



CHILE & GUAYAS

2026

Special Report

Chile

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COPPER, CAPITAL, CHANGE: CHILE’S NEW INVESTMENT CYCLE

High copper prices, a USD 104.549 billion mining pipeline and rising arrivals from several long-distance markets frame the outlook as President José Antonio Kast seeks lower taxes, greater investment and fiscal discipline.

Chile enters the second half of 2026 with an economy larger than before the pandemic, buoyed by strong copper prices and renewed political emphasis on private capital. World Bank data put growth at 2.5% last year and nominal GDP at USD 357.371 billion, versus USD 278.308 billion in 2019. Net foreign direct investment equaled 4.1% of GDP, leaving Chile well

placed to turn a favorable backdrop into sustained investment and growth.

The immediate outlook is more measured. The International Monetary Fund expects growth of 1.8% this year before 2.6% in 2027. Expensive oil, slower external demand and fiscal consolidation temper copper’s benefit; the metal closed at USD 6.07 per pound in mid-July. Planned mining investment is substantial, but much has yet to reach projects on the ground.

José Antonio Kast won 58.16% of valid votes in December and took office on March 11, succeeding Gabriel Boric. His arrival marks



a change after reforms including pensions, a law gradually reducing the working week to 40 hours, zero copayments for Fonasa users in public healthcare, a mining royalty and the National Lithium Strategy.

Kast’s National Reconstruction Plan proposes gradually cutting the corporate tax rate from 27% to 23%, integrating the tax system, supporting formal employment and removing project barriers. A decree targets a 1.5% structural deficit in 2030 and retains the 45% of GDP medium-term debt anchor. On July 16, the Senate approved the bill in detail after cross-party talks, returning it to the Chamber of Deputies for a third constitutional stage.

The bill has yet to complete its passage through Congress, so the final shape of its tax and employment measures remains subject to the Chamber’s response to the Senate amendments.

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MINING AND INDUSTRY: FROM PIPELINE TO PRODUCTION



PATRICIO YOLITO BALART
GERENTE GENERAL
APRO CHILE

Copper averaged USD 5.94 per pound through mid-July, 38.5% above the comparable 2025 period. Cochilco values Chile’s 2025–2034 mining project portfolio at USD 104.549 billion. Chile’s national statistics agency, INE, nevertheless reported that its mining production index was 10.6% lower year on year in May. Bringing that capital into production requires contractors, logistics, operating systems and protective equipment across working sites.

APRO Chile, led by general manager Patricio Yolito Balart, has built 17 branches, two warehouses and two distribution centers over 46 years in business, according to the company. Relationships with manufacturers including 3M, DuPont, MSA and Bata support a nationwide network serving mines and industrial customers across Chile. APRO says the footprint was built through discipline, on-time delivery and a consistent presence where clients needed it most. Sernageomin recorded 2,250 workers in mining accidents across Chile in 2025, including 20 fatalities, compared with 11 deaths a year earlier.

During wildfires in southern Chile, APRO teams worked entire weekends to supply public agencies, reflecting a company culture built around responding whenever customers need it, Yolito said. APRO refuses to say no and adapts quickly to new technologies, regulation and individual customer requirements, he added.

The current overhaul includes an enterprise-wide SAP deployment, integrated

business-to-business e-commerce and smart dispensers installed at mining and industrial premises, according to APRO. The machines track protective-equipment consumption by worker, product and cost center. Virtual stores add automated scanning and digital inventory control, giving safety and operations teams traceability across their workforces.

APRO says it was the first Chilean personal protective equipment business to measure its carbon footprint across Scope 1, 2 and 3 and obtain certification from the Ministry of the Environment. More than 500 solar panels operate at its main distribution center. The company recovers end-of-life protective equipment through a circular-economy program and is moving toward an electrified delivery fleet. Its environmental work also covers waste traceability, compliance with Chile’s REP law and textile and organic recycling. These measures are essential to the company’s long-term competitiveness, Yolito said.

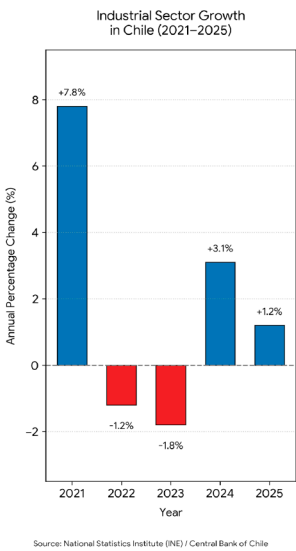
Over the next five years, the company plans to replicate the model in Peru and Colombia while maintaining the same standards. Mining and infrastructure spending should be particularly active in 2027, Yolito said. Copper accounts for 89.8% of Chile’s projected mining capital program, with Antofagasta representing USD 40.734 billion. About 81% of the portfolio is brownfield investment in replacement, continuity or expansion projects at existing operations. Most planned work will therefore take place at running sites rather than greenfield projects.

