

Mining and Economic Development in the Province of San Juan - Argentina

Adriana T. Gonzalez
Universidad Nacional de San Juan
Argentina
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SAN JUAN



POPULATION

- 681.055 inhabitants
- 1,7% of the total of Argentina
- 1,06% foreing-born
- 1,6% population with aboriginal ancestry
- 73% of the population living in 1,2% of the territory (oasis and valleys)

ECONOMY

- Wine industry
 - comon and fine wines
 - grapes for industry
 - grape paste
- FRUIT PRODUCTION
 - olives, table grapes
 - melons
 - damasks
- VEGETABLE PRODUCTION
 - onion, garlic,
 - asparagus
 - tomatoes
- **MINING**

(80 per cent of the territory covered by mountain ranges, with less than 5 per cent of arable land suitable for agriculture)

GUALCAMAYO MINE (Yamana Gold)



- It is estimated to produce 90 million tons gold ore
- Operability: 10 years

YACIMIENTO VELADERO (Barrick Gold)



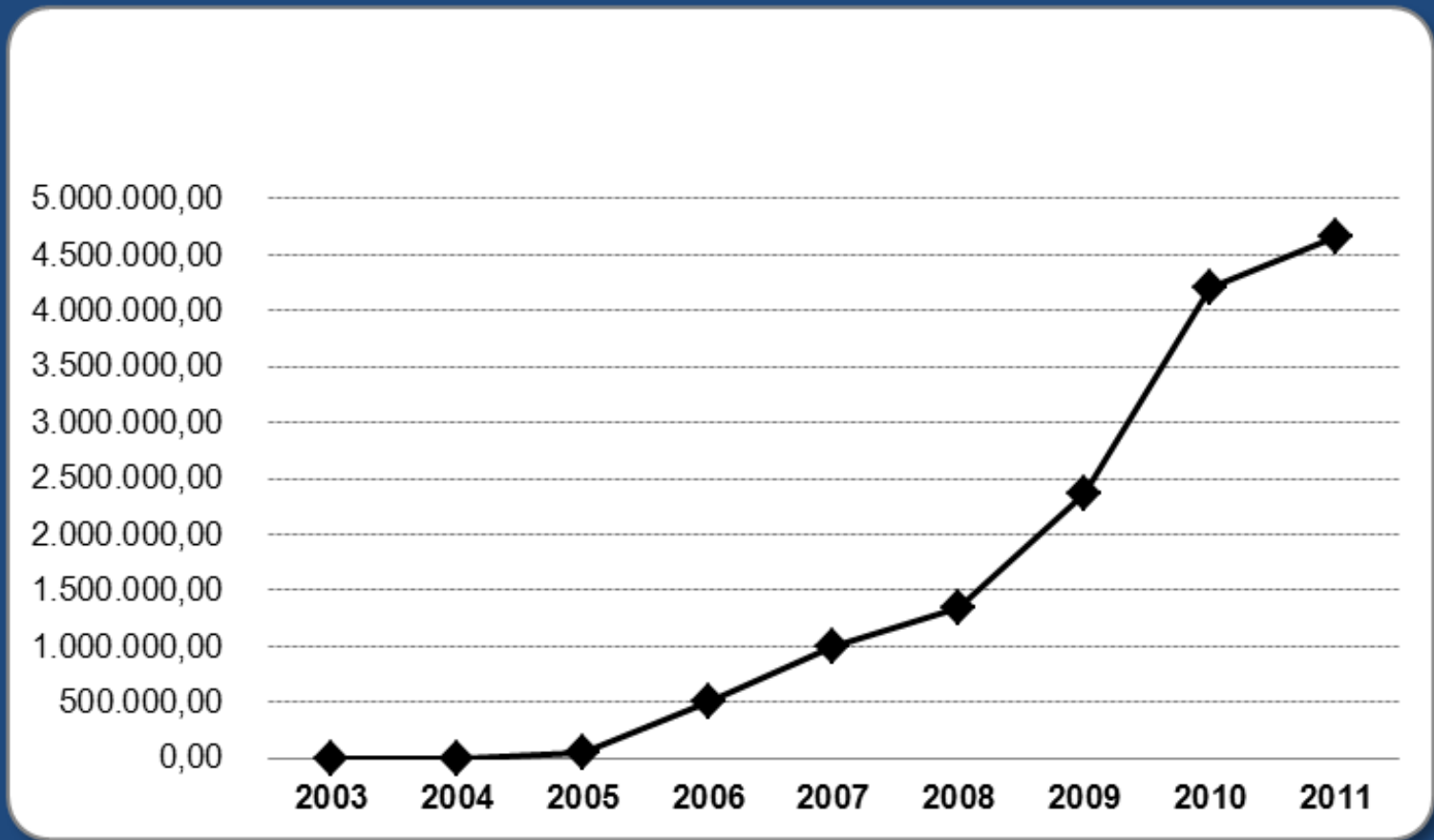
- Estimated reserves : 11,1 million ounces of gold
- 169 million ounces of silver
- Mineral reserves: 317 millions of tons
- Operability: 15 to 17 years

PASCUA LAMA



- Exploitable reserves: 25 million ounces of gold
- Operability: 25 years

Metalliferous mineral production in the province of San Juan in ounces



Employment (2011)

- Economically Active Population: 187,000
- Employed population : 173.000
- Unemployed: 14.000 (7,48%)
- Self-employed & business owners: 71,000
- Salaried employees (state + private) 102,000
- Direct mining employment, 7,371
 - including mining contractors
- Mining total indirect impact: 22,113

Hiring local businesses

- Services:
 - architecture and engineering
 - legal advice
 - consultancy
 - transport
 - cleaning Services
- Manufacturing:
 - metal or metalworking products

TAXES

NATIONAL TAX

Retention exports (5% to 10% on the final product exported)

Tax on bank transactions (1.2% of the firm's banking movement)

Income tax (35% of net earnings)

PROVINCIAL TAX

Stamp Tax (2% of total contracts made)

Construction rate (0.5% of the value of civil construction and 0.3% on electrical installation, then upgraded to 1.5%)

Rates of commerce and industry (municipal)

Canon mining (fixed amount)

Provincial royalties (3% final production)

Infrastructure Trust Fund (1.5% final production)

Payment IPEEM Fund (0.75% final production)

Mining and... what economy development in San Juan-Argentina ?

- Growth or Development?
- Lack of State's Development Policy
- Be happy to have little than to have nothing?