
Chilean mining giant to construct Northern desalination plant

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CAP announced plans this week to construct USD 250 million desalination plant to provide water for its iron mining operations in Chile's Atacama area.

Over 750 workers will construct the plant, an underwater emission pipe and a sea water collection facility near the town of Puerto Totoralillo. A 120 kilometers aqueduct will then transfer the water to Cerro Negro Norte mine in the Copiapo Valley.

On completion the plant will employ over 60 people in three shift patterns. Over 50% of the mine's water needs will be supplied by the project, which CAP hopes to be operational by 2012. The desalination plant forms part of a bigger project by CAP's mining subsidiary CMP to increase annual iron production in the Copiapo valley to 4 million tonnes within the next 4 years.

Water scarcity is a growing issue in Chile's north. Recent studies suggest water resources in the region have halved, causing local politicians to urge the government to nationalize water supplies. Water resources in the Copiapo Valley, home to Chile's early table grape deal and other fresh fruit exports are considered critically low. Fruit growers and municipal authorities insist that huge water consumption by local mining facilities is responsible.

Mr Gustavo Lagos director of the Universidad de Chile's mining department said that "Mining firms need to invest in water resources for the future of their business. Desalination is certainly an option they can investigate."

CAP operates as a holding company within the mine and steel sectors. Mining subsidiary CMP exports raw mineral material primarily to Asian markets, while other holdings produce and export steel globally. CMP recently reported profits of USD 62 million for the first 9 months of 2009 almost half the figure reported for the same period in 2008. Total income over the January to September period was down USD 80 million from 2008.

(Sourced from Santiago Times)

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