Celag
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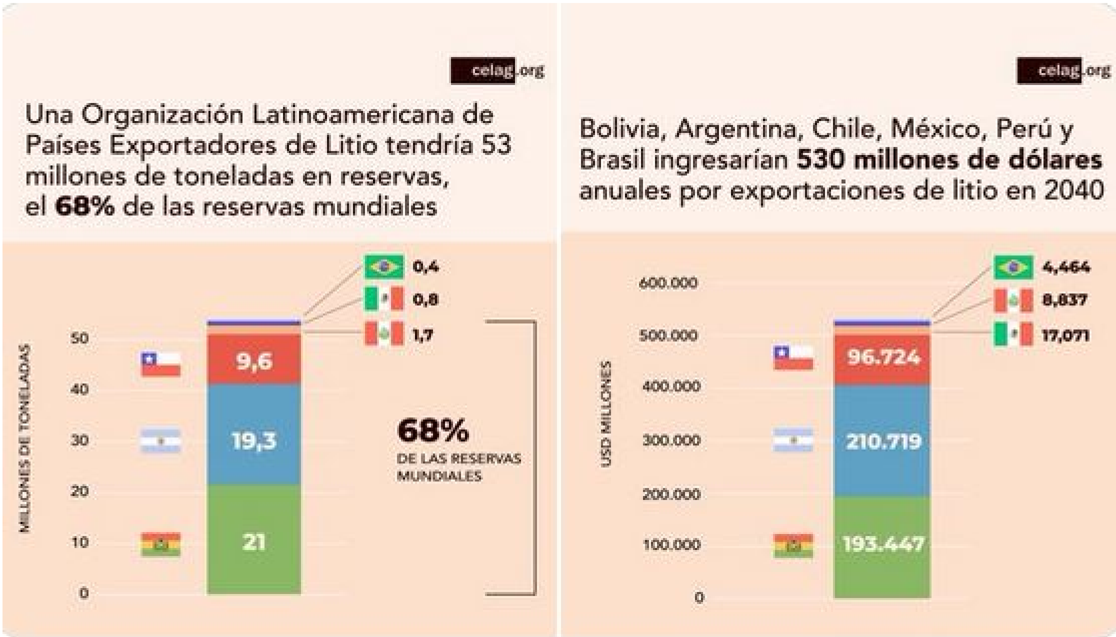
Towards a Latin American Organization of Lithium Exporting Countries (OLPEL)

Latin American integration around lithium is not only possible, but necessary economically and geostrategically



How important is lithium for Latin America?

- The climate emergency is leading rich countries to accelerate the energy transition, with the consequent demand for new minerals: global demand for lithium would increase 42-fold by 2040. In this scenario, Latin America has much to gain if it integrates, and much to lose if it advances in a process of balkanization of lithium in which each country "does its own."

- By 2022, Bolivia, Argentina and Chile concentrate more than half of the world's reserves of this mineral (64%). If we add to these those of Peru, Mexico and Brazil, countries with less potential, Latin America dominates 68% of the world's reserves. Therefore, it would hold the key to a new geoeconomic scenario in terms of energy transition and a secure source of foreign exchange for the functioning of its economies. According to CELAG estimates (see annex 1), by 2040 lithium exports would reach USD 530,000 million annually in these six Latin American countries: in Bolivia they would amount to USD 210,719 million, in Argentina to USD 193,477 million, those of Chile to USD 96,723 million, those of Mexico to USD 17,071 million, those of Peru to USD 8,837 million and finally, those of Brazil to USD 4,464 million. By 2040 lithium would become the main export product of the big three producers: it could account for 81% of total exports.

Integration: a historic opportunity

- The only way for the region to properly take advantage of this economic advantage is for it to negotiate as a bloc by creating a Latin American Organization of Lithium Exporting Countries (OLPEL).
- It should be made up of a central nucleus (Bolivia, Argentina and Chile), to which should be added Mexico, Peru and Brazil that, although today they do not have such important proven reserves, would be central actors for the transfer of technology and for their geopolitical weight.