TOURISM AND HOSPITALITY: LONG-DISTANCE MARKETS GAIN GROUND

Sernatur counted 6,004,567 international arrivals in 2025, their highest level since 2017 and 32.9% above 2019. The first half of 2026 brought a 19.42% decline, concentrated heavily in Argentina. The six-month total stood at 2,553,723 visitors, according to Sernatur’s provisional data. Between

January and April, Argentine arrivals fell 38.4%. Excluding that market, inbound travel increased 6.8%, as arrivals from the United States rose 12.8% and China and Australia posted faster gains from smaller bases.

Hotel demand in Santiago varies substantially through the year. Metropolitan room occupancy was 61.4% in January, slightly above the previous year but below the 66% recorded in January 2019. The region recorded 571,370 overnight stays in January. Occupancy reached 75.7% in July 2025, when the region registered 740,133 overnight stays. Globally, tourist arrivals increased 4% in 2025, while South America recorded a 7% rise, according to UN Tourism.



Argentina remains Chile’s largest source market, although arrivals from several long-distance markets increased in early 2026. For properties such as OLÁ, international brands and loyalty programs provide access to those travelers.

OLÁ Hotel opened in December 2019, weeks before the pandemic halted global travel. The Santiago property was built around a lean, flexible hospitality model and now belongs to a global portfolio of upscale independent hotels. The model is designed to deliver what guests need at high standards without

excess, according to OLÁ. The affiliation preserves the hotel’s identity while providing access to a commercial network, loyalty program and technology platforms.

The arrangement has helped OLÁ rank consistently among Santiago’s top ten hotels on review platforms and gain recognition among the portfolio’s best properties worldwide, according to OLÁ. Roughly 80% of its guests come from abroad, with US travelers remaining important, according to the hotel. Room rates are about USD 150 a night, according to OLÁ CEO Cristóbal Dib, while comparable American hotels charge considerably more for a similar experience.

The group’s channels connect OLÁ with millions of loyalty-program members across North America. Santiago, Dib said, is stable and well connected, offering visitors an attractive balance of quality and value. The hotel says the price difference with comparable US properties encourages longer stays and greater spending on local services.

Automation handles routine internal tasks, giving employees more time with guests, according to OLÁ. Design and atmosphere, sleep quality and operating efficiency are the hotel’s three defining elements. OLÁ intends technology to support attentive, personal service rather than replace it, with the objective of providing warm hospitality that no algorithm can replace.

Mining and tourism operate on different cycles, but both depend on investment reaching daily operations. At APRO, that means moving protective equipment through branches, dispensers and industrial sites. At OLÁ, it means filling rooms through international channels while keeping service personal. The Kast administration faces a comparable task as it seeks to convert favorable copper prices, a large project pipeline and more varied long-distance tourism into investment and employment across the wider economy.

////APRO

LÍDER EN SEGURIDAD INDUSTRIAL

SUCURSALES EN TODO CHILE

Map of Chile with locations: Arica, Iquique, Antofagasta, Copiapo, Vallenar, Coquimbo, Viña del mar, Concepción, Valdivia, Coyhaique, Punta Arenas, Calama, Salamanca, Los Andes, Santiago, Rancagua, Temuco, Puerto Montt.

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GUAYAS PROVINCIAL GOVERNMENT

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GUAYAS PUTS ITS PRODUCERS FIRST



CARLOS ENCALADA VILLACÍS
PREFECT OF GUAYAS

Under Carlos Encalada, Ecuador's most productive province charts a new course. One of the provinces that concentrate much of Ecuador's production and economy, Guayas is turning agricultural data into direct support for its producers, investment in water and rural infrastructure — while leading a new form of governance for the river basin that carries its name.

In Guayas, water has two faces. It is the source that sustains much of the farming and cattle production of one of Ecuador's most productive provinces, and yet it becomes a threat when the seasonal rains push rivers, canals and estuaries over their banks. The province grows most of the country's rice, and even so, more than 69% of the producers surveyed in a 2025 farm census reported losses caused by flooding, while another 14% pointed to pests. A 2024 Central Bank figure put the province's share of national GDP at 30.92%, and the wider river basin, taken as a whole, generates close to half of the country's output. What happens in these fields, in other words, is a matter of national interest.

