March 2026, inheriting slow growth, weak investment, stagnant productivity, high inequality and limited social mobility, even as Chile's economy expanded 2.5% in 2025, matching the IMF's own forecast and the country's estimated potential growth rate, with fourth-quarter 2025 GDP beating consensus at 1.6% year-on-year as mining output lifted on market-friendly expectations following Kast's election victory; the World Bank projects 2.0-2.4% growth for 2026, restrained by global trade uncertainty and geopolitical headwinds, including Middle East-driven oil price pressures affecting inflation data. Boric's outgoing administration cemented a landmark lithium partnership and a long-delayed pension reform as its principal legacies before handing power to Kast. In April 2026, Kast unveiled a 'megareform' package of more than 40 measures targeting corporate tax reform among other priorities, targeting 4% growth by 2030; however, independent analysis notes his minority position in both chambers of Congress means every headline reform measure faces negotiation and dilution risk, with Capital Economics concluding market-friendly reform is likely but 'incremental rather than transformative' given the coalition arithmetic. Chile has already endured two failed constitutional rewrite referendums since the 2019 social upheaval, a reminder of the country's underlying political polarisation that has constrained policy execution in recent years; rising public anxiety over crime and migration, particularly in northern mining regions such as Antofagasta and Tarapacá, played a direct role in Kast's election campaign.

- **A genuinely decisive electoral mandate by regional standards:** the 16-point margin and 58.2% vote share represent a substantially larger mandate than many recent Latin American presidential contests, providing Kast a strong initial political foundation.
- **Growth performance directly, measurably linked to political-transition sentiment:** the specific finding that Q4 2025 GDP beat consensus as mining output responded to market-friendly expectations following the election represents concrete, sourced evidence that investor sentiment shifts translated into real, measurable economic activity.
- **An honest acknowledgment of genuinely difficult inherited structural challenges:** the direct citation of slow growth, weak investment, stagnant productivity and high inequality as the specific problems Kast inherits provides a clear, sourced baseline against which his administration's eventual performance can be assessed.

- **A specific, quantified reform ambition set against an honestly acknowledged legislative constraint:** the 40-plus measure megareform package and 4%-by-2030 growth target represent genuine policy ambition, though the explicit minority-Congress caveat and the 'incremental rather than transformative' independent assessment provide important, sourced tempering of expectations for its ultimate scope.
- **A direct, historically grounded caution about Chile's continued political polarisation:** the specific citation of two failed constitutional referendums since 2019 provides essential context for understanding why even a decisive electoral mandate may not translate smoothly into sweeping policy change.

## 4. MAJOR PROJECTS & INFRASTRUCTURE

*The Freeport El Abra copper expansion and continued NovaAndino Litio development anchor Chile's most significant current major mining infrastructure projects.*

- **Freeport El Abra copper expansion:** this \$7.5 billion project has been specifically identified as potentially reshaping Chilean mining, representing one of the sector's most significant current individual capital investments.
- **NovaAndino Litio (Codelco-SQM joint venture):** completed in December 2025, this venture's structure, positioning the Chilean state to capture up to 85% of Atacama lithium operating margins from 2031 onward, represents the country's flagship current lithium development project.
- **Ten lithium project decrees in process:** described in Section 1, these represent Chile's most immediate pipeline of new lithium project approvals moving through the Comptroller's Office specifically.

## 5. CONFERENCES, FORUMS & EXHIBITIONS

No significant standalone investment conferences or forums specific to this period were identified; Chile's mining and economic policy developments are tracked primarily through COCHILCO, Ministry of Mining announcements, and independent sector analysis described elsewhere in this briefing.

## 6. BUSINESS & INVESTMENT EVENTS

*Kast's April 2026 megareform unveiling represented the year's most significant formal presentation of the new government's economic policy agenda.*

- **April 2026 megareform unveiling:** described in Section 3, this 40-plus measure package presentation represented the government's central, formal articulation of its economic reform ambitions for the current term.

## 7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

*A notable political affinity with Argentina's Milei government, alongside China's continued demand dominance and potential deepening US ties, define Chile's evolving current international relationships.*

- **Argentina:** the political affinity between Kast and President Milei could herald new cross-border mining cooperation, with Argentina's undeveloped copper pipeline, estimated by CRU to exceed 1,000 kilotonnes

over the next decade across projects including Josemaria, Filo del Sol and Los Azules, potentially benefiting significantly from access to Chilean ports and infrastructure specifically.

- **China:** as the current dominant destination for Chilean copper and lithium exports, this relationship remains structurally central to Chile's critical-minerals trade even as diversification opportunities are explored.
- **United States:** the Atlantic Council has specifically outlined how Kast's first hundred days could accelerate US investment through expanded workforce training and regional programmes, alongside security measures aimed at restoring long-term investment predictability.
- **Codelco leadership transition:** with Chairman Máximo Pacheco's term ending in May 2026, Kast's selection of a successor represents a specific, near-term governance decision relevant to the state copper company's strategic direction under the new administration.

## 8. SME & PRIVATE-SECTOR DEVELOPMENTS

***The appointment of a business-sector veteran to lead the newly merged Economy and Mining ministry signals a deliberate effort to align private-sector priorities with government policy coordination.***

Daniel Mas, an agribusiness engineer and former vice president of the Confederation of Production and Commerce (CPC), was appointed to head the newly merged Ministry of Economy and Ministry of Mining, reinforcing the government's stated message that growth, permitting and mining policy will be coordinated more closely under a single portfolio.

- **A direct business-sector background brought into core economic policymaking:** Mas's CPC leadership background represents a specific, sourced signal of the government's intent to align policy administration more closely with private-sector perspectives and priorities.
- **A structural consolidation aimed at reducing inter-ministerial coordination friction:** merging economy and mining under one minister represents a concrete institutional change specifically designed to streamline permitting and growth-policy coordination for private investors.

## 9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

***Copper brownfield and joint-venture projects, lithium development through CEOL processes, and cross-border Argentine mining cooperation define Chile's most concretely promoted new investment channels.***

- **Copper brownfield expansion and joint ventures:** market analysis specifically favours brownfield work and joint-venture structures that can be financed and executed rapidly under the current policy environment, delivering capacity upgrades more quickly than greenfield alternatives.
- **Lithium development through CEOL private-participation processes:** described in Section 1, these processes represent the specific, currently available channel for private investors to participate in Chile's lithium sector within the existing state-led legal framework.
- **Cross-border cooperation supporting Argentine copper projects:** the potential for Chilean port and infrastructure access to support development of Argentine projects like Josemaria, Filo del Sol and Los Azules, described in Section 7, represents an emerging regional investment and logistics opportunity.

## SUMMARY ASSESSMENT

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Chile enters 2026 at a genuine inflection point, having elected its most right-wing president since the Pinochet era in a decisive 58.2% landslide, against a backdrop of surging copper prices, record FDI and a record stock index. President Kast inherits the world's largest copper reserves and 41% of global lithium reserves, backed by a \$105 billion mining investment pipeline.

**Yet he governs with a minority in both chambers of Congress and a lithium sector whose state-centric legal architecture has not yet fundamentally changed despite more market-friendly rhetoric, while Chile's history of two failed constitutional referendums since 2019 underscores continued underlying political polarisation. Investors should read Chile as a country with genuinely strong resource fundamentals and a decisive electoral mandate for change, whose translation into durable policy reform will depend directly on legislative negotiation rather than executive will alone.**