As JBIC has supported many projects for copper mine development in Chile, I was able to push forward the negotiations by utilizing the knowledge and information held by JBIC. A huge volume of contract documents and reports arrived every day and I continued to need to make immediate responses. However, the leadership and enthusiasm of the sponsors and their sincere way of doing business helped me to finalize the loan negotiations within the required time frame.

Meeting Increasing Demand for Copper for Production of EVs

In Phase 2 of the project, scheduled to start production from 2021, the Quebrada Blanca copper mine is expected to generate up to 240 thousand tons of copper every year, as well as molybdenum and silver. It has been confirmed that there are abundant ore deposits lying under those to be developed during Phase 2. This is expected to make the Quebrada Blanca mine evolve into the leading copper mine in the world in the future.

Arita said, “Global demand for copper is anticipated to increase on the back of rising demand for infrastructure in emerging countries such as China and India, as well as the increased ownership of electric vehicles (EVs). In its Strategic Energy Plan, the Japanese government set a goal of increasing Japan’s self-sufficiency ratio for base metals, including copper, to more than 80% by 2030. This loan is also in line with the target of the Japanese government’s energy policy. Although Chile has faced a harsh investment environment in recent years due to declining copper prices, the world’s attention is directed to investment in existing mines in Chile or development of high-quality mines in response to the recovery in copper prices. As a result, competition for acquiring an interest in mining development projects in Chile is becoming fiercer. JBIC will continue to support Japanese companies participating in resources development projects overseas by drawing on its various financial instruments and performing its risk-assuming function.”

Yonemura expressed his aspiration, saying “I learned many things from my experience gained through structuring a project financing scheme within a short period of time. I would like to proactively work on future projects by utilizing my precious experience.”

Finalizing a Loan Agreement within Just Six Months

Yonemura joined Arita in the negotiations for structuring a project financing scheme.

Yonemura looked back on the negotiations, saying “I was responsible for negotiations on the project financing contracts and project assessment. Phase 2 of the project requires a large amount of funds. Besides, we were requested by the sponsors to finish structuring a financing scheme within six months, although it usually takes a year to finalize a loan agreement. Fortunately, as JBIC has supported many projects for copper mine..."