Between those two faces of water — opportunity on one side, risk on the other — lies much of the challenge that Guayas has taken on since Carlos Encalada Villacís, 43, assumed the Prefecture in May 2026. From that point forward, the province placed productivity, prevention and territorial development at the center of a new stage.

AN APPROACH ROOTED IN THE TERRITORY

The new prefect arrived after more than two decades of work in the territory he now governs. An agricultural engineer trained at EARTH University in Costa Rica, Encalada led the production, marketing and export processes of organic bananas through SURGESA S.A., worked in cacao, short-cycle crops and cattle ranching, and served as president of the Association of Cattle Ranchers of the Litoral between 2022 and 2024. That professional trajectory helps to explain a guiding idea: the development of Guayas begins by strengthening those who produce, and it is read from the reality of the people who work the land and live off it.

Rather than being defined from the provincial capital alone, priorities were set out in the territory itself — in meetings with mayors, parish-board presidents, producers and community leaders across the province's cantons. Those conversations placed damaged roads and blocked waterways on the same plane as seed, livestock and access to markets, and they ran through the problems that define the countryside: connectivity, access to water, productivity, marke-

ting, technology and exposure to the climate. In a territory where the gap between city and countryside runs deep, a road can mean access to a market, a canal can decide whether a hectare produces or is lost, and a prevention project can seem invisible precisely because it keeps the emergency from ever happening.

WHAT THE CENSUS REVEALED

Much of that agenda now rests on data. The province's first comprehensive agricultural census, conducted in 2025 — a survey compiled over seven months and updated through May 29 — counted 136,268 production units and 121,221 producers (65% men and 35% women), and mapped where the holdings are located, what they produce and how large they are. Rice is the most common crop, followed by cacao, while sugar cane, bananas and corn broaden a productive base that stretches from family farming to export chains and industrial processing. Guayas concentrates 76% of Ecuador's sugar cane, according to official figures, a crop that represents 8.26% within the province.

The count also laid bare the gaps. Nearly 80% of the production units were found to be smaller than five hectares, and close to nine in ten — 89.29% — had no farm infrastructure such as warehouses, packing houses or cold rooms, which leaves growers little room to handle or store their goods before selling them. Only 2.21% had carried out any kind of soil analysis. Far from being a filing-cabinet exercise, the census became a working tool for directing support

“From day one I said I came with a single flag, and that is the flag of Guayas.”

by location and activity, so that limited resources reach the producers who need them most.

A PRODUCTIVE PUSH: MORE THAN \$5 MILLION TO INNOVATE

In its first months of management, Guayas has combined certified seed, farm inputs, technical assistance and bovine genetic improvement to strengthen its small producers. More than \$5 million is currently being channeled into agricultural development and innovation across the province — against a total of \$13 million over the three previous years, according to management figures.

Part of the leap is technological. A drone-fumigation pilot program calls for an investment of \$1.1 million, with the capacity to cover 10,000 hectares and to benefit more than 7,000 producers — allowing the smallest farms to treat their fields without having to purchase the equipment themselves. In livestock, a genetic-improvement program is already yielding results: 947 calves born through embryo transfer and another 131 through artificial insemination as of 2026. And through Guayalma — a platform operated by the provincial public company Guayas Estraté-

gica EP — local entrepreneurs — tomorrow's business owners — are looking to reach new commercial chains and to move from occasional fairs into permanent retail channels, so that more of the value stays in the province. The premise is that the countryside should not compete on volume alone, but rather on efficiency, quality, innovation and access to markets — with technology serving as a tool that allows small producers to close the gap, not as a luxury.

'GUAYAS EN ACCIÓN': GETTING AHEAD OF THE FLOODS

The province's second front is prevention, and the arrival of the rainy season quickly turned it into a concrete need. Under the plan Guayas en Acción — Guayas in Action — work crews moved in to clear channels, remove accumulated silt from rivers and estuaries, reinforce protective structures, maintain roads and restore water-storage systems. The plan encompasses a total of 517 mitigation works distributed across 18 cantons and 37 work fronts. In Jujan, one of the areas historically most exposed to flooding, teams worked along 27 kilometers of canals and rivers. Guayas earmarked \$8 million for prevention work and holds another \$46 million in reserve for response and reconstruction, betting on having resources available before the next emergency puts its communities to the test.

The most important figure, however, is not a number at all, but a change of logic: prevention is meant to become a permanent policy rather than an occasional reaction after a flood. For a province whose economy depends so heavily on the land, staying ahead of the winter rains protects far more than homes — it protects crops, roads, productive infrastructure, irrigation systems and family economies.