- The integration at the supra-State level of these six countries could be landed in two phases:
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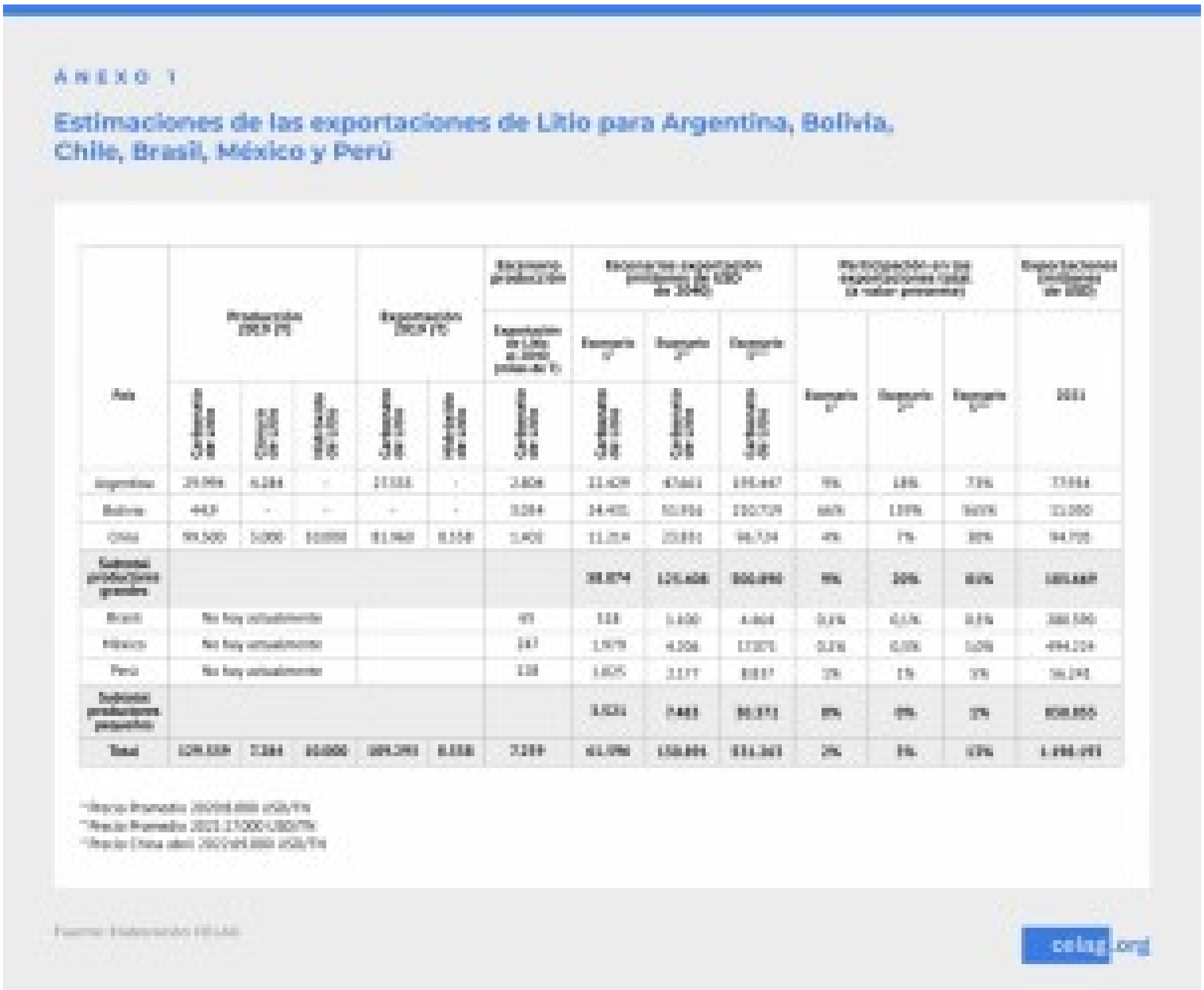
- Short-term phase: the signing of a founding agreement/treaty where the basic strategic premises, the roadmap, the operating rules, as well as the main points of coordination and articulation are established.
- Medium-term phase: signing of a multilateral convention/treaty establishing a permanent regional coordination and coordination body in the form of a cartel with a common policy on prices and production and technology transfer as a priority.
    - It should be registered with the UN Secretariat for recognition as an international organization. The adoption of this convention, given the existing national regulatory frameworks, would not require constitutional amendments because no transfer of sovereignty to the supra-state body is needed.



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