

ECLAC calls for lithium production development agenda in Latin America



Opportunities and challenges of lithium for lithium-rich countries in the region. Jul. 6, 2023. | Photo: Twitter/@entreveredas

Santiago de Chile, July 7 (RHC)-- The Economic Commission for Latin America and the Caribbean (ECLAC) has released a new special report on a regional agenda for productive development around lithium.

Latin American states should generate a productive development agenda around lithium to promote its extraction for the benefit of economic activities directly and indirectly related to the mineral, ECLAC said.

The report is entitled "Lithium Extraction and Industrialization. Opportunities and challenges for Latin America and the Caribbean," and was presented by the Executive Secretary of the organization, José Manuel Salazar-Xirinachs in Santiago, Chile.

The text points out the role of the region's lithium-producing countries, mainly Argentina, Bolivia, and Chile, and also Brazil, in the global value chain of lithium-ion batteries (the main current use of lithium).

New ECLAC report offers a synthetic analysis of some relevant dimensions to analyze the opportunities and challenges that lithium presents for the countries of the region rich in the resource.

In addition, it concluded with public policy guidelines that can contribute to a productive development agenda around lithium as well as the industrialization of this and other minerals in clean technologies for energy transition and electromobility.

"This requires policies and regulations that favor the creation of public goods, the development of capacities and soft and hard infrastructures, and the mobilization and direction of the necessary resources," the report highlights.

For the international organization, lithium is an irreplaceable input for the production of lithium-ion batteries, a key technology for the decarbonization of transportation and the storage of energy generated from renewable sources.

It therefore has the potential to contribute to the economic development of countries through a positive impact from increased value creation, i.e., increased output, exports, employment, and tax revenue.

ECLAC also explained that, while the context of the energy transition and the expansion of electromobility present opportunities, they also pose challenges for countries in the region that are rich in lithium resources.

The region has an important role in the first stage of the lithium battery value chain (extraction and processing). But in the production stages of precursors, cathodes and anodes, cells, and batteries, it is China, Japan, the Republic of Korea, the U.S., and Europe that lead the way, they said.

"The most immediate possibilities for the region are those arising from lithium extraction and refining activities: export growth, employment generation, increased tax revenues, and the creation of upstream productive links (i.e., those related to the inputs and equipment needed for lithium exploration and exploitation)," warns ECLAC.

ECLAC also recalls that lithium extraction has challenges of a socio-environmental nature, mainly derived from water consumption in the extractive processes in areas that face high water stress.

The document calls on ensuring that regulations and standards for the lithium industry include "society's greater demands, adequate management of socio-environmental conflicts, greater transparency, and citizen participation."

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