WATER AS A DEVELOPMENT POLICY

That logic points to a third front: water as strategic infrastructure. Guayas has around 759,000 productive hectares, but only a portion of them currently has access to irrigation, and closing that gap will demand planning, investment and technology. The update of the Provincial Irrigation and Drainage Plan, Vision 2030 — first approved in 2023 — is being rebuilt together with producers, irrigation boards, academia and international organizations such as the Inter-American Institute for Cooperation on Agriculture (IICA), treating irrigation and drainage as a single system, designed to cope with drought and heavy rain alike. Tools such as laser leveling seek to make better use of every drop of water, under a line the province keeps repeating: the goal is not only to produce more, but to produce better.

Those intentions are beginning to carry price tags. Guayas announced a credit line of \$115 million with the BDE, the Development Bank of Ecuador, including an initial \$60 million preapproved for two hydraulic schemes: one in Naranjal, to serve 2,500 hectares tied to the La Molienda de Paují irrigation board, with two dams on the Chacayacu River and 20 kilometers of canals; and a broader intervention around Pedro Carbo, where some 9,000 families spread across five cantons stand to benefit from 134 kilometers of desilting work on rivers and estuaries.



ANA MARÍA GALLARDO
VICE-PREFECT OF GUAYAS

CARLOS ENCALADA VILLACÍS
PREFECT OF GUAYAS

A BASIN THAT DOES NOT END IN GUAYAS

The creation of the Commonwealth for the Integral Management of the Guayas River Basin lifted the discussion to a larger scale, bringing together seven prefectures around a water system that ignores administrative borders and reaches, in equal measure, production, cities, ecosystems and the national economy.

If sediment comes down from the upper parts of the basin, prevention has to begin there; if deforestation and soil loss alter the way water behaves, the response has to reach those causes. The debate, seen through this lens, goes well beyond dredging: dredging may be necessary, but only as one piece of a comprehensive strategy that also weighs the upper basins, conservation, drainage, governance and financing.

With the backing of CAF, a Spanish consultancy now has 12 months to design a 20-year master plan that is expected to establish environmental baselines, set up a water-quality monitoring system and identify at least 10 projects capable of attracting financing — so that the basin stops being attended to only when it fails, and becomes instead a standing priority of national planning.

THE RIVER BASIN IN NUMBERS

Roughly 34,500 square kilometers in area.

About 13% of Ecuador's national territory.

Around 8.7 million people are linked to it.

Some 52% of the country's population.

Close to 50% of national GDP, according to institutional data.

CONNECTING FARMS TO MARKETS

Roads are what close the loop between field and market, because production without connectivity loses ground.

A \$100 million World Bank loan is financing the rehabilitation of seven rural routes and the construction or upgrading of eight bridges, with more than 24,000 daily users expected to gain more reliable access during the months of heaviest rain.

to protect, technology to improve and markets in which to grow.

A VISION BEYOND THE MANDATE

The province's bet is to align productivity, water, infrastructure, prevention and innovation within one single territorial policy. The social component will carry just as much weight, because the goal cannot be simply to produce more; it also has to open better opportunities for the people who live off that production.



CARLOS ENCALADA VILLACÍS
PREFECT OF GUAYAS

Those links connect the producing zones with processors, distribution centers, ports and export corridors, giving infrastructure a dual role to play — in rural development and in the province's broader logistics economy. The aim is not a collection of scattered works but a network in which the whole territory functions as a system: water to produce, roads to connect, prevention

That conviction underpins the Mobile Preventive Care Brigades, in which a full deployment of services sets itself up in a community, parish or canton to reach those who need it most — offering free medical care with medicine delivered on site, fumigation, veterinary services, and breast and eye ultrasound screenings, among others.

“Don't see me only as prefect; see me also as a producer and a cattle rancher who wants to support Ecuadorian agriculture. Our intention will always be to stand alongside farmers.”

The real test now is to turn this first stage into a policy that outlasts a single term of government. Because in Guayas, the future is not decided only in the cities. It is also decided in a canal that has been cleaned before the rain arrives, in a road that allows a harvest to get out, in a hectare that manages to produce with less water, in an entrepreneur who finds a market, and in a basin that is protected before its deterioration becomes irreversible.

That is the challenge Guayas has set for itself: that producing more, preventing better and protecting the territory should all come to add up to one single thing — delivering for the province, and being judged on results rather than on promises.

“The Guayas River basin is Ecuador's most important strategic asset — and the Pacific's as well.”

